



# IV375 - February 2006

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Latin America – World Social Forum – Fourth International





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## France

# 16th Congress of the LCR

The LCR (French section of the Fourth International) held its 16th National Congress in January 2006. We reproduce the following report of the congress, accompanied by the principal motions adopted, from the 26th January issue of the LCR's weekly paper, Rouge.



### Political perspectives

The profound significance and the consequences of the victory of May 29th (in the referendum on the European Constitution), the brutal continuation of the bosses' offensive, the difficulties in organising social mobilisation, the revolt of the suburbs, law and order legislation that attacks basic liberties, the debates about orientation on the left and in the social movement: these were so many contradictory elements, illustrating a complex situation, which were the backdrop to the 16th Congress of the LCR, which took place from January 19th-22nd in La Plaine-Saint-Denis, in the Paris Region.

The draft political theses presented by the different platforms sought to determine the overall orientation of the LCR until the next congress. The theses presented by Platform 1 won a relative majority of votes, both in the different local congresses and at the national congress (49.3 per cent for, 38.8 per cent against and 11.9 per cent of abstentions).

A large part of the debates dealt with the analysis of the points of support and the obstacles - as well as the initiatives that should be taken - in order to express on the political and electoral level the élan of May 29th.

The motion entitled "Let's respond to the hopes of May 29th" (see below) was adopted by the congress (48.9 per cent for, 44.2 per cent against and 6.8 per cent of abstentions). It outlines the approach of the LCR towards the different forces that took part in the campaign for the anti-liberal "No" to the European Constitution.

Taking into account the difficulty of the task, the congress also decided to begin, as of now, to collect signatures of elected representatives in order to ensure that the LCR can be present in the presidential election of April 2007.

To decide the organisation's position for the elections - presidential and legislative - that will take place next year, a new occasion for consulting the members of the organisation was programmed: next June, a national conference of the LCR will take those decisions.

There were other important decisions taken by the congress: on the attitude towards the "meeting of the Left" to be held on February 8th (adopted by 84 per cent of the delegates) and a motion on organising social resistance (86 per cent).

Lastly, the congress concluded with the election of the national leadership (DN), proportional to the votes obtained by the different platforms (Platform 1: 48.57 per cent; Platform 2: 12.14 per cent; Platform 3: 26.07 per cent; Platform 4: 8.93

per cent; Platform 5: 4.29 per cent). Like the leadership that was elected at the previous congress, in October 2003, the new DN respects parity between men and women.

### The motions that were adopted

Here are, in their entirety, the principal motions adopted by the 16th Congress of the LCR.

#### Motion 1: "Resistance!"

Not a week goes by without the government or the employers announcing fresh attacks against workers. In 2003, Raffarin [Prime Minister at the time] said, "It is not the street that rules." In 2004, the governing majority, disavowed in the regional and European elections, nevertheless persevered with its liberal policies, suffering another disavowal during the referendum on the European Constitutional Treaty.

In spite of the mobilisation on October 4th and those of the transport workers (SNCF, SNCF, RTM and public transport workers in several cities, the workers' movement today remains passive, without any real fightback. The government's policies are expressed in continuing mass unemployment, the increase in job precarity, and the drop in the cost of labour with the "new hiring" contract and the "first job" contract, and by increased attacks against the unemployed and casual workers through the new UNEDIC agreement [concerning unemployment pay].

At the same time, the government is giving free rein to the employers' plans for sackings and workplace closures in order to increase the capitalists' profit margins. Access to health care is becoming increasingly difficult with the implementation of the Douste-Blazy Plan, privatisations and the dismantling of public services are multiplying (EDF, Paris Airport, the Post Office Bank, SNCF, RTM, etc.) The right to be housed is flouted and the purchasing power of millions of workers is falling.

The revolts by the youth of poor neighbourhoods, last November, have once again illustrated the discriminations and the precarity of which these young people are victims, and in particular those who are from immigrant families.

The penal and anti-social reactions of the government, with the aggravation of its law and order and anti-immigrant policies, as illustrated by its intention to dismantle the education system (apprenticeships at 14), are only increasing inequality and preparing fresh explosions. In spite of decades of struggle by feminists, the right of women to control their own bodies, to refuse violence and to put an end to discrimination in

employment and wages, are constantly threatened.

The government continues to impose its policy of only nuclear energy, with in particular the putting into services of the EPR reactor and by worsening working conditions. It flouts food and ecological safety with the proliferation of GM crops.

It continues its imperialist policies, in particular in Africa and in Ivory Coast. Faced with this situation, the LCR is conducting a campaign around a social and democratic emergency plan, an anti-liberal and anti-capitalist plan which outlines the way to a break with liberalism and for a radical anti-capitalist transformation of society. We put forward this plan to be discussed with all the social and political forces of the workers' movement.

At the same time, the LCR is doing everything it can towards building a united front offensive, excluding no one on the left, against the Right and the bosses. It is necessary, without waiting for the elections, to build a front of struggle, a general mobilisation, in order to put a stop to the steamroller that is tearing to shreds the rights won by workers though decades of struggle by the workers' movement, and that is organising the satisfaction of the bosses' demands.

The congress of the LCR renews its call to all the forces of the workers' movement, unions, parties and associations: it is now that we have to stop the Right, to stop liberalism and the employers: it is now that we must put a stop to policies of lay-offs, precarity and repression, by a general mobilisation of all workers and youth, to put an end to this illegitimate government and to its reactionary policies.

#### Motion 2

The policies of the government and the employers today make necessary a united front mobilisation of the entire social and political Left. All the parties, associations and unions, all those who refuse these new attacks must react together. Without conditions, without preliminaries, we have to unite against the policies of the government and the employers, to defend workers' demands and all democratic rights.

It is indispensable to organise a united front meeting which will discuss how to attain these objectives, in particular, against the "new hiring" contracts and the "first job contracts, against the attacks on the national education system, against privatisations, against the law glorifying French colonisation [which President Chirac has since annulled, bowing to widespread opposition].

But instead of organising a fightback on the scale of these attacks by the government and the bosses, the leadership of the Socialist Party is only thinking about 2007, about its many candidates and about rebuilding a new “plural Left” [the name given to the SP-dominated coalition government from 1997-2002] with the Greens, the Radicals and the Communist Party.

Far from having drawn the lessons of the Jospin experience and of the referendum on the European Constitution, the Socialist Party confirmed, at its recent congress, its adaptation to social-liberalism, and it wants to get the whole of the Left to follow this political line.

The meeting on February 8th, without an agenda, where some people want to talk about a political alternative and others a contract of government, can obviously not have our assent. We will not take part in this meeting, nor in meetings or coalitions around an overall governmental political project for a second edition of the plural Left. We are not in business to build an alternative or a government programme with the social-liberals.

What is needed is to converge towards a united front action and fightback against the Right and the bosses. The LCR confirms that it is ready to debate publicly with all parties of the Left in the framework of contradictory confrontations.

### **Motion 3: “Let’s respond to the hopes of May 29th!”**

For the LCR, the demands put forward for years in the strike movements and the campaign of May 29th clearly outline a break from liberal policies and social-liberal orientations, which were once again reaffirmed at the last congress of the Socialist Party.

For several months, we have worked towards unity in action and engaged in the debate and in meetings for such a perspective, which is particularly awaited by the militants who are involved in the campaign and the collectives of the “No” from the left.

The struggle to regroup forces on a basis that is consistently anti-liberal, and therefore anti-capitalist, is incompatible with the search for governmental or parliamentary agreements with social-liberalism. There really are “two Lefts”, two irreconcilable orientations, one of submission to capitalist interests, the other of resistance.

The latter implies conducting policies that correspond to social needs, without being afraid to confront the bosses’ interests. That would mean, for a government that had such an orientation, radical choices concerning the economy and the state institutions, choices which would imply the mobilisation of workers to

impose their choices, because as we all know, the resistance of the reactionaries will be strong and determined.

Obviously, the time has come to make fundamental choices. Many people are looking towards the political, trade union and global justice forces that mobilised in a united way (in particular in the collectives that were launched on the initiative of the Fondation Copernic) for the anti-liberal and anti-capitalist battle during the campaign against the European Constitutional Treaty, and they would like us all to be united, including for the coming elections. This hope is legitimate and we share it.

In order to respond to it, we must build a unitary regroupment on the basis of an alternative to liberalism, of an anti-capitalist programme taking in social and democratic emergency measures, of a refusal of any governmental or parliamentary alliance with the social-liberals, of a perspective of radical transformation of society on the basis of popular mobilisations. It is not for us a question of persons, but of content.

Today certain obstacles prevent the conditions for such candidacies from being met. One obstacle is the choice of the Socialists of the “No” vote, who at the congress of the PS, took part in the synthesis [with the supporters of the “Yes” vote]. Another obstacle is the present policies of the leadership of the PCF, which in particular seek to bring together the Left of the “No” and the Left of the “Yes”. Such choices are contrary to the expectations of many militants of these parties. We are not resigned to this situation.

The LCR will seek to overcome these obstacles, by actively conducting the debate on this question with the militants and currents that are present in the 29th May collectives and in the debates with the PCF. We will continue to work, everywhere, so that what is expressed is the profound dynamic of the “No” from the left and not the dangerous attempt to marry anti-liberalism and social-liberalism.

We will continue to work to create the conditions that will make it possible to stand unitary candidates in the 2007 elections, bringing together in a broad way the currents and the militants who took part in the victory of May 29th, in particular the members of the PCF and the LCR, and beyond them thousands of militants who are fighting, day after day, the evils of capitalism.

That would be beneficial for this alternative of which the youth and the workers of this country have so much need, and for which they have already been kept waiting so long. While continuing the unitary debate, to build an anti-capitalist alternative and give it a content, the

LCR will from now on be taking the necessary measures to ensure its presence in the coming elections.

### **The PCF, the PS and the congress of the LCR**

The congress of the LCR provoked many reactions on the left, even while it was going on. From the first day, the leadership of the PCF published a reply to a declaration on television by Olivier Besancenot, who held out “a fraternal hand to the Communist Party”: “The PCF is always ready for a warm handshake, but what we especially need is to form with our people a gigantic human chain. We have to forge a new anti-liberal regroupment capable of defeating the Right. To do that, we have to conduct action today and conduct a large-scale debate, in public...We have drawn the lessons of the past. There is a need for something new on the left. Everyone has to work at it...”.

At the end of the congress, on Sunday evening, there was a new statement by the leadership of the PCF: “Now is the time for the LCR to make a choice, either it stays on the side of the road, waiting for June, considering, in reality, that the Left is doomed to social-liberalism. Or else it commits itself fully to a popular and citizens’ dynamic to build an anti-liberal project that really changes people’s lives, the broadest possible regroupment of the Left to build a political majority. It is a pity that that it seems to have opted for resignation”.

As for the PS, it declared, in the person of Francois Hollande [First Secretary] on the LCI radio station: “There is only one Left, the Left that wants to govern, and there is the far Left, which wants to wait for the revolution. Let it wait for the revolution, I respect that choice”.

Lastly, let’s note the reaction of Gerard Filoche, one of the leaders of the “No” from the left in the National Bureau of the PS: “The congress of the LCR debated between two false choices: refuse any unity of the Left and stand Besancenot [...] or wait and envisage a partial unity, necessarily pale, with an LCR-PCF candidate, excluding the PS, without besides being clear about standing down [for the PS] in the second round [...]”

There is only one choice that is politically, realistically possible: a single candidacy of the entire Left in the first round”. If we want to defeat the Right in the second round, “better to get a head start and have the courage to engage the debate before the first round, to discuss a common programme and then designate a common candidate, even a Socialist”. To be continued...

## Hamas election win

# Ariel Sharon's Last Victory

Michel Warschawski

Hamas's decisive victory in the unquestionably democratic elections held in the Palestinian occupied territories is the result of many factors. However, above all else, it is a great victory for Ariel Sharon's policy. For decades the destruction of the PLO has been a strategic objective for the former Israeli PM, and this was not his first attempt; Sharon's bloody venture in Lebanon in 1982 represented a major effort to achieve this goal.

However, despite both Israel's military might and ruthless brutality - exemplified by its role in the Sabra and Shatila massacres - the Lebanon invasion failed.

Back in power in 2001, Ariel Sharon was determined to succeed where he failed two decades before. Under the cover of a permanent and preventive war against terrorism, Sharon launched a bloody offensive against the leaders, activists and institutions of the Palestinian National Movement. The goal was the destruction of the movement, knowing full well that, if successful, the strategy would bring about the emergence of an alternative leadership.

"Israel has no Palestinian partner" was not the reason for the broad military offensive and Israel's policy of destruction in the occupied territories - it was the objective: for the former Israeli PM, unilateralism was the only way to achieve the Zionist goals, and negotiations were perceived as an obstacle which could force unacceptable compromises. It was therefore necessary to destroy any potential partner for future negotiations.

After neutralizing Yasser Arafat, the Israeli government destabilized the "moderate" Abu Mazen and continued the ongoing destruction of both Palestinian infrastructure and territorial continuity. Chaos, and on many occasions, terrorist attacks were the expected results of this policy, which only proved that there was still no Palestinian partner.

Israel intentionally prevented the Palestinian leadership from delivering anything to their public on either economic or political levels. This facilitated, as expected and predicted, the collapse of the leadership's popular support and the strengthening of the Islamic opposition. Indeed, Hamas is not only perceived as more capable but also removed from the failures of the Palestinian Authority. The vote for Hamas was more of a protest vote than an ideological one; it was a way to say "you failed, we don't trust you anymore and we want to try something new."

Ariel Sharon wanted a victory for Hamas so that he could even more convincingly claim that "we don't have a partner for peace." The election results will allow Israel to continue its unilateral

steps of colonization, including some tactical military redeployments and the dismantling of un-manageable isolated settlements.

For a while this policy may succeed, and the reaction of the international community and media, by threatening to outcast the Palestinians, is definitely going according to the plans of the Israeli leadership. In other words, the Palestinian people will be confronted in the short term with hard times.

But, and every Palestinian knows this, how much harder can thing get? Israel will stop the peace process? There was no peace process. Israel will renew targeted assassinations? They were never halted. Israel will destroy more houses and uproot more trees? It is almost impossible to do more damage than what was done during the last five years. Israel will continue arresting activists? This policy never stopped. The international community will cut economic support? It was already reduced to a minimum.

Israeli success, however, may not last for long. Because it was democratically elected in the presence of hundreds of international observers, the Hamas leadership will have a certain amount of international legitimacy. The fact that it is not responsible for the previous political commitments of the PLO (Oslo process) makes it better positioned to keep low the population's expectations. The possibility of a true national unity government is now very real and will this time be perceived by the international community as a sign of moderation. In the previous period it was considered as a turn of the Palestinian Authority to a more radical line.

Unlike the racist images spread by the local and the international media, Hamas is not an irrational fanatic organization. It has a wise political leadership who will follow the example of the successful Hizbollah party in Lebanon. Moreover, Hamas may well join the PLO and accept its authority.

It may not be too optimistic to argue that the Israeli-planned victory of Hamas may bring about what the Israelis have been trying to sabotage: Palestinian national unity to fight the occupation and reconstruct a society that has been systematically dismantled by the Israeli war of



pacification. It may provide renewed hope and confidence.

"We will not negotiate with Hamas." "We will meet Hamas only in the battlefield" - we remember such slogans from the eighties, only during those years they were directed towards the PLO. We know that ultimately the Israeli government was forced to radically change its policy, for at least a few years.

There are already signs that the US administration is backing off its policy of total war against Islamic organizations and is even starting to look for new allies among them. Indeed, the US has begun working with such organization in Iraq and conducted semi-public talks with the Muslim Brothers in Egypt. Sooner or later, the international community will force Israel to negotiate with Hamas, as it did fifteen years ago with the PLO.

As for the Palestinian society, the Hamas victory clearly represents a double challenge. First, Palestinians will have to struggle internally in order to maintain and expand upon the social and civic achievements which the Hamas may threaten.

While such attacks on social and democratic rights will certainly not bother the international community they remain a major concern for the Palestinian people. The second challenge is to rebuild the secular national movement, most importantly Fatah, and to give back to the PLO its power and leadership.

If these two challenges are successfully met, the latest achievements of Ariel Sharon may be similar to those in Lebanon: a Pyrrhic victory.

*This article first appeared at News from Within, e-journal of the Alternative Information Centre, Jerusalem.*

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## Britain

# Abortion - defend a woman's right to choose

Terry Conway



Anti-abortionists in Britain are waging a huge propaganda campaign and have taken some important actions through the courts. So far unsuccessful in their aims, the anti-abortionists are trying to create a climate of opinion which would ease the way to abortion restrictions.

Britain's main piece of legislation, which gave women some important albeit limited rights to control their fertility was passed in 1967. Over the next two decades a strong movement, headed up by the National Abortion Campaign and supported by the broader women's liberation movement and increasingly by key sections of the trade union movement, defeated a whole series of attacks on those rights.

The 1967 Act gave women the right to an abortion in limited circumstances up to 28 weeks. In 1990 this was reduced to 24 weeks - a move that was not opposed by as vigorous campaigning as had been seen in the previous two decades.

This was partly because the attack, unlike the ones that preceded it, did not come through an up front Parliamentary move which allowed the movement time to mobilise, but through the back door as a result of an amendment to another piece of legislation not focused on abortion.

But the more crucial reason for this defeat was that by this time the autonomous women's movement as a whole in Britain and with it the pro-choice movement had become seriously weakened.

In the intervening 15 and more years, there have been various moves by the anti-abortionists to further restrict a woman's right to choose - predominantly through further cuts in the time limits for abortions.

The anti-abortionists, who have massive support from the Catholic Church in particular, have not succeeded in getting a new law introduced into Parliament but have run a number of high profile media campaigns and taken a number of actions through the courts.

In the most recent of these at the end of January, pro-choice campaigners had a welcome victory when the courts refused the application of Sue

Axon to rule that as a mother she had the right to be informed of any decision of her daughters to seek advice that might result in an abortion. The High Court rejected a review of guidelines which state that terminations do not need parents' consent and doctors should respect girls' confidentiality.

What was worrying however for the rights of young women was the judges comment that "abortions should not be made available if the young person lacked the maturity to understand all the advice they were given".

Then the headline on the front page of the Observer, the main Sunday broadsheet, on January 29 was somewhat breathtaking: "Women demand tougher laws to curb abortions". The first line was even worse: "A majority of women in Britain want the abortion laws to be tightened to make it harder, or impossible for them to terminate a pregnancy".

Well certainly no one had asked me - or indeed anyone else I know. Buried at the end of the article was the information that Ipsos Mori had interviewed 1,790 people aged 16-64 by on-line questioning between January 6-10, in a poll that was conducted for the Observer. Quite why a usually a relatively liberal publication was playing into the hands of the anti-abortionists and their religious backers is rather less clear.

The poll results do not currently appear on the Mori website so there is no way of verifying the way the journalists have interpreted them. Apparently 47 per cent of women interviewed said they believed the legal limit for abortion should be cut from its present 24 weeks, while a further 10 per cent want the practice outlawed all together.

Zoe Williams in a comment piece in the Guardian two days later gave a robust response. She argues

that talking about abortion time limits is just a new (actually its not so new) way of "peddling the pro-life position". She reminds us that in fact the number of women having abortions over 20 weeks is miniscule at just over 1 per cent and almost exclusively in very dire situations. She attacks the "mawkish fetishisation of the foetus" that she believes lie behind the poll results. She also argues that the anti-abortions should be forced to come out openly and argue their real positions and concludes "lets stop asking questions about time limits and let's stop answering them".

While the burden of William's argument is absolutely correct and it's certainly refreshing to have someone arguing an unequivocally pro-choice position in the media, she does miss one important issue.

The problem is not only the anti-abortionists hiding their real position but the fact that the pro-choice movement itself, not to mention the women's liberation movement as a whole is much weaker than they were when the last major battles were fought to defend and extend women's rights to control our bodies in the 1970s and 80s.

We need to make slogans like "Not the Church, not the state, women must decide their fate" and "our bodies, our lives, our right to decide" as common currency as they were in those days and win once again a popular majority amongst both women and men to defend a woman's right to choose.

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► Terry Conway is one of the editors of *International Viewpoint* and a leading member of the *International Socialist Group, British Section of the Fourth International*

## Brazilian Workers Party Crisis Concerning a Polemic

Jan Malewski

In October 2005 the central press organs of the International (International Viewpoint and French Inprecor) published an article by Francois Sabado which was devoted to the crisis and rebirth of the Brazilian Left [1]. Translated into Spanish and published on the web site <http://www.inprecor.org.br>, this article provoked a polemic from Joaquim Soriano, a member of the leadership of the Workers' Party (PT) of Brazil, in the name of the Socialist Democracy tendency [2]. This polemic merits a few comments:

1) As presented by Joaquim Soriano, the Workers' Party is an ideal party. No mention is made concerning its deep crisis, which has led to the resignation from their positions of some of its principal leaders, including Jose Dirceu, who was number two in the government [3]. So the polemic is more eloquent in what it keeps quiet about than in what it says.

2) Joaquim centres his reply on the interpretation of the facts. Let us just take one example. Joaquim's affirmation that the failure of the candidacy of comrade Raul Pont in the second round of the internal elections for the presidency of the PT is due to the departure from the party of Plinio de Arruda Sampaio and those who backed his candidacy (including the militants of the minority of Socialist Democracy) is surprising: in the first round of this election 315,000 members of the PT voted, in the second only 230,000 did so.

Since no one claims that 85,000 members of the PT left the party at the end of September 2005 to join the PSOL (or to go anywhere else) we have to look for another explanation...A more convincing one would be that the electors who were mobilized for the first round in a clientelist fashion (buses to take them to where the voting took place, etc.) by the other candidates were not mobilized in the same way for the second round, even though these candidates had called for a vote for Raul Pont.

3) Joaquim rejects the idea that there should be a coming together of the militants from the Left of the PT and from the PSOL and affirms that "this thesis only exists on the other side of the Atlantic". We can only refer him to the article by Jose Correia Leite [4] - which was written in Sao Paulo - and regret that once again those who constitute the principal current of the PT Left want there to be an ocean separating them from the PSOL.

4) As far as the elections of 2006 are concerned, Joaquim opts for irony, accusing Francois Sabado of "making the entire Brazilian Right disappear"! However the question remains: Lula will try to be re-elected, as the candidate of the PT, on the basis of the balance sheet of his first term.

If the PT Left chooses to support him, its own criticisms of the policies of the Lula government - self-limiting and formulated in a diplomatic manner though they may be - will disappear from view. Only the candidacy of Heloisa Helena will be capable of trying to oppose this record of running the interests of finance capital with elements of an anti-capitalist alternative.

For militants who defend socialism, the choice will not be between different tactics, but between

the defence or the abandoning of their ideas. Does Joaquim think that the Left should defend the policies carried out by Finance Minister Palocci - whom he knows to be a neo-liberal - against the criticisms formulated by Heloisa Helena, just because Palocci is a member of the PT, whereas Heloisa formed the PSOL after having been expelled from the PT (against the - at that time - unanimous opposition of the DS)?

5) Joaquim Soriano accuses Francois Sabado of ignoring "the basic principles of revolutionary internationalism", which he sums up as "a relation based on solidarity between revolutionaries of different nations and on respect for the processes of national construction in each country".

It is of course necessary to have relations based on solidarity. But they also have to be based on frankness and free discussion. It is necessary to open the debate "between revolutionaries of different nations" on the balance sheet of the Lula government and of the party that supports it, of which he is a member.

Joaquim argues in favour of an "internationalism for the 21st century". Let us hope that this internationalism will never be limited to uncritical support for those revolutionaries who exercise even small elements of power, in the name of the fact that they exercise them in their country, because the history of the workers' movement in the 20th century has taught what such tail-ending can lead to.

Our tradition - and at least up to now it was also the tradition of the comrades of Socialist Democracy - is more inspired by that of Rosa Luxemburg, who while demonstrating unbounded solidarity with the Russian Revolution, did not hesitate to criticize those orientations of its leadership which seemed to her to be mistaken.

6) Finally, Joaquim mentions the "enormous mistakes that the Fourth International has made" in the past. And it is true that the history of the Trotskyist movement has been marked by splits over tactical differences, which have all too often led to the crystallization of competing organizations, which were not separated by programmatic differences.

Participation in the Lula government and its characterization by the comrades of the majority of Socialist Democracy as a government whose orientation remained undetermined provoked a debate in the Fourth International from January 2003. It was only in February 2005 - after two years of internal debate - that the International Committee adopted a position against participation in such a government and on the



Supporters of the Movement of the Landless march in Brazil

divisions among the comrades in Brazil on the question. [5].

In so doing the highest body of the International took a position "in favour of maintaining relations with all the components of the Fourth International in Brazil - with the aim of favouring dialogue, relations and unity in action between all these components". For his part, comrade Joaquim writes that "no collaboration is possible" with the PSOL...Everyone must judge where the "factionalism" lies.

The socialist Left in Brazil is going through a difficult period because of the record of the Lula government and of the majority of the leadership of the PT. Such a conjuncture is favourable to divisions and to the crystallization of differences, which can only make it more difficult for the Left to launch the necessary counter-offensive.

But whereas often in the past the differences between revolutionary Marxist militants could not be - because they were such a minority - put to the test of practice, in Brazil today the situation is different. Those who have chosen to build the PSOL and those who are pursuing within the PT a critique of left neo-liberalism have real political means at their disposal and it will be possible to draw the balance sheet of the use they put them to.

Let us hope that this will make it possible to overcome the differences between those who are engaged in the struggle for the socialism of the 21st century.

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▀ Jan Malewski is editor of *Inprecor*, French-language monthly of the Fourth International and a member of its International Committee.

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### NOTES

[1] "Crisis and rebirth of the Left", International Viewpoint, October 2005.

[2] "A bad internationalism - and unenlightened ideas about the Brazilian PT", International Viewpoint, January 2006.

[3] "The most serious crisis in the Workers' Party's history", International Viewpoint, June 2005.

[4] International Viewpoint will shortly be publishing an article by Jose Correia Leite, "Shifts in the Left reinforce the PSOL".

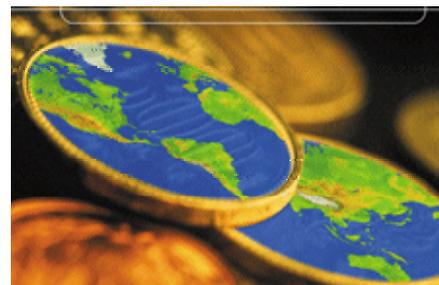
[5] "On the Brazilian situation", International Viewpoint, March 2005

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## Economy

# World Economy - Tendencies and Tensions

Eduardo Lucita



The attack on the Twin Towers on September of 2001 may be considered a turning point in the world both political and economic situation, which accentuates pre-existing tendencies but which also incorporates new elements. The North American military redeployment and economic recuperation are at the centre of this process.

Since the beginning of 2003, after the launching of the war machine, a new economic upswing may be observed, particularly in the United States economy, which is hegemonic on a world level and has a global impact which is proportionately bigger than its specific size.

Since then military spending and the lowering of interest rates in the United States have operated as anti-crisis mechanisms, while supply-side policies have been relaunched through the reduction in taxes of big corporations and high income sectors.

The wider result has been an increase in domestic consumption -centered on the so-called real estate "bubble"-, the extraordinary growth of the trade and financial deficit and a growth of the foreign debt. One of the key debates among economists is if this upswing will lead to a soft landing - that is to say, if the tensions generated by the fall of the dollar will be administered to avoid or soften the consequences of a recession - or if a hard landing is inevitable, in that case the dollar will suffer a strong devaluation which would open the door to a generalized recession that will spread through the whole world economy.

The ongoing debates are not only related to this question, important as it may be. The role of China and of Southeast Asian countries as a rising sector of the world economy and the role they are playing in the administration of cyclical crises of the system cannot be ignored.

This regional block, whose economies advance toward their integration, tends to equal the block of the European Union and threatens to challenge US economic hegemony in the coming decades.

Underlying these tendencies there is another question: A profound process of non-antagonistic but contradictory process which has as an objective the reordering of the world. What is at issue is the future administration of the planet, between a unipolar capitalism centered on the United States, or a multipolar one administered by the United Nations.

The mechanisms of accumulation through "dispossession", typical of the epoch of primitive accumulation, expanded during the last 25 years under the aegis of financial hegemony. Displacement of populations and appropriation of territories; sacking of natural resources; expropriation of ancient knowledges of indigenous peoples; commodification of essential services... Latin America has been one of the regions that has suffered the most from these global policies.

The public debt of countries of the periphery became an expropriatory mechanism which not only transferred an enormous amount of resources to the central countries but which also limited and limits any alternative policy. The social regression imposed around the world, the

imposition that is as illegitimate as it is unpayable and the failure of the plans of recovery and development have led to the discrediting of international financial organisms such as the International Monetary Fund, the World Bank, or the Interamerican Bank of Development.

The ferocity of this pillage has provoked strong resistances that are expressed in the diversity of the worldwide alter-globalisation movement, which exhibits specific forms and dimensions in Latin America.

Such is the meaning of peasant, indigenous, ecological, and civil society movements in defense of food sovereignty; of biodiversity and ecological equilibrium; of strategic resources for life and development such as hydrocarbon and water; against privatisation of services, public pensions and culture; against free trade and free movement of capitals.

But the planet itself has rebelled. The natural catastrophies of the past year, the tsunami in the Asiatic coast; the earthquake in Kashmere and the tornadoes in the Caribbean and the South of the United States have exhibited a destructive capacity that has few precedents. They constitute a veritable insurrection of Nature against an economic system which maximizes profits without considering its effect on the natural habitat.

The prolongations of the wars in Iraq and Afghanistan; the failures of the WTO; the erratic course of the FTAA; the failure of the Plan Colombia and the Andean Regional Initiative; the discrediting of the Bush administration and its incapacity to impose its candidate as Secretary General of the Organization of American States; the uprisings and the overthrow of several governments in Latin America; the resistances that begin to suggest themselves in Europe, particularly in France; the disagreements regarding the final declaration between the United States and the governments of the countries that participated in the Fourth Summit of the Americas in Argentina, are all indicators that the weapons of neoliberalism no longer possess the sharp edge of other times.

Thus the tendency of the present world economic situation is as complex as it is contradictory and worrisome.

In what follows I will try to briefly present what I think are the principal tendencies and tensions of the world economy, particularly those that in one way or another may have an impact on the economy of Latin America, whose crisis has deepened in the last decade.

### Some features of the world economy

1. Both on a world and a local level - although evidently with different degrees of intensity - are

going through the exhaustion of the neoliberal phase of capital, even though some significant countries, such as Brazil and India, have belatedly adopted the regressive reforms that it favors. This exhaustion is a result of its success not its failure. A success because it has been able to impose most of its economic, if not its political, objectives. Exhaustion in the sense that it has lost vitality - that sweeping force that it exhibited from the second half of the 70's and particularly in the 90's in our region - to pursue regressive transformation. Of course its effects will be long-lasting.

This process began in the early 70's with the end of the long wave which had begun at the end of the Second World War - already by the end of the 60's the reat of profit of capitalists on a world scale was showing signs of serious weakening - followed by the oil crisis which led to the creation of a mass of petrodollars. A plethora of financial capital unable to find opportunities of productive investments at the required profitability.

Making what some authors call "use of the crisis" capital initiated a strong offensive against labor. A generalized and sustained offensive. Sustained because it developed continuously since the 70's to the present and generalized because it has been deployed against all working class conquests which had been erected through many generations of struggle as barriers to the voracity of capital.

The continuity of that offensive was part of a slow and extensive process of capitalist restructuring, a reordering of industrial spaces, of the productive processes and services, in which new technologies have played a determinant role. This was linked to changes in the role of the State, the transition from what we knew as the "national welfare state" to what is now called national competitive state. In a few words, this means - deregulation, free trade, opening of the economy, free circulation of commodities and capital.

The general result of these changes has been the establishment of a relationship of forces favorable to capital at the expense of workers and the subaltern classes; a strong devalorization of labor power and strong increases in productivity.

2. This resulted in a recuperation of the capitalist rate of profit. Already by the end of the 80's the theorists of the French Regulation School indicated that the rate of profit in the central countries showed signs of recuperation; what capital was unable to find, given the lack of effective demand, was the way of realizing it.

Today demand has recuperated to a considerable extent - the reconquest of the markets of the so-called socialist bloc and of China are more than decisive in this recuperation - and this translates into strong increases in the global mass of profits

and, as is logical, an increase in the rate of investment.

All of this restructuring process on a world scale took place under the hegemony of financial capital, and Argentina knows in detail what happens when accumulation is centered on financial valorization - shrinking of the internal market, decapitalization, deindustrialization, closing of sources of employment, accelerated deterioration in the quality of life of popular sectors, exponential increase in inequalities.

Now, linked to the weakening of the neoliberal fase productive capital has begun to gain ground on financial capital. These changes are much more notable in the central countries than in the periphery, but they also begin to be felt among us, and can be neatly perceived in the United States, the largest economy in the world. Some studies show that in the 80's and part of the 90's the substraction that finance capital made of the profits of nonfinancial enterprises was around 35%, at present this is around 20%, but in the moments of upswing it does not reach 10%.

A clear element of this tendency is the interest rate policy of the Federal Reserve between 2001 and 2004, which took the federal funds rate to 1%, an unprecedented level in the context of a very relaxed monetary offer.

In periods of hegemony of financial capital the capital/labor relation is diluted -obviously this does not mean it disappears, the insistence of capital to impose flexibilization of labor power demonstrates it- and attention centers in the conflict between different fractions of capital.

In Argentina, for example, through most of the 90's most progressive economists analyzed everything in terms of "entrepreneurial summits".

On the contrary, when productive capital becomes the protagonist the capital/labor relation regains center stage. The wave of trade union struggles in France beginning in 1995 with the strike of public employees, particularly railway workers, later followed in other European countries and also in the United States; the emergence of strong trade union movements in South Africa and South Korea; the emergence of new trade union organizations in France and Italy -the Sub trade unions and the *commitatò de base*- and the present crisis and division of the AFL-CIO are some facts that should be kept in mind.

In our country, coinciding with cyclical upswing struggles of employed workers, new rank-and-file trade union leaders and even attempts to organize outside traditional structures have reappeared.

Now, progressive economists speak much less about entrepreneurial summits and they emphasize the distribution of income or wealth, which is a disguised way of speaking of the capital/labor relation since the orientation of the former affects one or the other component of the latter relation.

Nevertheless, we must not overlook the fact that in the United States economy the easy money policy stimulated financial "bubbles"; first in the stock market and, today, in real estate. Lately, specialized journals have underlined that bigger spending in the real estate sector accounts for 60% of the increase in demand in the United States. Some economists characterize this as an upswing "pulled by finance".

But the real estate "bubble" cannot equal the stock market bubble. The latter is based on plain and simple speculation, while real estate, even if it has a speculative component in the process of inflating prices, has a basis in productive activity. As is well known, the construction industry pulls along an important group of industries which

imply productive processes, capital investments and creation of employment.

3. These world transformations have led - particularly after the implosion of the USSR and the fall of the Berlin Wall, which at the moment pushed forward the neoliberal offensive - to a new matrix of international relations in which growing interdependence between countries and the creation of regional economic blocks. These included the European Union, NAFTA, CAFTA, ASEAN, MERCOSUR, also the attempts to create the so-called Free Trade Area of the Americas (FTAA) - are the basis of what we know as globalization, a term which in fact does nothing but identify a new phase in the historic process of internationalization of capital, which as any process of such characteristics is neither linear nor automatic but has advances and regressions.

The disintegration of the Stalinist model in Eastern Europe and the Soviet Union put an end to the so-called Cold War, or policy of confrontation between blocks -the socialist camp and the capitalist camp, which again brought to light that there are oppressor and oppressed countries and that within all there is class confrontation and above all it made visible the intercapitalist contradictions and conflicts on a world scale.

If in the 80's the supremacy of the United States was challenged by an emergent Japan and the European community, headed by Germany, today it cannot be doubted that the North American economy is hegemonic, to the point that an estimated 60% of the expansion of the world economy is accounted for by the economic growth of the United States.

This is more striking if we take into account the fact that the United States accounts for 21% of the world GDP, the European Union for more or less 24%, Japan 7%, and China, the emergent power of this epoch, more than 12% (some recent information indicate that China has recalculated its GDP which would be 20% higher than had been thought until now).

As can be appreciated, the world influence of the North American economy is proportionately larger than its participation in the GDP. Its growth is sustained by internal consumption. The United States lives above its means, it consumes more than it produces, and that gap is filled through imports. This is the reason for its present gigantic commercial deficit, which is in the order of 5.5% of its GDP. Its balance of trade is in deficit with all regions of the world, except with Latin America, where it enjoys a surplus.

We can thus understand the emphasis placed on the FTAA, the free trade zone from Alaska to Patagonia, proposed in the beginning of the 90's by the first President Bush, continued by the Clinton administration and that was supposed to be completed under the mandate of the second President Bush. That is to say, the FTAA has the support of Democrats and Republicans and it is a State policy of the United States.

But besides this deficit there is another one, the fiscal deficit, which is already above 4.5% (bear in mind that in 2000 the American budget showed a surplus!), which is a product of the need to finance the wars in Iraq and Afghanistan (it is predicted that in 2006 this will amount to \$361 billion) and the policy of tax reductions to corporations and the higher classes, as a means of generating internal consumption. Furthermore, the advance in internal investments in recent years has been largely based on funds coming from other countries. The United States is today the largest debtor in the world.

It is this fiscal deficit of the United States, and the need of the European countries to abide by the budget standards of the European Union, that has led the IMF to adopt a policy of demanding payment of its loans to the main debtors to thus lower its credit vulnerability and demand less funds from the G7 countries. This has already been done by Russia, Brazil and Argentina, and other countries of lesser economic weight, in what some governments, trying to pass the payments as an autonomous policy, call "disindebtment".

4. The present growth of the North American economy is not only based on financial surpluses, it is also strongly stimulated by the military industrial complex. It is known that military spending has a strong multiplying effect, it is estimated that for each dollar handed over to the Pentagon the GDP grows 3.5 dollars after four trimesters. Thus the multiplication of military conflicts can be seen not only as a geopolitical instrument, facilitating the appropriation of natural resources and the imposition of a world "authority", but also as a means of activating the mechanism of accumulation.

Seeking to validate this state of violence the United States attempts to impose a new notion of sovereignty which would legitimize state violence. Thus in Kosovo military aggression was disguised as "humanitarian war"; in Afghanistan it was "anti-terrorist war"; in Iraq it became "preventive war". This perverse logic leads to a state of permanent war and this leads to a constant redefinition of the enemy to invent it or select it in each case.

Today it is much more evident that the present policy of permanent war and imperialist militarization are the direct result of a system of capital accumulation based on market globalization.

5. Never in the past did the United States have such a large trade deficit, and never in the past did it signify so much in relative terms in the world economy. This is what has led some researchers and analysts to describe the international situation as "the world economy as one motor" and to ask for how long can the world count on US consumption.

There are some who argue that this situation cannot be sustained, that beyond short term fluctuations will remain in the depressive long wave that began in the 1960's, and that the new financial crisis is in the offing, and that to balance their foreign trade the United States must devalue the dollar by 40% (in recent years it has lost around 35% vis-à-vis the Euro).

It is clear that if this were to happen -the much feared "hard landing"- it would lead to strong losses for the holders of US bonds, who would see their value collapse -these bonds are mostly held by China and Southeast Asian countries- which would lead to a commercial war of such proportions that could lead to a world crisis which some suspect may reach the extension of that of the 1930's.

But it is necessary to note when we look over the more recent cyclical crisis that if the frequency between them has been accelerating they do not longer originate as much in the central countries as in the periphery, and thus have a lesser impact on the world economy. Perhaps this mechanism of increased frequency combined with decentralization is operating as an escape valve that postpones a large crisis.

But there are those who argue that the world economy is no longer moving with only one motor, that there is a second motor which is none other than China, which after 26 years of

sustained capitalist reforms has been growing at a very high rate for the past decades.

It is the largest world source of accumulation of productive capitals, which combine an active export policy with the development of the internal market and great infrastructural projects. China is today the world principal importer of steel, copper, cement and grain. It is increasingly interdependent with the world economy and the latter is in turn much more dependent on the development of China.

Based on this objective situation other analysts sustain that the twin deficits of the United States do not constitute an unsolvable problem - although obviously they are a serious problem, to the point that the IMF has drawn attention to the risk that they pose- that will not lead to an abrupt fall of the dollar or a generalized recession. They argue that China and the Asiatic countries, and also Russia, will continue to buy the debt of the United States to sustain the dollar and maintain the competitiveness of their economies.

The case of China is paradigmatic: It must strongly develop its industrial sector since it must absorb a rural surplus population of 200 million people, and it needs no less than 10 years to do it.

6. There is talk then of a new Bretton Woods or of a “reborn Bretton Woods”. In this implicit new “accord” the United States follow a policy of controlled weakening of the dollar; the countries of the Euro zone follow a policy of flexible exchange rates and inflation goals controlled by the central banks; while Asiatic countries resist the reevaluation of their currency to sustain their high levels of growth. This equation in the monetary system would allow to maintain the balance of power and the, obviously unstable, equilibrium of world finance -the more benign “soft landing”.

Of course, in the original Bretton Woods, the periphery of the system, which acted to counterbalance the tendencies of the center which was then as it is today the United States, were the European community and Japan, a much more compact group of countries identified with a more general policy which were coming out of the war. But today the periphery identified with the countries of Asia is much more numerous and heterogeneous, and furthermore the European Union continues as a third force with its own policies.

On the other hand, the relaunching of a Keynesian world monetary order finds important obstacles. On the one hand financial capital - which has given up space but remains important- would be seriously affected. On the other hand, big industrial capital continues to resist regulations to the free mobility of capitals since in the present framework it allows it to throw its surpluses in mentary markets to obtain profits above all in moments of lower levels of activity and, furthermore, because its expansion depends, in this stage, in the nonexistence of limitations to investments between nations. Thus the insistence of the big countries of the world on the “free circulation of capital”.

Nevertheless, for other students and analysts this would be the first time since the Industrial Revolution that the demand for all commodities grows at the same time: Grains, minerals, energy and steel. Until recently, when the demand for one increased the demand for others fell and so on. Based on this unique character of demand, on the strong increases in productivity in the United States and of investments in China, they predict a

new wave of capitalist growth. It should not be overlooked that India is growing at yearly rates in the order of 6 to 8 percent and that without reaching the extraordinary Chinese levels it is a strong attractor of investments and products for industry.

Of course, we should incorporate into the analysis the price of oil, which pushed by a growing demand is already over \$60 a barrel and there are those who augur that it will pass \$100 soon, and that if this price is maintained long enough a generalized recession is inevitable.

The projections of growth in China and in the countries of Southeast Asia allow for the supposition that in the coming decades they will constitute an economic pole capable of challenging US hegemony. Here one must wonder what will be the response on the military plane, where North American hegemony does not seem to be in danger.

In other words, how will the asymmetry between the declining role of the dollar as a means of exchange and atesoramiento de valor OJO and its increasing military power be eventually resolved?

7. In Latin America, as an indication of the weakening of the neoliberal fase of capital, the so-called Washington consensus, formulated at the end of the 70's to impose a model of accumulation to replace the model of import substitution prevalent from the 40's to the 70's, has entered a cone of shadows.

The policies of structural adjustments favored by the consensus in the 80's and 90's have concluded with the exclusion from production and consumption of millions of people in all the continent. With a strong concentration of wealth and also a strong expansion of poverty. Today in Latin America almost half the population is poor and between 15 and 20 percent is indigent and social inequalities have increased.

After a quarter of a century the region does not count with a new model of accumulation and development capable of satisfying the growing needs of its population, on the contrary it is immersed in a social catastrophe without precedent. Latin America is again in transition, in search of a new horizon, after the neoliberal offensive.

The emergence of the Bolivarian Republic of Venezuela and its growing influence in the region means that Cuba is no longer alone. Big mobilizations and social insurrections in Bolivia were able to impose a democratic popular triumph of large proportions.

Ethnic, class and national interests find expression in this triumph of incalculable projections, which will have an effect in Peru, where the campaign of Ollanta Humala gathers strength, and also in Ecuador.

If they advance in this direction this would consolidate and Andean pole with governments arising from electoral processes of democratic nationalist characteristics with programs or proposals of reform which are “nonreformist” reforms in the sense that to sustain themselves they must advance to the achievement of new reforms. In a continuous process based on popular organization and mobilization which gives them a strong revolutionary content. Furthermore, their principal leaders have declared themselves in favor of another type of Latin American integration, and from that angle they enter into a strong contradiction with local dominant elites and with the United States. We should not forget that there will also be elections

soon in Mexico, Nicaragua, Ecuador, Colombia and Peru.

On the contrary, in Brazil the neoliberal course of the government of Lula leads to the growing distancing of the social movements from both the government and the PT. Will Uruguay follow the same path?

The rejection of the FTAA and the resounding failure of the recent Presidential Summit is part of this cycle of social conflicts, political crises and transitions that traverses the countries south of the Rio Bravo, and are thus part of the new situation which opens in the region.

It is in this framework that the governments and part of the local bourgeoisie of the Southern Cone seek to reformulate their political-economic initiatives and their relation with the empire. But this is not an objective that may be attained as a block since there are many contradictions between countries and governments.

Brazil has geopolitical agreements with Venezuela, especially given the vulnerability of its Northern frontier, but it is already part of the more select group within the WTO and has its own policy. The entrance of Venezuela will strengthen and it may give a new content to the MERCOSUR, even if disagreements sharpen given the economic asymmetries between Venezuela and Brazil, and between them and Paraguay and Uruguay.

Venezuela exercises an undeniable political leadership, its proposal of the ALBA is clearly diferenciadora OJO and it is willing to play a central role in the energy and financial question in the region, its influence in the Andean countries is growing, and will surely increase in the immediate future.

Argentina navigates between Venezuela and Brazil while it tries not to collide with the United States. Thus its position is almost always undefined; while Uruguay, through the signing of the treaty of protection of investments with the United States and declarations favorable to signing its own free trade agreement (Paraguay too has made declarations against the MERCOSUR), threatens to follow the path of Chile, where the new triumph of the Concertación does not seem to augur important changes in the interior of the country but it will project the influence of a political-economic model different from that which Venezuela, Argentina or even Brazil itself may push.

To conjuncture in Latin America and Argentina in particular exists in the framework of the present and future tensions of the world economy, at the time in which the economies of the former are more open than in the past and therefore are more fully subjected to international movements.

Buenos Aires, January 2006

*This article is product of my intervention in the seminar “América Latina: una nueva fase política” organized by initiative of the workers of the Hotel Bauen, under workers control, with the collaboration of the journals “Cuadernos del Sur” and “Realidad económica” and the collective EDI-Economistas de Izquierda. I wish to thank, for his commentaries to the original version, my colleague Guillermo Gigliani.*

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## Bolivia

# "A government of the poor, for the poor"

Exclusive interview with Juan Ramon Quintana

Juan Ramon Quintana

Juan Ramon Quintana had hardly had time to settle into his new job as Minister of the Presidency (which is what the Prime Minister is called in Bolivia) when he welcomed our Bolivian correspondent to his office in the Government Palace and gave him the interview that follows. He took the occasion to discuss the composition of the new government, which has a radical profile, as well as the tasks facing Evo Morales and his ministers. The interview was first published in the February 2nd issue of *Rouge*, weekly paper of the LCR (French section of the Fourth International).

*Rouge: The governmental cabinet does not come across as one that will bring tranquillity to the markets and to the United States. Is this a political signal that Evo Morales wanted to send?*

Juan Ramon Quintana - I think that this cabinet brings together the aspirations for change in Bolivian political life, insofar as it is made up of personalities who are close to the people, close to ordinary people. The ministers are people who have worked with the social movements, who have fought against the neo-liberal order, and they, more than anyone else, illustrate the virtues of resistance. They have the opportunity to learn how to govern.

They have been chosen according to several criteria: this is a constellation that is representative of Bolivian society. There are four women, which is a first in Bolivian history. It is also a cabinet that reflects the participation of social movements. There is also a regional representation, there are intellectuals and university professors, as well as businessmen. In other words, we have managed to find a democratic, plural and coherent formula that illustrates this desire for change.

*The appointment of Andres Soliz Rada also comes over as a strong signal to the oil companies, insofar as he has always defended the nationalization of gas, without making any concessions to them.*

Andres Soliz is a great fighter, who has always fought for the state to have sovereignty over its natural resources. He expresses an ideological struggle against the forms of imperialist domination of the United States, whether or not they are explicit. It is the continuity of the frustrated desire of nationalism that has existed since the 1930s. He is the heir of this current. He is not only an intellectual, but also someone who has taken part in social struggles.

*We were surprised by the appointment of Casimira Rodriguez to head the Ministry of Justice. It is an incredibly strong signal to appoint a cleaning woman to this post!*

It is the historic demand of a big majority of cleaning women who have always been marginalized, who are invisible to society, mistreated and excluded, treated like animals in our society. These women do not occupy a domestic space, but suffer every form of violence. Casimira Rodriguez illustrates the struggle against this centuries-long injustice against women of whom the majority do not have social security, citizenship, sometimes not even an identity card.

*As concerns the military general staff, will there also be surprises?*

I think that we are above all going to insist on the line laid down by the president, with criteria of selection based on respect for institutions, on respect for moral and ethical conduct, and lastly on a moral and patriotic reserve to defend the

nation. These are the criteria that will guide our choice in this domain.

*You have previously stated that the police and the army will no longer be an appendage of the Drug Enforcement Agency (DEA), which coordinates the anti-drug struggle in Bolivia and in Latin America. Do you maintain this attitude?*

Yes. A chapter of the political history of Bolivia, these last twenty years, has been the lending out of soldiers and police, who have been subordinated to foreign governments. Our government is going to restore sovereignty, by regaining it at the heart of the state, with the army and the police.

*Are we also entering into a new cycle of relations with Chile?*

Yes, we think so, we are optimistic on this subject. Two new presidents are together entering a new epoch for Latin America. There is a sincere leadership on the part of the Socialist Party in Chile. Chile is showing signs of breaking with the traditional conservatism that has characterized its relations with Bolivia. Our president has the strongest historical legitimacy to be able to resolve the dispute that has separated us from this country for such a long time.

*Is the appointment of Soliz Rada also the sign that the relations between Bolivia and its neighbours on the energy question are going to change?*

Yes, because the changes in the organization of the executive power are going to illustrate the profound transformations of the state, first of all on the economic level. We are going towards a mixed economy, no longer a 100 per cent market economy. An economy where the state will be a central actor of the productive sector, where it will be the organiser of the economy, on a national level and abroad, for example in the energy domain.

The time has also come to put in place a government of the poor by the poor, with a presence of indigenous people that is no longer the caricature that was offered by Sanchez de Lozada from 1993 to 1997. We also need the presence of women. But this government is showing signs of being effective in terms of public investments, of the fight against corruption, discrimination and impunity.

These will be the axes of transformation of the state. Corruption was the weapon of state functionaries. Exclusion was the sign of racism. All that is going to change with this government.

*One of the balance sheets we can draw from the inauguration of Evo Morales seems to be the symbolic affirmation of a rapprochement with Cuba and Venezuela, within what is being called "the axis of good". Do you share this perception?*

I think that the relations between Bolivia, Havana and Caracas are taking on a new dimension on the

level of cooperation in the fields of education, health, technique, etc. That is also reinforcing the nationalist line of our government on the energy question. There is a convergence with certain policies of Cuba and Venezuela. This axis is going to have to all intents and purposes the same status, in terms of its relevance, as the Buenos Aires, Brasilia, Montevideo, Asuncion axis has for Bolivia.

In the region, our insertion must be based on energy, while our cooperation with the Caribbean has more to do with social cooperation. These two axes are an equation for the unity of Latin America. There is no supremacy of one of the two axes over the other. They are complementary axes, which enable us to maintain an equilibrium in the region and to be less vulnerable to external instability.

It is a virtuous equilibrium where, for the first time in its history, Bolivia has an incredibly important weight for exercising an indigenous leadership. We are going to export our specific leadership in the region.

*Are you going to develop a "coca diplomacy", in favour of its depenalisation?*

Yes, we are going to insist in Europe, in Asia and elsewhere, on this policy which the president has called "zero drug traffic, but not zero cocalero". What Evo Morales means is that we have to revalorise coca through its many possible uses, not only commercial but also and especially medical, for the health of humanity.

We have to give the coca leaf a humanitarian connotation. That obliges us to extend our markets for legal consumption of coca, in the first place with our neighbours. Because of the criminalisation of the coca leaf in recent years, we cannot make visible what could be called the other frontiers of the coca leaf. They have tarred us with this question, to the point of making our people doubt its own beliefs concerning this leaf and its importance in our culture.

*Despite the important post you hold, you remain a personality who is not well known, even in Bolivia. Could you introduce yourself to our readers in a few words?*

I have had a rather strange personal trajectory. When I was small, I wanted to be a priest, and I finally ended up in the army. Once I was in the army, I wanted to become a lawyer in order to defend those who were poorest and who were mistreated in the army, and that is how I became a sociologist. As a sociologist I wanted to work on the sociology of violence, and I ended up by becoming involved in politics. Now that I am a politician, I am wondering how my engagement as a soldier in the service of the people will end.

▀ Juan Ramon Quintana is the Minister of the Presidency (prime minister) in Bolivia.

## Bolivia

# The Morales government

*Herve do Alto*

Following the victory of Evo Morales and the MAS Herve Do Alto sends us his first impressions of the new MAS government. On the morrow of his triple inauguration - before the indigenous peoples of America at the Inca temple of Tiahuanaco; in the Congress building where he officially became President of the Bolivian Republic; then in the historic Plaza San Francisco where he swore allegiance before the social movements - Evo Morales presented his governmental cabinet on January 23rd in La Paz.

The announcement of the MAS government certainly invalidated many prognoses: whereas some people were expecting Morales and Garcia Linera to show signs of moderation to the United States and to the multinationals who are present in Bolivia, it was finally a government equal to the hopes of the popular movements that was designated, during a ceremony which saw many ministers accepting their new appointment with clenched fist raised, as a sign of the pursuit of the struggle against imperialism and for social justice. This government was described as “radical” by the right-wing press, and as “bringing hope” by the left press.

Obviously, the first salient characteristic of this cabinet is the massive presence of leaders of social movements. This is the case, for example, of the trade unionist Santiago Galvez, who was made Minister of Labour, of the leader of the Federation of Neighbourhood Committees (FEJUVE), Abel Mamani, appointed Minister of Water, and of Walter Villaroel, co-operative miner, who is now Minister of Mines. Some appointments even surpassed people’s wildest hopes: this was the case with the appointment of Casimira Rodriguez, leader of the Union of Women Cleaners, to the Ministry of Justice.

Finally, we should take note of the fact that it is the radical trade unionist Hugo Salvatierra, openly hated by some big landowners of the Santa Cruz region, who is at the head of the Ministry of Rural Development

Some of these appointments have given rise to



some discontent, often due to the divisions that affect the social sectors from which the new ministers come, as in the case of Villaroel, who is contested by the miners of the state sector.

Nevertheless, the predominant feeling is that this government is representative of the working people of Bolivia. To such an extent that even the secretary of the Bolivian Workers’ Coinfederation (COB), Jaime Solares, despite his constant criticism of the MAS, expressed his satisfaction that Galvez was in the government.

The so-called “political” ministries have mostly been given to men and women in whom Morales has confidence: the Minister of the Presidency (Prime Minister) is the sociologist Juan Ramon Quintana, the Minister of Foreign Affairs is the Aymara indigenist David Choquehuanca, while the Ministry of the Interior is headed by the MAS ex-senator, Alicia Munoz, the vice-ministry in charge of the coca question being given to Felipe Caceres, a cocallero from Chapare. The same goes for the main economic portfolio, the Ministry of Planning, of which the Keynesian Carlos Villegas is in charge.

Some ministerial appointments have nevertheless had people wondering, such as that of the businessman from Santa Cruz, Salvador Ric, appointed Minister...of Public Services, who is suspected of representing the cruceño private sector, but who has however been involved in the MAS for several years.

The Minister of Defence, Walker San Miguel,

proposed by an electoral ally of the MAS, the Movement Without Fear (MSM) is on the other hand openly contested by many social leaders: his collaboration in the process of “capitalization” (privatization) implemented by former president Sanchez de Lozada, who was driven out of Bolivia during the October 2003 events, is an established fact. Was this just a casting error?

The radical profile of the rest of the government makes it a plausible hypothesis, even though for the moment, despite the criticisms, Morales has decided to keep him in his cabinet.

Over and above the names of the ministers, it is interesting to see that the first positions of the MAS on the “hot” dossiers augur an unyielding attitude towards both the United States and the multinationals. Andres Soliz Rada, who is in charge of the key Ministry of Hydrocarbons, and who was for a long time opposed to the MAS, which he reproached with not advocating a genuine nationalization of gas, has announced that there will be an audit of all the oil companies which are present in Bolivia. He has already succeeded in making the Spanish company Repsol back down, by forcing it to admit that it had committed fraud by putting on the New York Stock Exchange gas reserves that in fact belong to the Bolivian state.

Another point of contention is the invitation for tenders to exploit the mining reserves of Mutun: Morales himself gave his approval in December for it to be maintained, whereas many unions pointed out that the conditions for sharing out royalties would only leave crumbs for the Bolivian state.

Now, the Minister of Mines Villaroel has finally announced that it is being suspended in order to review the present Mining Statute, so as to give the state back sovereignty over all mining resources, and to revise the sharing of the profits they generate in order to make it much more favourable to Bolivia.

Although we will still need time before we can formulate the first judgments on the actions of the MAS government, there is nevertheless no doubt that its first tentative steps are going in the direction of satisfying the popular demands of the famous “October agenda”. And so they keep alive the hope of building a real alternative in Bolivia.

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► *Herve Do Alto is the correspondent in Bolivia of Rouge, weekly paper of the LCR (French section of the Fourth International).*

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## World Social Forum

### "A breath of red air"

Édouard Diago

The revolution on the march and under discussion.

The Caracas component of the polycentric 2006 World Social Forum took place from January 24th to 29th. Its exceptional character derived from the fact that it was taking place at the heart of the revolutionary process that Venezuela is experiencing. The Forum provided an illustration of the depth of this process, the vitality of the global justice movement and the importance of international solidarity.

The sixth stage of the WSF in Venezuela was a success. The radical wind that is blowing across the country was felt by the tens of thousands of Latin Americans and the Europeans who were present.

The eternal prognosis of the death of the WSF or its absorption by social democracy failed to materialise. The WSF is continuing on its way and in Caracas it received a breath of red air. The question of whether the WSF should take decisions about action or content itself with discussions remains posed.

But though the WSF did not make a choice, Chavez had no hesitation in giving his own opinion to the 15,000 people who were present at the meeting on Friday January 27th, which was shown live on television. He basically came down on the side of taking action in the face of the offensive by neo-liberalism and its wars.

The Venezuelan social movements had obviously not been included in the official framework of the WSF, and the opening march was to a large extent dominated by foreign delegations. The principal trade union organisation, the National Workers' Union (UNT) was conspicuous by its absence, suspicious as it was that the WSF might appear as an event that was too much organised by the government.

But on the fringe of the official framework, in the popular neighbourhoods, in the barrios, in the factories, links were established. The meetings with the inhabitants of the La Vega barrio, Olivier Besancenot's visit to the SEL-FEX factory, occupied by its 240 women workers, the visit to the Fuerte el Tuna cultural project (self-managed and financed by the municipality), the discussions in the streets of the old city in which militants dressed in red took part, the people from the co-operatives, or the fact of taking part in television programmes...all that enabled us to confirm the importance of internationalism in order to resist and then to build a society radically opposed to



capitalism. Here in Caracas, no one is afraid to call it socialism and questions of strategy are at the heart of the discussions.

We discussed these questions with hundreds of people. The Party of Revolution and Socialism was one of the organisations we discussed with, alongside militants from the "Our America - April 13th Movement" project, sectors taking part in the government, organisers of social missions...And that enabled us to improve our understanding of the revolutionary process that is at work and the forms that our activity in solidarity and cooperation with it should take.

Venezuela was able to show the world its recent successes and the enormous challenges it will face in the coming period. The WSF also served to increase direct solidarity between Venezuela and the rest of the world. The rise of the Left in Latin America, in terms both of governments and of popular movements, the first measures taken by Evo Morales and the debates linked to the situation in Brazil meant that the questions concerning the anti-imperialist struggle were not simply a matter of posturing. They are having immediate consequences.

The Latin American situation is exciting, full of potential and full of risks. The potential is linked to the rise in the level of political consciousness of the masses. And the risks? There is in particular the risk of seeing the governments that are "reformist without reforms" get the upper hand in relation to the more radical and transforming projects in Venezuela and Bolivia. Lula's Brazil is going through a difficult phase and the outcome will weigh heavily on the entire sub-continent.

For Chavez, it is indispensable for the Left, even social-liberal, to win, so as to avoid an axis being created between the Brazilian giant and the United States, with the military implications that this would have. Chavez is not, however, sowing any illusions about the ability of the government in Brasilia to carry out real changes.

As Plinio Sampaio, a Brazilian theologian who recently left the governing Workers' Party to join the PSOL, put it concisely, "one of Chavez's big problems is Lula..."

*This article was published in the February 2nd issue of the LCR's weekly, Rouge.*

► Édouard Diago is a member of the Ligue Communiste Révolutionnaire (LCR - French section of the Fourth International). He has spent considerable time in Venezuela over the last several years.



#### New International Viewpoint pamphlet

### Latin America - a Continent Turns Left

International Viewpoint has collected a series of articles about Bolivia and Venezuela, downloadable in pdf format, which can be printed off individually or used by organisations for meetings, demonstrations and other activities.

From the introduction by Francois Sabado:

"Latin America has veered left. The combined outcome of a rejection of liberalism and mass movement resistance - some forms of which have opened onto pre-revolutionary situations in recent years, as in Venezuela, Argentina, Ecuador and Bolivia - the traditional right has undergone a series of electoral defeats. The next will most likely be the Mexican, Peruvian and Nicaraguan rights. Colombia is the only major country where the reactionary right will in all likelihood continue to govern, with paramilitary support.

This situation is provoking new inter-capitalist contradictions, in particular new tensions with US imperialism. There is an option of "confrontation", which remains the choice of the Bush administration, of the reactionary right of most countries, and which can even take the path of military interventions, in particular around Plan Colombia, a country where "US military advisers" are already present. But, at the present juncture, the US presence in Latin America is weakened by US strategic involvement in Iraq, in the Middle East and in Central Asia. Despite the US military power, it is proving hard to occupy Iraq through military means ...along with another country, in Latin America!"

## Fourth International

# International Committee Reports

The Fourth International's highest decision-making body between meetings of the World Congress is the International Committee. It is elected by the World Congress from representatives of the sections. It discussed the following resolutions and reports at its latest meeting this month.

## Resolution on Climate Change

Given:

- That it is well established that global warming is in its majority the result of emission of greenhouse gases, derived mainly from burning of fossil fuels as well as land management (deforestation, intensive agriculture, poor soil management, etc.).
- That according to the IPCC, a reduction of at least 60% in greenhouse gas emissions is necessary between now and 2050 in order to prevent major climatic dislocation with incalculable consequences;
- That the most recent available data on atmospheric concentrations of CO<sub>2</sub> and CO<sub>2</sub> equivalents show that we have already entered the lower part of the dangerous fork (450-550 ppmv of CO<sub>2</sub> equivalents), with accelerating rises of atmospheric concentrations of the gases involved;
- That climate change is already making its effects felt, especially on workers and the disinherited masses, in particular in the dominated countries;
- That in the 50-100 years to come these changes threaten to subject hundreds of millions of human beings to the perils flowing from the rising sea levels, the spread of certain diseases, falling agricultural productivity in many regions, declining biodiversity and shortage of water resources (leading to up to three billion victims in 2100 without voluntarist climate policies);
- That faced with these challenges, the capitalist management of climatic disasters and threats (in particular, Katrina in New Orleans, and the threat of rising ocean levels to Pacific islands and other regions) gives cause to fear that imperialism will resort to Malthusian and militarist policies characterized by barbarism on an unprecedented scale;
- That the Kyoto Protocol objectives are totally insufficient for dealing with the danger, and that its objectives have been as well as the mechanisms of\*reduced still further by its rejection by the US flexibility, which risk having more and more negative by-products, both on peoples' right to development (the 'low hanging fruit' effect) and on biodiversity (carbon sinks);
- That the economic competition and strategic rivalry among imperialist blocs risks leading to an even worse compromise than the Kyoto Protocol in terms of the fight to save the climate ('voluntary commitments', no commitments, no deadlines), peoples' right to development, or ecology in general (nuclear energy);
- Due to the US and Australian refusal to ratify it,\* Kyoto, even if carried out in full by its signatories, would bring a 1,7% emission reduction for the developed countries as a whole (EEA report, N°8/2005, page 9);
- That the technical potential of renewable energies (direct or indirect solar and geothermal) is the equivalent of 6 or 7 times the current world energy consumption and makes it perfectly possible to avoid major climatic disasters while satisfying human needs and preserving the environment;
- That we reject nuclear power as an alternative. It is expensive and highly dangerous - and it is not carbon neutral;
- That climate stabilization (a 2° maximum increase in T° compared to the pre-industrial era) requires a vast energy revolution combining, in particular, 1) a transition to renewable energy independently of surplus costs, 2) massive reduction of primary energy demand in developed countries, and 3) massive transfers of 'climate friendly' technology to developing countries;

- That this issue as a whole confronts the workers movement in general and revolutionary Marxists in particular with a series of new tasks and major programmatic and strategic challenges;

### THE IC DECIDES

To take part in unitary mobilizations to save the climate, particularly those that are developing following the appeal from the London Social Forum. In particular we mobilise for the world-wide demonstration on climate change called for from the Caracas WSF which will take place in November 2006.

To this end we participate in the organising committee for this demonstration in Frankfurt on March 4 2006 at the ESF organising meeting.

- To devote more attention to the climate issue and the politics of climate, notably in the press of the sections and the international;
- To devote the 'ecology seminar' decided on by the WC to analysing climate change and its implications, in order to elaborate a programmatic orientation and political line on these matters. To this end, the IC calls for the formation of an international network of comrades with knowledge of the various scientific disciplines involved, so as to produce one or more working documents on the theme 'Energy Revolution and Social Transformation'; and To put the question on the agenda of its meeting in one year's time.

## Islamophobia and free speech

### Danish cartoons controversy

1. Writings or cartoons by members of dominant communities vilifying the religion of minority groups that are targets of racism are just a manifestation of oppression and incitation to racial hatred. They should be denounced as such and fought by political and legal means where appropriate.
2. Freedom of expression is primarily involved in cases when writers or artists defy the prohibitions of their own governments or religions ^ prohibitions which often take the form of blasphemy laws. Several writers or artists of Muslim origin face governmental coercion and or oppression and/or threats from fundamentalist forces. Their freedom of expression should be firmly defended.
3. The anti-Muslim Danish newspaper, s cartoons, as every manifestation of islamaphobia and

imperialist and racist contempt, have been exploited as a pretext by the Muslim counterparts of the Western right and far-right in order to enhance the position of Islamic fundamentalist groups or as a device to disorientate mass discontent against a minor member of the imperialist system.

4. The fight against racism, anti-immigrant policies and imperialist wars should not be counterposed to the fight for democratic rights and freedoms. They should be combined: we



oppose racism and imperialism but do not condone anti-democratic currents within this general struggle; we defend freedom of expression but fight against every expression of racism and oppressive ideologies.

## Solidarity with dismissed SEAT workers

The management of the VW Group has moved against the workforce of SEAT in Barcelona, one of the brands belonging to the Group, with the dismissal of 660 workers. This aggression forms part of an offensive against the jobs and working rights of all the workers of this multinational, as it heralds new anti-worker measures that will affect other workplaces in Europe.

Instead of organizing opposition to the VW offensive through the unitary mobilization of workers in all the VW Group's workplaces and developing solidarity with the affected workers, the union leaderships have limited themselves to managing the conflict in their own countries, and in the case of SEAT they have concluded the conflict with an agreement where for the first time representatives of the two big unions have accepted compulsory dismissals in a big company. Moreover, they have participated directly in the preparation of the list of dismissals, discriminating on grounds of sex, union affiliation, physical handicap and so on.

The authorization of the dismissals by the Department of Dependent Work of the plural left government in Catalonia is a very serious fact, which demonstrates the social liberal character of this government, demoralizes its social base and helps prepare the return of the right.

This shameful trade union practice of signing agreements for compulsory dismissals must be thrown out of the union movement. Its generalization will lead to a serious defeat of the international workers' movement.

Consequently, solidarity with the dismissed workers of SEAT, support for their fight for

reinstatement without loss of working rights, is a task to be undertaken by all anti-capitalist, internationalist and solidarity-minded people. We call for the sending of messages of solidarity to SEAT's Assembly of the Dismissed, demanding that the VW group and SEAT management end the anti-worker offensive and reinstate the dismissed workers, and supporting the appeal against the action of compulsory dismissals demanding from the administration of the Generalitat de Catalonia the cancellation of the dismissals.

## Resolution on Brazil

1) The development of the Brazilian situation has confirmed the characterization that we gave of the Lula government and its policies in the February 2005 IC resolution: 'a coalition government with representatives of capital, dependent on the parliamentary right ... implementing neoliberal economic and financial policies and thus incapable of responding to the essential problems of poverty and social exclusion in Brazil and confrontation with imperialism'.

All of the Lula government's measures and decisions in the last year have gone in the same direction: accepting the dictates of the financial markets, consolidating the budget surplus in order to repay the debt, not carrying out a genuine land reform - which is provoking radical criticisms from the MST - not really lowering unemployment, not raising wages, not fighting against inequality. This government is indeed a social-liberal government.

2) In this last year these government policies, contrary to the people's interests, have been accompanied by revelations about its corrupt political methods and practices, which are in no way different from those of traditional bourgeois governments. Dozens of MPs have been bought up by prominent members of the PT leadership and government. José Dirceu, second in command in the government, had to resign. This is a real earthquake that has shaken the PT and Brazilian political life.

3) The government's socio-economic, political and ethical development also confirm as well the political conclusions that we had drawn from our characterization of the government and its policies: revolutionaries cannot take part in a social-liberal government. Revolutionaries cannot take part in the Lula government, all of whose policies fit in a framework of respect for financial market criteria and neoliberal counter-reforms. Despite criticisms made of the corruption or the functioning of the party, most of the PT left wing, including the comrades of DS-PT, did not advocate a policy of breaking with the government during the last PT leadership elections. The accumulation of neoliberal measures during the last three years, together

with the corruption, even created new conditions for a break with the government; but the comrades rejected this option.

4) During the 2006 elections, Lula's presidential candidacy constitutes a reaffirmation of his social-liberal policies. Faced with this candidacy, the presentation by revolutionaries of a unitary, anti-capitalist alternative, an alternative to the right and the ruling classes but also for a break with the PT leadership's social-liberalism, is a positive development. The PSOL has decided to run Heloisa Helena as its candidate for president of the republic. During its campaign it will put forward a programme for the defence of the interests and demands of the popular classes, for a break with neoliberalism and capitalism. It will denounce all the right's attacks, the policies imposed by the financial markets and all the consequences of the neoliberal counter-reforms. It will take a stand in opposition to the record of the Lula government. In solidarity with the struggle of Latin American peoples, and in particular with Venezuela's Bolivarian revolution, Heloisa's candidacy will be an anti-imperialist candidacy. This candidacy can give millions of Brazilians the chance to express their desire to resist the attacks of neoliberal capitalism and change things. Rising above particular currents and organizations, this candidacy can unite a radical left, an anti-capitalist left, that can take up the original programme and fundamental original values of the PT, which the Lula leadership has since abandoned.

5) We also note that the Brazilian left is still very much divided; a large part of this left is still in the PT. Other organizations, like the PC do B, or other sectors that are clinging to 'movementist'

positions, or the PSTU, will continue to have their own standpoints. The forces of the FI in Brazil are still, unfortunately, divided. The DS-PT continues to be active in the PT, confirming its participation in the government and reinforcing its integration in the party leadership; one DS leader occupies the post of PT general secretary. Another sector of the FI in Brazil is committed to building the PSOL and makes up the group 'DS Collective-Fourth International', which is joining in forming a new current inside the PSOL tentatively called Enlace. In order to foster a continuing discussion as well as maximize the chances of a convergence of all the anti-capitalist sectors, the IC reaffirms the maintenance of relationships with all components of the Fourth International in Brazil, with all these components continuing to be members of the International with full rights.

6) The IC proposes to open a discussion on the Brazilian situation. This discussion will have in particular the goal of making an initial balance sheet of the PT's evolution during the past 20 years, the politics of the Brazilian section, and the discussions and decisions taken by the international. The IC proposes to reopen a special internal bulletin on this question. It asks the Brazilian comrades to present an introduction to this discussion. The texts will have a maximum length of 20,000 characters.

7) The IC observes that the DS-PT has not participated in its February 2006 meeting. Seeking to continue discussions with these comrades, it mandates the Bureau to organize a meeting with these comrades in the nearest possible future.

## Notes on the situation in Latin America

A continent veers left

François Sabado

a) Latin America has veered left. The combined outcome of a rejection of liberalism and mass movement resistance - some forms of which have opened onto pre-revolutionary situations in recent years, as in Venezuela, Argentina, Ecuador and Bolivia - the traditional right has undergone a series of electoral defeats. The next will most likely be the Mexican, Peruvian and Nicaraguan rights. Colombia is the only major country where the reactionary right will in all likelihood continue to govern, with paramilitary support.

b) This situation is provoking new inter-capitalist contradictions, in particular new tensions with US imperialism. There is an option of “confrontation”, which remains the choice of the Bush administration, of the reactionary right of most countries, and which can even take the path of military interventions, in particular around Plan Colombia, a country where “US military advisers” are already present. But, at the present juncture, the US presence in Latin America is weakened by US strategic involvement in Iraq, in the Middle East and in Central Asia. Despite the US military power, it is proving hard to occupy Iraq through military means ... along with another country, in Latin America!

c) There is a “second choice” for the ruling classes; reorganizing their system of class rule by using the new left governments that follow the path of liberalism or social-liberalism. This is the case in Brazil, Argentina, Uruguay, Paraguay, Chile and Ecuador. Relying on the interests of an agro-exporting bourgeoisie with its own policies as we have seen in the case of Brazil at the WTO, seeking to use its strengths to reorganize resource markets - petroleum, gas, water - with a more integrated Latin American policy, benefiting from the high rate of growth between and 9% in recent years, and defusing the subversive charge of social movements with the help of the Brazilian PT, neo-Peronism in Argentina, the Frente Amplio in Uruguay, these new governments have achieved a degree of “stabilization” of the social and political situation. The most significant example is Kirchner in Argentina.

These governments do not succeed in resolving the main contradictions of capitalism: the liberal counter-reform continues, social inequalities are growing and there have been no noteworthy changes in the situation of the popular masses. Moreover, in the framework of capitalist globalization, these governments have not succeeded in carrying out policies of autonomy with respect to imperialism in the middle or long term, in the vein of those implemented by Cardenas in Mexico or Perón in Argentina.

Nevertheless, while respecting financial market, IMF and World Bank dictates, and attempting to implement regional policies as in the case of Mercosur, these governments are trying to conquer new positions for the benefit of local ruling classes.

d) The “confrontation” and the “social-liberal option” both run up against a major impediment, the reality of social movements that can resurface in particular forms at any movement: trade unions

and piqueteros in Argentina, landless movements in Brazil and Brazilian trade unionism that can wake up despite CUT leadership policies, Indigenous peoples and their organizations in Ecuador.

But the two main obstacles to stabilization on the continent are the “Bolivarian revolution” and the Bolivian situation. Beyond State diplomacy and the need to bring all countries of the continent into a Latin American integration project such as ALBA, there are indeed two positions debated within the Latin American left: the social-liberalism represented by Lula and Kirchner and the Chávez Bolivarian process. Whether via a policy of confronting US imperialism, or the application of a series of social and democratic measures: health, education, plan against hunger, occupation of certain firms and lands, housing policy, co-operatives, and especially a high degree of mobilization and polarization of millions of Venezuelans, the Venezuelan situation is the hot spot on the continent.

All of this effervescence is now stimulated by the debate launched by Chávez on socialism in the 21st century. Those are the positive aspects. However, there are a series of problems in the Bolivarian process, first of all tied to the “bonapartist” features of Chávez’s power: the concentration of power, the direct relations between Chávez and the people, the absence of real parties: these are often merely electoral apparatuses, the calls to mass mobilization and organization are often thwarted by the limits imposed on mass democracy and self-organization by those in power.

For example, the progress achieved in terms of self-management of the PVDSA - the national petroleum corporation - after the petroleum management strike - had no follow-up. On the contrary, the technocrats have returned. The political representatives of the Cuban CP are playing a negative role in terms of everything relating to the development of democracy, control and co-management. If bold objectives have been achieved in the struggle to meet the people’s basic needs in terms of health, education and food - policies funded by petroleum revenue - the socio-economic structure of Venezuelan capitalism has not been substantially transformed or overstepped.

The two coming years will be decisive to the revolutionary process in Venezuela. Chávez is in the habit of quoting Trotsky, explaining, “Every revolution needs the whip of the counter-revolution.” The Bolivarian revolutionary process



Morales (far right) with Chavez and Cuban VP Carlos Lage (left)

was indeed marked by reactions to the right-wing counterrevolution and US imperialism, which radicalized the process each time.

Nobody doubts that if there is another confrontation and new provocations by the “putschist right”, that this will mean further radicalization. But the right and the Bush administration can also draw the lessons from their failed coups and, on the one hand, seek to delegitimize the Chávez regime by refusing to take part in the upcoming presidential elections late in 2006, while seeking to mire down the process by blocking all socio-economic progress. In that case, Chávez, and all protagonists in the Bolivarian process must find forces to deepen the process, in terms of mass democracy and socio-economic content. And for that, income from the petroleum windfall may not be enough. It calls for new political choices.

e) But one of the dimensions of the scenario is international. It will play out in Venezuela. Many commentators depict Evo Morales as “between Lula and Chávez”. In fact, although the Bolivian vice-president has made statements on “the need for a plan for Andean capitalism”, Evo Morales’ initial measures put him closer to Chávez: booting out the old Army staff, put out to pasture, a self-imposed 57% cut in the presidential salary, which should entail similar cuts for all high-level government officials, negotiations with one of the landless movements and land reform.

We can even say that relations have been inversed between Venezuela and Bolivia, in terms of the leadership of the process and the masses. In Venezuela, although Chávez is the product of an entire historical process, his political weight stimulated and also limits spaces for the mass movement.

In Bolivia, the mass movement has heretofore determined the course taken by Morales, such as his position on calling a Constituent Assembly and nationalizing hydrocarbon resources is the direct outcome of mass movement demands. Will he respect his commitments? In any event, in this country, we find one of the apexes of social and political revolt in Latin America. The coming weeks and months will tell the story. The situation is open, but mass movement pressure is such, in the political, administrative and institutional chaos in Bolivia, that alongside Venezuela, one of the keys to the Latin American situation can be found in this country.

f) From an international viewpoint, this means there is a series of issues at stake, with a dual

polarization: between US imperialism, the traditional rights and on the other side, the peoples and anti-imperialist governments: Cuba, Venezuela and Bolivia and a second, more subtle polarization between social-liberal governments - Brazil, Argentina, Uruguay, Paraguay, Chile, Ecuador - and the aforementioned anti-imperialist governments. Lula and Kirchner are on the offensive to put rightwards pressure on Chávez and Morales.

There is also a fight between Lula, Kirchner and Chávez, to “win over” Morales. The Latin American left is currently going through this choice of going along with liberal counter-reform or breaking with imperialism: Lula or Chávez? All of this will depend on US policies of confrontation and the dynamics of the mass movement vs. those of the ruling classes, defending their own interests in these countries.

g) This situation has several consequences in political and programmatic terms:

► Put it, along the struggle against the war in Iraq, at the centre of our solidarity actions, develop an international solidarity campaign with the Bolivarian process in Venezuela: Venezuela collectives, solidarity meetings, sending aid and solidarity brigades. The International and FI organizations must be at the forefront of this campaign.

► In programmatic terms, combine a program of social and democratic demands backed by the demand for national and popular sovereignty over natural resources, lands and wealth of each country, linked to land reform, of course. The needs for public appropriation, and nationalization of hydrocarbon resources must also be at the heart of social and political demands in these countries. The question of democracy is also central, whether it is getting rid of corrupt politicians - this is the meaning of demands such as the constituent assembly - or to deepen processes of social appropriation - demands for control, co-management and management of firms are a priority, as in Venezuela or Bolivia.

► Finally, there is a notable chance linked to the tilt in the social and political situation, the opening of a debate on socialism in Venezuela but also throughout the continent, launched by Chávez.

Despite the limits dictated by the country's place in the world and in Latin America, the Bolivarian experience makes it possible to resume discussion of socialism. This debate is taking place in all organizations today, and it is only beginning. Of course there are all sorts of socialism, but in an ideological environment which had been first marked by themes such as “liberal democracy as the end of history” in the early 1990s, the themes

of anti-liberalism in 1990 and the early 2000s, the way Chávez is positing the problem of socialism vs. liberalism and capitalism bear witness to a deepening development of consciousness among sectors of the Latin American social and political vanguard, and above all the repercussions of a series of strategic questions.

This is a significant fulcrum against social liberalism in the left. It posits the satisfaction of popular demands as a central question in a strategy of opposition of liberal capitalism and not taking part in counter-reform.

It enables progress on co-operative experiences linked to a dynamics of control, and in acute crisis situation or pre-revolutionary situations, to move forward on this theme of control linked to co-management between workers and public authorities. It posits the need for another logic, another system, centred on social needs and another form of property - public and social appropriation - as a central question.

► *François Sabado is a member of the Political Bureau of the Revolutionary Communist League (LCR, French section of the Fourth International), and of the Executive Bureau of the Fourth International.*

## News from around the world

### Danish cartoons controversy

#### British media campaign's response

The Campaign for Press and Broadcasting Freedom, a longstanding media reform organisation set up by the unions and the labour movement (including the British journalists' union, the NUJ), explains its position of the Mohammed cartoons controversy. The CPBF has traditionally been supported by many strands of the radical left, including British Fourth Internationalists. We are publishing this statement for the information of our readers.

It is over four months since the Danish daily, Jyllands-Posten, printed twelve cartoons featuring the Muslim prophet Mohammed. The daily published the series of cartoons after Danish author Kåre Bluitgen complained that nobody dared illustrate his book about Mohammed, for fear of death threats similar to that endured by Salman Rushdie.

Islamic tradition bars pictorial depictions of the Prophet, although this oft-repeated injunction has on several occasions been breached before without causing controversy. Images circulating on the Internet now show bombs exploding over pictures of the newspaper, and blood flowing over the national flag and map of Denmark. What started out as a Danish journalistic project has now expanded into a global controversy.

The paper's Editor-in-Chief, Carsten Juste, said, 'We live in a democracy. That's why we can use all the journalistic methods we want to. Satire is accepted in this country, and you can make caricatures. Religion shouldn't set any barriers on that sort of expression. This doesn't mean that we wish to insult any Muslims.'

He also said, 'We must quietly point out here that the drawings illustrated an article on the self-censorship which rules large parts of the Western world. Our right to say, write, photograph



and draw what we want to within the framework of the law exists and must endure - unconditionally!'

He has now made a qualified apology: 'In our opinion, the 12 drawings were sober. They were not intended to be offensive, nor were they at variance with Danish law, but they have indisputably offended many Muslims for which we apologize.'

European newspapers, governments, the European Union, United Nations and Muslim organisations are now engulfed in the controversy, and the owner of France Soir has sacked the editor for publishing the cartoons.

The case has also been seized on by far-right groups to fuel race hatred, and, whilst certainly some of the papers which published the cartoons are politically conservative, this should not deter freedom of expression groups from stating their own positions clearly.

There are important principles which need to be defended. One of these is that the right to freedom of opinion and expression is a fundamental right that safeguards the exercise of all other rights. It is a critical underpinning of democracy and applicable not only to 'information' or 'ideas' that are favourably received, but also to those that offend, shock or disturb.

Some of the cartoons published in the Danish paper may well be offensive to many Muslims (and may well be offensive to

others, including cartoonists - some of the published cartoons are of poor quality), but charges of offence and blasphemy should not be deployed to curtail freedom of expression. The Campaign for Press and Broadcasting Freedom's position is that restrictions on freedom of expression which privilege certain ideas or beliefs cannot be justified.

European newspapers are also being put under unacceptable pressures, which can compromise the freedom of the press. Aidan White, General Secretary of the International Federation of Journalists, said that the dismissal of the editor of France Soir, Jacques Lefranc, 'sends a dangerous signal about unacceptable pressure on independent journalism.'

The IFJ points out, 'Arab-world governments calling for political action against media are guilty of undue interference in the work of journalists'.

Clearly the row over the cartoons has dramatically revealed how fragile some of these important principles are. We need to avoid generating ever-more anger and confrontation in this case, but at the same time restate firmly that freedom of expression and freedom of the press are important foundations of European democratic society and need to be strongly defended.

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## Europe

### Together against the Bolkestein directive

- and against the bosses' offensive!

On February 14th the proposed Bolkestein directive, barely amended at all, comes up in the European Parliament for its first reading. The European Trade Union Confederation is calling for a major demonstration in Strasbourg. The European Sections of the Fourth International have issued the following statement.

On February 14th the proposed Bolkestein directive, barely amended at all, comes up in the European Parliament for its first reading. This debate is a full-fledged provocation of the peoples of Europe. A majority of Europeans has rejected this proposal, through their trade union organisations or their votes against the European constitution in France and the Netherlands. The rejection was so forceful that Jacques Chirac promised that the directive would go straight into the dustbin.

#### Demolishing Social Gains

This is a proposal to organise social dumping and encourage competition among peoples. It transforms public services and wage earners into commodities. It symbolises the capitalist Europe that we reject, which is being built on the basis of the Maastricht and Amsterdam Treaties. It is part of an across-the-board offensive by the bosses and European governments of the right and left against the world of labour. In the context of neoliberal globalisation and intensified competition, the European bourgeoisie has set out to demolish the main social gains Europeans had made and our right to work. Privatisations are multiplying everywhere in the public sector in Europe. 'Social plans are accompanied by policies of casualisation and flexibilisation, undermining unemployment, health and pension benefits. In order to push these policies through, a repressive arsenal is being assembled everywhere, aimed at criminalising actions by workers, young people and immigrants.

#### Organise a United, European Response

Only a mobilisation of the world of labour coordinated on a European scale can beat back this offensive. Withdrawal of the Bolkestein directive, pure and simple, can be a unifying demand, so as to win and give new hope to the social movements.

Faced with the bosses' offensive, embryonic resistance networks are taking shape, notably through the organisation of

European Social Forums like those in Florence, Paris, London and soon Athens. Resistance movements have been organised in many countries to the point of general strikes, in Italy, the Netherlands, Greece, Belgium and France. But they have been defeated everywhere. Isolated strikes are not enough today to make the bosses, who are more and more demanding, retreat.

#### Build a Political Alternative

One of the obstacles to the growth of social movements is the lack of a credible political expression for their mobilisations. When in power, social democracy, the Greens and the CPs have accepted the dictates of neoliberalism. As a result, European workers have been tossed back and forth in a false choice between the hard right and the soft left. The bourgeoisie no longer even gives the social democrats crumbs to pay for reforms, and has driven them to transform themselves into social-liberals, often with the Greens in tow. But there are millions of people in the trade union, political and grassroots left wings who no longer accept this backsliding. They are trying to build new forces that are ready to break with the laws of capitalism and rely on social mobilisation in order to respond to the demands of all the social layers that are suffering from the bosses' offensive.

A different society is possible: one that would distribute wealth differently, so as to safeguard our jobs, our cultures, our health and our environment; a society in which the people would decide what would be produced and how, and would be constantly vigilant so as to ensure that its will is carried out.

This is the unitary, anti-capitalist struggle that the militants of the Fourth International are waging in Europe.

*Bandiera Rossa - Italy, Espacio Alternativo - Spanish State, Erre - Italy, ISG - Britain, ISL - Germany, LCR - France, OKDE - Greece, PSR - Portugal, Revolta Global - Catalonia, RSB - Germany, SAP - Denmark, SAP - Netherlands, SAP/POS - Belgium, Socialist Democracy - Ireland, SP - Sweden*

## Denmark

### Socialist leaders arrested for ‘terrorist’ T-shirts



Danish authorities on February 20th arrested four members of the Danish Left Socialists Party (Venstresocialisterne, VS), among them several of the party's leaders, and presented arrest orders against three more members. They are charged with selling T-shirts supporting the FARC in Colombia and the PFLP in Palestine. All seven are accused of violation of Section 114a in the Danish criminal code prohibiting support for foreign terrorist organisations. This section has a maximum penalty range of 10 years prison.

VS was present in parliament with between four and six members during 1967-87, and has since been an integral part of the Danish Left-Green alliance (Enhedslisten), that is presently represented in the Danish parliament with six members.

Since its creation in 1967 VS has been working in support of national liberation movements in the ‘third world’, having supported the NLF during the Vietnam War, the ANC and SWAPO in their fight against the apartheid regime in South Africa, the PFLP in Palestine in its struggle against the Israeli occupation, the FMLN in El Salvador, URNG in Guatemala, the FSLN in Nicaragua, and many other national liberation movements in Latin America that have fought against military dictatorships.

Six months ago the party formed a company, Fighters & Lovers, whose purpose was to sell T-shirts on the internet in support of the national liberation movements PFLP in Palestine and FARC in Colombia. Both organisations are on the EU list of ‘terrorist’ organisations, but this list has no legal status in Denmark, and VS regards both organisations as national liberation movements, not as terror organisations.

Some people nonetheless regard these organisations as terrorist organisations, just as the liberation movement in Denmark during the Second World War was characterised by the occupying German forces and its Danish collaborators as terrorists.

The VS company Fighters & Lovers started selling T-shirts on January 10th 2006, and the authorities reacted five weeks later by arresting seven members of the party, closing the company WEB site - in violation of the Danish constitution prohibiting censorship - confiscating 3,000 euros, and computer equipment the authorities claim was used by the company.

The VS members were released the same day, but the authorities have upheld the charges of violation of §114a. "We regard the charges and the closing of our WEB site as a blatant violation of the Danish constitution and its guarantees for free speech, against censorship", states Michael Schoelardt, member of the national leadership of VS and director of Fighters & Lovers.

He continues: "The Danish prime minister has referred to the "irrevocable status of free speech" in his defense of cartoons in the Danish newspaper 'Jyllandsposten'. Drawings that have provoked a considerable part of the world's population. But free speech apparently doesn't apply in Denmark, when it comes to support for the Palestinian liberation struggle or the struggle in Colombia for freedom and democracy, against the government death squads and repression. VS has supported national liberation struggles around the world for nearly 40 years, and will continue to do so, even though democracy in Denmark is under fierce attack from right wing parties these years", he concludes.

"The Danish authorities during the last 5-10 years have been in a process of limiting the spaces for democracy in Denmark. Especially for refugees and immigrants. The present Danish government has been especially active in promoting xenophobia, and campaigns against primarily Muslim immigrants.

"These measures have been criticised by other countries in Europe, the Human Rights Commission of the European Council, and several UN institutions. VS urges the international community and especially the international Human rights organisations to monitor the developments in Denmark closely. And especially the ongoing restrictions on Democracy."