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Kabylia's unarmed insurrection

16 July 2001, by **Chawki Salhi**



In an Algeria numbed by the dizzying cruelty experienced during the bloody years of a brutal war and battered by the program of economic dismantling demanded by the International Monetary Fund (IMF) in the name of the imperialist creditors, despair was everywhere.

The Kabylia revolt started around two completely ordinary incidents under the state of emergency in a country where deaths are counted in the tens of thousands and the 'disappeared' in the thousands.

At the end of April, a young high-school student, Massinissa Guermouh, arrested at random, died in the police station at Beni Douala (near Tizi Ouzou), while at the same time, the police in Amizour (near Béjaia) removed three youngsters from their school and mistreated a teacher who opposed this violation. [1]

In a rebellious Kabylia, spared by the Islamist wave, and which on its Bédjaoui side practically experienced neither the war nor the despondency of the post-war period, the response from the youth was of an extraordinary radicalism.

Like a powder trail, the revolt spread to the entire Kabyle area, over seven wilayas (departments), expressing the

hatred of hogra (an Algerian expression meaning to be excluded and held in contempt), the rejection of poverty and denouncing the murderous regime.

The demand for the recognition of the Tamazight (Berber) language is always present but social slogans are to the fore, contrary to the strongly identity-based explosion of June 1998, at the time of the death of (leading Berber singer) Lounes Matoub. The youth in revolt attacked all the public buildings, all the symbols of the central State and all the dignitaries suspected of corruption, but they also attacked the symbols of the parties - the Front of Socialist Forces (FFS) and the Rally for Culture and Democracy (RCD) as well as those of the establishment National Liberation Front (FLN) condemning their appalling municipal management, their membership of the liberal consensus and their bourgeois political practice.

Youth besieged police buildings, set fire to police residences and exhausted the reinforcements of riot police, in spite of their use of live ammunition. At the end of 40 days, there were 60 dead and hundreds wounded. The regime announced nearly 3,000 wounded, the majority among its own troops. Doctors testified that the majority of victims were shot in the back and that the snipers shot to kill.



Police officers acknowledged on television that the repressive forces were operational only during the first week, being satisfied thereafter with protecting their quarters, their residences and their families from the popular anger. A police spokesperson admitted to demoralisation and there are reports of desertion or self-mutilation in order to flee the confrontations.

Revolt against poverty

With 50% of the population below the poverty line, 30% unemployment, an economic structure in the course of collapse and the impending privatisation of the rare profitable sectors (oil, telephones), the neo-liberal policy imposed by Algeria's creditors has brought youth to despair while for the working class dismissals amount to hundreds of thousands and the retired are threatened with non-payment of their insufficient pensions.

To implement this unprecedented aggression against the Algerian people, to carry through this process, which will restore to imperialism, hydrocarbons, electricity, the mechanical engineering industry, the

airport in Algiers and the management of the luxury hotels, a malleable regime was needed - rendered incapable of defending local interests against re-colonisation.

However, this regime should be able to come down with an iron hand on a population with a populist tradition in order to subject it to the new norms of capitalist exploitation.

Supported at the beginning of his reign by an immense popular hope around its promises of a return to "the golden age" of the 1970s and the populist dictatorship of Boumedienne, President Bouteflika had the political means to impose this wrenching turn on the people. This is why the Europeans and the US support him.

The Algerians had, as a whole, consented to his national concord and his amnesty for Islamic war criminals. Kabylia had not erupted in September 1999 when he had dared to say in Tizi Ouzou that the Tamazight language would never be official.

Bouteflika's aggressive authoritarianism sought to remove all those who dared to express their social distress. Acting like a megalomaniac, he had prohibited the political parties from access to television, which he reserved for his own expression. The managers and administrators of public companies were put on the defensive, demonstrations and strikes were threatened by police deployments and the military hierarchy was publicly accused of corruption. Dreaming of changing the Constitution to increase his power, without really knowing how, he tried to concentrate everything in his hands.

Indecisive, Bouteflika has for two years fed us with erudite and useless declamations, travelling the world to request improbable massive investments in a country where "everything is up for sale" in the words of the then economy minister Temmar.

While higher oil prices doubled public income, social conditions did not cease to worsen and society threatened to break down. While the discrediting of the representative parties weakened

the institutions, restrictions on popular expression turned the page on the "democratic" opening conquered by the popular explosion of October 5, 1988. The regime was deprived of any security valve.

Riots to popular organisation

From the first days, in the Béjaia region, the education workers' union tried to organize the protest and called for a demonstration on April 28 in Amizour. Immediate repression led to violent confrontations.

The attempt by the FFS, the principal Kabyle party, to organise a meeting in Béjaïa fell flat, because the youth stoned the speakers, while the attempt at a march initiated by its members was dispersed by the immense procession of young rebels. Everywhere, throughout Kabylie, village committees were set up which multiplied initiatives, marches and delegations to the authorities.

In Béjaia, the economic metropolis, and in the valley of Soummam, more urbanized than upper Kabylia, in this area where the Socialist Workers Party (PST) has traditionally been strong in the social movements, the most interesting process unfolded. A co-ordination was built around the teachers trade-union, involving village and neighbourhood committees, trade-union structures and a university collective.

Within the grass roots structures, for the most part set up by left activists, there was insistence on the integration of young people who were more representative of the popular anger. This organisation, which progressively extended its representation to the immediately bordering wilayas, continues the tradition of the village committees of 1980, the gigantic mobilisations of the Berber Cultural Movement of 1989 to 1993, or the front against poverty in 1991.

In July 1998, the young rioters revolted by the assassination of Matoub Lounes set up the forums of rebels for freedom, directed by the

current leaders of the popular committee of the wilaya of Béjaia. This committee tirelessly repeats its calls for demonstrations in spite of repression. Thus on May 3 it said: "Our march was repressed in blood and was stopped but our determination remains to impose the withdrawal of the police from all the areas and communes which demand it, to impose our right to march, to have work and housing and to pursue the Amazigh combat in all its dimensions. We call on all citizens to designate their representatives in all the neighbourhoods, villages, factories, universities, schools. We call for a general strike, except for transport, on Monday May 7 and for massive attendance at the popular meeting". [2]

On Monday May 7, after the meeting seen on the TVs of the whole world, an immense procession of tens of thousands of people passed through the streets of Béjaïa, deserted by the police. The right to demonstrate was reconquered by Algerians. But as far as the media was concerned, the demonstration of April 3, called by trade unions and popular committees was described as "disorders in Béjaia", that of May 7 as "a small event". Occasionally it would be announced that the organisers were "former far left militants", without further precision. However certain Arabic-language newspapers mentioned the PST.

Co-ordination at Tizi Ouzou

In Tizi Ouzou, the symbolic capital of Kabyle resistance, the radical youth does not find in the preceding generation militant personnel full of left-wing traditions.



The structuring has come later, the degree of representativeness is imperfect, the debates are less rich, but eyes of the press and the elites are on Tizi, the historical centre of the Berber movement. Contradictory calls for strikes and protest actions initially

sowed confusion.

Then, an initial meeting took place in Beni Douala, to honour the memory of a murdered youth. The village committees which have been set up virtually everywhere decided to federate by tribe (Aarch, plural Aarouch), stressing ethnic identity rather than the social aspect and founding their co-ordination in Illoula around a platform which does not give much place to social concerns. [3]

The youth have succeeded with difficulty in being accepted and integrated into the neighbourhood committees. The immense march on May 14 in Tizi Ouzou, established the representative nature and leading role of the coordination of the aarouchs, even if the youth maintained some distance from the organisers.

A march of 10,000 women in Tizi expressed eloquently a rejection of the patriarchal universe built on the right of seniority and the exclusion of the women. The women of Béjaia and Azazga also demonstrated in the thousands.

The demands of the demonstrators and the committees are, in Béjaia as in Tizi, the withdrawal of the police and anti-riot militias, a second sitting of the baccalaureate examination, the punishment of those responsible for repression, the satisfaction of social needs, and Tamazight as a national and official language.

Movement of self-organisation

This movement of popular self-organisation was supported by a student mobilization in Oran (a city in western Algeria) and Algiers, the capital, which is also the largest Kabyle city (just ahead of Paris).

Symbolic in Oran, although it constitutes the hard core of the democratic expression there, the student mobilisation, initiated by a coordination of autonomous student committees, was decisive in Algiers.

Competing, on May 3, with marches called in the capital by the apparatuses of the FFS and the RCD,

the students held their own, courageously, in spite of a hundred casualties, with an impressive police presence.

The following day 10,000 of them, acclaimed by the population, went to the government palace where they read out their platform to the television cameras. It was small beer compared to the bloodthirsty drama in Kabylia, but it nevertheless had a considerable importance.

The spectre of the extension of the revolt to the inhabitants of Algiers paralysed the regime and to some extent reconciled the Kabyle youth with their country. Several neighbourhood committees were set up by the inhabitants of Algiers. The demonstration at Ain Benian ended in confrontations. A local coordination prepared the liberation of the 'Club des Pins' (a tourist zone reserved for the dignitaries of the régime and off-limits to ordinary citizens). A national inter-wilayas coordination was set upon June 7 and announced a march on Algiers for June 14.

The debates on platform confirm the lack of synch between the structures of Tizi with the concerns of the youth in revolt but unity was achieved on a common minimum by restricting the democratic and especially social concerns.

The aarouchs do not intend to replace the political parties. Thus, out went the demands for freedom of the press, women's rights, the maintenance of free medicine and public education, employment and housing and the lifting of the state of emergency. This retreat was necessary so as not to be cut off from the structures of the real movement but it offered us the chance for a splendid educational campaign around these slogans.

The gigantic demonstration of June 14 was the biggest in the history of the country although the mobilisation by the inhabitants of Algiers itself was disappointing. A further march is planned for July 5 [it was halted by the regime - ed].

The demand for the withdrawal of the police and riot squads has not weakened in spite of the renewal of

forces and the restriction of the police to their barracks.

For several weeks, committees have negotiated temporary truces, obtaining the withdrawal of the police force to allow the population to sleep for a night or two. At the time of the baccalaureate examinations, the police were rejected by the wilaya committee of Béjaia and were replaced by tolerated local police officers.

Because their position is intolerable, the regime prefers to withdraw its police from confrontation. In Béjaia, deprived of telephone communication, there is a threat to cut off electricity.

Everywhere citizens deal with the committees rather than the police. But the popular committees are not organised as a counter-power.

Certainly, their authority is immense and binding even on the representatives of the state but if the question of the monopoly of weapons arises in general assemblies around the question of the police, the committee does not organise itself like a local authority either on the administrative or on the military level.

It is primarily conceived as a committee organising around the demands, even if the collapse of the official institutions, the sympathy of civil servants and the support of notable local FFS and RCD politicians opens up this possibility.

For sure, the committees decree boycotts, requisition vehicles and order all kinds of work done without payment. In spite of an undeniable popular legitimacy and the unexploited availability of the turbulent strike force of the radicalised youth, the committees, embryos of dual power, are still far from posing themselves as an alternative.

The extension of the revolt to other areas, which have neither the tradition nor the depth of the Kabyle revolt, also leads to caution from a leadership concerned that the area should not be isolated. However, in the Kabyle cities deserted by the police and abandoned to the anger of the youth, a qualitative

step must be taken if the movement is not to collapse.

A regime at bay

The regime's initial response was with truncheons and live ammunition. They even dared to justify this on the grounds of the unavailability of rubber bullets. Bouteflika made an immense economic speech without the least word of compassion for the victims of the tragedy. He then flew to Nigeria to chair a meeting on AIDS in Africa.

But the determination of youth has not been blunted and this contempt consolidates it. The word was then given to the notables of the region to call for calm while the regime continued to attack the demonstrators.

Badredine Djahnine, the secretary-general of the teachers' union responded; "the regime is responsible, you want calm, stop repression, recognize Tamazight, give us work and housing".

After twelve days of violence, Bouteflika spoke finally, to say practically nothing. The regime tried to avoid the irreparable, to prevent a blood bath, which would generate a process of inescapable separation. But its police continue to fire with "normal" bullets, says an official anxious to deny the use of explosive bullets. The discontent continues to spread.

Breaking with the RCD, which has finally left the government, the regime tries to use the FFS as responsible interlocutor. Unfortunately the FFS-organised march in Algiers, which gained strong media coverage, did not interest anybody in Kabylia and the postponement of the baccalaureate (bac) exams in the region at the request of Ait Ahmed's party led to new demonstrations: "No to the

regional bac! For a second national sitting!"

With his fourth speech Bouteflika finally discovered the will of Kabyle youth to be identified with all the youth of the country and granted a second baccalaureate examination sitting to all Algerians.

Bouteflika announced that he would no longer seek intermediaries and would negotiate with the interested parties themselves and prepared to establish contact with the popular committees.

A new élan for the left

On March 28, the impressive general strike of the oil workers, supported by numerous sectors like the metalworkers, met with much popular sympathy. Bouteflika, discountenanced by the audacity of the workers, was forced to slow down the locomotive of neo-liberalism and to consider some measures of reflation of the economy.

One month later, the Kabyle insurrection began and upset all the political givens: it practically reconquered the right for all to demonstrate, in spite of the state of emergency.

The television has been partially opened up whereas Bouteflika had closed it to the opposition, the police have got water hoses and their firearms have been removed, high-school pupils throughout the country obtained a second session of the bac, three ultra-neo-liberal ministers have been dismissed or marginalised to make way for house apparatchiks. And Bouteflika even has some reproaches for those who wanted to sell everything off.

Hope has returned to the popular

masses. The regime's chauvinistic game of opposing Kabyles to other Algerians has no purchase now that all the cities of the East have seen demonstrations around the same social slogans and the same denunciation of hogra.

In the Arabic-speaking areas, the Islamists had expressed the revolt of the dispossessed. Their defeat is also the defeat of the people. The Islamic revolt's impotence and its barbaric practices discredited armed Islamists, Islamicism, the armed struggle and even the notion of revolt.

This demoralisation and distress do not affect the younger generation, who fulminate against an unjust social order and explode on the streets in Annaba, Constantine, Guelma, and so on.

If an organised framework is to be created, however, the absence of adult reference points similar to the Kabyle example will weigh heavily. However, the iron and steel industry in Annaba, the mechanical complexes in Constantine, the mining tradition in Tébessa, the ailing cycle factory in Guelma, have constituted the vanguard of the working class protest.

The challenge is to coordinate working class resistance, the growing revolt of the youth and the structured popular movement of Kabylia.

If the popular pressure does not succeed in imposing its own solutions, it will be used to implement one of the scenarios, which are now being discussed with the imperialist protectors.

They involve the dismantling and plundering of the public sector, the loss of social rights embodied in a labour code now decreed to be too rigid and a huge worsening of poverty in the name of competitiveness.

We will not let them get away with it.

Declarations of the Socialist Workers Party of

Algeria (PST)

16 July 2001, by PST - Socialist Workers Party of Algeria

1 - Algiers - May 1, 2001 - The revolt of the youth, the anger of a nation



The tragic expression of the despair of hundreds of thousands of young people faced with a repression of an unacceptable brutality is a timely reminder to the rulers that they cannot alone decide the fate of our people. The erudite machinations invoked here and there are no aid to understanding. One is right to revolt when the situation is revolting. The responsibilities also are clearly established.

Because who is responsible for the despair of this youth deprived of a future, without work, without housing, without social life, if not this policy which has cynically decided to implement the economic suicide and the social regression decided by the International Monetary Fund of the great powers?

Who has dared to reject "forever" the official status of Tamazight [Berber language spoken in Kabyle-ed.], rejecting the national membership of a whole community of our people? Who is responsible for the humiliating narrowness of the legal and peaceful means of expressing anger, if not this regime which denies freedom of demonstration even to the thousands of workers on strike, this regime which regiments the right of association and the formation of a party even to its former ministers, this regime which monopolises the public media and threatens the press?

Who is responsible for the absence of credible representation of popular concerns if not this regime which is bent on demolishing all the gains of October 1988 and dismantling the embryonic popular organisations to the benefit of colourless representations that it humiliates at its leisure within its discredited institutions, this regime which dares to challenge the right of Algerians to diversity of opinion on language and the place of religion and which denounces the legitimate struggle for the defence of the social interests of the popular majority (...).

After his support for neo-liberal globalisation, which contradicts word for word his initial populist promises, the late and vague promises of Bouteflika cannot satisfy us.

Since the regime claims to recognise the legitimacy of the revolt of the youth, it must satisfy their demands, which combine with those of the workers in struggle and those of the popular masses who are victims of hogra and poverty.

By announcing an immediate halt to the dismantling of the public sector and the national economy and a commitment to serious reflationary measures with a massive and urgent job creation dealing with urgent social needs. By working for the official recognition of Tamazight through immediate measures. By immediately lifting all the obstacles to freedom of expression, organisation, meeting, demonstration and going on strike. By inflicting an exemplary punishment on those responsible for the repression, identified by a rigorous and transparent investigation.

2 - Algiers - June 13, 2001 - All together against indignity and injustice!



All together against hogra [Algerian expression meaning to be excluded and treated with contempt-ed.] and poverty!

At a time when the youth of Khenchela, Annaba, Ain Fakroun and Sour el Ghazlane have just reminded us that hatred of hogra and poverty can be expressed in all the languages of the country, Kabylie prepares, this Thursday June 14, after seven weeks of unarmed insurrection, the most imposing human gathering in the history of our country.

After the massive strike initiated by the oil workers against the economic policy of economic dismantling and misery, the radical and unitary revolt of the youth of Kabylie against arbitrary repression and social contempt constitutes a major historical turning, because it testifies to the awakening of popular mobilisation against the bourgeois civil and military order.

Every day in the streets of our country the right to demonstrate, the right to self-expression are painfully being reconquered. And if the regime partially opens up its television, it still

prevents the public media acting as a public information service; if Bouteflika demotes the minister who wanted to sell everything and mumbles that he no longer wants to give away the factories for a symbolic dinar [Algerian currency-ed.], he continues to negotiate the liquidation of the public sector; if he buys water hoses for his thugs, he still does not understand that it is not "normal" to employ "normal" bullets against unarmed citizens which one is supposed to be protecting. As for the vague promises to deal with Tamazight later, they will not be enough for the man who dared to say "never" in the middle of Tizi Ouzou (...).

The militants of the PST, which undergoes, with the people, the social pauperisation implemented by the successive governments at the orders of the IMF and the great powers and which suffers from the dramatic

narrowing of the spaces of freedom conquered by the youth in October 1988, expresses solidarity with the revolt of our youth. Engaged, in the districts, the villages, the trade unions, the universities and associations, in the formidable process of self-organisation of the popular masses of Kabylie, the militants of the PST will demonstrate this Thursday on the platform of and behind the organisational frameworks recognised by the popular movement itself.

Today, joined by Khenchela and Annaba, the insurrection of the youth of Kabylie, which holds the attention of the whole of Algeria concerned with social misery and political oppression, will not stop there. It poses fundamental problems, like that of popular freedoms, the right to social dignity and dignity as citizens, the problem of armed institutions and popular control, the problem of the

bourgeois practice of politics and that of true democracy. And if the demand for linguistic freedom enjoys unanimous support, the struggle for the legal and social emancipation of the woman has begun. The struggle continues for:

- an economic policy to meet the needs of the popular masses;
- an urgent program which deals with the satisfaction of the needs of the population as regards education, health and housing through the work of our abandoned youth;
- the respect of popular liberties, freedom of expression, of organisation, of assembly, of association without constraint or agreement;
- Tamazight as a national and official language, alongside an Arabic closer to the language of the people;
- a political order at the service of the workers, the youth and the popular majority.

Pseudo debates, capitalist offensive

16 July 2001, by **François Vercammen**



German foreign minister Joschka Fischer began it in May 2000, showing unprecedented audacity in proposing a staged advance towards a federalist Europe. French president Jacques Chirac gave his reply a month later (June 2000), insisting on the role of the nation states. British Prime Minister Tony Blair pitched in from Warsaw (on October 6) raising the slogan of "Europe superpower yes, super-State no!" and making a powerful call for the historical unification of the continent. Three weeks later, Belgian Prime Minister Verhofstad returned the serve, emphasising the federalist tone of the future Belgian presidency of the EU (in the second half of 2001).

The debate reached its apogee when, on May 28, 2001, French prime

minister Jospin responded promptly to his German comrade Schroeder - who had not hesitated to use the platform of the conference of the Party of European Socialists [parliamentary group of social democratic parties in the European Parliament-ed.] to take the offensive by presenting an institutional flow chart so federalist that it came as a severe shock to the French political microcosm.



Jospin

Undoubtedly there are people today who also think that the debate is rich, polarised and interesting. It is nothing of the sort. Arranging the various speeches in schemas, and seeking the content behind the schemas, one notes that each protagonist carefully avoids answering the other, that the terminology and definitions vary

slightly from one text to the other and that the proposals are generally intentionally incomplete.

Dominique Moisi (of the French Institute of International Relations), organic intellectual of the French state on EU matters, does not beat about the bush: "the debate remains deliberately ambiguous. With good reason. It is only by wrapping political ambitions in an ambiguous vocabulary that one can arrive at a consensus in Europe (...) Far from promoting debate, the dominant preoccupation of the European leaders is maintaining popular support while remaining sincere on the future. [4]

Indeed, this pseudo-debate has served to fill space, be profiled, optimise a particular relationship of forces, hide true intentions or simply continue to get nowhere fast (according to the famous advice of former EU Commissioner Jacques Delors). That

does not mean that there are not genuine discussions in high places, behind closed doors. Or that what is said and written publicly is arbitrary. Quite simply, they do not want to clearly put their position and to submit it to the people! We can distinguish three rationales, which explain this voluntary opacity.

The weight of internal politics

There is, initially, the determinant weight of internal politics, in particular governmental stability and parliamentary elections.

The most obvious example is Tony Blair. From his election in 1997, he did not hide his ambition to play a leading role at the head of the EU, which would obviously involve monetary union.

However, faced with the scepticism and hostility of the people (big British and multinational capital being clearly for), he had to temporise and win a second term (now achieved).

Thus, for four years, he has dodged the question of the Euro, vilified European federalism, rejected any idea of economic government, demanded the purging of the Brussels bureaucracy, and opposed any EU intervention into capital-labour relations.

Schroeder is more at ease, but not without problems. In a recent text, he seems to favour an unambiguously federalist EU: the European Commission should become the government of the EU, the Council of Ministers would form a second chamber of Parliament, and the European Parliament would also play a full role.

Referring to the German model, he favours a redistribution of power to the regional level (with the renationalisation of agricultural policy). The media affect to be unaware that this text is a resolution of the Social Democratic Party for the parliamentary elections of 2002; it aims to cut the ground from under the feet of the Christian Democratic

opposition (CDU/CSU) while casting the net wide (among pro-Europeans and regionalists of the Lander-German provinces).

Moreover, Schroeder, as head of government, did not even defend this text at the congress of the Party of European Socialists, which moreover did not centrally debate Europe! [5]

There are other examples demonstrating the extent to which the politicians' futilities can override the fundamental needs of the dominant classes. Thus, Jospin was frankly put out by the publication of the German position on the eve of his own declaration on the EU. This was reflective, coherent and fairly complete, certainly the most serious of them all. It is a real attempt to trace an institutional flow chart in synch with the current degree of "Europeanisation" of the various societies and the major problems that have to be resolved immediately. If it lacks vision, as the European journalists complain, it is at least relevant.

Moreover, even before (!) the British elections of June 7, Denis MacShane (MP and adviser to Blair on European affairs) said that from the political and institutional point of view Tony Blair was on the same wavelength as Jospin! [6]

And he concretely entered a possible agreement: a close collaboration of nation-states as the basis of the EU; reinforcement of the councils of ministers who lead European policy; the association of national Parliaments in monitoring policies - an idea of Blair's taken up by Jospin.

The word "Constitution" causes problems in Britain, but if, instead, one called for, let's say, a Charter of Competence, there would be no longer a problem. That didn't stop Blair making a discreet request to Jospin to put off his speech until after June 7, so that the formula of a Federation (!) of nation-states would not jeopardise the result of the British elections!

All this obviously stands in the way of an objective, broad and well-argued debate, the development of a vision, and, especially, the participation of

the public.

The rivalries between states and their clienteles

The second rationale disturbing the debate is the rivalries between (large) countries and their need to impose in practice the interests of their respective states or bourgeoisies, while protecting the existing framework of the EU. Nice is the example that will remain in the history of the EU. To arrive at equitable decisions it is necessary to share representation in the Commission, the Council of Ministers and the Parliament equitably between member countries.

Starting in advance from clearly objective criteria, discussed publicly and adopted democratically, the approach is completely legitimate. It becomes sordid only from the moment where all is carried out in opacity, in terms both of the rules of the game and the criteria.

In fact, the relationship of forces is the fundamental rule. The governments of the various countries (especially the large ones) sustain themselves on a cocktail of "nationalism" and "Europeanism". And alliances are needed to gain majorities or, still more difficult, unanimity.

Until 1989-90, the famous Franco-German axis, legitimised by the calamitous history of the 20th century, had constituted a stable centre of gravity in the EU, reconfirmed at the foot of the Berlin Wall by the Kohl-Mitterrand agreement on the Euro.

However, since the mid-1990s, seasickness sets in. The cause is the new dynamism of the EU and the beginning of a true supranationality, that is an abandonment of national sovereignty (the management of the single market and the Euro). Hence a new question which from now on underlies the whole development of the EU: who controls supranationality? And, consequently, what extension should it be given?

Thus is opened the era of specific

coalitions between governments. With this paradox: the stakes grow, and with them, the instability.

Blair opened a breach in this apparently solid axis by forming an alliance with Schroeder, under the aegis of the third way. Admittedly, at the beginning it constituted an ideological document. In reality, it was just as much intended to be the constitution of an Anglo-German intergovernmental axis directed against France and Jospin.

Jospin's European isolation over a period of some two years gave a new impetus to neo-liberalism in the EU, because the French government had to protect itself from an awakening social movement.

The new Franco-German rapprochement pushed Blair to form an offensive neo-liberal alliance with Aznar (Spain) and Gutterrez (Portugal), with Amato (Italy) supporting them more discreetly: Schroeder approved but without committing himself; Jospin resisted.

That allowed the adoption of the agenda of big business at the Lisbon Summit. Blair's triumph was celebrated in London (and, more discreetly, in the boards of directors of the big multinationals).

Germany is always obliged to hide its economic power behind masks. That of European federalism suits it well: it conceals German-national ambitions and allows the weaker countries to be carried along.

The chaotic and arrogant behaviour of Chirac reflected well on Schroeder, master of the future orientations of the EU, paradoxically allowing him to draw in the smallest countries (Belgium, Luxembourg, Netherlands and so on). Chirac boasted pathetically that France had succeeded in concluding a historic treaty.

An undisclosable goal

The third rationale which prevents a real and democratic public discussion is that the true goal of the EU cannot

be disclosed to the people and the working classes of Europe: to create a supranational state apparatus at the service of the big European capitalist groups.

The Europeanist elite regrets it! Suddenly, the dominant classes have a big problem in imposing sacrifices on their people to get the material means for the implementation of this policy. However, an attempt in this direction had begun in the midst of the "humanitarian war" in the Balkans.

At the time, Europe as great power seemed a good substitute for the slogan of the social Europe, completely contradicted by the brutal neo-liberal policy. But the EU is not the United States! On this level Blair, the sabre-rattler against Iraq and Serbia, is certainly the most at ease. Hence his leitmotiv: yes to the EU as superpower, no to the super-state!

France is already less affirmative and hides readily behind its universal values, playing militarily on the anti-American string. What about Germany? It has succeeded, thanks to the support of the Green ministers, in sending its army outside its frontiers for the first time since 1945, but it is some way from being able to openly remilitarise. Its history haunts it. With its enormous economic weight, demanding a powerful Europe sounds suspect ...

The popular problem of legitimacy for the EU as it exists and projects itself is very real.

The proof of it is Ireland: its economic miracle is running into disaster. Inundated with subsidies, state of the art technological investments, exemptions and exceptions that have made it the most dynamic country in the EU with an amazing economic growth.

It is also the country of flexibility run amok, of galloping social inequality, uprooting of communities. The Irish people have used the referendum that the Irish government (and all the EU) thought to be won in advance, to reject neo-liberal policies, to defend the pacifist tradition, to defend their way of life.

This spectacular rejection led, as could have been expected, to the arrogant reaction of the heads of the EU: the train will not stop, we continue! The despotic and manipulative logic of the EU is infernal: incapable of calling on the people to settle things democratically, it can only advance by media manipulation, lies, and secret diplomacy.

There are real dissensions and conflicts on real questions of power and material interest, but also real agreements on the broad outline of the EU's institutional framework and its desirable evolution.

The enlightened elite

First of all, there is a basic (unstated) agreement, to exclude the people from the democratic right of deciding on the EU's social and political nature, and its institutional structure. The maximum democratic choice that would be allowed is a referendum at the end of the process.

Moreover, even that will depend on the country, because in general it is national Parliaments who decide, quickly and without making much noise about it.

Instead, there will be advertising campaigns and a pedagogic approach: the enlightened elite will explain to the people who do not understand yet. In any case, the real constitutional and constitutive question will not be debated: how do the people of Europe want to live together?

All this is completely in conformity with the text of German foreign minister Joschka Fischer in May 2000. He envisaged a kind of democratic assembly (more or less decision-making) after the completion of European construction (in 10-20 years). Jospin, in his text, mentions the word democracy a total of four times.

But in the decisive chapter, the European institutions are to gain in coherence and effectiveness, not in democracy! What is envisaged is a European convention (designated by

the governments, national and European Parliaments and civil society) to debate, the decision remaining in the hands of the states with ratification by the peoples (through a take it or leave it plebiscite).

The text of the German SPD (attributed a little too quickly to Schroeder) proposes to organise a public discussion on political objectives (excluding the other objectives, social for example) of the EU, on the structures and the mechanisms of decisions. Where and how? Within the national Parliaments and the European Parliament.

A consensus emerges nevertheless in high places, on the urgency of addressing what is modestly referred to as the democratic deficit. The institutions should be more transparent and democratic. However, it is by no means about a reproduction of the current national parliamentary models.

The proposals advanced in fact recognise the indigence of the current European Parliament. The easy way would be to complement the current European Parliament with a second chamber made up (of a selection) from national Parliaments.

The proposal of the SPD, which envisages the transformation of the Council of Ministers into a second chamber of the European Parliament, appears highly eccentric.

What Jospin proposes is not a Parliament which adopts laws, votes on the budget, sanctions the executive, debates on all the fundamental and current problems of the societies and intervenes in everyday life. It amounts to a fusion between the directly elected European Parliament and the national Parliaments in their entirety, forming a kind of European congress which would define the main trends of European policy, and which would meet once or twice a year!

A supranational

leadership

The real problem for the European dominant classes is to create a supranational structure of leadership, capable of deciding and acting quickly in a dangerously unstable world in the essential fields of a state. To give this task to the Commission (by definition supranational!) is in contradiction with the inter-state nature of the EU.

It is true that big Capital insists on the role of the Commission, because this latter is its privileged interlocutor (for lobbying, in particular the writing of European directives) and it is directly in charge of supervising the correct operation of the single market.

But the true objective of the EU, including the big capitalist groups, is to reinforce its daily state policy in the EU and the world. That necessarily implies a supranational capacity starting from an intergovernmental mechanism.

It is the road that the Council (of ministers) and the big states have recently taken by designating Xavier Solana, as their high representative for foreign affairs (Mr CFSP, for common foreign and security policy).

That leads to frictions with Chris Patten, the member of the Commission who deals with the same area. Recently, the Belgian finance Minister, Reynders, has (re)proposed, by analogy, the designation of a Mister Euro, high representative of the Council of Ministers, as interlocutor with the European Central Bank and spokesperson of the Council of Ministers of Euroland [EU countries subscribing to the common currency, Euro-ed.].

Of course, if these two characters were also Members of the Commission (as Prodi has tactically proposed), while remaining responsible before the Council, which has Executive authority, and if these types of nominations multiply (for example for defence and the future European army), the Commission would be absorbed or at least dominated by the Council. It would have an oddly hybrid composition.

The problem is not abstract any more: the first test, and it is a serious one, is control of overall economic policy, in turbulent times. On this level, the vacuum is worrying from the point of view of the bourgeoisie. This latter could intervene more quickly than is thought if the Euro were in difficulty.

The European Central Bank (ECB) is limited formally to control of inflation. It is a strong supranational structure, strictly independent of the political structures of the EU. Which also means without guarantor on the institutional political level.

There is certainly Ecofin (the Council of Finance Ministers), which watches over and can penalise the governments, which deviate from the Maastricht criteria and the stability pact.

But from the legal point of view, it has nothing to do with the ECB, which concerns only the members of the monetary union (i.e. excluding the United Kingdom, Denmark and Sweden). Hence the creation in improvised style of a council of 'Euroland'.

However, economic policy remains decentralised. Some of its components, like competition and trade policies, are dealt with at community level (or the Commission handles them).

On the other hand, the Council of Economic Ministers decided, (in 1997, following the demonstrations in Amsterdam against the new treaty) to found a co-ordination on the application of labour market reforms (the 'broad guidelines for economic policy') and by a strong checking mechanism (peer pressure, that is the agreement to bend voluntarily to the pressure of fellow ministers). But confined to the checking of reforms, it is not comparable to an economic government able to respond with an overall coherence.

A small constitution

Another point on which there is consensus is that a Constitution is

needed for things to function well. Suddenly, a taboo has been broken. The British are horrified by the idea, given that they have always survived without a written Constitution. For the French, a Constitution makes sense only in connection with the existence of a nation, non-existent on the European level ... Pragmatism seems to carry the day.

There will be a rationalisation of what EU jargon calls the "community patrimony". This set of rules in force in the EU - 80,000 pages! - covers everything from the fundamental rules of the EU to the measures of application of agricultural policy and the single market.

This little constitution would cover values, the sharing of powers between the various levels of decision-making, and, more generally, establish a consistency in these thousands of standards. It is not obvious that the values are assimilated to inalienable rights, with all their implications!

But it is already understood by its defenders that this European Constitution - undoubtedly a historic first! - should not be democratically subjected to a vast debate in a constituent assembly, elected by all the peoples of Europe, who send their mandate(s) for debate and discussion at the European level and then decide each in their own country on definitive adhesion to the Constitution proposed for Europe.

The public pseudo-debate, the chaotic aspects of certain summits, the incoherence of the European institutional structure, a very embryonic consensus between governments which does not succeed in concretising an institutional project, and a limited and precarious legitimacy, all this should not induce an error: the EU has succeeded in constituting the biggest single market in the world, accompanied by a monetary union.

Its supranational construction is only just beginning. It is neither finished nor consolidated, but neither is it fragile to the point of being shipwrecked by the first storm, as some on the radical left still think.

It is then necessary to grasp the significance of the leap that the EU is preparing to make in the two coming years: enlargement to the east (from 2002 or 2004), the introduction into circulation of the euro (at the beginning of 2002), the establishment and possible activation of the Rapid Intervention Force, the completion of the single financial market, the continuation of large scale privatisations in energy, telecommunications, the post office, transport ... It is this evolution which will be determinant in settling the conflicts between governments and shaping the evolution of the institutions of the EU. Unless the social movements throw a spanner in the works.

This new widening and deepening of the EU will take place in an economic and socio-political situation clearly different from that of the last ten years. The economic conjuncture is slowing down and could be transformed into recession, the first of the total economy, according to the British weekly magazine *The Economist*. Already - and more quickly than in the past in the cycle - the big companies are resorting to restructurings and massive dismissals to protect profits and defend their stock exchange capitalisations.

Social resistance is sharper, more visible and more consistent than in the years 1985-1995. Will we see a repetition of the sequence 1980-1990: international economic recession (1980-81), launching of the single market (1987-1993) and the Euro (1992-1995)?

The Euro will be by far the first priority for the dominant classes and the EU apparatus, whatever the sermons about enlargement to the east. It is nothing less than the biggest monetary operation in history: in the 12 member states, 14 billion notes and 50 billion coins (24 times the weight of the Eiffel tower) will be distributed. The stakes are colossal for the very existence of the European Union and its credibility, inside and outside.

Its currency represents a very significant material and symbolic power for a state and its citizens. To give up one national currency for

another is a factor of uncertainty, even of instability. Already changes in the same currency, such as a change of exchange rate, create a shock wave that only dies out very gradually. There is the technical difficulty of calculating and appreciating the new prices, with the fear of making a mistake.

Hence, the risks of a more general loss of confidence, particularly affecting the more marginalized and poorer layers of the population.

Consumers can begin to behave strangely: buying fewer or cheaper products for fear of error; using big supermarkets rather than small traders and so on. Illicit, illegal or criminal savings, which on all the evidence represent colossal sums, tend to be spent rather than exchanged, which would generate a boom before January 1, 2002, followed by a depression in consumption during 2002.

For the EU, the issuing of notes and coins constitutes an enormous advertising operation: 300 million inhabitants will be "Euroised"; at the head of the EU, they hope that they will also be Europeanised.

It is a gamble: in history, it is generally a state power equipped with a popular legitimacy that creates a currency. In the EU it will be the reverse.

The Euro should (it is hoped) give legitimacy to a state that hardly exists in the popular mind. The introduction of the Euro coincides with a marked economic slowing up. The problem of economic government is likely to be posed more quickly than is thought.

Enlargement to the west!

"Great Britain cannot escape the elementary truth that its prosperity and its security are closely linked to the decisions which are taken on the European continent. It must take its full place there to shape these decisions". [7]

A few days before the British elections, the voice of British high

finance spelt things out to Blair, about to win his second term as Prime Minister. It was not a question of forcing his hand. Blair's campaign already exists in outline: the slogan (Better a wage in Euros, than unemployment benefit in sterling), a campaign director, leaflets, support, the tactics to divide the Tory party, and so on already exist.

There remains the question of the date of the referendum: undoubtedly in autumn 2002, at the latest at the beginning of 2003 (the putting into circulation of the Euro on the continent will have taken place). Blair does not have the right to fail: it would be to defer the schedule for a decade! A disaster for the dominant class!

It is hard to predict, today, the precise evolution of the economic situation and the future political climate. But a 'yes' victory would provide a powerful impetus to the EU: a considerable victory for the European bourgeoisies with a rise in power of the imperialist EU, a reinforcement of the euro (the weight of the pound sterling) and monetary union in general, a powerful impulse towards economic, financial (the City of London) and monetary concentration, and a concentration of the growing political regime at the head of the EU.

On the eve of the new Intergovernmental Conference (IGC) of 2004, the recasting of the EU institutions will take place in a completely different context from that of Nice (and of Brussels).

This being said, there will be new contradictions which will appear, or the same ones but within this new framework. To start with, the entry of the United Kingdom would certainly reinforce the confederal character of the EU.

It will certainly be the occasion for a reform of the ECB (if this did not take place before). In addition, Britain occupies a very particular place in Europe through its history, its economic structure, its place in the world: less integrated economically in the EU, the UK has, of all the countries of the EU, the closest links with the United States.

The reinforcement of the EU will thus be accompanied by a stronger heterogeneity in the circles of EU power. There will be - indeed there is already - a very strong synergy between the Big Three (Germany, France, the UK) on the development of the financial services market.

The Swedish presidency, whose official watchwords were enlargement, education, ecology, was especially marked by a considerable widening for the development of the financial capital as well as a new push on privatisations.

The breakthrough is spectacular. Projects that were under discussion for 15 to 20 years are coming to fruition today. Thus the legal status of the European limited company and the modalities of its activity: the structure of the company, standards of bookkeeping, regulation of mergers and acquisitions between companies, the control of financial groups, the tax regime according to the place of establishment, as well as the creation of an integrated market of transferable securities (shares, bonds). This transcendence of the fragmentation of the financial markets in Europe will immediately facilitate new alliances and new mergers of companies.

It also aims to radically lower costs and to attract capital that prefers to go to the United States where the financial markets are better organised and less expensive.

Under the aegis of Lamfalussy, the leadership structure of this market is shielded from any hint of control: everything is settled between the Commission and the Council of Ministers, the European Parliament being completely excluded!

Finance capital, thus free of any worry, is all the more excited over some more good news: in the final analysis, Schroeder succeeded, on May 11, in breaching the system of state pensions (as a benefit) by introducing for the first time an element of capitalisation into their financing.

The Social democrat Schroeder thus erodes the first great conquest of the

Welfare state introduced by ... chancellor Bismarck, he who had banned the glorious German social democracy at the end of the 19th century!

Old age pensions and living allowances constituted, in 1998, close to half (45.7%) of the whole of social protection, that is to say 12% of the GDP of the EU! A windfall for the banks and the insurance companies!

And the enlargement to the East? Yes, it will take place, it's understood! Kohl and Chirac, in their time, had promised that Poland would join in the year 2000. Today still, there is a persistent blur, even a voluntary ambiguity. The Stockholm Summit indicated that the travel warrant of the negotiations could lead from here to the end of 2002.

This declaration allows the governments of the countries of the East to continue the campaign for membership. But as Jospin and Schroeder have indicated, it is not a question of a deadline. The decisive criterion remains the capacity of the candidate countries to conform to the "community patrimony". Indeed, this problem is immense. [10]

Anders Svenson, representative of the SP on the June 18th demonstration steering committee (15,000 demonstrators) told the SP's weekly, *Internationalen*: "The media behaved scandalously, they echoed verbatim the police version of events without even trying to look at any other account of what happened". [11]

While the European heads of state may have been privately critical of Sweden's social democratic Prime Minister Göran Persson (television viewers saw French president Jacques Chirac tell him "This is very dangerous, you could have killed people"), the official line was different: For Blair "it is significant that we did not yield an inch to these people"; Jospin asserted that the demonstrators should "be dealt with absolute determination"; finally Otto Schilly and Daniel Vaillant, respectively German and French Ministers of Interior, both social democrats, meeting on June 17 in Berlin, called on the European Union to adopt "a

common and tough attitude against this new form of extremist criminality which crosses borders".

While noting that "the exasperation of certain militant milieus and social layers is real ", Christophe Aguitton, in the name of ATTAC, stressed: "We are in favour of non-violent demonstrations. We do not take part and will under no circumstances take part in acts of a violent nature. But nothing justifies the use of the firearms which were employed in Sweden" [12]

Some organizations or networks in the movement against capitalist globalization, like the German autonomes, try to surf on the increasing exasperation of the radicalized youth who see their future obliterated by the stranglehold of the multinationals on the common goods of planet.

These organizations, not much interested in the extension and or the

mass basis of the movement, try to transform the demonstrations into scenes of looting. In Gothenburg the provocations of the Swedish police helped to swell their ranks.

In its leading article, Internationalen wrote: "the attitude of the Socialist Party towards individual terrorism and rioting as a political method have not changed for some years. We condemn it and we carry out a political struggle to convince the youth who could be attracted by the violence of those dressed in black. It is a patient fight within the mass movement, alongside our comrades from work, to build the democratic and socialist alternative (...) After Gothenburg it is time to prepare for the Genoa Summit. And the conclusion drawn by the EU leaders after Gothenburg is neither to democratize nor to modify the neoliberal policy. On the contrary, the political and financial regime wants to be locked up more firmly in its shell. Genoa will be subjected to a veritable state of siege. Prime Minister Silvio

Berlusconi has already announced the mobilization of 13,000 police officers, the prohibition of access by air and rail and the installation of the leaders in a luxurious yacht somewhere on the Mediterranean (...)

At Gothenburg the leaders were only interested in banning demonstrations, and using water cannon and teargas, the generalization of body searches. In short, one step more towards a police state. This is the result obtained by the anarchist elements who prefer to act elsewhere when tens of thousands demonstrate in the streets against the regime (...)

But one thing should not be hidden. During these four days Gothenburg was the theatre of the most massive demonstrations against the policy of the European Union ever seen in Sweden. The thousands who organized three immense demonstrations without having recourse to any threatening attitude whatsoever are the true winners. They represent the future". [13]

Hostages of Indonesia's political crisis

16 July 2001, by **Pierre Rousset**

As if they had consulted the agenda of the seminar, since militarisation was scheduled as the next topic of discussion. Pakistan was to have been the illustration, but instead we passed directly to a practical session. Welcome to Indonesia.

After two hours of stand off and negotiations, all the foreigners were placed in a lorry and taken to police headquarters in Jakarta. We seek to understand the reasons for the police raid. We soon get an answer. A little after our forced departure, the cordon of police stood aside, leaving a free hand to an Islamist far right militia, the Ka'abah Youth (AMK) which attacked the Indonesian participants with traditional sickle-shaped knives and machetes.

There were two wounded, money and computer equipment stolen, window

panes and furniture broken. An operation of terror like many others recently in the archipelago, where the police force and paramilitary groups act in full complicity. We were not to be allowed to witness it.

The seminar was organised by a recently created association, Increase (Centre for Social Reform and Emancipation), which seeks to coordinate its action with national and international resistances to neo-liberal globalisation. It is largely led by the radical wing of the social movement: trade unionists, peasant or student militants, feminists with a popular base, cultural action groups. It is also supported by Infid, a significant network of development NGOs, and Walhi, the Friends of the Earth in Indonesia. Open to foreign participation (primarily regional), it

was the first time that such a conference had met in the archipelago.

Some of the speakers were veritable bÃªtes noires for the chief of police and the fundamentalist militias: the trade unionist Dita Sari and, especially, Budiman Sudjatmiko, president of the PRD, the young People's Democratic Party. Detained during the last years of the Suharto dictatorship, they found freedom only after the election of the new president of the republic, Abdurahman Wahid (known as 'Gus Dur').

They remain subject to constant harassment today (Budiman's house was recently subject to an arson attack) They were the first targets of the combined police-militia operation carried out against the conference, as was Kelik Ismunanto, director of

Increase, whose great crime was to invite the participation of foreigners via the Internet.

There we were, 32 foreigners, at the central police station in Jakarta. We are accused of having entered Indonesian territory on a tourist visa whereas we intended to take part in the conference. Actually, the majority among us did not need any visa to come to Indonesia!

A protest was organised. Lawyers from the Legal Action Group, the media, the activist networks and the embassies were contacted. Mobile telephones definitely work wonders - we were not dependent on the goodwill of the cops to telephone, which makes a beautiful difference. In the meeting room where we are kept, at the police headquarters, there was a television. Our detention was broadcast on the news. It was, clearly, political.

Volatile situation



Wahid

The situation in Indonesia is indeed most volatile. We obviously knew it before going to the country. Forces loyal to the old dictatorial regime, the 'New Order' of General Suharto, driven out of office in 1998, have again taken the offensive. The democratic transition has become bogged down. The heterogeneous coalition that carried Abdurrahman

Wahid to the presidency has collapsed. Today in a minority in Parliament, he is threatened with dismissal. He is resolutely opposed by the chief of the police force, who has refused to resign to be replaced by his deputy.

The crisis has more than one face: irredentism at the periphery of the archipelago, new assertions of religious fundamentalism, political factionalism and military activism, a brutal growth of social inequalities are among the factors at work. In this context, the PRD plays the role of scapegoat, denounced on two fronts. It is first accused of being Communist in a country where, in 1965-1966, more than one million 'Communists' were massacred, one of the greatest massacres of the century that set up Suharto's 'New Order'. For 30 years anti-Communism was the cement of the dominant ideology.

The PRD is also accused of supporting President Wahid. Which is to a certain extent true. Indeed, if this party is severely critical of the neo-liberal policy implemented by the government, it is no less actively opposed to the forcible overthrow of the presidency by the forces of the old regime, gathered behind the more respectable figure of Megawati Sukarnoputri (the vice-president, who will become president if Wahid goes).

The participants in the Asia-Pacific Labour Solidarity Conference thus became hostages of the Indonesian crisis. The charges against us were really not very credible. For once, the

media turned against the police and the militia. "Democracy in danger" headlined the leading article of the Jakarta Post on June 11. The embassies were mobilised. The state apparatus proved itself divided: the Immigration office delivered a death blow to the police department by revealing that it had never been briefed on the operation, supposedly carried out in its name, and by finally bringing no charge against the foreigners (except the unfortunate Farooq Tariq, of the Labour Party of Pakistan, expelled from the territory under the pretext that he had indeed come with a tourist visa).

On Monday June 11, we were free. If the conference could not complete its work, the business was concluded with a political victory. It is nonetheless very serious. It shows to what point the democratic rights gained after the overthrow of Suharto remain fragile and are called into question.

The police machinery awaits its time and it obviously will not destroy the blacklist of foreigners established on this occasion. Above all, the raid on the conference illustrates to what point our Indonesian friends are threatened today.

Faced with the police, the army and the new fundamentalist militia, they live in a situation of great daily insecurity. A situation which is likely to worsen as the reactionary offensive against the presidency of 'Gus Dur' reaches a climax.

They will need all our solidarity.

Americas: The Fast Track Attack

16 July 2001, by **Against the Current**



Quebec City: Inside...

Indeed, the international powers-that-be are running somewhat scared. On

the other hand, a few weeks per annum of righteous street action aren't going to shut down the institutions of finance capital.

Indeed, wherever necessary the United States can simply dictate

(sorry, that's "coordinate") the measures necessary to defend international capital, as in the bail-out of banks during the Latin American debt crisis of 1982, the rescue of US capitalists facing disaster in the Mexican peso crisis, or the imposition

of its imperialist terms on the industries and banks of Korea and the rest of East Asia in the Asian crisis of 1997-98.

There is, however, one potential confrontation on the political horizon of unusual importance, even more so now that the Republicans' loss of the US Senate has forced 'bipartisan' government back on the agenda.

The jewel in the crown of US corporate trade policy would be the consummation of the Free Trade Area of the Americas (FTAA) that was under discussion at the Quebec Summit.

To accomplish this, however, requires a mechanism that will insulate the ratification process from the inevitable and messy clash of conflicting interests who would be affected - labour, consumer, environmental, domestic manufacturers and importers - in other words, from democracy.



Quebec City: ... and outside

That mechanism is called "fast track authority", under which the administration negotiates a trade agreement and the Congress must then vote it up or down, without the possibility of amendments.

Presidents since Gerald Ford have been granted this power - that's how the US-Canada Free Trade Agreement and NAFTA were pushed through during the Reagan-Bush Sr. era - until it lapsed during the Clinton administration.

George W. Bush, strutting around as if he had actually been elected, wants that authority back, as he told the Council of the Americas on May 7; "One tool I must have is renewed US trade promotion authority. I urge the Congress: restore our nation's authority to negotiate trade agreements, and I will use that authority to build freedom in the world, progress in our hemisphere and enduring prosperity in the United States."

Freedom, right. We'll come back to that, but notice first that there's a

problem: "The White House knows it is in for a battle. Labour unions and their backers on Capitol Hill have vowed to fight against giving the president such a free hand . . . Even as the president spoke, 61 senators sent him a letter warning that they would oppose any new trade agreement that did not allow the United States to protect its companies against unfair trade practices by foreign governments. ("Bush Declares Free Trade A Moral Issue; Chides Critics," New York Times, May 8, 2001).

As in previous struggles, and even in Seattle, opposition to "free trade" comes wrapped in a variety of packages - progressive and protectionist, internationalist-solidaristic and crudely nationalist - as we said, conflicted and messy. For us, as socialists, the critical point is that this "free trade" regime, with its forced abolition of any regulations on capital, is not only harmful to the interests of US labour but absolutely devastating to workers and peasants in the poorer countries.

A proper democratic process would entail full and open debate on exactly who benefits, and who loses, from NAFTA/FTAA-type "free trade." The significance of the moment, however, lies precisely in the probability that the fate of FTAA will be decided before the negotiations begin, according to whether Congress restores presidential fast-track authority.

Once fast-track is adopted, it is extremely unlikely that any negotiated deal, no matter how appalling, would be voted down - if only because Republican congresspersons would never wish to inflict such a crippling defeat on a president of their own party, and because politicians of both parties would be under tremendous pressure from the corporate lobbies on which their campaign treasuries depend.

On the other hand, without fast-track it's unlikely that the administration would even want to walk into the FTAA negotiating minefield. Here, for the first time since the 1999 Battle of Seattle, a combined effort of organised labour and the diverse forces of the "Global Justice"

movement can throw some serious sand in the gears of the globalisation machine.

There's another aspect of the fast-track attack that directly connects with the meaning of "democracy" in the current era of global capital. The Meaning of "Democracy"

At the Summit of the Americas, the assembled hemispheric state representatives - with only Cuba of course excluded, for the crime of being ruled by an unreconstructed Communist party in the United States own backyard - solemnly proclaimed that in the American family of nations, with all its attendant privileges, right of admission will be reserved only for those countries that embrace democratic government.

It will be tempting for those of us on the left to dismiss this as pure farce, especially when spearheaded by the North American colossus that cheerfully engaged with fifteen years of gruesome military dictatorship in Chile, the Argentine military's dirty war against its own population, rule by torture in Brazil and Bolivia, to say nothing with a quarter century of US financed genocide in Guatemala ("ancient history", Bill Clinton called it), the Somoza family's forty-five-year rape of Nicaragua and a decade of death squads in El Salvador . . . But it is a mistake to simply dismiss the newfound attraction to democratic government. Sickening and hypocritical as it may be, it's not purely fraudulent. Indeed, maintaining democracy of a certain type is precisely half of the elite vision of efficient hemispheric management.

Dictatorial regimes, you see, may be expedient or sometimes even essential for preserving wealth, privilege and the sanctity of capital - the US-sponsored Pinochet Chilean coup of 1973 being a prime case - but they can also be inconveniently destabilising in at least two ways.

Sometimes, dictatorial regimes may choose or be forced to adopt populist postures, protectionist policies or occasionally even nationalisation of basic resources and utilities. Such measures, without abolishing or even threatening the basic relations of

capitalism, can threaten to undermine the security of particular multinational corporate investors - and are seriously out of order in the present era of universal privatisation and global freedom of capital.

Second, and worse, dictatorship breeds the kind of popular resistance that may demand going beyond simple restoration of formal democracy to significant social reform - demands which, in the conditions of desperate poverty, land hunger and inequality throughout much of Latin America - would threaten the basic structures of capitalism.

The maintenance of democracy, then, is not mere window dressing but rather highly relevant to the corporate "free trade" agenda. But there is a crucial proviso, the second half of the elite strategic vision: Democracy must be carefully controlled and drained of most of its social content, particularly its radical potential. Thus, the US economic and political elites have had the luxury of advocating democracy only in the 1990s, after those class and popular movements that could give democracy real meaning in Latin America had suffered severe defeats.

The two parts are inseparable: The population must be able to elect the parties and politicians of its own choosing; but those parties and politicians once elected must be strictly constrained from violating the neo-liberal agenda, absolutely forbidden to put the pressing needs of their society above those of multinational investment, and as much as possible insulated from social pressure to do so.

In short: there must be an established and enforced Free Trade Area of the Americas.

Naturally, the form of democracy best suited to this regime is the kind that has been most nearly perfected in the United States of America: Diverse social interests and bourgeois cliques are to be amalgamated into large but amorphous political parties, controlled by vast pools of money rather than by their membership. Preferably there will be exactly two such parties, hotly divided on major ideological issues (such as abortion, religion or tax policy) while pursuing the same underlying corporate-dictated

strategic plan.

With sufficient patience and skill, the population can be mobilised into a certain state of political excitement around key points in the election cycle, yet remain sufficiently unorganised and cynical that actual voter turnout doesn't go much past the 50% threshold, especially among the poor.

That's precisely the kind of hemispheric democracy that FTAA seeks to create and sustain. And it is precisely this kind of democracy - formally intact, with most meaningful debate and all elements of popular control removed - that is represented in giving the executive branch "fast-track authority" to negotiate deals that will determine the lives of hundreds of millions of people more profoundly than the outcome of any election.

Armed with this understanding of the meaning of FTAA and fast-track, perhaps the unions and the direct-action resisters, the partisans of the teamsters and the turtles and the rustbelts and the rainforests, can again come together and respond appropriately.

Marxists and the new anti-capitalist movement

16 July 2001, by **Salvatore Cannavò**

A new phase



Anti-capitalists at Genoa

Even if for the moment the movement involves only a consistent nucleus of vanguard forces, it is nevertheless likely to extend on a broader scale. Although it is a new phenomenon, the movement born at Seattle is the heir to the situation created on a world scale following the struggles and

movements against neoliberalism which arose during the 1990s.

The most universal of these is perhaps the Zapatista uprising of January 1, 1994 which, starting from identity-based and specific demands - the rights of the indigenous peoples - began to speak a "global" language, putting world neoliberalism in the dock.

It is not by chance that the revolt of the EZLN coincided with the coming into force of NAFTA, the free-trade zone uniting the United States, Mexico

and Canada, which marks a significant stage in the economic integration between these countries. Zapatista leader Marcos speaks a language heard and understood everywhere in the world, proof of the affirmation of the new climate and the new political sensitivity.

A little later, in Europe, the impact of the great French movement of 1995, which pushed back the Juppé plan and opened the way to the victory of Jospin, was felt in Amsterdam in June 1997 with the first European March for a Social Europe, organised by the

network of European Marches.

The following year in Birmingham, Jubilee 2000 - a campaign for the cancellation of the Third World debt, born in Great Britain between 1996 and 1997 and involving trade unions, NGOs, movements of women and refugees - succeeded in bringing more than 70,000 people to the annual G-7 meeting.

Between 1998 and 1999, ATTAC was created in France, and quickly became an instrument of participation and organisation of the world movement (with the birth of "sections" in dozens of countries, in particular Italy) while José Bové has set up Via Campesina (created in 1993, but now able to organise nearly 60 million peasants on the world scale) which will play a decisive role in several struggles in the Southern hemisphere.

After Seattle

These diverse elements found in Seattle a symbolic element of fundamental identification. From this moment, there was a common cement (slogans and forms of mobilisation), a common definition of the movement (a pluralist movement composed of youth, trade unionists, ecologists, women, and activists), and a form of organisation of the movement (the internet, also on the international level) which were shared by all and considered effective.

Thus, it is not by chance that the movement has "migrated" throughout the world. The stages are symbolic: after Seattle (November 1999) and Washington (April 2000), there was Millau (June 30, 2000, solidarity with José Bové), Melbourne (September 11, against the World Economic Forum), Prague (September 26, once more against the IMF), Seoul (October 10, against the Asia-Europe summit), Nice (December 6-7, against the European Union summit), Quebec (April 2001, against the launching of the FTAA), Gothenburg (June 2001, against the EU summit). This list includes only the "institutional" events, against the summits of institutions and bodies, and against existing or future international agreements.

Over the same period, dozens of other events, demonstrations, and struggles have taken place in all the corners of the world. Quoting from memory: the World Women's March Against Violence and Poverty, the strikes and marches in Latin America, the various demonstrations on May Day (particularly combative in Great Britain with the role of movements like Reclaim the Streets and Globalise Resistance), the Zapatista march earlier this year, struggles against layoffs in France, the demonstrations in Japan against US bases, and others again.

The mobilisation in Genoa in July 2001 during the G-8 summit represents only the next stage of a more general and broader movement.

Of course, it is too early to say that we are on the eve of a new 1968 - and in any case analogies are never perfect. But the extent of the mobilisations, the heavy presence of young people, the ceaseless expansion of the critique of neo-liberalism, whether on the planetary level or with more depth in various sectors of society, indicate a possible cycle of more sustained struggles.

Above all, there is a possibility that the negative period opened by the fall of the Berlin Wall in 1989, marked by the definitive collapse of Stalinism as an organised state form, with the defeat and disillusion of the left which followed, but also with the total victory of capitalism in its most aggressive form - is starting to unravel.

Admittedly, the defensive aspect of the current struggles, the aggressive nature of the neo-liberal policies and the weakness of the anti-capitalist left do not allow us to consider the period of defeat as finished. But the situation is no longer what it was only ten years ago, when ideologists like Francis Fukuyama defined capitalism as 'the best of all possible worlds'.

The financial crises of 1997 and 1998, the current stagnation in the United States and Japan, the contradictions facing Europe, and even the contradictory nature of Berlusconi's victory in Italy - with a majority in parliament, but not in the country -

show that the framework is extremely unstable and uncertain.

Meanwhile, a new generation, which does not carry the weight of the defeats of the past or the old ideological incrustations, and does not feel the influence of Stalinist "camp" politics, is asserting itself.

We witness a "return to politics" following a crisis of the left, in particular, the social democrats and Stalinists. Both have failed. Now they are unable to interpret the new struggles that exist, or to represent them, organise them, or offer them any hope. The new struggles need a politics which are not immediately perceived as old or archaic.

As might be expected, the global movement faces major contradictions. However, these contradictions do not prevent a linear development, an expansion on the international scale and a progressive widening to involve new sectors.

Despite the diversity, there are unquestionably some general characteristics: the movement's attempt to define itself by rediscovering an internationalist tradition which seemed lost; a contradictory but real relationship with the old labour movement; and a generalised mistrust of all organised political forms, but linked to the desire for an overall alternative.

A global vision

The movement as it exists today denounces the damage wrought by neoliberalism on the international scale: but on the other hand many of its components are born out of specific instances or problems.

It is often about a "rough" anti-capitalism based on experience. In good part it is also the fruit of the presence of movements and a significant group of militant intellectuals.

People like Riccardo Petrella, Susan George, Walden Bello, Naomi Klein (whose book "No Logo" is already an international success), Pierre Bourdieu, Eduardo Galeano, Bernard

Cassen, Michael Loewy, Samir Amin, Charles-Andre Udry, to name the most well known, are, and are perceived, as part of the movement. These people take an active part in the mass movement and play an essential role in the formation of consciousness.

This capacity to maintain an overall vision is demonstrated by the importance accorded to forums of discussion like Porto Alegre. In these forums, thousands of people can take the general pulse of the situation, develop a global vision of the state of the struggles, and discuss problems and paths to follow.

But there is also the stimulus to develop global alternative responses: participatory democracy, has been a fundamental contribution from Porto Alegre to the "people of Seattle", which would not have become the symbol it is without the World Forum.

But the conferences also help us to find, after decades, a new internationalism, which is no longer in the name of solidarity with a people in struggle or a revolution in progress. Instead the unifying element, which allows the creation of true international structures - such as ATTAC, Via Campesina, and the Women's March - and a radical anti-neo-liberalism, is emerging from the current process of the internationalisation of capital.

The role of the trade unions

The workers' and labour movement has accompanied the mobilisation since its symbolic birth at Seattle. The role of the AFL-CIO (American Federation of Labour-Congress of Industrial Organisations), a trade-union federation with 13 million members and some sectors -like the Teamsters (lorry drivers) - able to bring the country to a halt, has been very significant.

This is the product of the internal turn marked by the election of Sweeney to the presidency in 1995, and the subsequent ability of the AFL-CIO - which remains very moderate and sometimes marked by nationalist

protectionism - to grasp the importance of new forms of struggle in the workplace (as with the creation of Jobs with Justice, organising temporary workers, the unemployed, students).

This maturity is found especially in the trade unions of the American continent: the Brazilian CUT was heavily involved in Porto Alegre, while the ORIT (a regional organisation connected to the ICFTU internationally) gave its support to the Forum's closing appeal.

On the European level, the situation is very different. There have been contacts between the various expressions of the social movement - like the demonstration in Amsterdam in June 1997, which led the European Confederation of Trade Unions (ECTU) to organise its own mobilisation in Luxembourg in November of that year. But one cannot compare these links with the links in America.

In Prague in September 2000 the mobilisation against the IMF and the World Bank saw a significant participation from northern Europe, Italy, Spain and Greece, but it was primarily composed of young people, with an almost total absence of trade-union forces.

The turning point was Nice, in December 2000, during the European summit. This time, at the initiative of the most radical component, in particular the French - SUD, ATTAC, the Euromarch Network, the Ligue Communiste Revolutionnaire (LCR), but also the Italian COBAS and European alternative trade unionism in general - a united demonstration took place there with the ECTU.

This unity was established despite the ECTU having slogans (support for the Charter of European Rights) contrary to those of the other demonstrators (and also contrary to the dominant feelings in its own contingents, as various newspapers and trade-union leaders have revealed).

Despite the contradictions, Nice has shown that the relationship between the traditional union movement and a movement of a new type, composed primarily of young people opposed to

neo-liberal globalisation, is possible. The support of the FIOM-CGIL (metalworkers' federation of the Italian CGIL) for the Genoa demonstration in July against the G-8 is very significant from this point of view.

The anti-political risk

Mistrust of political parties is another characteristic, although less marked, of the current movement. This mistrust has a healthy side - it's enough to look at the role of certain parties in the Anglo-Saxon world. And an understandable side, considering the damage caused by the social democratic parties and the disasters generated by Stalinism. On the other hand, sometimes it is unjustified and can lead to a generalised inward-looking approach.

The mistrust is obviously the product of a political climate since the historical defeat symbolised by the collapse of the Berlin Wall. From that moment, references to tradition, historical identity, origins ceased to exert fascination, attraction and interest - to be replaced by mistrust, or by stepping back.

It is clear that when the movement expresses itself on the political level it displays divergent orientations. On the international scale, for example, one can distinguish three broad political lines:

- the first is definitely radical, with an anti-capitalist vision of globalisation;
- another seeks above all a dialogue with the supranational institutions with the aim of reforming them;
- and a third is a more protectionist current, which seeks to defend the powers of nation states as a counterweight to the excessive power of the multinationals.

These are closely related orientations, not yet reasons for division. They often echo the positions of specific parties and political movements.

It is obvious that the political line is neither homogeneous, nor definitive. Indeed, a more fundamental sentiment

makes the movement very jealous in guarding its independence on the organisational and analytical level. This is good, provided that the relationship with the parties does not become a source of division and dissension. It is obvious that this depends to a large measure on how the parties behave.

The problem cannot be resolved with schemas inherited from the 20th century. Far more than in the past, the parties will have to become part of the movement as such, and build links as equal to equal with the other participants, while demonstrating at the same time their social and political usefulness.

Basically, the political parties will have to establish for themselves a legitimacy that, otherwise, nobody is disposed to recognise in advance. At the same time, they must demonstrate in the field of ideas and political programme that they can offer valid and decisive solutions to the problems of the movement.

Of course, we speak here of the parties of the anti-capitalist left. They may not be a great quantitative or qualitative force, but they must seize this moment to reestablish themselves in the medium term.

The movement needs this to happen, because it needs a radical and "visionary" response to go forward. The left also needs it, if the left itself is to emerge from its crisis and build a new project.

The opportunity of Genoa

At Genoa, we will see all this, and other things also. Let us speak initially about the Italian situation. The anti-globalisation movement came a little late to Italy, with the exception of some "pioneers" who sensed the new climate developing in Europe (the role of the COBAS in the Euro Marches), or youth organisations like the Young Communists or the Social Centers, which have created some international links and some local initiatives, and some NGOs which have always had links to world networks.

But the Italian "movement" has rooted itself and grown. The March 17 demonstration in Naples marked a significant stage in this process, while showing that the anti-globalisation struggle could bring together forces who are able to see the link between their own material conditions and a general vision of the world.

After the first international experiments - Amsterdam and Cologne, but then Prague and Nice - Naples marked a turning point in terms of its breadth and mass participation.

This has also been the experience in the preparation for Genoa. Hundreds of social political and trade-union organisations will participate in the Genoa Social Forum.

Here is the essential basis for a project of opposition to the Berlusconi government.

Here also, there are inevitable divergences, even the same battles for political influence, with a similar range of views to that which exists on the international level - from the more "moderate" to the more radical.

Build the movement, build the party

The Communist Party of Refoundation (PRC), in particular through the Young Communists, has played an undeniable leading role during this new phase. From participation in the Forum at Porto Alegre to the material construction of initiatives on the ground, the PRC has known how to connect to a living reality, to support it with conviction, but also to maintain an intelligent dialogue with it, without prevarication or the old-fashioned fight for political control.

For the first time since its birth, the party is in a real relationship with a powerful mass movement and for the first time it has to face a new and delicate problem.

If it has avoided "partyist", and self-proclamatory behaviour, it has often fallen into the opposite error, by

adapting to the positions and behaviour of the movement, or rather some of its sectors. It has become more difficult to maintain the necessary balance between the construction of the movement and the construction of the party, without thinking that one excludes the other.

The problem is not simple: but precisely because of that, it is a theme that has to be discussed seriously, without simplifications or exorcisms.

Certain "tasks" flow from the events of July, but also the post-Genoa period:

1) To work to widen the movement, to build it and consolidate it. The movement has already shown that it exists, it has shown its potential and stated its objectives. Now it must grow, strengthen itself, reach wider sectors of the population, of the workers' movement, vast layers of young people and so on.

To do this, there are certain essential conditions, including a guarantee of the pluralism of its components, and the legitimacy of various positions - but also a unity based on ensuring adequate space for discussion and mobilisation.

It is necessary to continue and to reinforce the experiment of the Genoa Social Forum, building Social Forums in the image of Porto Alegre, but on a national and local scale. The movement must go beyond structures for coordination, towards a form which can better stimulate participation.

2) To do that, it is fundamental to formulate a clear political agenda, a platform of struggle, a declaration of intent. If we are entering a new phase, one of its components is that resistance is not enough any more.

The new generations demand solutions, ideas, realisable projects, which one can demonstrate and debate. The "ritualisation" of the counter-summits is likely to ossify a movement which has much more potential and scope for action.

Overall demands must concretise the process underway, going to the heart of the contradictions engendered by neo-liberalism - the conflict between

labour and capital, the exploitation of the Earth, the commodification and oppression of women, the imposition of "flexibility" on a whole generation, war and hunger, and so on.

3) The necessary link - between the global and the local, between daily questions (unemployment, wages, pensions, schools, information, culture and so on) and the global policies decided at international summits - becomes central.

The example of the sackings at Danone is significant: in this case, the precise relationship between the operations of a multinational and the impact of its decisions on the local level have been made clear to all.

4) The construction of a stable relationship between the workers' movement and the new forces in movement and their capacity to link up is every bit as decisive.

Once again, the case of Danone is an illustration: the dismissals by a profitable company were immediately perceived as a very serious injustice. The workers had recourse to a traditional and always effective weapon: the strike. But thousands of citizens resorted to the weapon of the boycott to show solidarity and to take part in a struggle they considered their own.

5) To give an anti-capitalist and radical face to the movement. The anti-globalisation movement is a "pluralist" movement which finds its

common roots in opposition to neoliberalism, and this is good. It is a movement which is still on the ascendant and beginning to assert itself.

Nevertheless, inside it, various orientations are already visible, with different objectives. It is thus useful and right that a class and anti-capitalist orientation continues, opposed to profit and exploitation, and aiming to revolutionise the relations of production.

Of course, this should not be approached in a sectarian, dogmatic, or doctrinaire way, but as part of the concrete construction of the movement, respecting its tempos and forms.

6) To construct base units of the movement does not mean to underestimate or ignore more concrete chances to form part of a more general international movement, if they appear. New structures on the world scale already express this need and this potential. ATTAC is one. Its imminent launch in Italy constitutes a very significant experiment.

Of course, building ATTAC cannot substitute for trade unionism in its traditional or newer forms; even less can it substitute for the party, which on the contrary should start again in this new context.

7) The active construction of the party represents a necessary and essential consequence of what we have affirmed

up until now. The party is not a counterweight to the movement: nor is it a transitory structure which has to draw aside when the impetus of the movement accelerates. It is an essential place of collective development and planning of social intervention. It is what remains when the tide ebbs; the revolutionary party is a basic project on a longer scale.

Today the Party of Communist Refoundation aims to build itself through the struggles of workers and the fight against globalisation; this means it must respect these struggles and their base, but maintain a consciousness of its own contribution and the necessity for its own existence.

There are two areas where this approach will be applied: the redefinition of the concept of public interests and public services in opposition to the neo-liberal absolutism of profit, but also, in the light of the failures of 20th century, in opposition to the experiments of the supposedly "actually existing socialist" Stalinist bureaucracy on the one hand, and social-democratic statism on the other.

Starting from the experiment of Porto Alegre, but going beyond it, a communist and revolutionary reading of participatory democracy - as an instrument of direct democracy, of rank and file participation - can play a fertile role in the process of Communist refoundation.

Debt: breaking the vicious circle

16 July 2001, by **Arnaud Zacharie, Éric Toussaint**



Jubilee 2000 human chain

The Universal Declaration of Human Rights (Article 25) states that "Everyone has the right to a standard of living adequate for the health and

well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services ... Everyone has the right to education, to work and to social security".

The International Covenant on Economic, Social and Cultural Rights,

ratified by the majority of UN member states, stipulates that "States have a right and a duty to draw up appropriate national development policies to constantly improve the welfare of the population as a whole and of every individual, on the basis of their free, active and meaningful participation in development and the

fair distribution of the profits thereof."

The UN Committee for Economic, Social and Cultural Rights interprets the obligations of the Covenant as follows: "A member State in which a large number of individuals are deprived of basic foods, primary healthcare, decent clothing and housing or elementary education, is not fulfilling its obligations as laid down by this Covenant."

Despite this, and the fact that total world wealth has increased eightfold since 1960, at the present time one in two human beings lives on less than two dollars a day, one in three has no access to electricity, one in four lives on less than a dollar a day, one in five has no access to clean drinking water, one in six is illiterate and one in seven adults and one in three children suffer from malnutrition.

The United Nations Development Programme (UNDP) and UNICEF estimate that:

US\$80 billion a year for ten years would be enough to guarantee to every human being living on this planet access to basic education, basic health care, adequate food, drinking water and sanitation, and for women, gynaecological and obstetric care. US\$80 billion represents about four times less than the sum repaid on its external debt by the Third World; it's about a quarter of the US Defence budget; 9% of world military expenditure; 8% of what is spent annually on advertising worldwide; half the cumulated wealth of the four richest people on the planet. Present day misery could be transformed with such wealth.

The laws of the market and profit cannot be expected to satisfy essential needs. The 1.3 billion people deprived of clean drinking water and the 2 billion anaemics do not have enough purchasing power.

Only resolute public policies can ever guarantee the fulfilment of basic human needs for all. This is why public authorities must have at their disposal the political and financial means of honouring their obligations towards their citizens.

The latter must also be able to exercise fully their right to play a central role in the political life of the State. To bring that about, efficient judicial mechanisms and economic policies must be implemented in a dynamic of participatory democracy. The example of a participatory budget, as practised in Porto Alegre (in Brazil) since the early 1990s, should be adopted on a worldwide scale and inspire original policies of radical democracy.

The implementation of the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights has to be backed up by a powerful social and citizens' movement.

Firstly, the haemorrhage of wealth represented by debt repayments has to be stemmed. Next, different sources of funding must be found for socially just and ecologically sustainable development.

Finally, we must break away from the old logic, which leads to the cycle of indebtedness, to embezzlement and large-scale pillage of local wealth, and to dependence on the financial markets and condition-laden loans of the international financial institutions.

Breaking the infernal cycle

The champions of neo-liberal globalisation tell us that the Developing Countries (in which they include Eastern Europe) must repay their external debt if they wish to benefit from constant flows of funding.

In fact, ever since the debt crisis in 1982, the flows have been going from the Periphery to the Centre, and not the other way as the leaders of the international financial institutions would have us believe.

In the last two decades, there has been a massive net transfer of wealth from the Periphery to the Centre. The added mechanism of debt repayment has become a powerful support to those previously in operation (unfair trading, exploitation of natural and human resources, the brain drain,

repatriation of profits to the parent company, etc.)

Since 1982, the populations of the Periphery countries have sent their creditors the equivalent of several times the Marshall Plan, [14] (with the local capitalist elite skimming off their commission on the way).

It has become urgent to adopt the opposite view from that of official discourse: the Third World's external public debt must be cancelled. Close scrutiny reveals that the Third World debt is slight compared to the historic social and ecological debt owed it by the rich Northern countries.

In 2001, the Third World debt (former Eastern bloc countries not included) comes to about US\$2,100 billion (of which about 75% is public debt), merely a small percentage of the world debt, which comes to more than US\$45,000 billion. (The total sum of public and private debt for the US alone comes to US\$22,000 billion).

If the Third World's external public debt were to be entirely cancelled without indemnifying the creditors, it would be a paltry loss of barely 5% in their portfolios.

On the other hand, to the populations liberated at last from the burden of debt, those sums, which could be used to improve health and education, create jobs, etc., would mean a lot.

Indeed, the repayment of the Third World's external public debt represents, on average, expenditure of about US\$200-250 billion a year, that is about 2 - 3 times the amount required to satisfy basic human needs as defined by the United Nations.

Some claim that debt cancellation leads to permanent exclusion from access to international capital. No serious study of the history of debt crises underlies this claim.

Between the end of the 18th Century - when the United States of America cancelled their debt towards the British Crown - and the end of the 20th Century - the cancellation of part of Poland's debt in 1991 - numerous measures of debt-cancellation have been taken, with no adverse effects on the availability of external private

finance.

On the contrary, historical precedent for debt-cancellation has shown its advantages. Take, for instance, the cancellation of 51% of Germany's war debt in 1953, which made a significant contribution to German economic recovery.

Other historical precedents exist: the Russian State debt in 1918, the war debts of the United Kingdom and France, the debts of the South American states after the 1929 Wall Street Crash, etc. All those countries experienced considerable economic development after the cancellation measures.

Furthermore, the threat means nothing to most Third World countries, which have had hardly any access to that capital for years. The UNDP states that, "only 25 Developing Countries have access to private markets for bonds, commercial bank loans and portfolio investments". Note that the UNDP includes the East European states in the 25 countries mentioned and that the total number of Developing Countries, as they define them, is 180.

According to the United Nations, in 1999 the 48 Least Developed Countries (LDC), with their nearly 600 million inhabitants, received only 0.5% of Foreign Direct Investments (FDI) destined for Developing Countries (DC). Indeed, the DC's share of FDI has been in constant decline over the last three years - while the rich countries get 80% of these flows.

For the handful of Third World countries with access to international capital (4 countries - China, Brazil, Mexico and Thailand - received more than 50% of FDI flow in 1998), 80% of Foreign Direct Investment input is accounted for by the acquisition of pre-existing businesses taken over by multinationals of the most industrialised countries. This does not result in job-creation, quite the opposite.

Furthermore, these acquisitions imply a loss of national control over the productive infrastructure. Not to mention the highly volatile and speculative nature of the other capital

flows (which is one of the lessons of the financial crises of the 1990s).

Restricting this type of flow would do no harm to the economies of these countries. We propose replacing these unproductive, even damaging, flows by alternative sources of funding (see the second part of this text), so as to significantly reduce dependence on financial markets and the Bretton Woods Institutions [IMF and World Bank-ed.].

Debt-Cancellation

Debt-cancellation is all the more legitimate that it can be justified by several legal arguments, including the notions of "odious debt" and "force majeure".

Odious Debt

State debts contracted against the interests of local populations are judged unlawful. According to Alexander Sack, who theorised this doctrine, "If a despotic power contracts a debt not in accordance with the needs and interests of the State, but to strengthen the despotic regime, to repress the population who are combating it, this debt is odious for the population of the whole State. This debt is not an obligation for the nation: it is a regime's debt, the personal debt of the authorities which contracted it; consequently, when the regime falls, the debt becomes null and void".

Thus, debts contracted against the interests of the population of the indebted territory are "odious" and, in the case of a change of regime, the new authorities are not held to repay them.

The notion dates back to the end of the 19th Century when the United States gained control of Cuba after a war with Spain. The latter demanded that the victor take on the Cuban debt towards the Spanish Crown, in accordance with international law. The United States Negotiating Commission refused to do so on the grounds that the debt was "a burden imposed upon the Cuban people without their consent".

The Commission argued that, "the debt was incurred by the Government of Spain for its own interests and by its own agents. Cuba had no say in the matter." The Commission added that, "the creditors accepted the risk of their investments".

Later, in the 1930s, an international Court of Arbitration in which Judge Taft, President of the United States Supreme Court, took part, declared that loans made to President Tinoco of Costa Rica by a British bank established in Canada were null and void since they had not served the country's interests but the personal interest of a non-democratic government.

On this occasion, Judge Taft declared that, "The case of the Royal Bank rests not simply upon the form of the transaction, but upon the bank's good faith at the time of the loan for the effective use of the Costa Rican government under Tinoco's regime. The Bank must prove that the money was lent to the government for legitimate purposes. It has not done so".

The recognised lawful governments that followed the dictatorships of South America in the 1980s (Argentina, Uruguay, Brazil, etc.) should have drawn upon international law to have their odious debts cancelled. A large portion of these countries' loans, were directly embezzled by the local elites with the collusion of the Northern banks, who used their financial know-how to help them effect their fraudulent operations.

To give just a few more flagrant examples: the same happened in the Philippines after the overthrow of the dictator, Marcos, in 1986; in Rwanda in 1994 after the genocide perpetrated by its dictatorial regime; in the Republic of South Africa as it emerged from Apartheid; in the Democratic Republic of Congo in 1997 when Mobutu was overthrown; in Indonesia in 1998 when Suharto was forced to leave government, etc.

Instead of making use of national and international law to refuse to acknowledge debt, those newly in power prefer to negotiate with their

creditors to reschedule repayments or make cosmetic reductions. Once they are sucked into the interminable cycle of external debt, it is their populations who bear the cost.

This system of creating dependency has to be brought to an end. Full support must be given to the social and citizens' movements in Developing Countries, which call on their governments to repudiate the external public debt and stop repayments.

"Force majeure"

Another means provided by the law of supporting debt cancellation and stopping repayments is to use the argument of "force majeure". This principle of international law acknowledges that a change in the conditions of a contract may render it invalid.

This means that contracts requiring the fulfilment of a succession of future commitments are subject to the condition that the circumstances should remain unchanged. (In common law, there are several doctrines based on a similar principle, including "force majeure" (circumstances beyond one's control), "frustration", "impossibility" and "non-feasibility".)

"Force majeure" quite clearly applies to the debt crisis of the 1980s. Indeed, the fundamental causes of the debt crisis from 1982 were two exogenous factors: the dramatic rise in interest rates imposed worldwide by the United States government from the end of 1979, and the drop in export prices for the Peripheral countries from 1980 on.

Both these factors were instigated by the creditor countries. They are cases of "force majeure" which fundamentally modify the situation and prevent the debtors from fulfilling their obligations.

Extra resources to finance development

For debt cancellation to serve the purpose of human development,

obviously the money previously earmarked for debt repayment needs to be paid into a development fund, under the democratic control of the local population. However once this first step of debt cancellation has been taken, the present economy based on international indebtedness must be replaced by a model which is both socially just and ecologically sustainable, and independent of the fluctuations of the money markets and of the loan conditionalities imposed by the World Bank and the IMF.

This development fund, already supplied with money saved through debt cancellation, must also be financed by the following measures:

Restitution of stolen property to the citizens of the Third World: the considerable wealth illicitly accumulated by the ruling authorities and local capitalists has been deposited securely in the most industrialised countries with the active collusion of private financial institutions and the tacit agreement of the Northern governments (the practice continues to this day).

Take, for example, Argentina under the military dictatorship (1976-1983): this country's debt was increased six-fold. A large part of the money borrowed was deposited by members of the regime in banks in the US, Britain and other industrialised countries. Financial and industrial firms in the industrialised countries as well as members of successive Argentine governments thus became rich through illegal means.

The Argentine judiciary established the facts in the course of a trial, which took place in July 2000. The collusion of the IMF and the New York Federal Reserve was proven. On the basis of the judgement passed, which should set a legal precedent, the populations thus robbed should be able to receive compensation.

Imagine, for example, what it would mean to the population of Argentina to recover the money deposited made by the military dictatorship (1976-1983) in the most industrialised countries, imagine what the return of a large part of the late President Mobutu's fortune (equivalent to ten times the

Democratic Republic of Congo's annual national budget) would mean to the Congolese people, or to the population of Nigeria if they could recover the fortune of the dictator Abacha, safely invested in Switzerland with the collusion of Citibank and Cr dit Suisse.

To operate such retrocession implies the completion of legal proceedings in the Third World countries and the most industrialised countries. Such investigations would necessitate full international co-operation and the ratification of the Convention of Rome of March 1991, which deems the misappropriation of public property to be a human rights violation.

Among other things, they would serve to ensure that people guilty of corruption do not get off scot-free. This is the only hope, if one day democracy and transparency are to triumph over corruption. Further action would be to support the resolutions made at the international meeting held in Dakar in December 2000 ('From Resistance to Alternatives') demanding compensation for the pillage, which the Third World has been subject to over the last five centuries. This includes the restitution of economic and cultural property stolen from the Asian, African and South American continents.

Tax financial transactions: initially proposed by the 1972 Nobel prize-winner for Economics, James Tobin, this idea was taken up by other economists, then by the international network, ATTAC (Association for the Taxation of Financial Transactions for Aid to Citizens). Such a tax would liberate considerable sums of money for development.

UNCTAD (United Nations Conference for Trade and Development) calculates that US\$1000 billion a day taxed at 1% would produce US\$720 billion a year. As a working hypothesis, they propose splitting it in two: US\$360 billion for a social and ecological fund in the countries where the transactions took place, and US\$360 billion for a redistribution fund for the countries of the South (for health, education, etc.). The two funds would be managed by mixed boards of

directors representing civil society and governments.

As for ATTAC's international platform, it suggests a tax of 0.1% bringing in some US\$100 billion annually, which could be used to combat inequality, and to provide public health and education services, food security and sustainable development. Obviously, it is impossible to calculate exactly how much such a tax would raise, since it depends on the rate of the tax and the volume of financial flows.

However, in view of the globalisation of markets which has been operating since Tobin's initial proposal (and especially the development of derivative products bridging all the gaps between markets), it would seem necessary to tax all financial transactions (shares, bonds, hard currency and derivatives), so that operators cannot dodge this solidarity tax by turning to other markets. Centralised computerisation of clearing operations, through clearing houses such as the SWIFT for the exchange market, makes the application of such a tax perfectly feasible.

Raise Official Development Aid to at least 0.7% of the GDP: the present level of Official Development Aid (ODA) does not balance out the negative effect of debt repayment.

First, it should be pointed out that a significant part of ODA is constituted of loans to be repaid. Next, in 1999, the grand total of ODA did not exceed US\$50 billion, i.e. about five times less than the amount repaid by the Third World in external debt servicing.

In 1999 ODA represented a mere 0.24% of the Gross Domestic Product of the most industrialised countries, despite their commitment, frequently reiterated within the framework of the UN, to reach the objective of 0.7%. In fact, ODA fell by 33% between 1992 and 1998, in scandalous contradiction of promises made in Rio (at the Earth summit in 1992) by the Heads of State of the industrialised countries.

Taking the present average of 0.24%, ODA must be multiplied threefold to fulfil the commitments made. Considering that ODA represents a

little under US\$50 billion, if it is multiplied by three, it should reach US\$150 billion a year which should be entirely paid out as grants (as compensation, and no longer, as is too often the case, in the form of loans).

Levy an exceptional tax on the estate of the very wealthy: in its 1995 report, UNCTAD suggests levying a single, exceptional tax on the estate of the very wealthy. Such a tax levied throughout the world would mobilise considerable funds. This exceptional tax (unlike a recurrent tax on property such as exists in many countries round the world) could be levied on a national scale. A one-off solidarity tax of, say, 10% on the property of the richest tenth in each country could generate very considerable internal resources.

More generally, what is needed is to move towards a truly redistributive system of taxation, which would enable the authorities to fulfil their obligations towards their citizens in terms of economic, social and cultural rights.

A new development strategy

Instead of the present development strategy, which consists of the creditors forcing Southern countries to adopt neo-liberal type adjustment programmes, an endogenous and integrated development strategy should be embraced. The change would be implemented in three stages:

End Structural Adjustment Policies: Structural Adjustment Programmes (SAP) result in the weakening of States by making them more dependent on external fluctuations (world market movements, speculative attacks, etc.) and by subjecting them to conditionalities imposed by the IMF/World Bank duo backed up by the governments of the creditor countries grouped within the Paris Club.

SAPs deliver up the economies of the Third World to the appetites of the great multinational firms. Far from solving the problem of indebtedness

(the Third World debt has quadrupled since the first SAPs were set up, even though it has been repaid six times over the same period), they entail massive redundancies and drastic cuts in social budgets. They prevent any real human development.

The UN Human Rights Commission has repeatedly adopted resolutions concerning the debt problem and structural adjustment. In a resolution adopted in 1999, the Commission states that "For the population of an indebted country, the exercise of their basic rights to food, housing, clothing, work, education, medical care and a healthy environment may not be subordinated to the application of Structural Adjustment Programmes and economic reforms generated by the debt".

The UN Secretary General, for his part, writes that "The UN Special Rapporteur on Structural Adjustment clearly shows that Structural Adjustment Programmes, recommended by the international financial institutions, have a patently negative influence (directly and indirectly) on the fulfilment of economic, social and cultural rights and are incompatible with the fulfilment of those rights".

Furthermore, according to the UN, certain conditions fixed by the creditors and the funding agencies constitute a violation of the right to self-determination of the populations concerned: "Every country has a sovereign right to dispose freely of its natural resources for its economic development and the welfare of its people; any measures or external economic or political pressures which are brought to bear against the exercise of this right is a patent violation of the principles of self-determination of peoples and of non-intervention as stated in the UN Charter ... Those measures include economic pressure aimed at influencing another country's policies or at controlling the main sectors of its national economy. Economic and technical assistance, loans and the increase of foreign investments must be provided without the imposition of conditions which go against the interests of the receiving country".

The human consequences of Structural Adjustment Programmes are incontestably negative. They must therefore be stopped.

Adopt partly self-based development models: such models entail constructing sufficiently solid internal economic foundations to allow the country to open up to international trading.

This type of development involves creating politically and economically integrated zones, bringing to bear endogenous development models, strengthening internal markets, creating local savings funds for local financing, developing education and health, setting up progressive taxation and other mechanisms to ensure the redistribution of wealth, diversifying exports, introducing agrarian reform to guarantee universal access to land for small farmers and urban reform to guarantee universal access to housing, etc.

Today's global architecture, structured on the idea of a "Periphery" which is forced to provide raw materials and cheap labour to a "Centre" that has all the technology and capital, must be replaced by regional economic groupings. Only such self-based development would allow South-South relations to emerge, which is the condition sine qua non for the economic development of the Third World (and therefore, by extension, the world). These integrated zones could establish regional authorities with powers of economic and social regulation.

Act upon terms of trade: the existence of unfair exchange between the most industrialised countries and those of the Third World is one of the fundamental causes of the latter's indebtedness. Unequal exchange creates a structural deficit in the balance of payments: imports grow faster than exports, leading to indebtedness.

The historical tendency to downgrade the terms of exchange must be brought to an end. To do this, mechanisms guaranteeing a better price for the basket of products exported on the world market by Developing Countries must be

introduced. (These might include stabilising the prices of raw materials, building up regulatory stocks - which means doing away with zero stocks, etc.).

As long as no such concerted mechanisms are in place, the Developing Countries' efforts to establish cartels of producer countries must be actively encouraged. The creation of such cartels could simultaneously result in a reduction of the quantities exported and an increase in export revenues that the beneficiary countries can reinvest in development. The countries of the Periphery must have access to protection measures for their local production.

Concerning agriculture, Via Campesina [worldwide association of small and peasant farmers-ed.] is right in demanding that the right of each country (or group of countries) to nutritional autonomy and self-sufficiency in staples be recognised. This implies protection measures for imports, in total opposition to the minimal agricultural export quota of 5% imposed by the WTO on member countries.

The rules of global trading must be subordinate to strict environmental, social and cultural criteria. Health, education, water and culture can have no place in the field of world commerce. Public services in the general interest are a guarantee of fundamental rights and as such must be excluded from the General Agreement on Trade in Services (GATS).

Furthermore, the Trade-Related Intellectual Property Rights (TRIPs) agreement should be abolished, aspects of which allow the North to appropriate the rich natural resources of the South and prevent the Southern countries from freely producing goods (such as medicines) to satisfy the needs of their populations.

New rules of good financial practice

The repeated financial crises of the 1990s proved by their absurdity that

there can be no sustainable development without strict controls of capital movements and tax evasion. Several strategies are therefore required to subordinate the money markets to the fulfilment of basic human needs.

- Re-regulate the financial markets. The deregulation of the money markets has led to the inordinate development of financial speculation. It is time to re-regulate the money markets, beginning by establishing a means of tracing all financial operations (to determine who does what and for what purpose), then regulating accordingly.

- Control capital movements to avoid the devastating effects of the remorseless ebb and flow of international capital. Article VI of the IMF Statutes explicitly recognises the merits of a government adopting measures to control capital movements. The article permits a member country of the IMF "to exercise strict supervision of international movements of capital in order to regulate them".

An appropriate measure would be to establish a temporary obligatory deposit, whereby every capital entry would be conditional upon an accompanying deposit for one year of 30% of the sum invested. After a year, the deposit would be returned to the investor (encouraged to invest only in the long term). The deposit would not earn any interest.

Numerous other control measures exist, for example, the obligation to hold shares and bonds for a minimum of one year before selling them on, the limitation of currency exchange to commercial transactions (excluding financial operations), heavy taxation in the case of excessive fluctuation (as proposed by the economist Bernd Spahn), etc.

- Eliminate tax havens which contribute to inflating the financial bubble and weakening the legitimate economies (between US\$500 and 1500 billion are laundered each year). To achieve this, States must use the clearing-houses to identify transactions originating from tax havens and tax them heavily, to counteract any advantage to be got

from such dishonest fiscal policies. At the same time, bankers' rule of secrecy should be removed to combat tax evasion, embezzlement of public funds and corruption more efficiently.

- Adopt rules to ensure the protection of countries, which have recourse to external loans. External indebtedness may be justified if decided democratically by the countries concerned. However the use the borrowed money will be put to must be organised according to principles radically different from those that have hitherto prevailed.

Two new principles must be adhered to. First, a "reverse" conditionality: the obligation to repay and pay interest on these loans, made at low rates of interest and below market conditions, will only be valid if the debt is proven to have enabled sufficient creation of wealth in the

countries concerned.

Second, the lender countries should organise strong and efficient protection for the Developing Countries on an international scale, to enable the latter to defend themselves against all forms of abuse and despoilment by banks, private international investors or the international financial institutions.

Further indispensable measures

Cancelling Third World external public debt, abandoning Structural Adjustment Policies and implementing the other measures proposed above

will not alone suffice to guarantee real human development for the populations of the Periphery. Further measures are indispensable, the first of which should be equality between men and women and the right to self-determination for indigenous peoples.

This text does not seek to be exhaustive and further measures are the subject of documents produced by various networks and international organizations such as ATTAC, COCAD, Via Campesina, Focus on the Global South, World Forum for Alternatives, World Women's March and Jubilee South or adopted at big international meetings like those at Saint Denis (June 1999), Bangkok (February 2000), Geneva (June 2000), Dakar (December 2000) and Porto Alegre (the social movements' declaration in the World Social Forum in January 2001).

Stuck in the neo-liberal groove

16 July 2001, by **Alf King**

Out of a total of 120 parliamentary seats Labour won 49 and in order to establish a government they entered a formal coalition agreement with the Alliance who won 10 seats, and an informal agreement with the Green Party, who won 7 seats. The defeated National Party won 39 seats while the extreme neo-liberal Act party won 9 and New Zealand First won 5, with the remaining seat going to the United NZ Party.

The conservative National Party had been in power for nine years (three parliamentary terms) - either on their own (1990-1996) or in coalition with the NZ First Party (1996-1998) and finally with its remnants (1998-1999) after the collapse of the coalition in 1998. Following its election in 1990 National, continued the neo-liberal economic and social reform instituted by the previous Labour Government, attacking the remnants of the welfare state with a vengeance. National cut the level of welfare payments (by up to

25 per cent in some cases), de-regulated the labour market, and sold off public assets in an attempt to significantly reduce the role and size of the state. The unpopularity of the policies they introduced in their first term contributed towards pressure for electoral reform, and resulted in the introduction of a proportional representation system in 1996.

Prior to the elections in October 1999 the business community issued many warnings about the damage the election of a Labour government would do to the economy. They argued that Labour would restore trade union power and destroy the economic progress made by the country. These attacks occurred despite the extreme caution exhibited by Labour during the election campaign. While Labour exploited the dissatisfaction of voters with the National government they did not propose policies, which in any way threatened the primacy of the free market. In order to dampen

expectations that they might just attempt to repair some of the damage wrought in the previous 16 years, Labour stressed that change could not be instituted quickly and that they would be a fiscally responsible government. Indeed, they were very quick to reassure the business community that for them, it would largely be business as usual.

Labour's promises prior to the election included:

- increasing taxes by 3 cents in the dollar for those earning over \$60,000 per annum (this affected around 5 per cent of taxpayers);
- reversing the 1999 cuts to public pension rates ;
- restoring income related rents for state housing so that low income tenants pay no more than 25 per cent of their income in rent;
- repealing the Employment Contracts Act ; and
- re-nationalising the Accident Compensation Scheme (ACC) .

Labour in power

Since the election Labour have delivered on some of their election promises. Pension levels were increased by \$20 per week, the Employment Relations Act replaced the Employment Contracts Act, ACC was re-nationalised, rental levels for those in state housing were reduced from market levels to 25 per cent of the income of those renting, and the tax rate on high incomes was increased to 39 cents in the dollar.

In the recent periods they have increased the income level at which beneficiaries are entitled to free medical care - but excluded low paid workers from receiving the same entitlement. As a result we have the obscene sight of the National Government castigating Labour on their failure to protect the low paid.

However, hand-in-hand with these improvements in living conditions Labour have continued the economic path laid out by the previous National Government. Labour has put the preservation of a budget surplus above restoring welfare benefits to compensate for the large cuts in the early 1990s. Monetary policy is still driven by the aim of maintaining inflation in the 0-3 per cent range. Whenever workers attempt to negotiate pay increases to compensate for increases in the cost of living, such moves are called inflationary. However, when company executives' award themselves large increases and bonuses, and public service executives are awarded large increases, nothing is said.

Another key focus of economic policy is the reduction of government debt and the achievement of budget surpluses. Under this scenario, little or no money is made available for funding improvements to health or public housing. Labour has also signed a free trade agreement with Singapore and is negotiating another with Hong Kong.

Business reaction

Despite the moderate nature of the reforms introduced by Labour, the

year following their election saw a concerted, and at times almost hysterical campaign from the business community and the opposition National and Act parties. The Business Round Table and the National and Act parties issued a series of warnings suggesting the collapse of the economy was near and that all the reforms of the past 16 years would be reversed.

The richest businessman in the country, Douglas Myers, attacked Labour policies saying they were 'unfair' and would worsen the plight of the poor. He attacked both the increase in the minimum wage and the repeal of the Employment Contracts Act, arguing that these two policies would result in increased unemployment and higher levels of industrial disruption. So far, the opposite has happened. Work stoppages for the year ended December 31, 2000 person-days of work lost were 11,495 the lowest for the decade. Alongside this, unemployment has fallen to a level of 5.4 per cent, the lowest since 1988.

Labour policies were also blamed for the increase in migration overseas with one person running advertisements that suggested the tax increase and other government policies were causing young people to flee the country. However his campaign was completely discredited when it was found to be financed by the Business Roundtable.

The hysteria got to the point that mainstream economic commentators suggested that the business community was over-reacting and would talk itself into an economic downturn if it was not careful. A leading business economist Ulf Schoefisch noted in June 2000 "the massive fall in business confidence over recent months appears completely overdone and out of line with underlying economic fundamentals".

Largely in response to the efforts of the business community, the New Zealand dollar dropped below 39.5 cents per US dollar for the first time and business confidence was surveyed as being very low in early July 2000, the lowest it had been since 1988. The

falling New Zealand dollar was blamed on the policies of the Labour Government although the dollar was merely doing what most other currencies were doing, moving down against the US dollar.

In reply to the criticisms by the business community the Labour Party quickly showed whose opinion it valued. A series of relationship building meetings were held with business people around the country where top Labour politicians reassured business that they were on their side. Treasurer, Michael Cullen, reputedly assured the business community that the Labour administration was a frugal one, and would remain so. As a further sop to the business community Labour also delayed or cancelled policy initiatives that were not favoured by this group, including the introduction of paid parental leave.

Implications

There are several implications of the above events. First, the extreme reaction of the business community and the right wing Act and National parties to what was essentially very moderate legislation raises questions about their reactions had the reforms been even remotely radical. Despite Labour clearly stating its adherence to the perceived neo-liberal economic orthodoxy the business community was worried about the implications of its election. Had Labour announced reforms with a more radical content the reaction of the business community would have been even more hostile.

Second, in its subservient reaction to the criticisms, Labour was even more clearly exposed as a party that would listen to business first. A party, that with only minor modifications, was prepared to carry on the neo-liberal economic agenda of the past 16 years. Any illusions that it had shed its neo-liberal past have been removed.

Finally, Labour has also had the good fortune to come power during a period of economic growth. Despite the fall in business confidence mentioned above the economy has continued to grow, albeit more slowly than some would

prefer, unemployment has remained low and inflation, despite some pressures has generally remained within the 0-3 per cent limit set by the reserve bank. Had an economic downturn occurred, Labour would have quickly bowed to pressure from the business community and imposed considerable sacrifices upon workers

and others in the name of affordability.

The election of the Labour Party to power signalled, many hoped, the end of neo-liberal economic and social policies that had increased inequality and hardship in New Zealand.

However, with some exceptions in the area of social policy labour have proven themselves little different to the preceding National government. While the economy is growing Labour has attempted to present a version of capitalism with a kind face - but the occurrence of an economic recession would quickly expose this.

For the liberation of Equatorial Guinea

16 July 2001, by **Equatorial Guinean Resistance**



The Nguema clique, which has ruled the country since independence in 1968, has systematically destroyed all popular and democratic groups and institutions and has kept the Guinean people under an oppressive iron fist. The regime has been kept in power by proceeds from large oil deposits mostly exploited by the US oil multinational - Chevron. The recent formation of the RGE and its military wing - ANGE - deserves the full support of all internationalists.

Founding Document of the Equatorial Guinean Resistance (RGE)

We, the oppressed people of Equatorial Guinea, mindful of our delayed national aspirations; the stifled growth of open civil society, political discourse and liberty, and denial of equal rights for all before a system of law worthy of the name; the deliberate underdevelopment of national democratic institutions since

independence from fascist Spain in 1968; the subsequent genocide visited on us by the first tyrant Macias Nguema; the continued suffering of our citizens at the hand of that tyrants nephew, Teodoro Obiang Nguema, and his squandering of national resources on himself, his family, familiars and ethnic patrons of sections of the Monogomo clan; the urgency in bringing about the comprehensive reversal of his acts and the defeat of his misrule confronting us, uniting our people through the accomplishment of together achieving Equatorial Guinea's national liberation by our own hand, and building an authentic Republic beyond the manipulation of foreign powers and trans-national commercial interests:

Resolve this day to make known the political formation of the RGE in fulfilment of our Founding Principles and Objectives; to be an organisation to unite the people of Equatorial Guinea behind the pursuit and final attainment of our national liberation through the removal from power of all manifestations of the Nguema regime and the so-called Democratic Party of Equatorial Guinea (PDGE) and any successors it might have; the convening under RGE auspices a National Convention to decide a State Constitution to establish a democratic republic with liberty for all our people and ratified by the first plenary of popular representatives chosen by free and fair elections and universal adult suffrage, and to:

- Organise politically an effective civil and military resistance to the Nguema regime in defence of the lives and livelihood of Equatorial Guineans who are supportive of true democratic ideals and the sovereignty and territorial integrity of the nation through a General Committee of the RGE and a guiding Executive Council elected this day by majority vote of the General Committee;
- The structure and management of the General Committee and its Executive Council be in accordance with the Organisational Principles, Duties and Tasks (OPDT) approved this day by majority vote of the convening plenary;
- Establish, deploy and direct through the Executive Council, a military command and relevant armed formations, The National Resistance Army (ANGE), accountable to it in exercising use of force in achieving our national liberation, defending the members and leadership of RGE in addition to the protection of citizens against the Nguema clique, its apparatus and allies, both foreign and domestic.
- The use of force by ANGE is to be consistent with the United Nations Organisation's 1977 Protocols to the four Geneva Conventions governing Humanitarian Law;
- Punitive active measures against the person and possession of the Nguema clique, apparatus and allies set out in the OPDT and who are within the bounds of the national territory are expressly authorised and mandated by the convening plenary by majority

vote;

- Seek and secure economic, political, diplomatic and military support from the international community and non-government organisations in this national endeavour.

- Declare today null and void all acts of the Nguema regime within and without our national territory with state and corporate entities, both personal and juridical;

- Declare as void pending review and final determination by the first, authentic, lawful representative assembly of the Equatorial Guinean people of all contract and treaty concluded between 12 October 1968 and today by the Nguema regimes.

- Assert as null and void any act of the Nguema regimes and what successor in form the current tyranny might have to negate or vary the permanent sovereignty Equatorial Guinea has over its national resources extant as of 12 October 1968 and as enshrined in the relevant resolutions of the United Nations Organisation.

- Calls on all Equatorial Guinean democrats, whether in the Diaspora or at home to join us in our struggle and the tasks of nation building that lie ahead.

Passed by unanimous vote this the twenty-first day of December 2000 in southern Cameroon by the convening conference.

From the Command and General Headquarters of the National Resistance Army of Equatorial Guinea: ANGE (RGE) Military

Communiqué # 2: GMO 3/2001

Having regard to The employment of Moroccan bodyguards in the so-called presidential compound of the tyrant, Teodoro Obiang Nguema in Malabo, Bioko Island;

The continuing reports of the presence of a hit squad commissioned by the tyrant Obiang Nguema said to be targeting the Equatorial Guinean opposition in exile in France, Spain and Italy;

Brings to the attention of managers and controllers of the oil-production platforms and petro-chemical processing facilities the request by the GC of the RGE to not allow any premises under their control or their staff, both foreign (with special mention of Chevron) and Equatorial Guinean, be used for assistance to and organisation by the armed formations and apparatus (inclusive of the PDGE and the 79 so-called parliamentary deputies appointed after the sham elections of 7 March 1999) of the tyrant Obiang Nguema; and on instruction form the Executive Committee of RGE to formulate a counter strategy and plan of response announces the General Military Order 3/2001 to be:

1. All foreign military or paramilitary forces guarding the person and facilities of the tyrant Obiang Nguema, his family and business associates along with the repressive state apparatus he commands are now declared targets for the use of lethal force and destruction on the territory of Equatorial Guinea by operatives and active combat units of ANGE;

2. Subject to review by the General Committee of RGE the oil drilling platforms and petro-chemical processing facilities and the staffs employed on site are exempt in full as targets from GMO 3/2001.

3. Subject to on-going review by the GC of RGE there are to be no operations involving use of force against foreign business with a presence on Equatorial Guinean territory by operatives and active

combat units of ANGE.

4. The identified principals on Equatorial Guinean territory of the European-based hit squads are declared immediately subject to the application of lethal force;

By order of the CGHQ of the ANGE (RGE) 12 March 2001

HUMAN RIGHTS IN EQUATORIAL GUINEA (EG) POLITICAL COMMUNIQUE #23/2001 (23 April 2001)

The General Committee of RGE announces that in the light of the serious flaws and omissions in the 20 April 2001 resolution of the UN's Economic and Social Council on the Human Rights situation in EG; and the overly restrained country report on Human Rights practices in EG given out by the US Department of State in February 2001; the following is issued unanimously by the plenary GC of RGE:

Noting that Kenya on behalf of the Africa Group presented the final misleading text of the resolution that glosses over the tyrannical practices and systemic human rights abuses by the Teodoro Obiang Nguema regime in Malabo and throughout the territory of EG; and that the EG tyranny purposively influenced the Africa Group,

Recalling the tyrant Obiang in his April 2001 visit to Washington DC to meet with president Bush had two additional goals, namely:

(i) The reopening of a US embassy in Malabo on Bioko Island.

(ii) The watering down of the February Human Rights report of the US State

Department.

Recalling the reciprocal support between the petroleum companies operating in EG (in particular Chevron Oil and the former member of the British SAS employed to head its security division in San Francisco) and the tyrant Obiang in arguing and lobbying the Bush administration and US Congress with a view to re-opening the US embassy in Malabo,

Noting the continuing, grave and systemic nature and scope of Human Rights abuses by the Obiang regime as alluded to in the US State Department report, and in addition the rapacious, non-sustainability of the exploitation of EG's natural resources along with ecological damage to our hard-wood forests,

Noting the facile attempts by the tyrant and his state apparatus, contracted lobbying firms and apologists to create the appearance of conformity with the provisions of international instruments governing the protection of human rights and their purpose to deceive the United Nations Organisation and the international community about the continuing denial of Equatorial Guinean's social and economic rights, the denial meted out to women and children being most troubling and noteworthy,

Noting the farcical nature of legislative representation in EG and the sham municipal elections 28 May 2000 and parody in national life of the tyrant's National Commission of Human Rights praised in the Africa Group report, and further noting the disinformation broadcast by the Obiang tyranny and its apologists

about a so-called clemency decree issued by the tyrant on 30 December 2000 supposedly releasing fifty political prisoners and reducing the period of unjust imprisonment on another eighty five hostages,

1. Expresses its gratitude to the Special Representative of the UN Commission on Human Rights, Gallon Giraldo, and requests he remains seized of Human Rights in EG and congratulate him on his re-appointment for a further year;

2. Notes with satisfaction that the tyrant Obiang was unable to have any meeting with President Bush;

3. Urges all lobbying and public relations firms to desist and remain away from representing the tyranny in Malabo and the person and family of the tyrant Obiang Nguema, the blood of the innocent is as much on their hands as the tyranny itself and they are directly responsible through their propaganda efforts for prolonging the bondage and suffering of the Equatorial Guinean people; and specifically the personal safety of the directors and employees of the two lobbying firms in Washington DC cannot be guaranteed in or over the territory of EG by the oppressed people themselves and the active armed units of the National Resistance Army (ANGE) of RGE;

4. Further urges businesses with economic dealings with the Obiang regime to actively examine their relationship with the regime in order to determine whether their presence is both directly or indirectly enabling the regime to continue abusing its citizens and curbing their natural and internationally conferred freedoms

and where they find they are complicit to immediately disengage or disinvest from the regime, particularly Chevron Oil;

5. Requests banking institutions abroad and on the territory to desist from moving off-shore the wealth that properly belongs to the Equatorial Guinean people and is being squandered and stolen and placed in off-shore accounts by the tyrant, his family and his apparatus;

6. Supports the re-introduction of a US diplomatic presence so as to better monitor and report the outrages of the regime, but stops short of endorsing the re-opening of diplomatic relations at an embassy level as the oppressed Equatorial Guineans and people across our region would necessarily interpret this as an endorsement of the Obiang regime and its acts;

7. Exhorts the regional states to accept refugees from EG fleeing the abuses of the Obiang tyranny and to meet their needs for physical care, health services, housing and education in conjunction with the international community. Technical assistance is also requested of them in ensuring the proper reporting of human rights abuses to responsible governments and directly to the United Nations High Commissioner on Human Rights.

8. Invites all member states of the United Nations to remain concerned over the human rights abuses and ecological and commercial crimes of the Obiang tyranny and confront the regime over these abuses in any forum it dares show itself; and where it proves intransigent, expel its representatives until authentic democracy is achieved in EG.

Brazil's Landless Workers' Movement: "Here we are all leaders"

16 July 2001, by Kintto Lucas

Some gathered together to exchange ideas about the future of this encampment of the Movimento dos Trabalhadores Rurais Sem Terra (MST - Movement of Landless Rural Workers'), built alongside a highway approximately eight kilometres from the city of Bage and 120 kilometres from the frontier with Uruguay, in the Brazilian state of Rio Grande do Sul. There are two hundred cabins of varying size, with walls and roofs constructed of wood and black nylon. The cabins extend some 1,500 metres alongside the road, giving shelter to 800 farm-workers' families.



MST encampment

Along both sides of the encampment, separated by fenced wire, are 2,700 uncultivated hectares of land belonging to the Brazilian Agricultural Research Company. Close to a fire, rubbing their hands to keep warm, Cesar and Gilberto, two leaders, talk about the occupation of the Fazenda Sao Pedro (Sao Pedro estate), located a few kilometres away. At the beginning of April, they say, their camp was surrounded by the military police. With the arrival of the rainy season, most of the families became worried because they were overcrowded on just a few hectares of land belonging to the state.

The feeling of the peasants was that if they did not take quick action, they would be forced to spend another winter in those overcrowded conditions. On the sixth of April, three proposals were presented to a general assembly of the encampment: to accept the land in the state of Mato Grosso offered by the Government; to march to Bage; to occupy a large country estate. "The first proposal was rejected," commented Cesar, "since Mato Grosso lacks infrastructure and the struggle of the landless is about each peasant obtaining land in his own state. The second one (to march to Bage) was also rejected because the military police had closed all the ways out of the region. On the 8th of April,

at 5.00pm, we decided to occupy an estate to put pressure on the government and set in motion the 'possession of the land'." At nine in the evening, the peasants began to cross the road to occupy the Sao Pedro estate, which was closest to their camp. More than 3000 people were mobilised.

Police open fire

When these people arrived at the main entrance, the military police opened fire from their automobile. However, on seeing the large number of occupiers, the police took refuge in a house from where they continued shooting. When the peasants had approached the house, calling for them to stop, two peasants fell wounded and one was killed. At 10.00 pm the owners of the house and the police surrendered. Sao Pedro was occupied.

"We maintained the occupation for days," added Gilberto, "but we decided to vacate the property because the Government promised to settle with all the families within ten days."

Months passed without the families being settled so that they had to resort to new mobilisations such as long marches of 450 kilometres to the state capital, Porto Alegre, and new occupations. As time passed, more than thirty people died, both children and adults. Now, nine years later, the majority of the 8th of August Camp are settled, but hundreds of other encampments of black canvases stretch the length and breadth of Brazil.

The encampments for those "without land" are schools where the peasants begin to transform themselves into inhabitants of the new society. This new society is accompanied by a new way of looking at culture, improving the way of coexisting, of living together, with attachments and organisation. The families -between five and twenty -, who live close to each other, form a group that is the base of the organisation. Each group elects a leader and vice-leader, all of whom form a leadership to co-ordinate the running of the camp. There, the discussions are open and at times

quite heated. Votes on decisions are only taken after everyone is clear about what they are deciding. As this grouping is made up of a high number of group leaders and vice-leaders, they usually elect an executive commission, which is then charged with implementing the decisions voted upon. This commission, on its own, does not have the power to decide anything.

The general assembly is the body with most power: it meets every two or three months, or when necessary to make an important decision, such as a march or a mobilisation that would involve the future of the camp. All those in the camp participate.

For each of the essential needs of the camp, teams are created from representatives from each group, to look after health needs, the planning and construction of cabins, feeding, internal and external security, gathering of firewood, hygiene, religion, recreation, education, sports and women's issues.

Everything is discussed in the groups and the delegate to the general co-ordinating meeting brings the position of the group to that meeting and is not able to change decisions, without prior consultation. Further, the inter-group co-ordination permits the maintenance of operational autonomy. The camp dwellers continue working as rural labourers, and with what they earn, they acquire food, which is distributed amongst everyone. The work is organised by means of teams that work for a determined amount of time, and others relieve them, so that they can maintain the internal organisation.

The organisational structure allows the mass participation of everyone in each decision in a way that affirms, as a reality, " here we are all leaders". Each tenant farmer leads some kind of activity. To be a leader implies concrete responsibility inside the encampment. All activity is vital and everyone must contribute; this gives confidence and creates a spiritual force of solidarity.

The camp dwellers, together and individually, are responsible for their common destiny. The families in the

camps of the landless are taking the principal role in radically changing the way of living, of living together in harmony and in relation to each other. It is a new experience for everyone and an education for the society that is going to be built collectively in the townships where they establish their land.

Collective and individual

However, the concern for the collective goes hand in hand with respect for the individual. The sovereign society and group that tries to build respect for the individuality of the person imposes nothing. It is in this way, for example, that each group organises a collective kitchen to save fuel and to achieve a better distribution of food. Nevertheless, if any family wishes to cook separately for themselves, this decision is respected without any kind of pressure. In this way they counteract the feeling of everyone crowding each other and the feeling that "everything collective" is good and "everything personal" is bad, as if it were a black and white movie.



The MST produces Latin America's only organic seeds

Of the 800 families, many will remain with the MST, occupying other estates to win their land, whilst others will give up the dream and will hope for better luck searching for work in the cities or distant regions. The majority will be successful in being settled.

The first 67 families of the August 8th Encampment who were settled in 1991 on 1,500 hectares located in Santana do Livramento, almost on the frontier with Uruguay, are now building an agricultural production co-operative, and after overcoming start-up difficulties, have constituted a productive example for the zone. The surplus of production over the needs for survival of the encampment and contributions from the camp-dwellers is sold through the Central Co-operatives so as to obtain the best

prices. The settlement also has a school for the children and a health centre to treat the inhabitants.

The challenge that faces the landless with their organisational model, is that the struggle is for agrarian reform and the settlements may be transformed into centres of production of culture, where food production becomes integrated into the construction of a new model for social living, which is based upon solidarity and mutual aid. The comparison between the previous situation and the reality today proves the success of the rural encampments.

The process "changed the life of the previously marginalized who were without perspective, who are now farmers who have dignity with monthly incomes superior to that of the rural population in general", says João Pedro Stédile, National Coordinator for the Movement.

Moreover, the concern of the peasants for the education of their children, their struggle for the provision of schools and health services in the encampments, the efforts to train the required professionals for farming, such as veterinarians, agricultural engineers and farm equipment operators, is now obvious. More than 4,000 encampments presently exist throughout the country.

At the same time, the MST has grown, in numbers of families and in occupied territory and has been consolidated into a large national movement, which has won many victories throughout the country. It was awarded the Alternative Nobel Prize and has achieved a lot of international recognition for its work.

The MST had its birth in the states in the south of the country, with their extensive estates of livestock breeding, soya plantations, and thousands of small farmers who had lost their land.

The 1970s, a period of total dictatorship, saw the setting up of Rank and File Church Communities (base Christian communities) in the cities, and above all, the coming into existence of "family groups" in the interior. The agrarian policy of the government tended towards

concentrating the land into fewer and fewer hands so these ("family groups") became spaces for reflection about the real experiences in organising opposition by rural workers.

When the seventies ended, the peasants in different parts of the country intensified the occupations of the estates. In 1980s, they were most successful in the state of Rio Grande do Sul in 1979, and in the state of Santa Catarina in 1980. This helped promote the growth of the MST, which became one of the social movements with the greatest mobilising power in Latin America.

In 1981, 700 landless families decided to camp in the area of Encrucilhada Natalino, in the municipality of Ronda Alta, in the state of Rio Grande do Sul, in the south of the country. The encampment lasted three years and was transformed into a symbol that would denote the future of the MST.

The struggle between more than 10,000 families in the state of Paraná against the government, provoked by the construction of the Itaipu hydroelectric dam, which flooded their land, must also be added to the above actions.

While the state proposed monetary compensation, the peasants demanded other lands arguing that the money they would receive was not enough to pay for their lost land. In the states of São Paulo and Mato Grosso do Sul also, thousands of rural workers undertook mobilisations claiming land.

In September 1982, in Goiânia, capital of the state of Goiás, the Comissão Pastoral da Terra [CPT-Pastoral Land Commission created by the liberation theology wing of the Catholic church-ed.] organised the first national meeting where workers from sixteen states participated.

According to João Pedro Stédile, Coordinator of MST, and one of the participants in that event, "this was the first meeting to exchange experiences about the land struggle. It was the first national meeting I had ever attended because I had never before been out of Rio Grande do Sul. We began to get acquainted with each other and the idea arose that we must

remain in contact. The delegates of the five southern states (Rio Grande do Sul, Santa Catarina, Paraná, São Paulo and Mato Grosso do Sul) decided to form a regional coordinating committee. "

"This committee," says Stédile, "decided that it must be organised throughout the country and we decided to have a national meeting about the land conflicts in January, 1984, in the city of Cascável, Paraná. The meeting in Goiania was organised by the CPT to reflect on the land issue within the framework of the rural workers' struggle."

Cascável signified the foundation and organisation of the MST, a movement of landless peasants, national in character, with a goal of struggling for land and agrarian reform. A coming together of the MST, the Confederation of Agricultural Workers (CONTAG), the Central Union of Workers (CUT), the Catholic Church, several political parties and entities took place to demand agrarian reform. In opposition to this process, the Rural Democratic Union was organised in 1985 to mobilise the estate owners to resist agrarian reform, often through violent action.

After 1985 - according to statistics from the CPT - 1,169 victims of violence were recorded in the centre of rural Brazil, among them unionists, peasants, their lawyers and priests. Out of all those responsible for so many murders, only sixteen have been tried and sentenced.

On April 17, 1986, the largest massacre of landless peasants took place in the municipality of Eldorado dos Carajás, in Amazonia, and became a symbol for agrarian reform in Brazil. Hundreds of families marching on a road towards Belem, capital of the state of Pará, were attacked with gunfire by the police, resulting in nineteen dead and dozens injured.

A way of building the future

Even though laws exist to promote the redistribution of estates with those who are without land, in practice,

agrarian reform is only granted when the occupations are intensified. This method of occupying has transformed the struggle. In 1993, eighty-nine occupations by 19,092 families were carried out. In 1996 there were 398 occupations, with the participation of 63,080 families. In 1999 the occupations involved more than 40,000 families.

"The occupation has a symbolic significance for the landless", states Stédile. "It is an action that opens a space for political socialisation, for struggle and resistance. This space, built by the workers is the place of experience and training for the movement. The occupation is the movement."

In the movement, new individuals are being formed. Each land occupation creates a source for generating experience that throws up new individuals who would not exist without that action. The occupation is a condition of life for those without land.

With the occupations, the peasants are continually recreating their history and they are winning, in fact, the potential for negotiations with the government.

Moreover, they win the possibility of achieving a new educational model for their children in the encampments and the right to a greater participation in decisions about their destinies. "The occupation is a form of beginning to build our destiny, of creating", says Stédile.

Attempting to end this form of struggle, the government of President Fernando Henrique Cardoso issued a decree that prohibits the expropriation of an estate occupied by the peasants, attempting to end this form of struggle.

According to Stédile, "there is a contradiction here. The President's idea is that the landless will stop occupying on seeing the threat that the land will not be expropriated. However, he now only yields to the occupiers, after the struggle and the occupations."

During the first government of

Fernando Henrique Cardoso (1994-1998), agrarian reform was presented as a necessity for the development of the family farm, the solution to the problem of food safety and the reduction of agrarian conflicts. However, the old model for agricultural development has not been modified.

For João Pedro Stédile, the agrarian policy of the current government simply continues the model of agricultural development introduced by the previous military regime. "This economic policy", he says, "does not recognise the importance and potential of the small farmers in the agricultural production process. The family farm is still seen as backward within their model of capitalist agriculture."

It appears that governments don't realise that in the last 34 years of implementing this kind of policy, the conflicts remain and tend to grow. It seems a contradiction that during this same time food production has increased and so has the number of hungry Brazilians. The family farm is being assaulted by a single model of agricultural development."

The National Institute of Colonisation and Agrarian Reform (INCRA) is the state entity responsible for implementing agrarian reform. After 1999, seeking to speed up the acquisition of lands for distribution, it resorted to the direct purchase of some estates. However, INCRA was denounced for over-paying on several acquisitions, which was justified by the Director of Farm Resources of INCRA, Luis de Matos Pimenta, who blamed the landless, saying that if "the MST occupies the estate and claims it for settlement, the owner is permitted to exact the best price."

Another mechanism used by INCRA, with help from the World Bank, is to authorise credits to small farmers so that they can acquire land. For Stédile, these proposals have the effect of privatising agrarian reform and are not economically viable.

An action that puts into question the government's leadership on this matter is its announcement of reduced public expenditure in order to deal

with the international financial crises. To overcome its limitations, INCRA will have to be changed into an executive agency, freeing itself from bureaucratic squabbles. What they want is to "eliminate INCRA as a public organ and convert it into a property business", said Stédile.

Grave consequences

A study carried out by Professor Guilherme Dias, a government specialist, revealed the grave consequences of the Brazilian large estate model for agriculture. According to his research, in the last few years, 900,000 properties with less than 100 hectares remain. Of 700,000 properties in the employers' sector, only 88,000 are economically viable. Of the four million farmers who work the land through the family, nearly 700,000 could be viable, and not one property of up to 50 hectares has a monthly income greater than a minimum salary. Two million rural salaried workers lost their jobs in the last four years.

"Government technicians admitted in November, in an article published by the magazine of the agricultural ministry, that another two million very poor families will leave the countryside in the coming years, expanding the misery on the periphery of the great urban centres, with between eight to thirteen million people", states Stédile.

He also argues that the "disaster", a consequence of the adopted model inspired by the United States, is fostering the production of grain for export, especially soya, with large investments in transportation infrastructure, such as railways and ports. This implies the "denationalization of the Brazilian agricultural market which has passed into the control of large foreign businesses", and favouritism towards those amongst the small farmers who were integrated into agro-business, observes this leader of the landless.

"The centre of rural impoverishment is that a farmer earns three reals (\$1.55 U.S.), for a box of tomatoes, but the

consumer must pay fifteen times more for the same product", points out economist Ladislau Dowber, recommending that the production channels be investigated to look for prices that "might be more fair for producers and consumers".

Stédile is of the opinion that this problem is the result of the domination of the market by large businesses, especially the trans-nationals.

An example is the Italian Parmalat Company, which according to Stédile, pays seventeen cents a litre to the milk producers of the encampments controlled by the MST, and sells it for fifty-two cents in the super-markets. But in Italy, where the selling price is similar, the company pays forty-eight cents to the milk producers, a difference that can only be explained by monopoly practices, says Stédile. These businesses, for their part, say the difference is due to high taxes and financial charges added to the cost of transportation and labour.

The right to property

The struggle for land in Brazil can also be seen in the cities, the economic and political centres par excellence of the industrial world, where the needs and feelings for agrarian reform influences the discussion amongst the political parties, the unions and the State. The landless, by their occupations, place action on the discussion table.

At an urban level, the political forces in favour of agrarian reform often view this political process in an economic perspective, purely as a way of dealing with improving family incomes. Nevertheless, the landless are establishing their struggle for agrarian reform, not only as a way to improve their working conditions, but to win their right to property, and they undertake land occupations as a continuation of their historical development as workers and farmers.

It is their only way of maintaining their status as *campe sinos* (peasant farmers) and avoids being transformed into salaried workers.

The struggle for the right to diverse kinds of property ownership cannot be framed within the concept of capitalist property relations.

Through their experience in building their movement, the landless workers are winning their own space for political socialisation. The struggle for the land has gone beyond being understood as an economic question to the conception of a socio-cultural project for the transformation of their reality. The effects of these movements on social relations reaches into all of society.

Each encampment gained is a fraction of territory that passes on to be worked by the landless. The encampment is a territory of the landless. The struggle for the land raises the issue of more territory because on winning an encampment, the prospect of winning more is moved to the top of the *campe sinos* agenda.

If each encampment is a fraction of conquered territory, the combination of conquered areas is called "territorialisation". This is the biggest difference between the MST and other peasant movements that end their struggle after conquering some land.

For the MST, winning land is a step in the process of the "territorialisation" of conquered areas. "Our struggle is not only to win the land. We are building a new way of life, with all that this implies, socially, culturally and politically. Winning the land is a step towards this new model that is functioning in the encampments", emphasises João Pedro Stédile.

The highest level of the MST is the Congress, which meets every five years. The next levels are the national coordinating committee, the national leadership, state coordination, regional coordination, the leadership of the Central Co-operatives created by the encampments, the coordination of the campers and the encampments.

The process of encampment "changed the life of people who were previously marginal and without perspective and who are now farming citizens", with monthly incomes equivalent to three times the minimum wage (\$230) promised and superior to the rural

population in general, maintains Teta, a well-known cinematographer who made two documentaries on the "landless".

Between 1994 and 1999, the MST dedicated itself to deepening organisation within the encampments, concentrating on developing co-operative organisations for those settled, creating co-operatives of production and regional and local services. The regional cooperatives form a Central Co-operative and the Centrals are organised at a national level into the Brazilian Co-operative Federation of Agrarian Reform.

The MST has more than 500 encampments with more than 150,000 families organised throughout the country and anticipates they will spread ultimately to embrace all farming areas.

It also has the support, to a large extent, of the families that were settled during the agrarian reform of the 1980s, around 400,000 according to the government and not more than 250,00 according to the MST.

Historical background

The present reality of the Brazilian countryside has its historical background in the agrarian policies implemented by the military dictatorship between 1965 and 1985. This was to the detriment of peasant family farming when Brazilian farming suffered a significant change by the establishment of a farming policy model that gambled on modernising the agricultural sector through the introduction of large, export based agro-business.

This policy was underpinned by technical and financial modernization based on the National System of Rural Credit, causing farming to be dependent upon the industrial manufacturers of materials such as pesticides, resulting in the break-up of small producers and promoting the growth of salaried work.

The destruction of the family economy led to the expulsion of millions of

peasants to the cities and the growth of millions of "landless" families.

As part of the military dictatorship's agricultural industrialisation policy, a business opening was provided for trans-national businesses such as Volkswagen, who were able to acquire land without limit resulting in large land concentrations in a few hands. With the progress of this kind of colonisation, large estates were consolidated and the creation of others was encouraged, especially in Amazonia.

The agro-business exploitation of the land in the regions of the south, south-east, west-central and north-east parts of the country, points to a monoculture based upon export, with large plantations of soya, oranges and sugar-cane for the production of alcohol and other products.

The numbers speak for themselves. In fifteen years, 48.4 million hectares of public lands were transformed into large estates. This corresponds to double the landmass of Sao Paulo state. At present, Brazil has the second greatest rate of concentration of land ownership, behind Paraguay.

One-percent of owners now control forty-five percent of the agricultural area of the country. Ninety-percent of farmers, with less than a hundred hectares each, occupy twenty-one percent of the agricultural area. Twenty-two percent of all Brazilians live in rural areas, and it is estimated that 4.8 million families need land.

Even though the Constitution provides for the expropriation of properties that are not fulfilling their "social function", in terms of production and employment, the land is managed by the government like a pool of riches, an asset for financial speculation, and not as a resource to produce food.

No matter how large the lands belonging to these large estates are, the greater part is unproductive, according to Ladislav Dowbor, economist at the Catholic University of Sao Paulo. Whilst small farmers cultivate sixty-five percent of their land, individual owners with more than 6,000 hectares, only use six to seven percent of theirs. Basing himself

upon official statistics, the above expert affirms that there are 371,000,000 of cultivable hectares of land in the country, but only 52,000,000 are intended for temporary or permanent cultivation.

The 1995 to 1996 census of agro-businesses, undertaken by the Brazilian Institute of Geography and Statistics, revealed that in ten years, 5,400,000 people in agriculture remained unemployed. Later investigations indicate that in spite of the victories of the MST, in recent years, this process of concentration has been maintained and has actually intensified.

A different educational model

For the landless, agrarian reform is not restricted to changes in the land and capital, but also means similar changes for the people as citizens. According to their leaders, "the access to education by the peasants plays a very important role in the development of their political consciousness, because they themselves make a critical reading of their own reality".

The MST is gambling on an education based upon the values of the countryside as a method for grappling with school absenteeism and reducing illiteracy. The application of this new model to various regions, for example, results in the starting of school classes for pupils at a time of the year that respects the agricultural calendar. The number of pupils in rural areas, who earlier had been condemned to cutting short their education, has now tripled, and illiteracy has been halved.

Classes that traditionally began in February or March, now do not conflict with local seeding and harvesting activities, being scheduled between January and May, the rainy season. The children continue working, but without losing two months of school, which used to lead to them quitting school entirely or having a poor performance record.

This is an example of the inadequacy of applying pedagogic methods

designed primarily to meet urban criteria to a rural locale. Other problems were found in the content and teaching methods that did not take into consideration local culture and conditions.

On the other hand, in the training centres located in the encampments of the MST, they respect the "cultural values of the countryside", such as the relationship with nature, the spirit of mutual assistance, the agricultural people's perception of time, their bonds to the land and the need to defend it.

In July of 2000, in Luziana in the state of Goiás, a National Conference with the theme, "For a basic education in the countryside", took place, promoted by United Nations agencies, the MST, the Catholic Church and the University of Brazil, where the kind of education that is required in the Brazilian countryside was debated.

The conference championed and adopted positions around the idea of a rural education with better material conditions, with teachers trained to pay attention to the reality of the countryside and with a school year adapted to the farming calendar.

In Latin America "in spite of its agricultural tradition, and even when

the majority of the population was rural, in general, education was not connected to the characteristics of people's lives and production in the countryside", said Jorge Werthein, representative in Brazil of the United Nations Education, Science and Cultural Organisation (UNESCO). Schools in poor physical condition, classes taking place during harvest time and poorly qualified teachers, reflected the lack of attention to the world of the peasant. These conditions have been reversed in the encampments of the MST, but the idea is that their model should be expanded to all of rural Brazil.

Exodus

With the exodus of people from the land "provoked by the shortages, lack of fundamental social services and economic perspectives, the rural population was decimated", but little has changed in the material conditions and teaching concepts in the countryside, indicated Werthein.

"It is necessary to place teaching in the context of rural development", summarised Ana Catarina Braga, who is responsible for education at the United Nations Foundation for Children (UNICEF), co-promoter of the conference of Luziana, together

with UNESCO and the Brazilian organisations.

This first national meeting on the topic of rural schooling, with 900 participants, approved a final document, entitled 'Challenges And Proposals For Action', with 105 recommendations. The proposals are aimed at influencing public policy, and promote a more adequate school programme actually developed in the countryside, and a school system that prevents the continuing rural exodus, Braga point out.

The deliberations of the conference on the themes discussed, such as secondary schooling and education of professionals, teacher training and the experiences of teaching methods in the countryside, will soon be published, announced Braga.

In addition to introducing a new educational model for Brazil in their encampments, the MST is also trying to achieve 100% school attendance for their children to eliminate illiteracy.

For this reason, it is heading up a mobilisation for basic rural education and has signed agreements with three universities to prepare teachers who shall have the qualities of conveying "adequate schooling for our reality", according to João Pedro Stédile.