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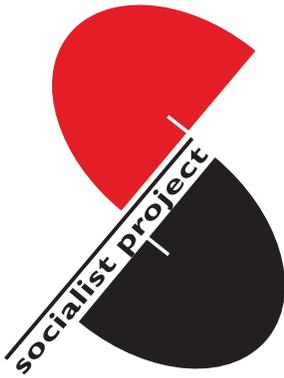
A SOCIALIST PROJECT REVIEW



**Financial
Chaos and
Emerging
Resistance**



Clockwise from top: WSF 2009 in Brazil, general strike in France, demonstration in Greece.



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About Relay

Relay, A Socialist Project Review, intends to act as a forum for conveying and debating current issues of importance to the Left in Ontario, Canada and from around the world. Contributions to the re-laying of the foundations for a viable socialist politics are welcomed by the editorial committee.

Relay is published by the Socialist Project. Signed articles reflect the opinions of the authors and do not necessarily represent the views of the editors.

About the Socialist Project

The Socialist Project does not propose an easy politics for defeating capitalism or claim a ready alternative to take its place. We oppose capitalism out of necessity and support the resistance of others out of solidarity. This resistance creates spaces of hope, and an activist hope is the first step to discovering a new socialist politics. Through the struggles of that politics – struggles informed by collective analysis and reflection – alternatives to capitalism will emerge. Such anti-capitalist struggles, we believe, must develop a viable working class politics, and be informed by democratic struggles against racial, sexist and homophobic oppressions, and in support of the national self-determination of the many peoples of the world. In Canada and the world today, there is an imperative for the Left to begin a sustained process of reflection, struggle and organizational re-groupment and experimentation. Neither capitalism nor neoliberalism will fade from the political landscape based on the momentum of their own contradictions and without the Left developing new political capacities. We encourage those who share this assessment to meet, debate and begin to make a contribution to a renewed socialist project in your union, school and community. For more information on the Socialist Project check our web-site at www.socialistproject.ca or e-mail us at info@socialistproject.ca.

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The back cover drawing depicting the bombing of Gaza, was done by Avishai Ehrlich. He began the drawing on the day the Israeli air assault began on December 28, 2008 and completed it that same night after protesting with over a thousand people at the Ministry of Defense in downtown Tel Aviv. Avishai Ehrlich is a professor of political sociology at the Academic College of Tel Aviv-Jaffa.

Gendering Democracy, Democratizing Social Policy

Tammy Findlay

There has been a lot of talk from governments about the need for greater ‘citizen participation,’ ‘civic engagement,’ and ‘public dialogue.’ Superficial commitments have been made to involve citizens in the social policy process, such as in the neoliberal/New Public Management-inspired Social Union Framework Agreement (SUFA) and through ‘partnerships’ with the voluntary sector. But the pressing need for genuine democracy continues to be painfully evident in recent social policy debates, especially for under-represented groups.

There are countless examples where feminist voices in social policy are ignored, marginalized, and silenced. Unsurprisingly, these instances have multiplied as the capacity of communities to engage in public debate has been purposefully undermined by funding cuts to things like Status of Women Canada and the Court Challenges Program and by the general prohibition against advocacy.

WOMEN WARN AGAINST CORPORATE CHILD CARE

Australia provides a rather perverse illustration of disregard for women’s social policy knowledge. There, the federal government undertook a disastrous course of allowing public funding to subsidize private, corporate child care chains. Advocates, based on their experience in the field, warned that the consequences would be grim: low wages for child care workers, poor quality of services, lack of equitable access, and weak accountability for public money. They were ignored. Then women in the child care community and their allies began to question the fuzzy accounting practices of the major child care chain, ABC Learning Centres. They were ignored. Last November, ABC went bank-

rupt and parents and child care workers in Australia are dealing with the fall out. Even now, calls for public ownership and control of the services, from those who know the most about child care, have yet to be heeded and the marketization of social services has still not been rejected by the Rudd government.

One of the lessons to be learned from Australia is that not only does women’s marginalization represent an affront to democratic sensibilities, it leads to bad public policy. Hopefully the same mistakes won’t be made here in Canada, but the potential seeds have already been planted by the Harper government. Its approach to child care (which actually has very little to do with child care), centered on cash transfers to parents and to the provinces has been roundly criticized by activists (mostly women), including the mass coalition, *Code Blue for Child Care*, to no avail. Provincial governments have also failed to take a strong stand against ‘big box’ child care, despite broad-based campaigns in Ontario and British Columbia.

Unfortunately, two recent opportunities for substantive consideration of feminist input into social policy demonstrate little reason for optimism.

ALL-DAY KINDERGARTEN IN BC

In 2008, British Columbia announced it would consider extending half-day kindergarten to full day for 3-5 year olds. Last year, the Early Childhood Learning Agency was created to conduct a feasibility study and to engage in public consultations. Parents, advocates, child care workers, researchers and unions in the province responded, citing overwhelming evidence, and their own experience, that reinforce the need for: direct public funding; non-

profit services; community ownership and control; inclusion; universal access and legislated entitlement; decent wages and benefits; and support for parents, particularly women, in the labour force.

The results of a legitimate consultation process would reflect the wide consensus that these are the fundamentals of an early learning and child care program and that government can no longer avoid providing these services to families. However, it is now clear that this will not be the case, at least not any time soon. The Early Childhood Learning Agency report, expected in December 2008, has still not been released and signs of backtracking by Education Minister Shirley Bond re-ignited the fears of a community who had little trust that the Campbell government would actually make the investments, given its record on child care. They were right to worry. Even as the BC Liberals have embraced deficit-spending in the 2009 provincial budget, kindergarten has quietly slipped off the agenda. This was a lost opportunity for the BC government to save community faith in the process and to demonstrate that participatory democracy can work.

GENDERING RESPONSES TO THE FINANCIAL CRISIS

Another democratic opening for feminist analysis exists, strangely, amid the financial crisis. For months, feminist criticism has pointed to the male bias in proposals for economic stimulus in Canada and the U.S. that seem oblivious to the reality of sex segregation and to the need to promote gender equality. It has been argued that investment in ‘infrastructure’ has been interpreted very narrowly to include repairing and constructing roads, bridges and buildings, and bailing out the Detroit Three. Without discounting the importance

of these projects for economic recovery, many have noted that Obama's promised job creation will be concentrated largely in construction, auto manufacturing, engineering, and forestry. In other words, it amounts to 'jobs for boys,' or what feminist economist Randy Albelda calls a "macho stimulus plan."

Also indicative of the gender bias built into the discourse around the American rescue package is the moral and political outrage mobilized against House Speaker Nancy Pelosi. When she dared to suggest that protection of women's reproductive rights matters to the economy, she was met with a wave of anti-feminist and anti-choice vitriol and dismissed as an outlandish feminist fanatic. So a perfectly reasonable strategy to improve women's economic security and access to basic health care (the family planning provisions were part of a proposal for Medicaid expansion) was sacrificed by President Obama who quickly dropped it from the agenda.

At the same time though, the economic situation has created space for progressive arguments about the relationship between the state and the market and for a more expansive understanding of infrastructure. In Canada, organizations, such as the Ad Hoc Coalition for Women's Equality and Human Rights, the Native Women's Association of Canada (NWAC), the Canadian Federation of University Women (CFUW), Feminists for Just & Equitable Public Policy, the Child Care Advocacy Association of Canada (CCAAC), the Canadian Feminist Alliance for International Action (FAFIA), the New Brunswick Coalition for Pay Equity and BC CEDAW, have called for investment in *social infrastructure* like health, education, social work, housing, child care, pay equity, Employment Insurance, anti-poverty measures and supports for Aboriginal communities. In fact, the Ad Hoc Coalition outlined such concerns in an Open Letter on the Budget to Prime Minister Harper and the NWAC presented their submission at the January 15, 2009 First Minister's Meeting. Did anyone listen this time?

Not really. The Federal budget (or "Canada's Economic Action Plan") released on January 27, 2009 indicates that

the Harper government didn't quite get the message.

THE 2009 FEDERAL BUDGET

In the budget, there was some very limited attention to Employment Insurance, post-secondary education, the Child Tax Benefit, and social housing. Yet amid repeated dubious assertions from the mainstream media that there was 'something for everyone,' in many ways, the Tory budget promises much that feminists have cautioned against. It provides \$5.9-billion in income tax and corporate tax cuts just for 2009-2010, even though it has been shown time and time again that the benefits go disproportionately to men and that the lost revenue further limits women's access to social programs and public sector jobs. Eligibility for Employment Insurance has not changed, even though women continue to have unequal access to benefits. The attack on pay equity persists, even though it was one of the most problematic aspects of the December Economic and Fiscal Statement, and the U.S. is finally moving in the opposite direction. There were no investments made in child care services, even though Canada ranks last among industrialized countries on supports to families according to both UNICEF and the OECD and it is absolutely essential to gender equality. The budget has been panned by numerous feminist organizations commenting on the glaring absence of equality measures.

This was rather predictable. Just look at the Finance Minister's Advisory Council that Flaherty appointed in December 2008. Although the Harper Conservatives claimed that they engaged in broad budget consultations, not a single member of the social policy community sat on the Advisory Council. Instead, it was a collection of corporate CEOs, a former BC Finance Minister, and a CD Howe Institute fellow. These are the opinions that count in the Conservative government.

However, the opposition parties are hardly better. There was amazingly little that was concrete in terms of social policy in the December 2008 Liberal-NDP coalition agreement. And feminist analysis seems to have made barely any impact on

the Liberals, except to fuel their hollow rhetoric about women's equality during Question Period. Their apparent outrage at the silence on gender equality did not stop them from supporting the Conservative budget, and in some cases, even taking credit for it.

GENDERING DEMOCRACY AND DEMOCRATIZING SOCIAL POLICY

All of this speaks to a profound failure of democracy and to the success of neoliberal marginalization of feminist input. The representation of women and other marginalized groups in the policy process has been systematically shut down.

The only way to fundamentally transform the social policy landscape in Canada is to create a *participatory infrastructure* that makes community involvement central to governance at all stages of policy-making. This requires public resources and funding for social policy advocacy, an open and on-going method of engagement, and real accountability to the public, including mandatory gender and diversity responsive budgeting. Let's hope that the flurry of feminist mobilization around the federal budget's gender insensitivity is the beginning of a movement to gender democracy and to democratize the social policy process. **R**

Tammy Findlay is a researcher on gender and child care policy at the University of British Columbia. She has a PhD from York University.



Bank Bailouts and the 2009 Federal Budget

The Untold Story of Canada's \$275-Billion Financial Bailout

Steve da Silva

The Insured Mortgage Purchase Program (IMPP) and the Extraordinary Financing Framework (EFF) is to the Canadians what the Troubled Asset Relief Program (TARP) is to Americans: A cover for hundreds of billions of dollars – trillions in the U.S. – of public funds being dumped into the coffers of parasitic monopoly financial interests.

If you're still scratching your head with bewilderment trying to understand how the 'free-market' Conservatives could make an overnight turn to Keynesianism – from promising budget surpluses during the October 2008 Federal election to deficits in the 2009 Budget and into the future – then you've bought too much into the terms of the public debate set by the media and Parliamentary forces. The Conservatives have not broken with their old neoliberal ideas, even as they engage in last-ditch attempts to hold onto power in Parliament.

The Conservatives remain shameless representatives of monopoly capitalist interests in Canada. Over the last three months, the Conservatives – taking the lead from Bush and Obama Presidencies in United States and most other imperialist countries – have begun to implement one of the largest transfers of wealth in Canadian history to private interests. The Budget and other policies are channeling untold amounts of public funds into the coffers of the banks and other monopoly interests. Several accounts suggest this amounts to at least \$275-billion in 'bailout' money.

The loyal 'opposition' Liberal Party and New Democratic Party have gone along with the ruling party's proposals, actively supporting the Budget in the case of the Liberals and largely calling for even more of the same by the NDP. Neither are shifting the terms of the debate into questions of distributional policies, and certainly not anti-capitalist criticisms. While the attention of Canadians was being diverted by the political theatrics of the last months – the October 2008 election, the doomed foray at an NDP-Liberal coalition, the British Crown's representative to Canada Michaëlle Jean shutting down Parliament, and the slow release of Finance Minister Jim Flaherty's 'leaky budget' through January – a conspiracy of silence has prevailed over the Canadian government's swapping hundreds of billions of dollars for questionable assets held by Canada's banks.

This financial subsidy to the still profitable Canadian banks was being made while millions of working-class Canadians were being walloped by wage cuts, hundreds of thousands of lost jobs, pension funds suffering historic losses¹ and the Employment Insurance failing to pay out to workers what they had paid into it.² As the economic crisis is unfolding, government policies are reinforcing the worst features of the inequalities produced by neoliberal policies.

'CASH FOR TRASH' UNDER THE COVER OF 'CREDIT FOR CONSUMERS'

In October 2008, with the current crisis of monopoly finance capitalism in full swing and the U.S. government preparing to implement its controversial \$700-billion 'Troubled Asset Relief Program' to buy junk assets from financial corporations – only one of a series of bailouts that estimates now suggest is reaching some \$8.5-trillion³ – the Government of Canada was in the process of implementing its own bailout.

Just four days before the 2008 Federal Election in Canada, Prime Minister Stephen Harper announced that the Government of Canada, through the Canadian Mortgage and Housing Corporation (CMHC), would purchase "\$25-billion in insured mortgage pools as part of the Government of Canada's plan, announced today, to maintain the availability of longer-term credit in Canada."⁴

Either the Liberals or the NDP could have generated a groundswell of popular dissent going into the vote by exposing and opposing this bailout. The two parties did not oppose the bailout then, and their continued silence over subsequent measures to bolster the banks and companies shows the degree to which these parties accommodate monopoly capitalist interests.

Emboldened by the success of the first phase of the bailout scheme with almost no dissent, Bay Street continued to push the Canadian government to expand the plan to beyond \$200-billion.⁵

On November 12, the Department of Finance announced that it would buy up another \$50-billion in securities by the end of the fiscal year through the CMHC as part of its Insured Mortgage Purchase Program (IMPP), bringing the total of the programme up to \$75-billion. This was justified as part of the government's efforts to maintain the availability of longer-term credit in Canada.⁶ Simultaneously, the government announced that they would indeed "guarantee...more than \$200-billion to pay back new loans made to Canadian financial institutions."⁷

With no mass public opposition to this massive transfer of public wealth to the banks, and not even nominal opposition from any of the main federal political parties, there were no forces standing in the way of the Canadian government buying up another \$200-billion of bad assets from Canada's chartered banks and other financial institutions. In relative terms, this would make the potential Canadian bailout of the financial industry parallel to the U.S. proposals.

THE 2009 FEDERAL BUDGET

Unbeknownst to most Canadians, this \$200-billion program has already been moved ahead by the Canadian government in the form of the 2009 Federal Budget.

The devil is in the details – Table 4.7 of the Canadian Federal Budget (2009), reproduced here:

| | Actual | | Projection | | | | |
|---|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| | 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 |
| (billions of dollars) | | | | | | | |
| Budgetary balance | 9.6 | -1.1 | -33.7 | -29.8 | -13.0 | -7.3 | 0.7 |
| Non-budgetary transactions | | | | | | | |
| Pensions and other accounts | 6.1 | 3.6 | 3.4 | 3.5 | 3.2 | 3.1 | 3.1 |
| Non-financial assets | -2.0 | -1.4 | -1.7 | -1.7 | -0.6 | -0.4 | -0.4 |
| Loans, investments and advances | | | | | | | |
| Enterprise Crown Corporations | -4.6 | -25.5 | -24.3 | -7.3 | -7.0 | 2.7 | -8.7 |
| Insured Mortgage Purchase Program (net) | | -74.6 | -45.2 | 4.6 | 4.1 | 3.6 | 50.9 |
| Other | -1.1 | -0.5 | -0.5 | -0.3 | -0.2 | -0.1 | -0.1 |
| Total | -5.7 | -100.6 | -70.0 | -3.0 | -3.1 | 6.2 | 42.1 |
| Other transactions | 6.5 | -4.2 | 0.8 | 0.3 | 2.1 | 2.3 | 1.8 |
| Total | 4.9 | -102.6 | -67.5 | -0.9 | 1.6 | 11.2 | 46.6 |
| Financial source/requirement | 14.5 | -103.7 | -101.2 | -30.7 | -11.4 | 3.9 | 47.3 |

In the first line, one can find the budgetary numbers that sum up to the much discussed \$85-billion cumulative deficit over five years. The line entitled “Insured Mortgage Purchase Program” lists the \$75-billion CMHC buyout, and indicates that another \$45-billion is being provided to further backstop mortgage lending. At the very bottom of the table, in the line entitled “Financial source / requirement,” one finds the \$200-billion in additional funds. How does the Budget explain this massive financial expenditure?

The Budget states: “significant financial requirements are projected from 2008–09 to 2011–12, respectively of \$103.7-billion in 2008–09, \$101.2-billion in 2009–10, \$30.7-billion in 2010–11, \$11.4-billion in 2011–12, as well as financial sources of \$3.9-billion in 2012–13 and of \$47.3-billion in 2013–14. The requirements result largely from government initiatives to support access to financing under the Extraordinary Financing Framework (EFF).”⁸

And there it is: The “Extraordinary Financing Framework” (EFF) – a mere footnote buried in the 2009 Budget to account for one of the greatest financial raids of public funds to subsidize financial institutions in Canadian history. The consequence of

this financing will be to massively expand the public debt through non-budgetary financial supports. The servicing of this debt will build pressure for further mass privatization and further gutting of Canadian social programs. It is shocking how little attention this measure has received. Simply google Canada’s “Extraordinary Financing Framework” and you get under 300 hits. By comparison, google the U.S. \$700-billion “Troubled Asset Relief Program,” and you get more than a million hits.

The Budget attempts to reassure us, claiming that “the large increase in market debt associated with the Insured Mortgage Purchase Program (IMPP) does not affect federal debt or the federal government’s net debt levels as the borrowings and associated interest costs are matched by an increase in **revenue-earning assets**” (emphasis added). With some differences, this is also seen to be the case for the EFF.

But these are astonishing claims. If the financial assets purchased under the IMPP or the EFF are indeed revenue-earning assets, why are financial institutions attempting either to liquidate them or receive financial support to maintain them? We are told by the government that this is only for providing short-term liquidity, so the banks and other financial institutions can get on with their lending. But if these assets are capable of generating profitable revenue streams, then banks and other financial institutions would have little need to dispose of them. This is effectively denying the existence of the very asset and credit bubbles that have triggered the wider economic crisis unfolding. It is to contend that the asset inflation from the financial bubbles has not really occurred and these assets will soon realize their nominal book value again. This is utter nonsense, and it is a willful misleading of the public on the financial crisis for the purposes of bolstering financial capitalists.

In the current climate of economic crisis, hundreds of thousands of jobs are being wiped out in Canada; the default rate on consumer and household debt is set to soar; and household and financial assets will be hit hard. This is just what has taken place in the U.S. as the sub-prime mortgage debacle has unfolded and spread into other financial sectors and across the economy. As the price of assets falls in the portfolios of the IMPP and the EFF programmes, Canadians will be left to foot the bill.

What are in fact Canadian banks and other financial institutions planning to do with all of the ‘liquidity’ that the Conservative government, backed by the Liberals, is offering them? In response to the January 27th budget, Ottawa-based economist and editor of globalresearch.ca, Michel Chossudovsky, wrote “We are not facing a budget deficit of Keynesian style, which encourages investment and demand for consumer goods and leads to increased production and employment.” Rather, he points out: “Canadian chartered banks will use the money to salvage the time to consolidate their position and fund the acquisition of several U.S. financial institutions’ problem... For example, in 2008, TD Canada Trust has acquired Commerce Bancorp of New Jersey, making it the second largest transaction of a Canadian mergers and acquisitions valued at \$8.6-billion U.S.”⁹

The massive deficit as accounted for in the overall financial requirements in the 2009 Federal Budget is *not* directed at ‘stimulus spending’ to create jobs for unemployed workers in the ‘real’ productive economy, invest in public infrastructure to renew decaying and underfunded public services, or increase accessibility to Employment Insurance and welfare benefits. Instead, it is restoring the balance sheets of the financial sector during the credit crisis and helping fund future international expansion of Canadian banks and financial companies. This is one of the boldest moves ever by the Canadian state to support monopoly capital interests in the financial sector, while undermining social programmes directed toward the vast majority of Canadians.

The players may have changed, but the game remains the same. V.I. Lenin for one made the point nearly a hundred years ago, in *Imperialism, The Highest Stage of Capitalism* and other works, that capitalist crises are an opportunity for increasing the concentrations of wealth and monopolization of industry. The present experiences with the IMPP and EFF in Canada are evidence of these same trends as the Canadian state facilitates, in response to the economic crisis in its budgetary policies, the further concentration of financial power and wealth in Canada.

ECONOMIC CRISIS AS PRELUDE TO SOCIAL AND POLITICAL CRISIS

The economic crisis is demonstrating that there is no shortage of resources in the Canadian economy, or that might be mobilized and put at the disposal of the Canadian state, to meet the needs of capitalist interests in Canada. But there is a lack of resources being put toward the social and economic challenges that the majority of Canadians are facing in the current economic crisis. There is, moreover, a shortage of political organization among the Canadian working classes so that we might have a meaningful say over how these resources are allocated and, for that matter, over the operation of the entire economy.

It may seem striking that in an ‘open and democratic’ liberal society like Canada that there is not a single dissenting political current in the electoral realm to the massive subsidization and transfer of wealth to the monopolies in the financial sector. Not a single voice of opposition amongst the ‘free press’ has emerged (Canada, of course, has one of the most concentrated private medias in the industrialized world). With only a handful of Canadians critically writing about Canada’s bailouts, and the private and state mass media defending them, only a small fraction of Canadians understand fully the devastating social and economic consequences of the measures. What does this tell us about the nature of political power in Canada?

Left to the devices of Canada’s monopolistic ruling-class, and its control of the Canadian state, the solution to the current economic crisis will continue to be a mass transfer of funds to the private monopolies in the financial and industrial sector, the further gutting of social spending, a new round of attacks on organized labour and the real wage, an increased dependence on imperialism for profits for Canadian companies, and a continuation

of the militaristic campaigns that the internationalization of Canadian banks and capital necessitates. (In the midst of the economic crisis, we shouldn’t be holding our breath to see cutbacks in the \$500-billion military budget pledged by the Conservatives in the summer of 2008.)

The depth and form of the current economic crisis is proving the moral and political bankruptcy of capitalism. We need to come to terms with this, and the economic and social priorities that have been revealed in the Federal Budget of 2009 and the associated funds being transferred into the financial sector via the IMMP and EFF programmes. Canadian monopoly capitalism is a parasitic system. It can’t persist without the constant expansion of war, the intensification of exploitation, further environmental destruction, new territorial conquests, and new wars to redivide the world’s people and resources among the major imperialist powers. As international crisis of capital unfolds and as the oppressed countries and peoples of the world intensify their struggles for self-determination and in many cases for socialism – such as in places like Venezuela, Philippines, India, and Nepal¹⁰ – it should be increasingly evident to Canadians that our interests lie in the success of these anti-imperialist and socialist struggles. The most recent Federal Budget and the continuing economic crisis indicate clearly that the time has come for working-class Canadians to join the fold of their brothers and sisters internationally in the struggle against imperialism and for socialism. **R**

Steve da Silva is a graduate student at York University and editor of BASICS Free Community Newsletter, a community newspaper in Toronto.

Notes

1. See Steve da Silva, “*Canada’s Bailouts: A Whole New Round of Attacks on the Working-Class*,” BASICS Free Community Newsletter (Issue #12, Jan/Feb 2009).
2. See J.D. Benjamin, “*The Great Employment Insurance Rip-Off*,” BASICS Free Community Newsletter (12 January 2008).
3. See Kathleen Pender, “*Government bailout hits \$8.5 trillion*,” *San Francisco Chronicle* (26 November 2008).
4. CMHC News Release, “*Canada Mortgage and Housing Corporation Supports Canadian Credit Markets*,” CMHC (10 October 2008).
5. Paul Vieira, “*Ottawa’s steps have worked so far: Flaherty*,” *FinancialPost.com* (22 October 2009).
6. “*Government of Canada Announces Additional Support for Canadian Credit Markets*,” Department of Finance Canada (12 Nov 2008).
7. Ann Miller, “*Banks get all their wishes fulfilled*” *National Post* (13 November 2008).
8. “*Chapter 4: Fiscal Outlook*” of Canada’s Economic Action Plan: Budget 2009, Government of Canada (27 January 2009).
9. Michel Chossudovsky, “*Canada: Opération «Relance économique», \$200 milliards pour les banques*,” *globalresearch.ca* (28 January 2009).
10. For day-to-day updates about the revolutionary movements in Asia, visit southasiarev.wordpress.com.

Statement on the Federal Budget

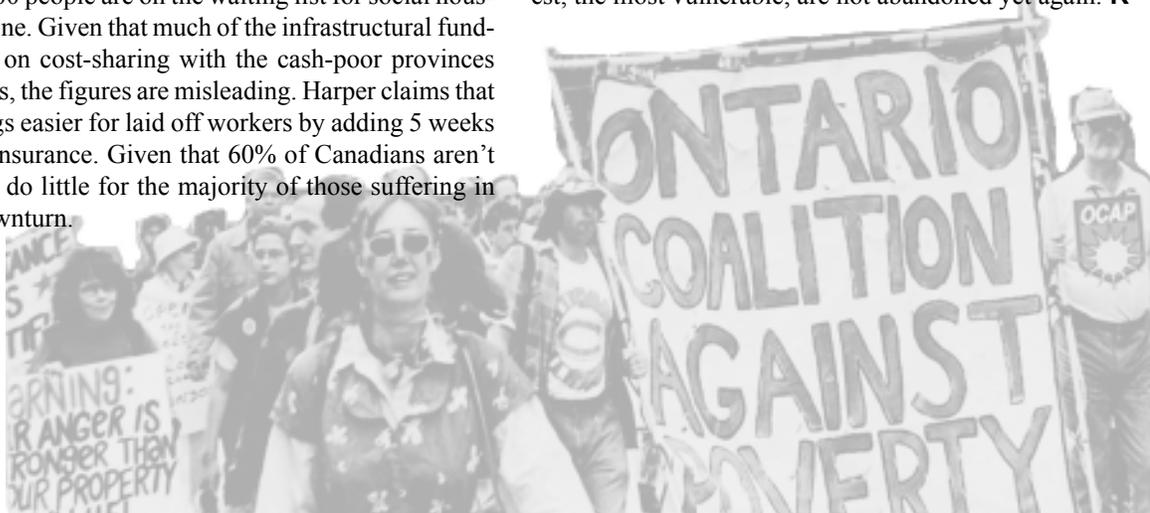
OCAP

The Federal budget will do little to help low income Canadians. Harper's government has made some attempt to placate the opposition, but his efforts will only help a shrinking fraction of the population. The spending strategy is described as Timely, Temporary, and Targeted. Indeed it is. It's too little, too late, for too few. While 75 billion dollars are given to the financial sector, there are only scraps left for the poorest in our society.

In line with the ongoing Harper agenda, the budget emphasizes tax cuts, instead of making real investments in housing, infrastructure and people. He crows about investing in social housing and unemployment insurance. The budget says that it will invest \$2-billion into social housing. Sounds great. But the cost of repairs to Ontario's housing are estimated at about \$1.2-billion. And 60,000 people are on the waiting list for social housing in Toronto alone. Given that much of the infrastructural funding is dependent on cost-sharing with the cash-poor provinces and municipalities, the figures are misleading. Harper claims that he's making things easier for laid off workers by adding 5 weeks to Employment Insurance. Given that 60% of Canadians aren't eligible, this will do little for the majority of those suffering in the economic downturn.

As factories close and businesses go bankrupt, more and more Canadians will need help. Unfortunately the tax cuts, benefits and incentives will do little for them when they're evicted, unable to obtain Employment Insurance, or scraping by on welfare and food banks. A budget that would really address the needs of the increasing ranks of poor Canadians would raise the welfare rates, expand Employment Insurance in a serious way, build new and quality social housing, invest in transit, education and health care. This budget doesn't even try.

An economic recession that leads to layoffs, evictions and poverty is not the time for bailing out the corporations and playing political games. Now is the time to organize in our communities to support one another, and to fight to ensure that the poorest, the most vulnerable, are not abandoned yet again. **R**



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Canada and the Israeli War on Gaza

Todd Gordon

With Israel's war on Gaza, Canada has solidified its now well-earned reputation as one of the most stalwart supporters of the Zionist state.

Throughout the brutal military assault on the tiny but densely-populated strip of occupied Palestinian territory Canada was unwavering in its support for Israel. This despite approximately 1,300 Palestinians (almost 900 of them civilians) killed, more than 8,000 injured, 90,000 Gazans fleeing their homes, the widespread destruction of vital infrastructure, the illegal use of white phosphorus by the Israeli military (it inflicts serious burns on victims on contact) and UN claims of human rights violations.

Mirroring Israeli government rhetoric, and that of Israeli supporters around the world, Canada acts as if Israel were the David facing off against a Palestinian Goliath. Such a position is an obvious absurdity, as is made plain by any superficial accounting of the balance of forces between Israel and the Palestinians (one being armed to the teeth as a regional hegemon by the Americans, the other being occupied for sixty years and with little economy to speak of), or by the death and destruction brought down on Gaza during this latest war.

In his only official statement during the invasion – a press release issued back on January 4, 2009 – Foreign Affairs Minister, Lawrence Cannon, put the blame for the violence squarely on the Palestinians: “We urge renewed international diplomatic efforts to achieve a sustainable and durable ceasefire, starting with the halting of all rocket attacks on Israel. Canada maintains that the rocket attacks are the cause of this crisis.”

Income earned by Canadian multinationals off of their developing world investments has increased steadily over the last few decades, rising by 535 percent from 1980 to 2007, for a total of \$23.6-billion in earnings in the latter year.

When the Israeli military bombed a UN school on January 6th, in which at least 40 Palestinians seeking shelter from the unrelenting aerial assault were killed, the Tory government blamed Hamas. While the UN and other Western governments criticized the flagrant violation of international law and began calling more strongly for a ceasefire, Canada remained steadfast in its support for Israel. Expressing the Canadian position this time was Peter Kent, former Canwest journalist and now Minister of State for Foreign Affairs for the Americas (yes, that's right, for the Americas). According to Kent, “We really don't have complete details yet, other than the fact that we know that Hamas has made a habit of using civilians and civilian infrastructure as shields for their terrorist activities, and that would seem to be the case again today.” So while acknowledging he doesn't actually have the details, he sees fit to blame Hamas with no evidence offered. As it turns out, Hamas wasn't hiding behind civilians in the school.

Israel can do no wrong, even if it bombs a UN school. “In many ways,” Kent continues in an apparent effort to raise the level of absurdity coming from the Tory government, “Hamas behaves as if they are trying to have more of their people killed to make a terrible terrorist point.” One can only imagine the hysterics the corporate media or the Tories would go into if such a claim were made against the Israeli government when its civilians are killed. But such claims against Hamas, despite Gaza being one of the most densely populated places on earth and the long history of Israel killing civilians, is perfectly reasonable. Kent also went so far as to suggest that Canada would only support a ceasefire if Hamas not only ends its rocket attacks but disarms. Despite being the aggressor, occupier and advanced military power, Israel has no such conditions imposed on it, and is instead given *carte blanche* to prosecute its war on Palestinians and kill civilians.

ISRAEL KNOWS IT CAN COUNT ON CANADA

Then on January 12, Canada earned the ignominious distinction of being the only country at a United Nations human rights council in Geneva to vote against a motion condemning Israel's attack on Gaza. Thirteen countries, mostly from Europe, abstained, while the U.S. doesn't sit on the body. The non-binding motion called for an investigation into human rights violations by the Israeli army.

Canada's representative at the council, Marius Grinius, criticized the motion for failing to acknowledge that the invasion was the result of rockets fired by Hamas into Israel. Never mind that the rockets actually came after several Israeli incursions into Gaza that left dozens dead during and immediately following five months of ceasefire between Hamas and Israel, or that Israel has imposed a suffocating blockade on Gaza for the last eighteen months, cutting off desperately-needed humanitarian relief to the

million and a half people living in the open air prison, or that Israel's invasion of Gaza has done far more damage to civilians and critical infrastructure than Hamas's rockets could ever do in Israel. It's all the fault of Hamas.

When Israel finally declared a ceasefire, Cannon commended Israel and repeated Canada's blame-the-Palestinians line on the war. While the support for Israel from other Western allies has been shaken – but by no means eclipsed – Canadian support remains strong, if not stronger than before the war started.

The Tories aren't alone in their support for Israel, though, on Canada's mainstream political landscape. Newly anointed Liberal leader and Iraq War and imperialism proponent, Michael Ignatieff, also strongly backs Israel's invasion of Gaza. "Canada has to support the right of a democratic country to defend itself," he maintains. Obviously, for Ignatieff, as for the Tories, that right doesn't extend to Palestinians, whose democratically-elected government was subject to sanctions by Canada almost immediately following its election in 2006. Ignatieff and his Tory allies have also remained conspicuously silent on the recent banning of Arab parties from running in next month's elections by the "democratic" Israeli government, among other patently undemocratic measures imposed on the country's Arab citizens.

For its part, the NDP's position isn't much better than that of its electoral competitors. While criticizing the Tory's one-sided response to the war, it nevertheless treats Israel and Palestine as equal combatants sharing an equal amount of responsibility for the conflagration. This is the Party, we should recall, that punished Svend Robinson in 2002 (with then leader Alexa McDonough removing him as parliamentary critic for the Middle East) after he referred to Israel's killing of Palestinian civilians as terrorist actions, and criticized the erstwhile imperial ally for engaging in murder and torture.

AN UNCRITICAL SUPPORTER OF ISRAEL

While Canada has always supported Israel's occupation of Palestine, it used to be less blunt about it, and would offer some modest public efforts to pass itself off as more balanced than it really was in practice. This strategy began to shift under the Paul Martin Liberal government in 2005, to the pleasure of the country's influential Israel lobby, when Canada started voting with the small minority of the UN's Israel supporters against General Assembly resolutions criticizing its occupation of the Palestinian territories and its military targeting of civilians.

This decisively pro-Israel shift was followed up by the Harper Tories' uncritical support for Israel's bloody war against Lebanon in the summer of 2006, in which over 1,000 people were killed, most of whom were Lebanese civilians. Among the non-combatants killed by Israel was a Canadian peacekeeper stationed at a UN post in the town of Khiam in south Lebanon. Israel claimed it didn't know the peacekeepers were located there, but the UN insists Israel was notified several times of the peacekeepers' position. Despite this, the Tories continued to uncritically support Israel, going so far as to work with the United States and Britain

to undermine the efforts of European and Arab leaders to broker a ceasefire in order to allow Israel's attack on Lebanon and Hezbollah positions to continue.

Firming up its pro-Israel credentials, Canada was also the first state to withdraw funding from the Palestinian Authority after the democratic election of Hamas in 2006, in an effort to punish the Palestinians for electing a party that is less than compliant towards imperialism in the Middle East.

Building on its diplomatic support for Israeli aggression, Canada subsequently announced in the fall of 2007 that it's negotiating a counter-terrorism and homeland security agreement with the Zionist state. The agreement promotes greater cooperation on technology, counter-terrorism efforts, border-crossing security and biometric identification among other things.

Contrary to its own export policy, which prohibits Canadian military exports to governments engaged in war or human rights violations, Canada also acts as an arms supplier to Israel. Canada is in fact consistently in the top ten of the world's biggest military exporters. As the Coalition Opposed to the Arms Trade reports, Canadian companies have provided Israel with important high tech electronic components for its primarily U.S.-made weapons systems. These include components for Israel's AH-64 Apache attack helicopters, F-15 Eagle tactical bombers and F-16 Fighting Falcon bombers.

TAKING A MORE AGGRESSIVE ROLE IN THE WORLD

Canada's stance on Israel shouldn't be taken in isolation. It needs to be situated within Canada's overall foreign policy, which is becoming more belligerent.

Since the early 1990s, Canadian corporate investments have spread at a considerable pace around the globe and into the developing world. Canada ranked eighth among the top foreign investor nations in the world in 2007, and has consistently ranked in the top ten in the last several years. Controlled for the size of its economy, Canada is the second largest investor among G7 nations in the global South. And income earned by Canadian multinationals off of their developing world in-



vestments has increased steadily over the last few decades, rising by 535 percent from 1980 to 2007, for a total of \$23.6-billion in earnings in the latter year.

And just like the third world investments of other rich nations, Canada's are mired in human rights violations and environmental catastrophe. From mining, to oil and gas development, to sweatshop manufacturing, to banking, Canadian companies are systematically engaging in displacement of indigenous peoples from their land, destruction of ecosystems, targeted violence against local resistance to their investments and union busting.

All this is done with the support of the Canadian government, whether headed by Liberals or Tories. The government has facilitated the global expansion of Canadian capital through its aggressive pursuit of structural adjustment policies, one-sided trade and investment agreements and an aid policy designed in large measure to liberalize foreign markets. We also shouldn't forget Canada's absolute refusal to establish human rights legislation to govern the foreign activities of its corporations, many of which receive government funding for their predatory activities. Canada has also sought to undermine the UN's Declaration on the Rights of Indigenous Peoples.

Canada's view of the world, in other words, is one in which the South is subordinate to the whims and predilections of the North.

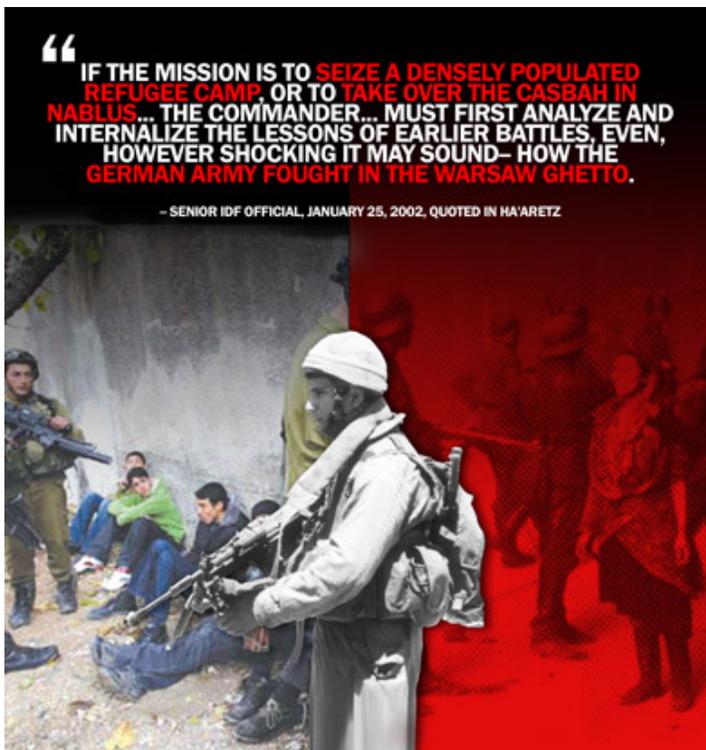
This international expansion of Canadian capital is being accompanied by a more aggressive security posture. Militarism goes hand in hand with imperialist ambitions, and Canada is no different than other major powers. Canada's military spending is

projected to increase by just over \$18-billion from 2005 to 2010 alone, and by upwards of \$50-billion over the next two decades. Whether it's defending investments, challenging "rogue" states or intervening in "failed" states, the Canadian ruling class, as military and political leaders make clear, is preparing for ongoing asymmetric conflicts and clearly identifies the third world as the main source of instability and insecurity threatening Canada and its Western allies, often deploying the highly flexible concept of "terrorism" to make its case. In the last five years the Canadian military has played a lead role in the occupation of Afghanistan, propping up one group of terrorists against another, and participated in a coup against a democratically-elected government in Haiti.

As a member of the group of most powerful nations in the world, and with growing international interests, Canada along with its allies supports the status quo between North and South and actively pursues policies that promote imperialism's desired form of global stability. This entails support for countries that are openly compliant with the West and enforce on a regional level imperial "order" against those enemies – be they "terrorists," "rogue" states or "failed" states – seeking some measure of self-determination. Thus since the 1990s Canada has become a stronger and more open supporter of Israel than it has in the past, just as it has strengthened its ties with Colombia in recent years (being a major investor in the Andes).

Canadian support for Israel, then, however much it's promoted by a powerful Israel lobby or opportunist politicians, is nevertheless rooted in a broader outlook on the world order that involves a more generally belligerent attitude toward the South. This attitude is as Canadian now as maple syrup, and so we shouldn't expect it to change anytime soon. That will require a sustained movement for global social justice with a clear anti-imperialist focus. **R**

Todd Gordon is the author of *Cops, Crime and Capitalism: The Law-and-Order Agenda in Canada*. He's currently writing a book on Canadian imperialism. His articles have appeared on *Znet*, *The Bullet* and in *New Socialist* magazine. He can be reached at ts.gordon@utoronto.ca.



We Are All Gazans:

A message from the Palestine General Federation of Trade Unions

Sisters and brothers:

The PGFTU has been working at all levels in Palestine and in its international relations to mobilize international support for peace in the region. This is the ultimate goal for our working families in Palestine, who laboured in every way possible to bring about an end to the Israeli occupation of all Palestinian territories. This occupation is the longest and worst in the modern history.

Over the years and even at this moment, these efforts have been met only with terrorism against our people by the Israeli army of occupation, which has indiscriminately destroyed homes and worksites, slaughtered our people, confiscated our land, established and expanded illegal settlements, and limited the movement of workers who are only trying to feed their families. These measures have affected every member of the Palestinian society.

The recent construction of the Apartheid Wall stands as a symbol of the extent of Israel's brutal aggression against the Palestinian people and denial of their legitimate rights, dignity and human needs.

We call upon all peace-loving people in the world:

You are now witness to the criminal aggression by the Israeli army in its offensive in the Gaza Strip, bringing a new wave of killings and massacres against the Palestinian people by Israel as the occupying state. These are war crimes according to international humanitarian law and the Geneva Conventions.

As our families in Gaza (the poorest in the middle East) are being slaughtered nonstop for a week now, many of us are reliving what occurred in the summer of 2006 during the Israeli aggression against the people of Lebanon.

We witnessed then as we experience now waves of support and solidarity and similar anger and energy against this brutal injustice. We cannot afford to let this surge of support pass us by without utilizing the moment to build our movement to face future challenges. The most important thing is to be aware and equipped.

• We urgently ask you and your sister labour organizations to help us spread the message that “WE ARE ALL GAZA” – that this war is against all poor workers and families of the world. These are not just crimes against the people of

Palestine. They are crimes against humanity.

• Help us create a strong voice for the working families of Gaza by building coalitions with unions, faith groups, anti-war movements and all social justice organizations.

• We join you in the hope that in the election of Barack Obama, he will fulfill his reputation as a pro-union anti-war candidate, and that he understands that the CHANGE he spoke about during the campaign must include a fundamental change in U.S foreign policy so that “FREE GAZA. ...FREE PALESTINE” becomes more than just a slogan.

We support and encourage your Boycott, Divestment and Sanction (BDS) efforts against Israel around the world, but especially in Europe and most particularly in the United States as a response to the harsh economic conditions, violations of labour and human rights, and other forms of oppression imposed by the illegal and immoral Israeli Apartheid occupation.

We ask you to stop U.S aid to Israel. This becomes not only necessary but also a duty of international solidarity among labour unions around the world. It is U.S. government aid that provides Israel with the weapons of oppression and U.S. government support that enables them to use those weapons against our people.

We ask you to be an active player in raising funds to meet the bare necessities of food, medicine and medical supplies for the people of Gaza.

With your solidarity with our struggle for human rights and justice, we can transform this moment of crisis into a turning point for an end to the brutal occupation and a step toward the liberation of the people of Palestine.

With the will and determination of all the people, we can say “FREE PALESTINE ... YES WE CAN.

Manawell Abdel Al
Palestine General Federation of Trade Unions (PGFTU)

“The Palestine General Federation of Trade Union” is an independent democratic labour union Federation. It enjoys the full rights according to the valid national legislation. It has been established in 1965 as an extension to the Palestinian labour movement struggle that started in 1921 in “Haifa,” it was known as the Arab Laborers’ Society during the British mandate in Palestine who licensed it.

Poverty Reduction Gets Reduced

Ontario Coalition Against Poverty

In 1995, just before the Harris Government cut social assistance rates by 21.6%, the Ontario Coalition Against Poverty marched from the low-income community of Regent Park into affluent Rosedale. The impending welfare cut and Provincial tax breaks would soon transfer about \$1 million a month from one community to the other. Replicated across Ontario, this vast transfer of wealth to the already wealthy was at the very heart of the “Common Sense Revolution.” Initiatives around poverty that ignore this continuing injustice are of very limited value.

In December, a report was issued by the National Council of Welfare on the undermining of provincial income support systems since the early 1990s. Written well into the McGuinty Government’s second term of office, the report makes clear that Ontario has lead the way in the deterioration of income adequacy for people on assistance. It is from this dismal starting point that the Government of this Province issues its proposals to address the problem.

‘Poverty reduction’ in Ontario is part of an international trend that has developed after at least three decades of deregulation and social cutbacks. It focuses on patching up some of the worst and most destabilizing impacts while leaving in place, and even securing, hugely increased levels of inequality.

The report issued this winter by Ontario’s Minister of Children and Youth, Deb Matthews, fits into this pattern. Rather tellingly, it is entitled “Breaking the Cycle” and declares that the problem is to be found in “intergenerational poverty.” This dubious conclusion is used to justify an approach of “putting children first.” Those who see challenging poverty as a public relations exercise regard concentrating on “child poverty” as a tactical necessity for the obvious reason that children are the ultimate representatives of the “deserving poor.” For those designing regressive social policy, however, this approach is extremely useful, as we see in the present proposals.

Any right thinking person is outraged when children grow up in poverty. For this very reason, a dubious undertaking to make sure that “the kids are alright” can cover up a lot of social injustice. Single adults, who have actually fallen the furthest behind, are not considered in the Matthews report. Any limited restoration of lost social assistance income is to be delivered in the form of a special benefit for children. In assessing this, three elements stand out very clearly.

Firstly, measured up against a decade and a half of income loss, the allocation to children is astoundingly inadequate. By 2012, a single parent family of three is predicted to be 35% better off than in 2003. People were already living in poverty in 1995 when Harris cut their income by 21.6%. Thirteen years of infla-

tion, offset only by very small increases in the last period, have made that situation much worse. These measures, viewed at their best, are a selective and partial return of what has been previously removed.

The second aspect to consider is an increased inequality even for children living on social assistance. The report acknowledges that a single parent family receiving the minimum wage will see an increase in their income that is significantly higher than a family on assistance. The level of welfare payments is to fall even further behind the lowest paying jobs on offer, even for people with children. The working poor are to receive a somewhat better (though still inadequate) income through a payment to their children that is really a de facto wage top up to those employers who fail to pay a living wage.

The third question is the extreme fragility of these measures. They are presented as a pledge to reduce child poverty by 25% over 5 years but some caution is needed here. The importance is stressed of federal co-operation and of ‘a growing economy’ if goals are to be met. Given the developments of the last few months, that’s a bit like being offered a car that will run fine provided it doesn’t break down.

In mentioning the state of the economy, the Matthew’s report comes face to face with its own personal Banquo’s Ghost. The developing international economic downturn creates an entirely new context in which to consider poverty in Ontario. In this Province, a severe loss of better paying jobs in the industrial sector had taken a massive toll even before the astounding crisis of the markets flowed into the real economy. We are facing a situation that will have, as one of its central features, a very serious increase in the numbers of people experiencing or facing poverty. That’s why the proposals in this report must now be judged from an entirely different standpoint from how they may have been viewed a few months ago.

This downturn will soon expose the sad fact that the systems of social provision that might have afforded protection have been fundamentally compromised. A shaky pledge to do some small things over five years is desperately short of what’s needed. To go into a major economic crisis with a system of social assistance that will not enable people to pay their rent and feed themselves is a recipe for disaster. Have our expectations been so driven down that we would accept such a thing? A 40% increase in welfare rates would return us only to the levels that existed before Harris did his work. We can demand nothing less and accept nothing less. **R**

The Ontario Coalition Against Poverty can be reached at ocap@tao.ca or on the web at www.ocap.ca.

Breaking the Cycle or Going Around in Circles? The Ontario Poverty Reduction Strategy

Peter Graefe

On December 5th, the Hamilton poverty reduction working group held a meeting on the provincial government's poverty reduction strategy, which had been released the previous day. Echoing the talking points released by the main antipoverty coalition, 25in5, the group took credit for forcing the government to persist with its strategy despite the downturn, welcomed the report as the first hopeful sign for meaningful action on poverty since the *Transitions* report of 1988, but called on the government to go much further. The upbeat mood was temporarily deflated when NDP MPP Paul Miller, whose condescending tone and dismissive critique made him seem to be on loan from the museum of 1970s social democratic politicians, insisted that the anti-poverty campaigners in the room had been hoodwinked by Liberal smoke-and-mirrors, that there was nothing to celebrate, that the plan would just create more bureaucracy, and that what was needed was a government (presumably led by the NDP) that would cut bigger cheques for the poor.

While Miller's political tin ear made his words go over like a lead balloon, especially for people who remembered their cheques shrinking under the Bob Rae NDP government, he raised a key strategic question that deserved reflection: what should we make of the McGuinty strategy, and of the 25in5 campaign around it? Is a strategy of positive engagement a wise one for making gains, or will it only deliver thin gruel?

THE 25IN5 STRATEGY

The strategy of positive engagement with the McGuinty government's strategy should be no surprise given the character of the main advocacy vehicle on the file, 25in5. Through the course of the fall, this group grew in confidence and coherence as an important stakeholder in the process. While the tensions I raised in *Relay # 24* between more liberal-reformist and more social democratic elements remained, the group proved resilient in avoiding splits, and the predictions of some insiders that it would fall apart by November did not come to pass. Part of the reason is the group's reach and access: for social movement and social policy advocates who have effectively been shut out of Queen's Park for a generation, 25in5 stands out for its linkages into the bureaucracy and the Premier's office. As one steering committee member put it, he had never been part of a campaign with so many backchannels into government. He likewise claimed to have never been in a group where the promiscuity of members was so accepted, in the sense of accepting, and even expecting, that members remained free to maintain their own agendas and state linkages separate from 25in5.

REDUCING POVERTY BY 25 PERCENT IN 5 YEARS

In addition to some insider access, the cohesion of the group owes something to its success in keeping poverty on the provincial agenda, despite a worsening economic situation. While there were indications that poverty reduction would be disappeared in light of the recession, by October it was clear that there would be some sort of provincial strategy announced by year's end. Throughout the fall, it was clear that there was tacit cooperation between the Minister responsible for the file, Deb Matthews, and 25in5, where the latter's polite lobbying and community campaign created some space for the former to bargain with her cabinet colleagues.



In anticipation of the December release of the government's strategy, the 25in5 coalition sent Ryerson social work professor Marvyn Novick and the Social Planning Network of Ontario's Peter Clutterbuck around the province for discussions about a "Blueprint for Poverty Reduction." The idea was to lay out a concrete set of actions that might achieve the goal of reducing poverty by 25 percent in 5 years, and to thereby create a set of expectations against which the forthcoming provincial plan could be judged. This included the expectation for a 25 in 5 target for family and adult poverty as a first step to a 50 in 10 commitment, the adoption of the Low Income Measure as a benchmark, the setting of goals, proposed actions, and monitoring mechanisms in critical areas (e.g. assure all adults working full-year, full-time have an above-poverty standard of living; develop specific measures for racialized communities, Aboriginal peoples, lone mothers and persons with disabilities), the establishment of accountability structures, and the demonstration of a serious commitment to invest in poverty reduction.

Four areas of investment were highlighted, namely making progress on an affordable non-profit early learning and childcare system, building an additional 8,000 social housing units per year, supporting community partnerships in poverty reduction as well as core funding community groups doing work with poor people, and measures to improve the adequacy of income security.

The latter included a \$100/month hunger supplement for social assistance recipients and an enriched Ontario Child Benefit (from \$1100 to \$1500 per year). The Blueprint

argued that \$1-billion was a reasonable down-payment, representing what Quebec spent on anti-poverty initiatives (exclusive of childcare) in the first years of its plan. In addition, a series of needed "system changes" were highlighted, included measures to regulate the labour market (higher minimum wages, stricter labour standards), and a revamping of social assistance.

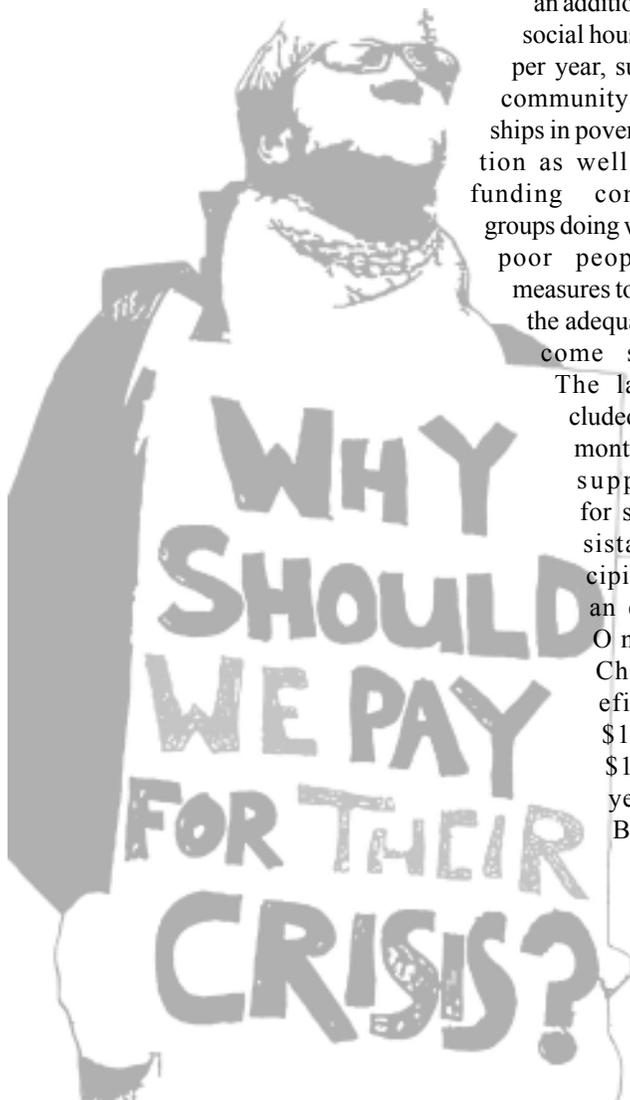
As with its earlier "Pathways to Common Priorities" presentation from the spring of 2008, the Blueprint represented an interesting social democratic program. It certainly fell well short of a socialist project of increasing capacities for social and economic planning. But it did propose a series of measures that would push poverty reduction beyond the neoliberal budgetary and labour market mantras that framed the government's *Growing Stronger Together* consultation paper. Some insiders also see the Blueprint exercise as a maturation of 25in5, to the extent that the actors making up the coalition had to begin to concretize a platform, with the trade-offs and compromises that that requires.

BREAKING THE CYCLE: THE LIBERAL POVERTY REDUCTION PLAN

As was foreseeable, the plan unveiled by Minister Matthews was long on good intentions and short on the more substantial measures put forth by 25in5. It did present a long grocery list of initiatives, some already underway, that might squeeze a little extra poverty reduction from existing programs and services. But it put forward little new spending, topping out at about \$300-million per year when fully implemented, albeit not counting social housing. This was well short of the modest \$1-billion that 25in5 demanded in the Blueprint, or the \$2-billion that the Interfaith Social Assistance Review Committee put forward in their pre-budget brief.

There were some points of interest. The government adopted a clear target of reducing poverty by 25% over five years, along with solid measures and indicators for tracking progress, albeit only for child poverty. The plan had the merit of putting more money, albeit in small amounts, into a series of child-focussed programs that centre on health promotion and on marginally reducing class stratification within the school system. It also proposed to increase the Ontario child benefit from \$1100 to \$1310 per year, and to put money into a Community Opportunities Fund to support local anti-poverty partnerships.

What was missing? The list is too long to summarize here, but a few absences were glaring. First, the emphasis on child poverty left the whole issue of adult poverty on the sidelines, as if children can be pulled out of poor families and communities, and lifted out of poverty through child tax credits. The child focus turns attention away from the economic and political forces (read capitalism) that create enduring patterns of inequality within and between communities. Indeed, the rationales for poverty reduction presented are highly liberal: equality of opportunity for children to succeed on the one hand, and producing a high-end competitive workforce on the other.



The failure to confront structural causes could also be seen in its non-engagement with issues of race and gender. For instance, there was no response to the demands of the Colour of Poverty coalition for action on employment equity, anti-racism, public sector hiring diversity and an equitable and inclusive educational curriculum. Beyond a \$200 enrichment of the child benefit (from \$1100 to \$1300/year), there was nothing to ensure liveable incomes, particularly for adults on social assistance or disability. Indeed, beyond a promise to undertake a year-long review of the social assistance system, there was no sign of a concerted plan to improve the quality of life and life chances of recipients. It was a poverty reduction plan without redistribution.

The plan's neoliberal orthodoxy around not encumbering the public finances with significant new costs was matched in its refusal to challenge the deregulation of labour markets. Again, measures that might allow workers to earn living wages, and thus eliminate in-work poverty, were missing. Not surprisingly, making it easier for workers to form unions, even in the weakest form of returning to card-check certification, was not on the agenda. But even the promises to improve the enforcement of labour standards and to more strictly regulate temp agencies, while important, do more to actualize and enforce existing rights for workers, than to challenge non-standard employment and low wages. Limiting the worst abuses does little to create labour markets providing high and sustainable standards of living.

WHY THE FRIENDLY RESPONSE?

The 25in5 response was one of constructive engagement. It welcomed the report, and particularly its selection of a 25in5 target, the identification of specific initiatives to reach it, the use of the Low Income Measure, and the development of accountability and monitoring mechanisms. It also welcomed the fact that social housing would be part of the government's upcoming ten year, \$60-billion infrastructure plan, but stuck to the demand for 8000 new units annually, and called for an extension of housing benefits to all low-income people. Similarly, it tipped its hat to the government's proposals on early learning and labour markets, but called for more substantial plans on the former front, and for a Good Jobs Strategy on the latter. It was more critical of the child focus, calling for an extension to the whole population as progress is made with child poverty. It also deplored the lack of any mention of racialized communities.

One reading of the supportive response to such a modest program would return to the earlier comment of back channels, and note how central players in 25in5 "got paid" in the plan. The child focus and initiatives played to Campaign 2000 and child poverty groups, the promised review of social assistance played to John Stapleton's recent advocacy, the money for community partnerships would please the social planning councils, the proposed oversight bodies would obviously be likely to recruit their community representatives from 25in5's inner circle. Or looked at in a very different way, the faction of 25in5 who want to blow up the social assistance and social services system and replace it

with an income support system analogous to the pension system, got what they wanted in the social assistance review. Meanwhile, the faction who want to see ongoing poverty reduction planning delivered through a comprehensive set of measures, following the example of Quebec and several European countries, got what they wanted in the promised accountability and reporting measures.

This reading is too cynical, even if instructive in some regards. It ignores how far expectations have been lowered under neoliberalism, such that any social investment comes to look pretty good, especially for organizations that have not had much in the way of policy wins for two decades. More importantly, it ignores how the inside circle of 25in5 has positioned the organization as one of dialogue with the state. In this light, a vigorous critique of the proposals would undermine the positive linkages with the bureaucracy and senior Liberal advisors. Indeed, there are signs that having used the leverage of 25in5 to get the poverty strategy through cabinet, its champions in government are now more interested in dialogue with the poverty roundtables springing up in cities around the province, which often have linkages into local business communities, and with municipal officials. In other words, the sense that the Liberal government is more interested in implementing its small package rather than debating more encompassing alternatives, leads the more cautious members of 25in5 to emphasize positive engagement so as to not be shuffled aside.

This strategy can also be embraced by more reform-minded members of 25in5, who anticipate that some of the sectors and organizations that did not get anything in the announcement, such as those grouped in the Colour of Poverty initiative, women's organizations, and social assistance recipients, will break away and mount their own campaigns. In other words, while some of the 25in5 inner circle are more than happy with Matthews' small package, others are hoping that a renewed push by those left out of the plan coupled with continued insider access for 25in5 may procure further gains.

The failure to confront structural causes could also be seen in its non-engagement with issues of race and gender. For instance, there was no response to the demands of the Colour of Poverty coalition for action on employment equity, anti-racism, public sector hiring diversity and an equitable and inclusive educational curriculum.

This inside-outside strategy is not without merit, but depends on the capacity of relatively resource-poor organizations to maintain a level of mobilization in the face of a disappointing report. For instance, the Social Planning Network of Ontario has worked hard with different local organizations to create pressure for reform in communities right across the province. The consultations and meetings put on by these groups often produced strong demands for improvements to social assistance, particularly benefit enhancement, and have made 25in5 much more of a provincial organization than a Toronto one. This was reflected in the \$100 per month hunger allowance in the Blueprint, but there is every indication that the province has no appetite for increasing benefits beyond minor cost of living adjustments. In a best case scenario, these groups will continue to organize and make demands. But it is equally possible that the local organizations will be demoralized by the lack of results (and by the upbeat 25in5 response), ultimately reducing 25in5's leverage on the inside. More generally, the ability to work an insider/outsider strategy is hindered by 25in5's lack of internal democracy, although some steps have recently been taken to try to increase transparency. Without a clearly defined and accountable leadership, it is hard for the "outsiders" to coordinate their action with the "insiders," let alone develop the trust that the "insiders" are not going to sell them out for a handful of magic beans.

WHAT ALTERNATIVES?

Developing a strategy at this time is complicated by the economic conjuncture. While a poverty reduction strategy is not radical, it is a manner for ensuring sustained engagement with reducing poverty over the course of years, an engagement where progressive actors can push for investments in social infrastructures that meet needs, but that also increase capacities for democratic planning. It provides a modest way to insist on investment in public infrastructure and public services, such as public housing, public transportation and universal non-profit early childhood education, as well as support for new forms of intervention in public health, education, training and mental health that allow for greater community and user management and participation. It is both understandable and desirable for anti-poverty groups to stand outside the reduction process and criticize its obvious limitations. But this should not come at the expense of attempts to use the strategy as a door into the state for shaping policy and resource allocation. Given the difficulty sustaining campaigns around poverty, an annual cycle of reports provides some structure for mobilizing and organizing on a recurrent basis.

This is however a long-term strategy, looking ten years into the future (for halving poverty) and beyond (for eradication). As John Clarke notes in his recent *Bullet* (#166: "Economic Crisis and the Poor"), Ontario's immediate future is poverty augmentation, as the failure to fix social provision in years of feast (at least for the top 10% of the income distribution) risks great calamity in the coming years of famine. As he notes, municipal reserves for Ontario Works have been spent down, while an already inadequate stock of social housing has been left to deteriorate. An inadequate employment insurance program, on the one hand, and

a social assistance system with strict asset limits, on the other, means many of the newly unemployed will have *no safety net* – they are left adrift between islands.

In such a context, dealing with a slow moving poverty agenda and a fast-moving economic crisis, it may be worth trying to rub the two together. With large fiscal stimulation measures on the horizon, a big struggle will be to ensure that these take the form of public investment, and preferably public investment that enhances the potential for democratic planning. In this struggle, the government's announced intent to do something about poverty can provide some additional leverage for ensuring investments in poverty-reducing measures such as social housing, community action and early learning and childcare. In other words, it provides a way of pulling the government by the nose toward a public investment strategy. At the same time, the sums being thrown around to stabilize financial institutions and the manufacturing sector make claims of resource scarcity far less persuasive, such that even mainstream anti-poverty organizations can greatly step up the extent of their demands for an acceleration of action on poverty-reduction without squandering their legitimacy.

This indeed appears to be the tack taken by 25in5, whose pre-budget *Blueprint for Economic Stimulus and Poverty Reduction in Ontario* released in mid-February now proposes annual expenditures of \$2.4-billion and \$2.6-billion on poverty reduction in the next two years. This is notably higher than the \$1-billion of the earlier Blueprint, but reflects in part the pricing of the proposed creation of 7,500 new childcare spaces and higher wages for childcare workers. This latest Blueprint has 25in5's trademark tone and content, but does sharpen the focus on some elements excluded from the government's plan. This includes childcare and housing, but also some specific reforms to punitive social assistance rules. More significantly, it emphasizes the racialization of poverty, and calls for employment equity measures and the establishment of an anti-racism secretariat.

But if the time horizon is not just the current recession, but also a longer one of action plans, annual reports, poverty institutes and stakeholder engagement, it is also necessary to use the current mobilization to build organizations with the capacity and autonomy to occupy and engage this new part of the state without being co-opted. Particularly at the early stages, shaping these new poverty reduction institutions and processes so as to account for structural understandings of poverty, and to provide access to advocates as well as "neutral experts" will be important. As Alice O'Connor made clear in *Poverty Knowledge*, a book about the sea of poverty policy research in the United States, if institutions start from the wrong questions, which they tend to do when the ideologies of a capitalist society are left unchallenged, they will yield harmful answers. **R**

Peter Graefe is a member of the Hamilton Working Group on the Ontario Poverty Reduction Strategy.

The Auto “Bailout”: Necessary – but not Sufficient

Herman Rosenfeld

Working people throughout North America have been wondering about the “bailout” being provided to General Motors and Chrysler by U.S. and Canadian governments. Although recent public opinion polls show a majority supports these measures many are asking why this is happening, if it really is necessary and if there are alternative ways of dealing with the current crisis in the industry. Workers in other sectors of the economy, in jobs that provide temporary or precarious work with low pay, those who are unemployed, and still others receiving social assistance of various kinds, are left wondering if the aid to the auto industry wouldn’t be better spent on programs that might directly help *them*.

These are important questions and they reflect legitimate concerns about the role of governments in a neoliberal capitalist society, particularly one that is entering a period of economic turmoil and crisis. It also raises questions about the interests of different sections of the working class and how we might move forward in solidarity to address our particular and common needs in the rapidly emerging struggle.

THE CRISIS AND THE “BAIL OUT”: SHOULD WE BE CONCERNED?

Two of the Detroit-based auto companies are to receive loan guarantees of \$17-billion in the U.S. and about \$4-billion from the Canadian Federal and Ontario provincial governments. Technically, if used, these have to be repaid. Ford, the third company, is to receive a line of credit.

The financial crisis which began a few months ago has affected the operation of the real economy that produces goods and services that all of us use. The breakdown in credit has made it difficult for people to borrow money and the threat of job loss has affected their willingness and ability to buy. With no one buying cars, assemblers must use up cash reserves simply to keep themselves solvent. This crisis has affected all car assemblers, not only the Detroit Three – Toyota, Honda and Nissan have reported losses and massive drops in sales as well. The Detroit-base companies were in a weaker position to begin with, and so the current financial crisis has threatened their very survival.

Why should we be concerned with this, after all, these companies have never been great friends of the working class.

These companies, which used to be the largest and strongest capitalist enterprises in the world, are genuinely in trouble. Without this aid, they will run out of cash and will go into bankruptcy court. This would lead to massive layoffs and closures of workplaces in many communities.

Aside from these very real effects, lie some key principles. In a capitalist economic system, workers are dependent upon employers’ survival in the marketplace in order to retain their jobs. There is certainly an *ideological* dependency that workers tend to have on capital – the false belief that investors and employers are the creators of wealth and value. But there is also a real *material* dependency that almost all working class people instinctively understand, as a condition of their participation in capitalist society. It represents a key source of strength for the capitalist system and acts as a kind of brake or limit on the independence of the working class. As socialists, social justice activists or trade unionists, we have to always keep it in mind while working to lessen and ultimately break that dependency. But we can’t ignore it, if we want to make change. In general, change comes by educating and mobilizing workers, fighting for public, non-market rights and services such as Medicare, pensions, housing, education; building working class organizational and political independence through struggles, and building institutions like unions, political parties and movements and fighting for structural reforms that lesson the power of private capitalists over the working class. In the longer run, we fight for an economic and political system that is completely independent of private capital.

In the current context, loan guarantees allow the auto companies to survive for the time being. This keeps open other options that socialists, unions and activists can fight for. Without them, millions of workers will simply lose their jobs and the collective productive capacities these industries represent – even in the alienated form as private capital – would be lost to all of us. Obviously, we can’t trust these companies or the current U.S. and Canadian governments to restructure themselves in ways that would strengthen working people or bring less harm to the environment. In fact, the opposite is the case.

THE CONCESSIONS SPIRAL: WHEN LESS BECOMES TOO MUCH

The U.S. Congress has demanded that, as a condition of the loan guarantees, UAW members at the Detroit Three cut their wages, benefits and working conditions to match the non-unionized “transplants” (plants owned by overseas-based capitalists), now concentrated mostly in the aggressively anti-union Southern states. This must be done by the end of this year (2009). This demand was initiated by a group of right-wing Senators from these states that used their power in the lame duck U.S. Congress in December, to try and smash the unions in the auto sector. The corporations, as well as the

Canadian and Ontario governments have also demanded that the CAW match these concessions.

While both the U.S. and Canadian auto unions have pointed out that a key component of the cost “advantage” of the transplants is related to the lack of public single payer medicare in the U.S. (so that the employers must pay for the medical insurance of the workers) and the age differences of workers in the transplants and the older manufacturers (so that pension costs of the transplants are much lower than the unionized workplaces), they agreed to accept the principle of matching the non-union employers.

The American United Auto Workers (UAW) seems to have accepted these demands to lower labour costs to match the lowest cost producers without qualification. This is not surprising: the UAW had previously bargained a two-tier wage system that dramatically cut the wages of a new generation of auto workers. With further concessions thrown into the mix, along with the commitment to trail behind the lower cost non-union producers, this will result in the loss of the key gains that auto workers had won in the entire post-war period and essentially destroy what’s left of the power of the once mighty UAW.

In Canada, the situation is almost as grave. In the recently concluded bargaining with the auto assemblers, the CAW gave up roughly \$300-million in concessions, but did not agree to the two-tier wage system negotiated in the United States. While publicly arguing that the cost differential between the U.S. transplants and Canadian CAW plants are marginal – due to higher productivity levels here – the union announced at the end of January that it would begin bargaining with the corporations for further concessions. This was probably unavoidable. But the acceptance in principle, of the demand of governments and employers to match the labour costs of the non-union transplants was truly shocking. This acceptance will make it very difficult for the CAW to limit the concessions and set terms for their eventual elimination. The union has called on the employers to maintain proportional investments in Canada. But rather than demand a radical transformation and regulation of the auto market, which might ultimately address the need to challenge global warming and reduce the power of the non-union employers, the union also calls on governments to accept the recommendations of a joint union-industry task force, which also includes the transplants.

If the U.S. and Canadian states are successful in forcing through their full agenda of concessions, it will undermine the rights of the rest of the working class: non-unionized auto-workers in the transplants will no longer receive wage and benefit packages that match the unionized sector, so they would eventually shrink dramatically, along with the entire sector; workers in sectors that currently provide low pay and provide little protections, would be that much weaker, as the possibility of unionization becomes even more remote and benefits of unionization become less real. In other words, the strength of the auto-workers and their unions plays a role in supporting

and building the power of other workers. A massive defeat for the auto-workers would be a defeat for the entire working class.

CHANGING THE GAME: DEMANDS FOR EQUALITY, SECURITY AND SUSTAINABILITY

Socialists have to call for (and organize for) a different set of outcomes. This might mean:

- *Demanding that the companies change their product offerings:* to produce affordable, environmentally-friendly vehicles, using mostly non-carbon-based fuels, fully recyclable, with much higher emission control standards. (Even in the current context, these companies are fighting tooth and nail against the U.S. government’s most recent move to allow individual states to raise the emission standards.)

- *Fighting concessions:* Instead of passively accepting the demands of the employers, unions have to organize against takeaways of workplace rights and powers, as well as wages and benefits. Where concessions can’t be avoided, there has to be a strategy of limiting them and arguing for conditions for their eventual elimination. In no way should auto-worker unions accept the principle of matching the labour costs of the non-union transplants. Instead, they should concentrate on organizing them.

- *Regulating access to the North American auto marketplace* so that the amount of production in Canada and the U.S. would match market levels. This would limit the ability of capital to move in and out of any of the NAFTA countries, and subject the industry to a form of nationally-based planning.

- *Surplus plants, tool and die shops, precious skills and workers’ capacities need to be used to produce useful goods and services that people need.* This crisis provides an opportunity to allow working people to democratically decide on what community needs should be fulfilled by these resources, be it public transit, manufacturing environmentally-friendly technologies, schools, hospitals, recreational facilities or public and co-operative housing. People in different communities, especially the unemployed, need to be organized and mobilized to fight for these policies. It would also require the creation of new democratic institutions to provide spaces for working people to discuss and debate their collective preferences. People working need to be paid union wages, and organized into unions. Those who are not able to work need to have increased social assistance and their own organizational power and capacity to fight for it.

- *The financial sector needs to be nationalized and democratically run as a public utility to finance the production of needed goods and services.* Private banks and markets would never finance such a program.

• *Some socialists have been calling for nationalization of the auto companies, with the above demands to be put into practice.* The issue here is who would nationalize them? What kinds of governments do we have and would they be capable of running nationalized industries *differently* than they are currently run?

Without the kinds of radical changes proposed above, even an enriched series of loan guarantees might not make a difference for the survival of the Detroit Three in the longer term. Then again, a more sustained improvement in the market might

create a new period of growth. In the short run, unless there is a new series of mass working class struggles, it is difficult to see this set of demands taking root. For socialists, the key is that we develop our own capacities as workers to organize, build unity and embrace common goals for different segments of the working class and mobilize and fight for an independent set of demands and approaches that will contribute to the kind of society we would like to see in the future. **R**

Herman Rosenfeld is a union activist in Toronto.



Workers Don't Bail Out Bosses:

- Is a coalition of activist groups, unionists and individuals,
- It seeks to support and promote the struggles of workers, no matter whether they are unionized, casual or unemployed.

Why this coalition is needed:

- For a long time, neoliberal capitalism has pursued profits at the expense of workers' working and living conditions. Since this kind of capitalism has led to a world economic crisis, attempts are unfolding to put the burden of that crisis onto the shoulders of working class people from around the world.
- At this point, workers don't have much of a voice, communist parties are marginalized since the disintegration of Soviet communism, social democracy wonders why the Third Way led to an impasse, unions are in retreat, and the global social justice movement died with the onset of the War on Terror.
- Under the current conditions of economic crisis, the necessity to articulate the needs and aspirations of workers is more urgent than in a very long time, but their voice is also quieter than in a very long time.

The coalition aims to:

- Link groups that organize around the various concerns of workers in the workplace and their communities. The

exchange of ideas and solidarity with similar efforts in other cities, regions and countries is crucial to meet the challenges of this world economic crisis. Equally crucial is the mutual respect among groups and individuals who focus on these different concerns, ranging from the preservation of pensions and the fight against concession bargaining through organizing drives among the casual workers to social housing, unemployment benefits and welfare for the working poor and unemployed.

- Promote the mutual understanding of the individual concerns represented in the coalition.
- Mutually support the mobilizations around single issues on which members of the coalition are working.
- Find common ground and common goals that would allow broader actions that could transcend single-issue campaigns and thus multiply the mobilizing powers of individual groups.
- Develop a vision for the future that could help to orient the struggles for immediate goals and also give the moral strength that is needed to engage in working class activism.
- Recognize that because the economic crisis complements a profound ecological crisis, any vision for the future has to include sustainability without which neither the human race nor other species will have a future on this planet.

For more info, contact Ingo Schmidt & Rachel Tutte: ischmidt@shaw.ca

Women Feel the Backlash

Kathy Lowe

The women's movement emerged in response to the exploitation of women as second class citizens in many walks of life and to their treatment as sexual commodities. Women recognised that they would never be able to make real choices about their lives unless they could control their own fertility and become economically independent. In the UK, at the Ruskin conference of 1970, this translated into four key goals: free abortion and contraception on demand; equal pay for equal work; equal education and job opportunities; and free 24-hour nurseries.

In the UK today abortion is far from freely available and pro-choice campaigners have been forced to mount a determined rearguard action against continual attempts to reduce the abortion time limit of 24 weeks. Amendments (fortunately unsuccessful) to the 2008 reproductive rights bill were tabled to bring down the time limit to 22 weeks, 18 weeks, 16 weeks, 14 weeks and even 12 weeks.

The latest attempts to put the clock back on abortion rights have been bolstered by advances in medical technology which allow a foetus to survive outside the womb from an earlier stage than before. New medical advances do not in any way change the right of women to decide what happens to their own bodies but attacks on abortion citing the medical arguments are often sophisticated and demand a vigorous defence of "a woman's right to choose."

Women still shoulder the bulk of caring and housework at home. The long working hours' culture, plus lack of flexible working and very expensive and poorly organised childcare mean many are torn between looking after a family and working to survive. And when they do find a job they often work in a segregated labour market where equal pay legislation either doesn't apply or would require trade unions and equality quangos to fight to prove entitlement to "equal pay for work of equal value."

The Equal Pay Act of 1975 was one of the great victories of the feminist movement but according to the latest government figures released in November 2008 the pay gap between women and men doing the same job is now getting bigger. Women in full time work now earn 17.1 per cent less than their male counterparts and 36.6 per cent less in part-time wages. Katherine Rake, director of the equality organisation the Fawcett Society has admitted that "after years of painfully slow progress in closing the pay gap, we have now actually gone into reverse gear..."

Some captains of industry boast openly about how they get around legal requirements to treat women equally at work. Business magnate Theo Paphitis, who appears on the TV show *Dragon's Den*, has publicly hit out at what he reportedly calls "all this feminist stuff" and the way women "get themselves bloody pregnant" to claim maternity leave. "Are we seriously saying that 50 per cent of all jobs should go to women?" he asked.

Alan Sugar, Amstrad founder, government adviser and star of *The Apprentice* TV reality show says the law against women being asked at interview whether they plan to have children poses no obstacle for him. "You're not allowed to ask, so it's easy," said Sugar, "just don't employ them."

In the hey-day of the feminist movement millions of women refused to play their traditional role as appendages of men and began to express and celebrate their own sexuality. They rejected the treatment of women as sex objects in pin ups and porn and demanded the right to be safe from violence.

Today's reality is, however, that harassment and violence directed against women has reached epidemic proportions. Sexual harassment at work and on the street is a common occurrence for many. Sex traffickers kidnap, abuse and force into prostitution hundreds of vulnerable young women from abroad.

Domestic violence figures tell their own story. A shocking 86 per cent of domestic homicides are committed by men, and the victims are their female partners. Two women in England and

It's a rip-off

Women working full-time are paid on average 17% less an hour or around £4,000 less a year than men.

It's a rip-off equivalent to men being paid all year and women working for free from 30th October.



Join Fawcett and UNISON on **Women's No Pay Day**, in demanding action.

Wales are killed by their partner or ex-partner every week. The most recent British Crime Survey reported 12.9m incidents of domestic abuse against women.

The Ministry of Justice recently proposed to change the law on murder, making it possible for people who kill their partners after years of abuse to use a new defence of “fear of serious violence.” The plan was attacked in the popular press as giving women a “licence to kill.”

Nothing illustrates the backlash more starkly than the abysmal conviction rate for rape in Britain. Of the 14,000 rapes reported each year only 5.6 per cent end in a conviction – the lowest rate of any major European country. Recorded rapes rose by a massive 247 per cent between 1991 and 2004 yet solicitor general Vera Baird suggests these are only the tip of the iceberg. Only 10-20 per cent of all rapes, she estimates, are brought to the attention of the authorities in the first place.

The old prejudices about raped women “bringing their plight upon themselves” by dressing “provocatively” or drinking too much are gaining currency again.

According to an ICM poll undertaken for Amnesty International in 2005, 33 per cent of those interviewed believed a woman was at least partially responsible for rape if she was wearing sexy clothes, flirting or drinking.

Several raped women had their compensation payouts reduced in 2008 by the Criminal Injuries Compensation Authority (CICA) because they had been drinking before they were attacked.

The battle to put responsibility for rape where it belongs – firmly with the perpetrator – has been hard fought for decades. As *Guardian* columnist Julie Bindel puts it: “All rape is ‘real rape,’ even if (a woman) is wearing a skirt up to her neck, has her breasts on show and is drinking and flirting like crazy. Rape is sex without consent. Which part of that is difficult to understand?”

While refuges and rape crisis centres struggle to survive the sex industry is thriving, selling women’s bodies as male entertainment. Brothels and lap-dancing clubs are more routinely accepted than ever – regular ports of call on stag nights. Consumption of pornography accounts for a huge slice of internet traffic.

The world of film and television provides much of the ideological underpinning for the backlash. The portrayal of women as strong and independent remains a rarity. In the main they are shown as somebody’s girlfriend going gooey over an engagement ring, nameless victims of hideously violent crimes or as pieces of meat to be drooled over.

The proliferation of images of women being beaten, raped and murdered helps to *create a climate* in which all women are dehumanised and violence against them begins to be seen as “normal,” even “acceptable.”



Women themselves are not immune from this conditioning. Having researched young women’s attitudes to sex for her new book *Rape: A History from 1860 to the Present* historian Joanna Bourke says, “There seems to be an acceptance that boys’ sexual aggression is somehow normal, genetic. The boys think that too, they’ve normalised it.”

The reasons for the backlash in Britain lie with successive defeats of the left, the weakening of the labour movement, the consequent breakdown of social solidarity and dissipation of the women’s movement. The new culture of consumerism and individualism and pressures of this neoliberal era have resulted in widespread alienation and lumpenisation, allowing misogyny to re-surface with a vengeance.

Vigorous campaigns on issues like abortion led by women’s groups and socialist organisations are still defending the gains of the feminist movement. And women are still a vital and visible part of the anti-war mobilisations, leaders of environmental campaigns and prominent activists in many trade unions. However, the rebuilding of an autonomous women’s movement outside of the emergence of a strong mass movement of the left and of new socialist parties looks unlikely.

Defending the gains that women have struggled for so long must not be left to women themselves. It must be a central part of the wider fight to put socialism and socialist values back on the agenda, to challenge reactionary attitudes in every sphere and to create a more just and enlightened society.

On a personal level men have to be seen to be the champions of women’s liberation and provide positive role models for young men. **R**

Kathy Lowe is a feminist and socialist activist in Britain.

Breakthrough for Québec Solidaire

Paul Kellogg

Amir Khadir, one of the two spokespersons for Québec Solidaire (QS), has won a seat in the Quebec National Assembly. Among the many excellent aspects of the Québec Solidaire platform, is a call for the Quebec government to pass a motion opposing “any Canadian imperialist intervention in Afghanistan.”[1] The QS success represents an important advance for the social justice and anti-war movements in both Quebec and English Canada.

Khadir’s victory was not just the victory of one individual. In his riding of Mercier, QS won 8,861 votes, 38.06% of votes cast, defeating Daniel Turp, a star candidate of the Parti Québécois (PQ) by 872 votes. But in the ridings surrounding Mercier, QS also did extremely well. In Gouin, the other co-spokesperson for QS, Françoise David, came a very close second to the PQ winning 7,987 votes (31.95%). In ridings adjacent to either Mercier or Gouin, QS won 2,963 votes

(13.01%) in Laurier-Dorion, 2,228 votes (11.43%) in Outremont, 3,009 votes (15.22%) in Saint-Marie-Saint-Jacques, 2,502 votes (12.91%) in Hochelaga-Maisonneuve, and 2,470 votes (8.24%) in Rosemont – more than 30,000 votes in total in these seven ridings on the Island of Montreal.

There were also important results in other parts of Quebec, QS candidates polling 2,241 votes (8.42%) in the Quebec City riding of Taschereau, 1,995 votes (8.78%) in the Outaouais riding of Hull, 439 votes (5.04%) in the vast northern riding of Ungava, 1,413 votes (5.77%) in the “near-North” riding of Rouyn-Noranda-Témiscamingue, and just shy of 2,000 votes (6.46%) in Sherbrooke, the riding of Liberal premier Jean Charest.[2]

QS was formed at a convention, February 3, 4 and 5, 2006. Institutionally, it was the coming together of l’Union des

forces progressistes (UFP) and Option citoyenne (OC). What this fusion accomplished was to provide a space for the expression of the hopes and dreams of two generations of struggle in Quebec. Those who attended the 1,000 strong opening rally, will never forget the emotion – a video showing the history of struggle in Quebec reaching back through the tumultuous decades of the 1960s and 1970s, from the

War Measures Act of 1970 and the General Strike of 1972, to the women’s movement of the 1980s and 1990s, and the anti-globalization and anti-war movements of the 21st century.[3] There was a feeling of history being made.

With a seat in the National Assembly, QS has a new tool to add to the historic commitment of the UFP to be a “party of the street and of the ballot box.”[4] The visibility that comes from having a sitting member will propel QS into the public eye in a new way.

There were some other encouraging results from the election. In particular, the right-wing Action Démocratique du Québec (ADQ), which had soared to second place in the 2007 election, saw its vote collapse by a stunning 694,487, leading to the election night resignation of leader Mario Dumont.

But there remain many challenges, of which QS members are very aware. Celebrations of Khadir’s victory were tempered by disappointment over Françoise David narrowly failing to join Khadir in the National Assembly. In addition, the overall result was a majority government for Jean Charest and the Liberal Party, a leader and a party who are a known commodity in Quebec politics – committed to defending the interests of corporate power.

More worrying, in an election which saw 720,000 fewer voters turn up at the polls than in 2007, it was the two traditional parties – the Liberals and the PQ – which saw their votes increase, 49,137 for the Liberals and 13,639 for the PQ. While QS saw its overall percentage increase slightly (from 3.64% to 3.8%), and while it displaced the Green Party as the fourth party in the election, its overall vote total actually declined by more than 20,000, dropping from 144,418 to 123,061.[5]



The spectre of an economic crisis is a factor in this. Fear of recession in the absence of mass struggle means many in the electorate are looking for “safety” in the face of a stronger Liberal government. And it is probably the case that an increased number of people turned to the PQ in disgust at the federal Tories Quebec bashing in the context of the current national political crisis.

Given these huge currents in the economy and in mass politics, it is remarkable that QS did as well as it did, and that Khadir was able to win a seat. There is now a more visible progressive voice that can express the concerns of working people in the face of recession and layoffs, and be a voice against war in the face of parties like the federal NDP quietly putting Afghanistan on the shelf as the price for its coalition with the federal Liberals.

The story of QS needs to be given much more visibility in English Canada. Our sisters and brothers in Quebec have taken up the challenge of forging a united alternative to the traditional parties of politics, and have had some real success. Sometimes it seems that in English Canada we know more about events of this sort in Germany, Britain or France than we do about events down the 401, just across the Ontario border. Hopefully the presence of Amir Khadir in the National Assembly will give QS more visibility, not just in Quebec, but in English Canada as well. **R**

Paul Kellogg is a teacher, researcher, writer and blogs at www.polecon.net

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Exhibition about Labour issues opens at Art Gallery of Windsor

Carole Condé and Karl Beveridge

Working Culture

February 21 – April 26, 2009

Part of the annual Windsor Labour Arts Festival, *Working Culture* includes a short documentary video about the artists by Roz Owen and Jim Miller, and a revealing display about Condé and Beveridge’s working methods.

www.workingimage.ca



Democratic Centralism & Broad Left Parties

WHAT KIND OF LEFT FOR THE 21ST CENTURY?

Since the beginning of the decade important steps have been made in rebuilding the left internationally, following the working class defeats of the 1980s and '90s and the negative impact of the collapse of the Soviet Union. Starting with the demonstrations against the World Trade Organisation conference in Seattle at the end of 1999, an important global justice movement emerged, which fed directly into the building of a massive anti-war movement that internationally dwarfed the anti-Vietnam war movement in the 1960s. These processes breathed fresh life into the left, as could be seen already at the Florence European Social Movement in 2002 where the presence of the Rifondazione Comunista and the tendencies of the far left was everywhere. In addition, the massive rebirth of the left and socialism in Latin America has fuelled these processes.

However unlike the regrowth and redefinition of the left symbolised by the years 1956 and 1968, in the first decade of the 21st century things were much more difficult objectively, with the working class mainly on the defensive. Multiple debates on orientation and strategy have started to sweep the international left, leading to a reconfiguration of the socialist movement in several countries.

Positive aspects of this process include historic events in Venezuela and Bolivia (with all their problems), the emergence of Die Linke – the Left party – in Germany, the Left Bloc in Portugal and indeed new left formations in many countries.

In other countries the left redefinitions have been decidedly mixed. For example the Sinistra Critica (Critical Left) went out of the Communist Refoundation in Italy, over the fundamental question of the latter's support for Italian participation in the Afghanistan war and neoliberal domestic policies. In Brazil a militant minority walked out of the Workers Party (PT) to found the Socialism and Liberty Party (PSOL), over the central question of the Lula government's application of a neoliberal policy which made a mockery of the name of the party. This splits, for sure, represented a political clarification and an attempt to rescue and defend principled class struggle politics. But the evolution of the majority in both the PT and Communist Refoundation are of course massive defeats for the left.

So, in many countries debates are opening up about what kind of left we need in the 21st century. This is of course normal; *each successive stage of the international class struggle, especially after world historic events of the type we have seen after 25 years of neoliberalism, poses the issue of socialist organisation anew.* It is absurd to imagine that it is possible to take off the

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shelf wholesale texts written in Russia in 1902 or even 1917, and apply them in an unmediated way in 2007. Even less credible is the idea of taking the form of revolutionary organisation and politics appropriate for Minneapolis in 1934(1) and simply attempting to extrapolate it in a situation where revolutionary politics has been transformed by central new issues (of gender and the environment in particular); where the working class itself has been transformed in terms of its cultural level, geographical distribution and political and trade union organisation; and where the experience of mass social movements and the balance sheet of Stalinism (and social democracy) has radically reaffirmed the centrality of self-organisation and democracy at the heart of the revolutionary project.

As we shall discuss in more details below, it is now obvious that the models of political organisation and habits of engagement with the rest of the left, adopted by some self-proclaimed Trotskyist organisations (like Gerry Healy's SLL-WRP) were strongly pressurised by third period Stalinism and organisational methods and assumptions inherited from the Stalinised Comintern. No section of British Trotskyism was entirely unaffected by this pressure.

Against this background the split in Respect might not seem too unusual. But there is something special about it, considered on an international level. While there were no principled questions of politics involved (as there were in Italy and Brazil), nevertheless the main revolutionary organisation involved, the SWP, managed to alienate almost the totality of others forces within the movement. This is a spectacularly unfavourable result for a revolutionary organisation and one that cannot be explained by the myth of an anti-socialist "witch-hunt." Something much more fundamental in politics is involved.

REVOLUTIONARY SOCIALISM AND "BROAD LEFT PARTIES"

As noted above, the experience of building broad left parties internationally has been decidedly mixed; in some cases they have slid to the right and ended up supporting neoliberal governments. For some on the revolutionary left, what we might call the "clean hands and spotless banner" tendency, this shows that attempts at political recomposition are a waste of time. Far better to just build your organisation, sell your paper, hold your meetings, criticise everyone else and maintain your own spotless banner. But underlying this simplistic approach is actually a deeply spontaneist conception of the revolutionary process. This generally takes the form of the idea that "under the pressure of events," and after the revolutionary party has been "built," the revolutionary party will finally link up with big sections of the working class. With this comforting idea under our belts we can be happy to be a very

small (but well organised) minority and be sanguine about the strength of the right and indeed the far right.

In our view this simplistic “build the party” option is no longer operable; indeed it is irresponsible because it inevitably leaves the national political arena the exclusive terrain of the right. In the era of neoliberalism, without a mass base for revolutionary politics but with a huge base for militant opposition to the right, it seems to us self-evident the left has to get together, to organise its forces, to win new forces away from the social-liberal centre left, to contest elections and to raise the voice of an alternative in national politics. This is what has been so important about Die Linke, the Left Bloc, the Danish Red-Green Alliance and many others.

This was the importance of the Workers Party in Brazil and the Communist Refoundation in Italy at their height: that they articulated a significant national voice against neoliberalism that would have been impossible for the small forces of the revolutionary left.

More than that: the very existence of these forces, at various stages, had an important impact on mass mobilisations and struggles - as for example Communist Refoundation did on mobilising the anti-war movement and the struggle against pension reform in Italy. The existence of a mass political alternative raises people’s horizons, remoralises them, brings socialism back onto political agendas, erects an obstacle to the domination of political discourses by different brands of neoliberalism and promotes the struggle. It also acts as a clearing house of political ideas in which the revolutionaries put their positions.

So with a broad left formation in existence everyone is a winner – not! No broad left formation has been problem free. For revolutionaries these are usually coalitions with forces to their political right. They are generally centres of permanent political debate and disagreement, and they pose major questions of political functioning for revolutionary forces, especially those used to a strong propaganda routine. They inevitably involve compromises and difficult judgements about where to draw political divides.



What an orientation towards political regroupment of the left does not involve is a fetishisation of a particular political structure, or the idea that broad left parties are the new form of revolutionary party, or the notion that these parties will necessarily last for decades. For us they are interim and transitional forms of organisation (but see the qualification of this below). Our goal remains that of building revolutionary parties. It’s just that, as against the “clean hands and spotless banner” tendency, we have a major disagreement about what revolutionary parties, in the 21st century, will look like – and how to build them.

THE FUNCTIONING OF REVOLUTIONARIES IN BROAD LEFT PARTIES

Broad left parties (or alliances) are not united fronts around specific questions, but political blocs. For them to develop and keep their unity, they have to function according to basic democratic rules. However this cannot be reduced to the simplistic notion that there are votes and the majority rules. This leaves out of account the anomalies and anti-democratic practices which the existence of organised revolutionary currents can give rise to if they operate in a factional way. On this we would advance the following general guidelines:

- Inside broad left formations there has to be a real, autonomous political life in which people who are not members of an organised current can have confidence that decisions are not being made behind their backs in a disciplined caucus that will impose its views - they have to be confident that their contribution can affect political debates.
- This means that no revolutionary current can have the “disciplined Phalanx” concept of operation. Except in the case of the degeneration of a broad left current (as in Brazil) we are not doing entry work or fighting a bureaucratic leadership. This means in most debates, most of the time, members of political currents should have the right to express their own viewpoint irrespective of the majority view in their own current. If this doesn't happen the real balance of opinion is obscured and democracy negated. Evidently this shouldn't be the case on decisive questions of the interest of the working class and oppressed – like sending troops to Afghanistan. But if there are differences on issues like that, then membership of a revolutionary current is put in question. One can also imagine vital strategic and sometimes important tactical questions on which a democratic centralist organisation might want its members all to vote the same way. But these should be exceptional circumstances and not the norm. In practice, of course, on most questions most of the time members of revolutionary tendencies would tend to have similar positions.

- Revolutionary tendencies should avoid like the plague attempts to use their organisational weight to impose decisions against everyone else. That’s a disastrous mode of operation in which democracy is a fake. If a revolutionary tendency can’t win its opinions in open and democratic debate, unless it involves fundamental questions of the interest of the working class and

oppressed, compromises and concessions have to be made. Democracy is a fake if a revolutionary current says “debate is OK, and we’ll pack meetings to ensure we win it.”

- Revolutionaries – individuals and currents – have to demonstrate their commitment and loyalty to the broad left formation of which they are a part. That means prioritising the activities and press of the broad formation itself. Half in, half out, doesn’t work.

- We should put no a priori limits on the evolution of a broad left formation. Its evolution will be determined by how it responds to the major questions in the fight against imperialism and neoliberal capitalism, not by putting a 1930s label on it (like “centrism”).

- The example of the PSoL in Brazil shows it is perfectly possible to function as a broad socialist party with several organised militant socialist currents within it. The precondition of giving organised currents the right to operate within a broad party is that they do not circumvent the rights of the members who are not members of organised currents.

THE SWP’S “DEMOCRATIC CENTRALISM” NATIONAL AND INTERNATIONAL

Readers will note that the above series of considerations is exactly how the SWP did not function in Respect. It is a commonplace that those who function in factional and bureaucratic ways in the broader movement generally operate tin pot regimes at home. There are strong reasons for thinking that the version of ‘democratic centralism’ operated by the SWP is undemocratic. This is not just a matter of rules and the constitution, but there are problems there as well.

- Decision-making in the SWP is concentrated in an extremely small group of people. The SWP Central Committee is around 12 people, a very small number given the size of the organisation. Effective decision making is concentrated in three or four people within that.

- Political minorities are denied access to the CC. At the January 2006 conference of the SWP long-time SWP member John Molyneaux put forward a position criticising the line of the leadership, but his candidacy for the CC was rejected because it would “add nothing” to CC discussions.

- Tendencies and factions can only exist during pre-conference periods. This effectively makes them extremely difficult to organise. In any case, political debates and issues are not confined the SWP leadership’s internal timetable.

- There is no real internal bulletin and little internal political discussion outside of pre-conference period. Real discussion is concentrated at the top.

- As the expulsions of Nick Wrack, Rob Hoveman and Kevin Ovenden show, the disciplinary procedure is arbitrary and can be effected by the CC with no due process or hearing in which the accused can put their case.

In his contribution to the SWP’s pre-conference bulletin John Molyneaux said:

“...the nature of the problem can most clearly be seen if we look at the outcome of all these meetings, councils, conferences, elections, etc. The fact is that in the last 15 years perhaps longer) there has not been a single substantial issue on which the CC has been defeated at a conference or party council or NC. Indeed I don’t think that in this period there has ever been even a serious challenge or a close vote. On the contrary, the overwhelming majority of conference or council sessions have ended with the virtually unanimous endorsement of whatever is proposed by the leadership. Similarly, in this period there has never been a contested election for the CC: ie, not one comrade has ever been proposed or proposed themselves for the CC other than those nominated by the CC themselves. It is worth emphasising that such a state of affairs is a long way from the norm in the history of the socialist movement. It was not the norm in the Bolshevik Party or the Communist International. before its Stalinisation. It was not the norm at any point in the Trotskyist tradition under Trotsky.”

John Molyneaux put all this down to the nature of the period and the low level of the class struggle in the 1980s and 1990s. It is from obvious that this is true. Its root cause is the conception of “democratic” centralism that the SWP have.

We could note at this point that the SWP’s internal regime is the polar opposite of that of a similarly sized, but much more influential, organisation, the LCR in France, where the organisation of minorities and their incorporation in the leadership is normal. In fact the SWP’s supporters in France have gone into the LCR and form a permanent faction, Socialism Par en Bas (SPEB) that would of course be banned inside the SWP itself!

Equally the functioning of the international tendency that the SWP dominates – the IST – is dominated by a notion of “international democratic centralism” in which the SWP takes upon itself the right to boss other “sections” around, down to the smallest, detailed tactic. This, unsurprisingly, results in splits with any organisation that develops an autonomous leadership with a minimum of self-respect. So for example the SWP split on no principled basis at all with its Greek and U.S. sections in 2003 – expulsions that were carried out by the Central Committee of the SWP, and only confirmed as an afterthought by a hastily-summoned meeting of the IST.

There is an irony in all this. Up until the late 1960s the International Socialists – precursor organisation of the SWP – main-

tained a sharp critique of “orthodox Trotskyism,” not least in regard to its organisational methods. IS members tended to see Leninism as being, at least in part, “responsible” for Stalinism, and instead counterposed “Luxemburgism” against “toy Bolshevism.” After the May-June events in France, Tony Cliff adopted Leninism and wrote a three-volume biography of Lenin to justify this. The irony consists in the fact that the version of Leninism that Cliff adopted became, over time, clearly marked by the bowdlerised version of Leninism that the IS originally rejected.

OPPOSED CONCEPTIONS OF THE LEFT

There is a false conception of the configuration of the workers movement and the left, a misreading of ideas from the 1930s, that is common in some sections of the Trotskyist movement. This “map” sees basically the working class and its trade unions, the reformists (Stalinists), various forms of ‘centrism’ (tendencies which vacillate between reform and revolution) and the revolutionary marxists - with maybe the anarchists as a complicating factor. On the basis of this kind of map, Trotsky could say in 1938 “There is no revolutionary tendency worthy of the name on the face of the earth outside the Fourth International (ie the revolutionary marxists – ed).”

If this idea was ever operable, it is certainly not today. The forms of the emergence of mass anti-capitalism and rejection of Stalinism and social democracy has thrown up a cacophony of social movements and social justice organisations, as well as a huge array of militant left political forces internationally. This poses new and complex tasks of organising and cohering the anti-capitalist left. And this cannot be done by building a small international current that regards itself as the unique depository of Marxist truth and regards itself as capable of giving the correct answer on every question, in every part of the planet (in one of its most caricatured forms, by publishing a paper that looks suspiciously like Socialist Worker and aping every tactical turn of the British SWP).

The self definition of the Fourth International and Socialist Resistance is very different to that. We have our own ideas and political traditions, some of which we see as essential. But we want to help refound the left, together with others, incorporating the decisive lessons of feminism and environmentalism, in a dialogue with other anti-capitalists and militant leftists. One that doesn't start by assuming that we are correct about everything, all-knowing and have nothing to learn, especially from crucial new revolutionary experiences like the Bolivarian revolution in Venezuela.

Today the “thin red line of Bolshevism” conception of revolutionary politics doesn't work. This idea often prioritises formal programmatic agreement, sometimes on arcane or secondary questions, above the realities of organisation and class struggle on the ground. And it systematically leads to artificially counterposing yourself to every other force on the left.

Against this template, the SWP is Neanderthal, a particular variant of the dogmatic-sectarian propagandist tradition that has been so dominant in Britain since the early 20th century. It is time that its members demanded a rethink.

POSTSCRIPT: “LENINISM”

In his interview (on www.marxsite.com/bensaid.htm Leninism in International Viewpoint), Daniel Bensaid points out that the word itself emerged only after the death of Lenin, as part of a campaign to brutally “Bolshevise” the parties of the Comintern – ie subordinate them to the Soviet leadership.

For us the name, the word, is unimportant. What is important is to incorporate what is relevant today in the thinking of great socialist thinkers like Lenin, Trotsky, Luxemburg and Gramsci. Lenin was far from being a dogmatist on organisational forms; from him we retain major aspects of his theoretical conquests on imperialism and national self-determination, the self-organisation of the working class, the notions of revolutionary crisis and strategy, and his critique of the bureaucracy in the workers movement and social democratic reformism.

All these great thinkers were prepared to change their forms of organisation to suit the circumstances; the unity of revolutionary tendencies is not guaranteed by organisational forms, but by programme and a shared vision of the revolutionary process. Thus we reject the idea that by our ideas about left regroupment we are “abandoning Leninism,” any more than we are abandoning Trotskyism or what is relevant in the ideas of Rosa Luxemburg.

What we are abandoning, indeed have long abandoned, is the template method that sees Leninism as a distinct set of unvarying organisational forms.

We repeat: some of these organisational forms, including a monopoly of decision-making by a tiny central group with special privileges (often of secret information and un-minuted discussion) – came from a beleaguered Trotskyist movement, that inherited many of its organisational forms wholesale from the Stalinised Communist International. You can't understand the Healy movement without the Communist Party of Great Britain or the French “Lambertists” without the immense pressure of the French Communist Party. The brutal “Leninism” of the Communist Parties and the importation of aspects of its practices into the dogmatic-sectarian Trotskyist organisations we do indeed repudiate. **R**

1. This is a reference to the American Socialist Workers Party, which played a central role in the Teamster Rebellion in Minneapolis in 1937-8. The U.S. SWP led by James P. Cannon had a massive impact on British Trotskyism, not least through Cannon's organisational textbooks *The Struggle for a Proletarian Party and History of American Trotskyism*.

The Renewal of Radical Politics

S.J. D'Arcy

In the past two decades, the project of radically transforming capitalist societies in order to create communities that are in some sense “socialist” has undergone a profound crisis. This crisis has sometimes looked like a complete collapse of the radical Left, especially in Canada and the United States, where the socialist Left has always been comparatively weak. It is worth stopping to ask why socialism, once so powerful in its mass appeal, in every corner of the globe, has now fallen into such widespread disrepute and popular repudiation.

There are those, especially on the political right, who regard this turn of events as symptomatic of socialism’s sheer impossibility. According to this view, the inability of socialist economic institutions to solve the complex coordination problems confronting modern societies has been exposed for all to see.

But another interpretation is ultimately more plausible. Far from the socialist project having strayed too far from capitalism, to the point of unworkability, the problem has been nearly the opposite of that. The roots of the Left’s crisis are to be found, not in the distance that separates socialism from capitalism, but in the proximity that makes them too difficult to distinguish from one another. To be sure, there are very real differences between profit-motivated, privately owned capitalist enterprises and the sort of public sector ownership forms favored by real-world variants of socialism in the 20th century (notably, the statist “central planning” of Eastern Europe and the welfare-state expansionism of Western social democracy and “Eurocommunism”). But these variants of socialism have nonetheless been widely rejected as alternatives to capitalism because they have tended system-

atically to replicate the least attractive elements of the social order they purport to reject. The socialist Left turned against capitalism at the level of property forms, even as it embraced capitalism’s bureaucratic model of governance, its technocratic approach to designing and implementing public policy, its hierarchical and autocratic forms of workplace organization, its *Realpolitik* norms of international relations, its glorification of production and accumulation as ends in themselves, and its elitist understanding of who is best able to exercise political power and spearhead social change.

The result has been a kind of paradox of anti-capitalism: the very considerations that generate distaste for capitalism – hostility to its inequality, elitism, authoritarianism, and alienation – generate at the same time a suspicion of many real-world socialist initiatives. And this suspicion reflects an *insight* into the Left’s very real concessions to capitalism, not a failure on the part of the masses to grasp their true interests, or to see capitalism for what it really is. Securing “public ownership of the means of production” is, plainly, not equivalent to the self-emancipation of the exploited and oppressed from the evils and injuries they endure under capitalism. And the Left has paid a terrible price in diminished credibility for its tendency to treat a *necessary* condition for transcending capitalism (wresting economic power away from capitalist firms in favor of some sort of public ownership) as if it were a *sufficient* condition for doing so. In the minds of most working people, the identification of socialism with the project of democratic and egalitarian self-liberation has been broken.

And yet, there are stirrings today of something new, early glimpses, perhaps, of a re-emergence of the radical Left, even here in North America where the Left is weaker than almost any other place on earth.

But the signs of a possible resurgence do nothing to encourage a faith in the prospects for a reassertion of the declining variants of the former Left – the small Leninist organizations, the anarchist Black Blocs, or the reform-minded social-democratic electoral machines. Rather, they suggest new sources of vitality, arising in unfamiliar forms from unexpected locations.

A number of recent (and admittedly still-marginal) grassroots initiatives have been launched by North American radicals hoping to re-invent the radical Left under the banner of *participatory democracy*. It is, of course, an old term, embraced by some North American radicals at least since the early 1960s. But it has acquired today an importantly new significance. The key difference lies in the fact that, whereas in the past “participation” fig-



ured mainly as a proposed alternative to the alienation and cynicism of the elite-dominated system of representative democracy typical of advanced capitalist societies, in today's emerging participatory Left the ideal of participatory democracy has much more of a double function. Participatory democracy has gone from being simply a label for naming certain features of the radical *project*, to being at the same time a formula used to delineate the constraints on admissible *processes* deployed in pursuit of that project. It is about *means* as much as it is about *ends*, methods as much as goals.

The Left that is beginning to emerge from under this banner is one that eschews both the bureaucratic conception of socialism typified by the East European model, and the uncritical stance of many social democrats toward the political and economic institutions of capitalism, notably "representative" democracy and the market economy. The emerging participatory Left wants to embody, *in practice and right now*, the characteristics that the Left has always claimed to regard as *worth wanting* in a post-capitalist future. It wants, in short, to be egalitarian, anti-elitist, non-statist, and participatory.

Consider, first, the re-founding (in January of 2006) of the campus-based Students for a Democratic Society. The "New SDS" bears a familiar name, at least to those well-versed in 1960s radicalism in the U.S.A. But in many ways it has departed sharply from its namesake. Today's SDS has over 120 chapters on campuses across the United States. Its name has perhaps attracted a degree of news media attention that a radical direct action student group would normally not be accorded. But what makes it important, in the present context, is not its size or its relatively high profile, but its *aspiration* to make a qualitative break with earlier models of organizing. Although SDS has struggled to develop a coherent organizational structure, this weakness is in part symptomatic of a crucial secret to its success: SDS has not seen such matters as strictly issues of efficacy or efficiency, but has treated them as inextricably bound up with the question of what it means to organize in the present for a radically democratic society in the future. SDS members have refused to disengage questions of *process* from questions of *project*.

A similar insistence on process/project consistency has animated a distinct, but parallel radical initiative: the project for a participatory society, which emerged out of the popular ZNet website, associated with *Z Magazine*. First, some background. In recent years, the vision for an egalitarian post-capitalist economy proposed by Michael Albert and Robin Hahnel, known as "participatory economics," has become increasingly influential on the North American far Left. Hahnel and Albert took the longstanding socialist claim that a radically democratic economy was possible, and backed it up with detailed institutional proposals for replacing market economics with a process they call "participatory planning." This process would be based on deliberative councils of workers in the workplace and consumers in neighbourhoods and regions, coordinated by a process of iterative negotiation, using "indicative prices," but substituting participatory and deliberative procedures for the blind rule of market forces.

As these economic proposals grew in influence, a group of likeminded writers and activists began to join Hahnel and Albert in elaborating a broader, more expansive vision of a post-capitalist participatory society. Political scientist Stephen Shalom began to articulate a conception of a post-capitalist "participatory polity." Radical journalist and academic Justin Podur proposed a vision of a "participatory culture." Feminist activist and writer Cynthia Peters explored the possibility of a transformation of gender roles and kinship structures within a participatory democratic society. Most recently, Matt Halling has tried to develop a conception of a participatory-democratic legal system. As this notion of a participatory society began to take shape, advocates of the new project began to get organized, first with a conference on strategies and visions for a participatory-democratic movement (in June of 2006), and then with the formation of the International Network for a Participatory Society (IPPS), later that year.

The IPPS was intended to serve as a centre for advocacy and collaboration among activists and intellectuals committed to the ideal of a participatory society. But, just as important, the appearance of the IPPS quickly stimulated the formation of a series of locally rooted *anti-capitalist NGOs* (grassroots and non-governmental community organizations), such as the London Project for a Participatory Society (in Ontario, Canada), the Austin Project for a Participatory Society (in Texas), joining the already active Vancouver ParEcon Collective, and the Chicago Area Participatory Economics Society. Internationally, a number of such "PPS" groups emerged, including the 'Hellenic PPS' in Greece, the 'PPS Down Under' in Australia, the African PPS, and the PPS-UK. Arguably, this may prove to be one of the most enduring achievements of the larger "participatory society" project: the formation of locally rooted, grassroots anti-capitalist NGOs, engaged in a wide array of broadly political, but wholly non-statist activities, including public advocacy, popular mobilization, and prefigurative institution-building. What is striking in all of this is the emergence of a new idea of what a radical organization can be: not a political party, but an NGO; not seeking to conquer power through the state, but seeking to subvert capitalism from a position within civil society; not a coalition focusing on a single issue or theme, but a broad-based project to work for the displacement of capitalist civilization by a new, post-capitalist participatory society.

This brings me to my third example of the emerging participatory Left. Obviously, the whole thrust of what I've been saying so far is that the participatory Left does not believe in putting off until tomorrow what it can do today. And so it is that the participatory economics movement has found practical expression in a series of real-world experiments in post-capitalist economic institution-building. As Robin Hahnel points out in his book, *Economic Justice and Democracy: From Competition to Cooperation* (2005, p. 368):

[T]here are a handful of collectives in the United States and Canada that are not only owned and managed entirely by their members, but organized self-consciously according to the principles of participatory

economics. These collectives...promote participatory economic goals, seek to relate to other progressive organizations on a cooperative rather than commercial basis, and explicitly agitate for replacing capitalism with a participatory economy.

Examples of such participatory workplaces include two publishing firms, South End Press and Arbeiter Ring publishers, a bookstore and café called the Mondragon Bookstore, a bicycle repair shop called Natural Cycle, a now-defunct online newspaper called the *New Standard*, and a number of others as well. As part of the larger solidarity economy, but also as a living expression of the aims and principles of the participatory society project, these institutions are a key part of the emerging participatory Left.

We can see, then, that what is new about today's emerging new forms of radical politics is the way in which today's radicals have begun to relate their processes to their project. They treat processes, not simply as *means to an end*, to be assessed in terms of their efficacy and efficiency, but as objects of ongoing political assessment, susceptible to the same kind of critical scrutiny to which the processes and practices of capitalism are subjected.

If, as I claim, the participatory Left can be expected to displace the declining social-democratic strategy for radical change, and the largely exhausted vanguardist revolutionary strategy, what might we expect the next Left to look like, in the years to come?

First, it will be a Left whose most visible manifestation will be the prominent role assigned to *prefigurative pilot projects*: that is, anticipatory institutions and practices that embody participatory-democratic principles, and that stand opposed to the core principles and leading characteristics of capitalism. The obvious example is participatory workplaces and enterprises, like those mentioned above. But other examples include local participatory budgeting initiatives, participatory-democratic consumer and housing cooperatives, and all manner of experiments with participatory-democratic decision-making.

Second, the emerging Left will be a form of radicalism in which the classical organizational model of the political party, aspiring to exercise state power, will have been displaced by the new model of the *anti-capitalist NGO*, aspiring to subvert capitalism, and to promote alternatives to it, from outside the state, within a combatively oppositional civil society. Such NGOs will view the market *and* the state, not as vehicles for advancing progressive aims, but as adversaries to be discredited and displaced, as far as possible.

Third, it will be a Left in which political action and economic institution-building will co-evolve with a reciprocally supporting series of what I want to call *counter-capitalist* cultural practices. That is to say, the political activism of the next Left will be rooted in lifestyles and value systems that repudiate the cultural bases of pro-capitalist behaviors and aspirations. This follows from the principle that how we live today should be consistent with the kind of society we aspire to create.

All three of these characteristics – post-capitalist pilot projects, anti-capitalist NGOs, and counter-capitalist cultural practices – are rooted in the core principle of project/process consistency. There is, however, a gaping absence in this vision of a renewed radical participatory Left. I have painted a picture of a *participatory* Left with only a handful of actual *participants*. But a participatory Left without mass participation is obviously bound to remain on the sidelines of social change and contemporary history.

In the face of this sobering thought, we must acknowledge that the prospects for re-inventing the radical Left, on the basis of a thoroughgoing commitment to participatory democracy, depend largely on the capacity of today's grassroots participatory democratic organizations to merge with larger processes of political mobilization in revitalized social movements organizing for social and environmental justice, and for political and economic democracy. True, these mass mobilizations have yet to occur, on anything like the scale that is needed. But nothing less than such a broad-based resurgence of community-based "movement" activism can lay the groundwork for a re-emergence of the radical Left as a vital political force.

In the meantime, radicals need to support those organizing efforts which – far from discarding the values and principles of the classical Left – cling to those values and principles with an unprecedented attentiveness to the importance of consistency between the project we aspire to realize, and the processes by means of which we pursue that project. And the principle of participatory democracy can serve as a crucial bridge, for the emerging new radicalism, between how we struggle and what we struggle for. **R**

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How Should We Respond to the Crisis?

Ken Kaltornyk and Karen Naylor

The articles in *Relay #24* on party-building are a valuable contribution to restarting the discussion that began over ten years ago with Sam Gindin's 1998 essay, "Is the Party Over?" The experience of anti-capitalists in other countries in their attempts to re-establish revolutionary parties provides us with a deeper insight into the nature of the problem, even though their situations may be quite different from ours. In particular, the problems they are experiencing in Britain, France, Greece and other European countries (as well as in various Latin American countries) of trying to arrange mergers between various revolutionary parties does not really apply to North America, where, in general, there are no significant parties and/or organizations to bring together. This brings both positive and negative consequences – positive in that we don't have to overcome the inertia and sectarianism of large, existing organizations and negative in that we don't have the resources such organizations are able to harness.

We were particularly impressed with the article by Khalil Hassan which discusses the problems of balancing the interests of movements and parties and the shortcomings of movements and networks. At the same time, Hassan doesn't actually discuss how to overcome the various problems he poses in order to build a party of the type he proposes. We are of the opinion that there is still a lot of value in Sam Gindin's suggestion in his 1998 essay that it is necessary to build a structured, anti-capitalist movement as the first step in rebuilding a party of the working class. However, one of the problems we have encountered in implementing that proposal has been the difficulty in

creating a movement for a party in the absence of a general mass movement of working people against capitalism, or at least against some aspects of capitalism. We have come to the conclusion that in order to achieve any of our aims we actually have to build three movements simultaneously – a movement for a new party, a mass anti-capitalist movement and the workers movement.

Sam Gindin (in *The Bullet* No. 156 – "The Financial Crisis: Notes on Alternatives") discusses the necessity for both short and long-term demands. He points out the necessity to build a movement of resistance against the attempts by the capitalists and their state to make working people pay for the current economic crisis and concludes: "As for the ever-present question of who will pay, there's no better place to start than 'make the rich pay', all the more so given the fortunes that were made on the way to the present disaster." We agree that this is a good starting point. "Make the rich pay" expresses in a concentrated fashion the anger of working people about being made to pay for something that is not of their making. It also is broad enough to constitute an "umbrella," if you will, under which a broad range of short-term and long-term revolutionary reforms can be included. This could include anything from stopping the bailouts, to nationalization of the big banks and financial institutions, the nationalization of manufacturers who are closing plants, a moratorium (or outright default) on payments on government debt and so on.

However, both Sam Gindin and Leo Panitch point to the difficulties involved in having any effect on the politics of the society in the absence of a vibrant

workers movement and we are in complete agreement with them on this point. We think that to find the key to this problem we have to look back at the history of the workers movement in Canada and North America. There have been two previous economic crises of a similar magnitude to the one we are facing, one in the late 19th century and another in the 1930s. In both cases the workers movement was initially in retreat and the existing trade unions were impotent to deal with the new problems confronting them. Again in both cases the problem was solved by the revolutionary Left by the launching of mass movements to organize the unorganized – the Knights of Labour and the Industrial Workers of the World (IWW) in the earlier crisis and the Congress of Industrial Organizations (CIO) in the later one. These movements to organize the unorganized were conducted primarily outside the existing trade union structures and had the aim of creating a new type of trade union which could deal with the problems then confronting workers. The older trade unions not only strove to tie the workers hand and foot to the sinking capitalist system, but actively opposed any efforts to seek alternatives. Not unlike the situation workers are facing today.

We are not suggesting that the simultaneous building of three distinct yet interconnected movements will be an easy task. Nor was it easy for those who took up the same task in an earlier period. Like us, they had neither large numbers nor vast resources and were opposed, not only by the capitalists and their state, but by the old trade union movement. If anything, we are in a better position because we have a well-educated working class and access to

much more powerful communications technology. We also have the advantage of well over a century of experience – positive and negative – to guide us.

Are we in a position to launch these movements today? Of course not. But we are in a position to begin the work today. The first step is to build a broad discussion on these issues and the articles in *Relay* #24 and *The Bullet* are a good beginning. A lot of ideas are being raised about specific demands and reforms, which is a very positive development, but we must examine all of these demands seriously and analyze which have the potential to further weaken the capitalist system and which could serve to strengthen it. It may not be possible to determine this without looking at how specific demands fit into a broader program of demands.

For example, when the current crisis began to unfold, the demand to nationalize the banks and other financial institutions had a lot of appeal. Then the capitalists, especially in Europe, began to do just that, with the aim, not of undermining the monopoly capitalist system, but of restoring confidence in the capitalist financial system, essentially by using the state treasury to guarantee loans. So, clearly, the demand to nation-

alize the banks (or any other sector) in and of itself is not a revolutionary demand. However, in concert with various other demands which raise the issue of who controls the state, such a demand is essential.

It is important that this discussion be developed in an organized and systematic fashion and that it be taken to every city in the country. We have spent the past decade describing the terrible situation in which the Left finds itself. There have been spasmodic debates about what we should do about this state of affairs and some work has been done with varying degrees of success. But the bottom line is that we still have no party, no popular movements and no effective workers movement. Until the past few months the problem presented itself to many as an academic problem and it appeared that we had plenty of time to solve it. The luxury of time is something we no longer have.

The financial and economic crisis is developing with alarming speed and massive attacks are being organized against the working class and people. Without an anti-capitalist party, the working class will be left virtually defenseless. They will undoubtedly fight back against the attacks, but their

resistance will be ineffective in the absence of a party and a mass popular movement.

The times are demanding that we act and act quickly. However, action which is not informed by theory, analysis and an overall strategy will be doomed from the start. Therefore, we would advocate against rushing into anything. We are proposing a general strategy to advance our common work. Others undoubtedly have other proposals. Why not organize a series of conferences across Canada to discuss how we are going to provide ourselves and the working class with the movements, organizations and institutions that we require in order to wage an effective struggle against the attempts of the capitalists and their state to offload the burden of this crisis onto our backs? This in itself would begin to give shape to an oppositional movement and would at least get the word out that there are people proposing alternatives to conciliation and capitulation. That is ultimately where our numbers and resources will come from. **R**

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Declaration of the Assembly of Social Movements at the World Social Forum

January 27-February 1, 2009, Belem, Brazil.

We the social movements from all over the world came together on the occasion of the 8th World Social Forum in Belem, Amazonia, where the peoples have been resisting attempts to usurp nature, their lands and their cultures. We are here in Latin America, where over the last decade the social movements and the indigenous movements have joined forces and radically questioned the capitalist system from their *cosmovision*. Over the last few years, in Latin America highly radical social struggles have resulted in the overthrow of neoliberal governments and the empowerment of governments that have carried out many positive reforms such as the nationalisation of core sectors of the economy and democratic constitutional reforms.

In this context the social movements in Latin America have responded appropriately, deciding to support the positive measures adopted by these governments while keeping a critical distance. These experiences will be of help in order to strengthen the peoples' staunch resistance against the policies of governments, corporations and banks who shift the burden of the crisis onto the oppressed. We, the social movements of the globe, are currently facing a historic challenge. The international capitalist crisis manifests itself as detrimental to humankind in various ways: it affects food, finance, the economy, climate, energy, population migration and civilisation itself, as there is also a crisis in international order and political structures.

We are facing a global crisis which is a direct consequence of the capitalist system and therefore cannot find a solution within the system. All the measures that have been taken so far to overcome the crisis merely aim at socialising losses so as to ensure the survival of a system based on privatising strategic economic sectors, public services, natural and energy resources and on the commodification of life and the exploitation of labour and of nature as well as on the transfer of resources from the periphery to the centre and from workers to the capitalist class.

The present system is based on exploitation, competition, promotion of individual private interests to the detriment of the collective interest, and the frenzied accumulation of wealth by a handful of rich people. It results in bloody wars, fuels xenophobia, racism and religious fundamentalisms; it intensifies the exploitation of women and the criminalisation of social movements. In the context of the present crisis the rights of peoples are systematically denied. The Israeli government's savage aggression against the Palestinian people is a violation of international law and amounts to a war crime, a crime against humanity and a symbol of the denial of a people's rights that can be observed in other parts of the world. The shameful impunity must be stopped. The social movements reassert their active support of the struggle of the Palestinian people as well as of all actions against oppression by peoples worldwide.

In order to overcome the crisis we have to grapple with the root of the problem and progress as fast as possible towards the construction of a radical alternative that would do away with the capitalist system and patriarchal domination. We must work towards a society that meets social needs and respects nature's rights as well as supporting democratic participation in a context of full political freedom. We must see to it that all international treaties on our indivisible civic, political, economic, social and cultural rights, both individual and collective, are implemented.

In this perspective we must contribute to the largest possible popular mobilisation to enforce a number of urgent measures such as:

- Nationalising the banking sector without compensation and with full social monitoring
- Reducing working time without any wage cut
- Taking measures to ensure food and energy sovereignty
- Stop wars, withdraw occupation troops and dismantle military foreign bases
- Acknowledging the peoples' sovereignty and autonomy ensuring their right to self-determination
- Guaranteeing rights to land, territory, work, education and health for all
- Democratise access to means of communication and knowledge.

The social emancipation process carried by the feminist, environmentalist and socialist movements in the 21st century aims at liberating society from capitalist domination of the means of production, communication and services, achieved by supporting forms of ownership that favour the social interest: small family freehold, public, cooperative, communal and collective property.

Such an alternative will necessarily be feminist since it is impossible to build a society based on social justice and equality of rights when half of humankind is oppressed and exploited.

Lastly, we commit ourselves to enriching the construction of a society based on a life lived in harmony with oneself, others and the world around (*el buen vivir*) by acknowledging the active participation and contribution of the native peoples.

We, the social movements, are faced with a historic opportunity to develop emancipatory initiatives on a global scale. Only through the social struggle of the masses can populations overcome the crisis. In order to promote this struggle, it is essential to work on consciousness-raising and mobilisation from the grassroots. The challenge for the social movements is to achieve a convergence of global mobilisation. It is also to strengthen our ability to act by supporting the convergence of all movements striving to withstand oppression and exploitation.

We thus commit ourselves to:

- Launch a global week of action against capitalism and war from March 28 to April 4, 2009, with: an anti-G20 mobilisation on March 28, a mobilisation against war and crisis on March 30, a day of solidarity with the Palestinian people to promote boycotts, disinvestment and sanctions against Israel on March 30, a mobilisation for the 60th anniversary of NATO on April 4, etc.

- Increase occasions for mobilisation through the year:
 - March 8, International Women Day;
 - April 17, International Day for Food Sovereignty;
 - May 1, International Workers' Day;
 - October 12, global mobilisation of struggle for Mother Earth, against colonisation and commodification of life.

- Schedule an agenda of acts of resistance against the G8 summit in Sardinia, the climate summit in Copenhagen, the summit of the Americas in Trinidad and Tobago, etc.

Through such demands and initiatives we thus respond to the crisis with radical and emancipatory solutions. **R**



From Davos to Belem: A Take of Two Spirits

Carl Bloice

This year's World Economic Forum (WEF) gathering at Davos appears to have been a complete dud. It is hard for one who wasn't there to say how complete but if President Obama is reading the reports from the celebrated Swiss mountaintop he has to be glad he didn't go and that he didn't send a high powered delegation. And the high-powered U.S. financiers who usually show up at the annual World Economic Forum are probably even happier that they decided to skip this one. Previous celebrity guests such as Angelina Jolie, Sharon Stone and Bono weren't even invited.

You knew the prospects for the 39th gathering of the rich, the powerful – and a few others – weren't good when the organizers announced the theme for this year's deliberations: "Shaping the Post-Crisis World." It's as if they thought they could get around to confronting the big question: how to get past the current debacle. They couldn't. And evidently there was a lot of handwringing and recriminations but little new thinking. Obama and Company didn't need to be there; they didn't get the world into this mess and the people who did weren't there. "With so little clarity" on the immediate question, wrote the *Financial Times* team of reporters on hand, "the business and political leaders who arrived in Switzerland last week in a bleak mood had little to take home to lift their spirits."

"Mired in indecision and uncertainty, the world's foremost gathering of the best and brightest in government and business failed to come up with any new plan to stem, much less reverse, the global financial meltdown," wrote Edith Lederer of the *Associated Press*. The five-day confab, she went on, ended "in the same atmosphere of doom and gloom that it began, with a realization that the depth of the crisis is still unknown and the solution remains elusive."

When delegates gathered at the plush Swiss resort last year, the theme was: "The Power of Collaborative Innovation" and one of the most important – "pillars" of discussion was "Economics and Finance: Addressing Economic Insecurity." Before it opened, *Business Week* magazine, said, "You can bet that all the heads of the European, Asian, and American central banks will be in Davos doing their own version of collaborative innovation, trying to coordinate interest-rate cuts to stem the recessionary tide rolling in."

They didn't. And what has followed it became the biggest economic crisis since the Great Depression. As the bigwigs arrived in Davos this year, massive demonstrations and riots were erupting in cities and towns stretching from Western Europe to Siberia protesting the deteriorating economic conditions and growing inequities arising from capitalism in crisis. In the U.S. a titanic battle with far reaching implications was shaping up over the new President's plan to rescue the situation.

"Everybody's lost in Davos," Kishore Mahbubani, dean of the Lee Kuan Yew School of Public Policy in Singapore, told Lederer. "No one seems to have a clear understanding of how big this crisis is and what we need to do to get out of it. My own view is that you really need to do a fundamental re-examination of the whole global system to see what went wrong, and nobody here is yet ready to ask these kinds of fundamental questions in Davos."

If the mood among the 2,600 participants at the closing of the 2009 WEF was downbeat, that doesn't seem to have been the case among the 115,000 who had gathered at the same time, in Belem, Brazil. Represented there were nearly 6,000 organizations from throughout the world. Some are famous but precious few are even remotely rich. Originally conceived as an alternative to Davos and to protest the WEF's policies and propose alternatives, the first World Social Forum (WSF) was convened in Brazil under the slogan "A Better World is Possible."

In 2007 Brazilian President Luiz Inacio Lula da Silva was at Davos. This year he came to Belem where he was joined by Bolivian President Evo Morales, Venezuelan President Hugo Chávez, Ecuadoran President Rafael Correa and Paraguayan President Fernando Lugo. That in itself was a powerful illustration of how much the world has changed over the past few years and how much power and influence has ebbed away from those atop the 'commanding heights' of world capitalism.

A special event at this year's Social Forum was a dialogue on regional integration from a peoples' perspective involving delegates and the four Latin American leaders. Morales – as a member himself of the indigenous and rural movements present



was reported to have been the most warmly applauded. Referring to his colleagues on the stage, he told the audience: “if we are now presidents, we owe it to you. The people here are my teachers in the social struggle.”

“The choice of Belem, in the northeastern gateway to the Amazon jungle region, as this year’s WSF venue, indicates emphasis on environmental and climate issues, as well as social concerns, with the participation of poor and ethnically diverse communities living in the world’s greatest tropical forest and fresh water reserve,” said *Inter Press Service* (IPS). The financial crisis that is causing the world economic slowdown had given a new dimension to this year’s WSF. The Forum started in 2001 as an initiative “to counter the globalization that is now in crisis,” said Candido Grzybowski, head of the Brazilian Institute of Social and Economic Analyses (IBASE) and one of the original organizers of the WSF.

The forum ended with a “Day of Alliances,” devoted to meetings of coalitions and networks to decide on joint actions. This mechanism was designed to promote links between groups and stimulate active partnerships, an area where little progress was made in previous forums.

An Assembly of Social Movements at Belem adopted resolutions and proposals outlining program of mobilizations around the world this year. They include:

A week of demonstrations and awareness raising between Mar. 28 and Apr. 4 to press for drastic change in the world’s political balance and urgent measures to stop climate change.

According to IPS, “key target of this initiative is the G-20 summit of industrial countries scheduled for Apr. 2 in London, taking place in the midst of the deepening global economic crisis.

“G-20 members Argentina and Brazil, both led by progressive governments, are expected to voice WSF demands such as the disbanding or deep reform of the International Monetary Fund, the World Bank and the World Trade Organization.”

March 30, the Palestinian Day of Return to their land, is another important mark in the program, aimed at imposing a trade boycott, international sanctions and disinvestment policies (BDS), to force Israel to stop military assaults against Gaza and engage in true peace negotiations.

Included in the demands adopted by WSF’s Assembly of Social Movements are [*Ed. – see pages 34 and 35 for the text of the declaration*]:

- Nationalization of banks;
- No reduction of salaries at enterprises hit by the crisis;
- Energy and food sovereignty for the poor;
- Withdrawal of foreign troops from Iraq and Afghanistan;

- Sovereignty and autonomy for indigenous peoples;
- Right to land, decent work, education and health for all;
- Democratization of media and knowledge

Foreign correspondents and local media have underlined the sharp contrast between the vibrant atmosphere in Belem and the somber faces of corporate bosses and Western leaders in Davos, where Britain’s Prime Minister Gordon Brown went so far as to admit the crisis has no precedent nor any reliable forecast.

The conservative newspaper *Folha de São Paulo*, in Brazil’s financial capital, observed Sunday that while the planet might not become the “extravagant” other world dreamt of in Belem, neither will it remain the current one, “so many times optimistically celebrated by Davos.”

“As economic ultra-liberalism and current international decision-making mechanisms are both being questioned. Issues as diverse as environmental imbalances, terrorism, drug-trafficking or ethnic and religious regional conflicts overwhelm the intervention capacity of one single power or the exclusive club of most developed countries,” says *Folha*’s editorial.

Speaking for the social movements congregated, Magdalena Leon and Camille Chalmers presented the progress already made on the road to peoples’ integration in Latin America; but they also stressed the need to invent new mechanisms to further stimulate social energy for change and harness it in favor of an accumulation of forces between peoples and progressive governments. They pointed out a series of challenges for confronting the global crisis of the present system.

Leon, a member of the Latin American Network of Women Transforming the Economy, stated that a radical situation such as the present economic crisis of a model that is in clear decay, calls for radical solutions. Otherwise, she said, we run the risk of giving a new lease of life to that model, legitimizing it, saving obsolete institutions and restoring power relations of a neocolonial nature. **R**

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France: LCR Dissolves Itself to Form NPA

Sylvia Zappi

The Revolutionary Communist League (LCR) will soon be no more. On Thursday, 5 February, its activists will vote for its self-dissolution to create the New Anti-Capitalist Party (NPA). Some seven hundred delegates are expected at a four-day conference, 5-8 February, in la Plaine-Saint-Denis (Seine-Saint-Denis), to launch the new party of Olivier Besancenot.

The death certificate won't be issued without squeaks or critiques. Some veterans of the LCR won't be ready for it without four hours of discussions to settle their accounts. And, for true Trotskyites, having to accept a truncated program and a line judged "too vague" – no, that can't happen. "We are making a big mistake setting up a 'party of struggle.' This spontaneist decision (driven by the social movement) puts us at the mercy of events," writes Gilles Suze, a long-time member, in a letter to the LCR leaders. "It feels more like attending a congress to liquidate the party than one to surpass it," moans Christian Picquet, of the party minority.

Enthusiasm is indeed palpable in the entourage of Mr. Besancenot. The young spokesman's popularity rating has not declined (60% have positive opinions about him on the scorecard of *Paris Match*, 22 January). Nor has his success in demonstrations: the last big march on 29 January saw him mobbed by the curious as well as his fans. He remains the "best of the Left" in the eyes of his associates and does not intend to leave this space – too big for the LCR – vacant, when the economic crisis seems to prove him right.

It's time to think big and broad. The NPA claims 9,000 founding members, three times more than the "League." One won't hear "comrades" at its meetings – the public has changed. There are indeed a handful of veterans of *Lutte ouvrière*, friends of Jean-Marc Rouillan, founder of Direct Action, some members of the Bové committees, anti-growth environmentalists, and alter-globalization activists. But most are novices in politics. "Their membership base are those who are just fed up with Sarkozy and see Besancenot as the only real personality of the Left," says Alain Krivine, one of the LCR founders.

The NPA is a new radical party whose two identifiers are the "break with capitalism" and the "total independence from the Socialist Party." Plus a touch of ecology, re-baptized "ecosocialism." Gone is the reference to Trotskyism as communism: the party of Olivier Besancenot is no longer affiliated with the Fourth International founded by Leon Trotsky. Only the LCR militants remain members. "We made the decision to create the NPA from the bottom up, without another political partner, and we have succeeded. This is not an LCR Lite," assures Pierre-François Grond, Mr. Besancenot's right-hand man.

The change is visible: the membership profile has changed, more rebellious and less "intellectual." But the ideological positioning and the essentials of the organizational structure remain those of the LCR. The line of self-assertion and demarcation vis-à-vis the Socialist Party – "The true Left is us," Mr. Besancenot continues to proclaim – in fact echoes the beginnings of the Revolutionary Communist League which, with its Red committees, thought it could alone capture "the spirit of May" 1968.

As for the new governing bodies, their nucleus includes a half of the League leaders. "We will be a minority," Mr. Grond says in explanation. "It's Besancenot's friends who are in control of the core structure," Mr. Picquet disputes.

"The LCR is dead. Long live the NPA!" the militants will chant on Sunday. Their leaders have several months to demonstrate that they know how to make it live and prosper. **R**

Translation by Yoshie Furuhashi.



Thousands of protesters carry banners and shout slogans against the French government during the national strike, in Metz, France, 29 January 2009.

Perspectives for Socialism in a Time of a World Capitalist Recession/Depression

James Petras

INTRODUCTION

A serious discussion of the perspectives for socialism in Latin America today requires several *levels* of analysis, moving from *world economic* conditions, to *U.S.-Latin American* relations, to their *specific impact on Latin America*. The analysis must focus on how the economic recession/depression impacts on the changing political-economic systems and the class structures. Finally, within this framework, it becomes necessary to examine the development of the class struggle and anti-imperialist movement in specific countries and under different regimes.

While there are broad similarities to previous ‘recessions’ and economic cycles, there are many good reasons to think that what matters most in the present world conjuncture is the *specific world historical* conditions, which mark the present economic recession as very distinctive or ‘unique.’

SPECIFICITIES OF THE CURRENT RECESSION/DEPRESSION (RD)

We refer to the present crisis as ‘recession-depression’ because the negative growth of capitalism is a current ongoing process that is still in its *opening phase*: The *current recession* is still spreading and likely will deepen into a depression as early as *mid-2009* onward for a prolonged period. Secondly, the recession/depression is spreading unevenly in terms of depth and timing, with some countries and regions in more ‘advanced’ states of crisis (U.S.-EU-Japan) than others (India and China).

A serious analysis of the current RD must take account of the *massive structural changes* in the composition of capital which have taken place over the last 50 years, which preclude any attempt to theorize about ‘long waves’ of capitalist cycles, and to make comparisons with previous recessions/depressions between 1929-1939 and later.

Any attempt to theorize about the length, duration, possible collapse of capitalism and emerging anticapitalist forces begins with recognition of the *new economic configurations* of capitalism and the resultant new class formations.

THE UNIQUENESS OF THE ‘NEW CAPITALISM’ IN THE CONTEMPORARY WORLD

There are several unique features that define the current RD of world capitalism. These include:

1. The *entire world* with minor exceptions is now *incorporated* into the world capitalist market under private capitalist owners who control the principal means of production and distribution and employ wage labour. There are no longer communist

economies run on the basis of state ownership and planning. The USSR, China and their allies and ex-clients in Eastern Europe, Asia and Africa have been converted into capitalist countries subject to the capitalist market. As a result, the entire world economy is now, for the first time in modern history, *subject to the effects* of world RD.

2. The level of integration between ‘national’ capitalist economies is deeper and more widespread than ever before in history, increasing the speed with which recessions in one major country or region are transmitted to the next.

3. The concentration and centralization of capital and their interlock, in particular the financial sector, has reached levels unprecedented in the past, thus facilitating growth of credit, financial power and wealth and the paper economy in periods of expansion and multiple crises in all economic sectors (manufacturing, agriculture, public finance) in time of collapse.

4. Today the size and extension of wage and salaried workers is qualitatively greater than any other period in world capitalist history: The working class, in all its variants (employed and unemployed, seasonal, contract or subcontracted, formal and informal) is the principle source of capitalist revenue and income (directly through profits or indirectly via interest, taxes, royalties and rents).

5. The composition of capitalism is vastly different from any previous period in history. In particular the relationship between finance and productive capital. In the United States and the United Kingdom, finance capital is the *nerve center* for the concentration of capital; capital is transferred from all other economic centers and invested in speculative economic activities throughout the world economy. The centrality of finance capital explains the subsequent boom in commodity speculation, the real estate and housing bubble, and the conversion of the U.S. economy from an export-manufacturing center to ‘FIRE’ (finance, insurance and real estate) and consumer import economy. The rise of finance-consumer capitalism in the U.S. and UK and to a lesser degree on the continent created a new world division of labour in which Asia, especially China, South Korea and Taiwan became the manufacturing export workshops of the world, South America agro-mineral and oil exporter, the Middle East the oil financial sub-center and Africa the target of agro-mineral colonization subject to resource exploitation by the new Asian and older Euro-American imperial powers.

6. Latin America’s ‘restructured’ capitalist economy emerged from the recession and financial crisis of the 1990’s with its axis of growth anchored in agro-mineral exports. Between 2003-2008

all Latin American economies, regardless whether they were center-left or rightist, based their strategy on the 're-primarization' of their economies. The driving force of capitalist growth was centered on agro-business and mineral exporters. Export capitalism *re-defined* the class structure and *increased dependence* on overseas markets and diversified trading partners in Asia.

7. Primarization in Latin America led to the strengthening of neoliberalism and the reconfiguration of state policy to favor agromineral exporters and accommodate the poorest section through vast clientelistic 'poverty programs.' Social movements and trade union leaders were co-opted. Surplus labour was 'exported' (overseas migration) and vast sums of overseas remittances were 'imported.'

8. The centerpiece of this 'new world order' was the United States financial system with its global networks penetrating the world economy. U.S. financial dominance led to: 1) de-capitalization of manufacturing; 2) the massive expansion of real estate speculation; 3) debt-financed consumerbased growth; 4) the stimulation of Asian manufacturing growth and exports; and 5) the boom in commodity production, exports and prices in Latin America. The link between the rise of U.S. finance capital, the growth of Asian export industries and Latin American commodity boom was responsible for the high growth period up to 2007 and the subsequent collapse and deep recession beginning in 2008.



U.S. DEPRESSION/RECESSION: THE DOMESTIC CONSEQUENCES

The U.S. economy is rapidly descending from a recession into a depression. Hundreds of thousands of workers are losing their jobs each month. One out of five workers are out of work or working part time. One out of every ten homeowners cannot meet their mortgage payments and face eviction. The GNP will be receding at a rate between minus 2% to minus 5% for 2009. Manufacturing is declining to minus 6%. Consumer spending is down 25%. Bankruptcy rates are at depression levels. Credit is drying up. Major banks survive only because of the trillion dollar government bail-outs. Unemployment, bankruptcy, credit freeze, corporate losses and debt – a general depression – has devastated the domestic U.S. economy, severely damaged the 'real economy' and stock market. Massive state spending and subsidies have failed to stimulate the financial system and to encourage lending to the productive sectors and to finance household consumption. U.S. Treasury bonds are now paying negative interest rates (1%), far below the rate of inflation.

The multi-billion dollar Wall Street swindles have destroyed confidence between banks and investors, lenders and borrowers, government and industrial firms. The capitalist system has broken down. As an economic system it no longer performs its most basic functions, at a minimum level of efficiency: To produce, lend, employ, consume, trade and house.

The U.S. depression/recession has a profound impact on all the world's economies. Contrary to the 'decoupling theories,' which argued that countries in Asia, Latin America or Europe had achieved autonomy, the U.S. recession has led to a precipitous decline in European, Asian and Latin American exports to the United States.

The U.S. financial crash has profoundly affected banks in Europe, Asia and Latin America – leading to the drying up of credit and massive capital flight as investors and speculators withdraw capital to cover losses in the USA. The U.S.-European-Asian recession is rapidly moving toward a depression and with it massive numbers of bankruptcies, unemployment, pension loss, home foreclosures, poverty and the further concentration of capital in a few state-financed private banks. The traditional 'monetary stimulus' of Central Bank, interest rate reductions, has clearly failed. Even though U.S. interest rates are reduced to 0.25% (almost zero), the Central Bank admits these measures have not even slowed down the descent into a deeper recession. The U.S. capitalist state has resorted to unprecedented printing of money to finance its gaping \$2-trillion deficit for fiscal year 2009 and to avoid the collapse of basic federal, state and local government services. Major firings of public employees and the closure of social services have multiplied as social services have been slashed.

What is striking about the U.S. political-economy in this deepening recession is the *divergence in performance* between the stock market and the real economy; the vast reduction in public spending in the civilian economy and the increase in military

spending; the reduction of civilian employees and the escalation of troops sent to war. In other words, the capitalist state is allocating its scarce resources to rebuild the empire and engage in multiple wars even as it *starves* the civilian administration of resources at a time when it verges on bankruptcy and the productive domestic economy collapses in a deepening recession.

A similar divergence in state policy is evident with relation to the vast sums allocated to support the financial sector and the total neglect of the productive economy. As the number of big banks pulled back from the brink of collapse has relative stabilized, thousands of major manufacturing, mining, construction and transport enterprises have gone bankrupt or are on the verge of failure with virtually no state support.

This peculiar and specific character of the U.S. capitalist crisis leads to several tentative observations:

1. Military-driven empire building is the primary priority driving state policy over and above the domestic (and even export) productive economy. While the military budget and personnel grow, private investment funds and employment in productive sectors shrink.

2. The military-imperial complex is *relatively* and perhaps temporarily *independent* or *'autonomous'* from the domestic productive economy. In fact, there seems to be an inverse relation: As the domestic economic crisis deepens, the military-imperial complex expands. Those who believed that the economic recession would undermine military-driven empire building and wars and force the government to concede defeat, withdraw or 'negotiate' with adversaries, submit to multilateral coordinated decisions have been proven wrong. One might concede that a prolonged recession/depression *may ultimately force* the government to retrench military empire building in the face of mass unemployment and even mass hunger. However, even that is uncertain given the lack of any mass protests and the reduction of the bureaucratized private trade union sector to below 5% of the labour force. There is no protest even with the massive layoffs of unionized automobile, steel and other industrial workers.

There is no *pre-determined* point at which sufficient political pressure might arise to reverse the predominance of military imperial priorities over the civilian domestic economy. How many imperial wars of what duration will be counterposed to what percentage of unemployed and underemployed workers to set in motion a political shift to confronting the domestic recession/depression? Will it be 2 or 3 wars versus 20-30% unemployment and underemployment? What is certain is that there is absolutely no pressure from within the Obama Presidency or among the Democratic and Republican members of Congress to reverse the supremacy of empire building over the domestic economy. The Imperial Wars will go on; the domestic economy will continue to decline.

The State's highest priority is placed on the military-imperial and financial sectors despite the breakdown of the domestic economy and the drain from the prolonged and failing imperial wars in the Middle East. This suggest that we are dealing with deep *structural relations*, which cannot be changed or reversed by one or another elected political official: Deep structures can-

not be uprooted in the current context; new 'economic stimuli' can only activate short term projects, whose scope and depth is limited by the voracious demands of the imperial wars and the dysfunctional financial system.

In conclusion, under present political conditions in the U.S., despite the deepening recession, the continued imperial military losses and the transition to an economic depression, the perspective is for the U.S. to continue to drive toward political (and military) confrontation with nationalist, anti-Zionist, populist and socialist government and movements. They will act unilaterally when necessary or with clients and collaborator states where possible.

IMPACT OF WORLD RECESSION AND U.S. IMPERIAL REVIVALISM IN LATIN AMERICA

Latin America's economies are feeling the full brunt of the world recession: Every country in the region, without exception, is experiencing a major decline in trade, domestic production, investment, employment, state revenues and income. Latin America's GDP projected growth for 2009 has declined from 3.6% in September 2008, to 1.4% in December 2008 (*Financial Times*, January 9, 2009). More recent projections estimate Latin America's GDP per capita falling to minus two percent (-2%). As a result bankruptcies will proliferate and state spending on social services will decline. State credit and subsidies to big banks and businesses will increase. Unemployment will expand, especially in the agro-mineral and transport (automobile) export sectors. Public employees will be discharged and experience a sharp decline in salaries. Latin America's external financial flows will suffer the loss of billions of dollars and euros from declining remittances from overseas workers. Foreign speculators are withdrawing tens of billions of investment dollars to cover their losses in the U.S. and Europe. Foreign *disinvestment* replaces 'new foreign investment,' eliminating a major source of financing for any major 'joint ventures.' The precipitous decline in commodity prices, reflecting an abrupt drop in world demand, is sharply reducing government revenues dependent on export taxes. Foreign



reserves in Latin America can only 'cushion' the fall in export revenues for a limited time and extent.

The recession means the entire socio-economic class configuration, around which Latin America's 'growth model' is based, is headed for a long-term, large-scale transformation. The entire spectrum of political parties, which dominated the electoral process, linked to the primary commodity export model will be adversely affected. The trade unions and social movements oriented toward increasing wages, reforms and greater social spending within the primary commodity export model will be forced to take direct action or lose relevance.

The initial response of the 'center-left' political regimes to the deepening recession/depression has largely focused on: 1) financial support for the banking sector (Lula) and lower taxes for the agro-mineral export elite (Kirchner/Lula); 2) cheap credit for consumers to stimulate car purchases (Kirchner); and 4) temporary unemployment benefits for workers laid off from closed small and medium size mines (Morales). The main response of the Latin American regimes up to the beginning of 2009 was, at first, self-delusion, the belief that their economy would not be affected. This was followed by an attempt to minimize the crisis, claiming that the recession would not be severe and would experience a rapid recovery in 'late 2009.' They argue that the existing foreign reserves will protect their country from a more severe decline.

According to the IMF, 40% of Latin America's financial wealth (\$2.2-billion) was lost in 2008 because of the decline of the stock market and other asset markets and currency depreciation. This decline will reduce domestic spending by 5% in 2009. Latin America's terms of trade have deteriorated sharply as commodity prices have fallen sharply, making imports more expensive and raising the specter of growing trade deficits (*Financial Times*, January 9, 2009 p. 7).

The onset of the recession in Latin America is evident in the 6.2% fall in Brazil's industrial output in November 2008 and its accelerating negative momentum (*Financial Times*, January 7, 2009 p. 5).

As a result, Latin America enters into a period of profound, prolonged recession without any serious plan or program to counteract its destructive impact.

THE RECESSION/DEPRESSION IMPACT ON TRANSFORMING THE CLASS STRUCTURE

The recession is having a major impact in transforming the Latin American class structure. The size and influence of all classes, from the top to the bottom, is deeply affected.

First of all the big fall in demand and price of primary commodities results in a sharp decline in income, power and solvency of agro-mineral exporters. Much of their expansion during the 'boom years' was *debt-financed*, in some cases with dollar and euro-denominated loans (*Financial Times*, January 9, 2009 p.7).

Many of the highly indebted 'export elite' face bankruptcy and are pressuring their governments to relieve them of immediate debt obligations. In the course of the recession/depression there will be a further concentration and centralization of agro-mineral capital as many medium and large miners and capitalist farmers are foreclosed or forced to sell. The *relative decline* of the contribution of the agro-mineral sector to the GDP and state revenues means they will have less *leverage over* the government and economic decision making. The collapse of their overseas markets and their *dependence* on the state to subsidize their debts and intervene in the market means that the so-called 'neoliberal' free market ideology is dead – for the duration of the recession. Weakened economically, the agro-mineral elite will turn to the expanding role of the state as its instrument of survival, recovery and refinancing.

The 'new statism' has absolutely nothing 'progressive' about it let alone any claim to 'socialism.' The state under the influence of the primary sector elites assumes the task of *imposing the entire burden of the recession* on the backs of the workers, employees, small farmers and businesspeople. In other words the state will be charged with indebting the mass of people in order to subsidize the debts of the elite export sector and provide zero cost loans to capital. Massive cuts in social services (health, pensions and education), and salaries will be backed by state repression. In the final analysis the increased role of the state will be primarily directed to financing the debt and subsidizing loans to the ruling class.

The economic decline of the agro-export elites makes them *politically vulnerable* because they will no longer function as the 'engine of growth.' Under conditions of 'neo-statism' one of the axis of the class struggle shifts to a confrontation over who controls the state, its budget, its expenditures and 'intervention.' Because of the central role of the state in the economy during a recession/depression all class relations and class struggles pass directly into political confrontation with the state over whether the state will save capitalist ownership of the means of production or expropriate it.

The financial and industrial sectors, linked to overseas markets and financial sectors face serious deterioration in market shares, capital financing and credit. A serious process of 'de-capitalization' will result as the recession/depression deepens in North America, Europe, Central and South America. The worst affected sectors are those with the greatest 'integration in the world market.' The greater the globalization, the more rapid has been the spread of the financial crisis in banking, automobile manufacture and communication industries. Those financial and manufacturing sectors mostly linked to the domestic economy will partly escape the downturn in the *early phases* of the crisis.

The idea that somehow because Latin America went through an earlier regional crisis (1998-2002) it can escape the full effects of the current recession/depression is not credible. Latin America cannot 'build capitalism on one continent.' Latin America's delay in feeling the full blast of the 'first wave of the recession' (2008) only means that as the second wave hits in 2009,

there will be major plant closures of subsidiaries of multi-nationals and bankruptcies of all the 'satellite industries.' This will be accompanied by massive lay-offs of industrial workers and wage reductions. Because of the socio-political importance of industrial workers concentrated in urban centers and the dependence of service employment on the industrial sectors, the state will be forced to intervene with some compensatory unemployment programs with public works at subsistence wages. In so far as the trade unions cannot transcend the collective bargaining framework, *new forms of mass organizations of the semi-employed and unemployed workers* will likely emerge, using the tactics of direct actions – paralyzing the roadways, transport networks and occupying closed plants and public buildings, similar to what occurred in Argentina between 2000-2003.

The informal sector will multiply, as millions of unemployed crowd the streets competing fiercely in a shrinking labour market. In the face of recession/depression and border controls, overseas emigration as an escape valve will no longer be available. Internal and inter-country migration will offer no relief. The lack of savings, unemployment benefits, and the decline of overseas remittances, combined with meager public works programs used for 'political patronage,' will raise the 'political temperature' in the urban centers and slum settlements surrounding the capital cities.

Nevertheless, there will not be any 'automatic radicalization.' The specter of 'hunger' may just as well encourage a turn to rightwing populist demagogues or even an increase in urban gangs and the growth of the underworld economy, as well as leftist-led unemployed and informal worker organizations and anticapitalist factory occupations. There are examples of vibrant unemployed workers organizations from the recent past, especially in Argentina. Nevertheless, the new circumstances require adapting and developing new forms of struggle, not merely repeating experience from the past, embedded in different historical contexts.

The abruptness, depth and extent of the capitalist recession make most electoral institutions and formal legislative bodies irrelevant: The massive spread of unemployment, bankruptcies and revenue losses cannot be dealt with through the lengthy negotiations and inconclusive debates of parliaments. Executive and extra-parliamentary direct action become the order of the day.

CONSEQUENCES OF THE RECESSION FOR THE LEFT

The capitalist recession/depression, by itself, is no guarantee that the Left will be the principle beneficiary of the ensuing popular discontent. Several *contingencies* will be crucial in determining the initial political character – most of all that of the *incumbent regime* in power as the recession unfolds. Where the self-styled 'center-left' regimes are in power, as in Argentina, Bolivia, Ecuador, Uruguay, Paraguay, Chile and Brazil or the nationalist left as in Venezuela, and where state-funded 'stimulus packages' fail to counteract the recession-depression, political conditions will favor the return of the right. The right will rely on state intervention to finance capitalist recovery and to harshly

repress mass protest. Where the neoliberal right rules as in Mexico, Peru and Colombia, the mass popular movements will find political expression through leftist political organizations.

In the absence of any strong nationally organized revolutionary force, the recession/depression, by itself and even with mass protest, will not lead to a social transformation. At least in the initial phase of the crisis in 2009, most 'mass pressure and struggles' will be directed to conserve jobs, block mass layoffs and even some 'defensive' factory/enterprise occupations. This may be accompanied by demands for greater state involvement, either through subsidies to failed enterprises or selective nationalizations. The total demise of neoliberal ideology is inevitable; but its initial replacement will most likely take the form of 'state capitalism.' The most radical responses and popular demands will occur in those countries most dependent on primary product exports and world demand, and in those countries most integrated to the depressed markets of the U.S. and EU. These countries include, in particular, Mexico, Central America, Ecuador, Peru, Venezuela and Bolivia. Chile, Argentina, Brazil and Colombia, with more diversified exports and a larger internal market, will also be impacted by world and regional recession but 'not as severely or abruptly.' The recession will proceed in phases, cushioned initially by large foreign reserves. By mid 2009, the recession will accelerate as capital flight, the loss of credit, investment markets and remittances intensifies. Local producers and capital markets will be hit hard. By the beginning of 2010 Latin America will be deep in recession.

Leftwing radicalization will really take hold, once the large-scale economic stimulus and public works programs fail to stimulate the economy and as the recession deepens and becomes prolonged. The key to the growth of revolutionary movements will depend on their *location* in the socio-economic centers of the crisis with organized cadre and 'local opinion' leaders capable of articulating and linking local discontent with a national plan of struggle, informed by a clearly anti-imperialist, socialist program. Given present circumstances the recession/depression opens a door of opportunity for the re-emergence of mass movements, which in turn provide an active audience for the revival and renewal of socialist movements. The renewal of socialist mass movements will reflect the recent limitations of 'leftist fragmentation,' 'spontaneism' and a lack of deep implantation in factories and neighborhoods. The world recession not only undermines the legitimacy of neoliberal-ism but of the entire capitalist class configuration. The collapse raises the specter of 'statist nationalism' as a prelude to a publicly directed economy. In the context of capitalism, which is unable to operate through market mechanisms, bankrupt and weakened export strategies and growing protectionism, severe strains in U.S.-Latin American relations are inevitable and promising for the success of a socialist project.

U.S.-LATIN AMERICAN RELATIONS 1998-2008

To understand the current and immediate future of U.S.-Latin American relations, it is necessary to identify four clearly demarcated periods: 1) The 'Golden Age of Imperial Pillage' (1990-

1999); 2) Crisis and Political Challenge (2000-2003), 3) the ‘relative autonomy’ of the commodity boom period (2004-2008) and 4) world recession/depression and declining power of imperial capital (2009 onwards).

The ‘Golden Age’ of Euro-U.S. imperial pillage of Latin America was characterized by relations of intense exploitation (what Guido DiTella, Argentine President Menem’s Foreign Minister dubbed a ‘carnal relation’). This period was defined by the unlimited pillage and transfer of profits, resources, rents, royalties and interest payments. Euro-U.S. capital acquired – at below market prices – banks, mines and vast expanses of land, which, in its totality, scope and durations, was unprecedented in modern imperial history (post WWII). Over three thousand lucrative public enterprises were ‘privatized’ and de-nationalized at a fraction of their market value. Loans were contracted at exorbitant interest rates, most of which rarely entered the country and rarely served any productive purpose. In all the international and regional forums, Washington could count on the votes, diplomatic support and even the provision of mercenaries to back Bush and Clinton’s imperial military conquests (Yugoslavia, Kosovo and Somalia) and maintain embargoes (Cuba, Iraq and Iran).

The U.S. economic domination of Latin America exceeded even that of the preceding decade under some of the dictatorial military regimes: The neoliberal electoral regimes proceeded to privatize militaryrun industrial enterprises.

The ‘Golden Age’ of Euro-U.S. pillage and absolute dominance was based on close collaboration with corrupt rightwing electoral regimes. The latter were dubbed ‘democratic’ or ‘in transition to democracy’ by Euro-U.S. and Latin American academics funded by the major imperial foundations (Adenauer, Ebert, Ford, Rockefeller, the Fulbright Scholarship, National Endowment for Democracy). U.S. imperial rule operated through electoral collaborators, business elites and security officials *at the top* and an army of Euro-U.S. funded ‘NGOs’ in the countryside, cities and poor communities *at the bottom*. With World Bank funds, the NGOs acted to undermine independent class movements by focusing on ‘local’ micro-projects rather than national structural transformations.



For U.S. officials, relations with Latin America, established in the ‘Golden Age,’ were taken as the *norm and the bases of all future relations*. They were oblivious to the fact that: 1) pillage was leading to mass exploitation, unemployment, internal crisis and financial disintegrations; 2) independent extraparliamentary movements were gaining influence and hegemony among the majority and power to overthrow not only military dictatorships but especially corrupt imperial electoral clients; and 3) that U.S. ‘hegemony’ did not penetrate below the top elites. Generalized opposition to U.S. dominance was extending to broad sectors of the downwardly mobile middle class, especially in the public sector adversely affected by neoliberal ‘privatizations.’

THE DEMISE OF US DOMINANCE: POPULAR UPRISINGS OF 2000-2003

Just as U.S. power stood virtually unchallenged during the ‘Golden Decade.’ The period between 2000 and 2003 witnessed mass popular urban uprisings, massive rural movements and the emergence of Indian-based takeovers of regional and local governments. As a result, U.S. dominance evaporated along with the demise of its hegemonized collaborator elites.

Between 2000-2003, Latin American politics took a decidedly ‘left turn’ as the U.S. most prominent supporters were defeated, ousted and/or fled from office. Angry majorities took to the streets, badly hit by a combination of financial and economic crises, the pillage of resources, enterprises, bank accounts and the emptying of public treasuries. The fallen U.S. clients (or would-be clients), included the Presidents of the several countries of the region: De la Rúa in Argentina, Sanchez de Losado in Bolivia, Noboa in Ecuador, the 48-hour civil military coup-plotters in Venezuela (2002), and Cardoso in Brazil.

The driving force behind these political revolutions were powerful social movements, in particular those representing the urban poor, Indians, peasants, unemployed workers and downwardly mobile public employees. In contrast to the past, organized urban trade unions and students played a secondary role. As in all empires, U.S. dominance depended on the capacity of the local ruling class to maintain political control either through force, fraud or corrupt electoral procedures. Once the client ruling electoral class was ousted, U.S. influence over the countries sharply diminished.

The political result of the period of mass mobilization was the emergence of ‘center-left’ regimes, a hybrid reflecting some of the consequences of the mass power as well as the continuities of the clientele politics of the past. The period of mass mobilizations challenged many of the fundamental features of ‘Golden Age’ of U.S. imperial rule. The movements called into question the privatizations and denationalization of the economy, the massive illicit foreign debt, the advance toward a highly prejudicial ‘free trade – free market’ agreement with the U.S. and a banking system subordinated to and plundered by local and foreign speculators linked through overseas subsidiaries.

Even as the movements were *not* able to enforce any fundamental changes in property or class relations, they were able to force through a number of other important secondary changes, including banking regulations to limit pillage and foreign-dictated monetary policy, the re-nationalization of a few enterprises that were taken over by workers or were considered of national importance.

In the case of Venezuela, the Chavez government carried out large-scale nationalization of the state petroleum company, which had been run by executives who subordinated the industry to U.S. MNCs and foreign banks.

The most important mass movements initially imposed a rough framework of national autonomy, which allowed the emerging center-left regimes to adopt a more flexible and autonomous posture in pursuing national interests independent of the USA.

THE PERIOD OF 'RELATIVE AUTONOMY' 2005-2008

If the U.S. suffered a severe loss of influence in the first half decade of the early 2000s due to mass mobilization and popular movements ousting its clients, during the subsequent 4 years the U.S. retained political influence among the most reactionary regimes in the region, especially Mexico, Peru and Colombia.

Despite the decline of mass mobilizations after 2004, the after-effects continued to ripple through regional relations and blocked efforts by Washington to return to relations that had existed during the Golden Decade of pillage (1990-1999).

While internal political dynamics put the brakes on any return to the 1990's, several other factors undermined Washington's assertion of full scale dominance:

1) The U.S. turned all of its attention, resources and military efforts toward multiple wars in South Asia (Afghanistan), Iraq and Somalia and to war preparations against Iran while backing Israel's aggression against Palestine, Lebanon and Syria. Because of the prolonged and losing character of these wars, Washington remained relatively immobilized as far as South America was concerned. Equally important Washington's declaration of a intensified world-wide counterinsurgency offensive (the 'War on Terror') diverted resources toward other regions. With the U.S. empire builders occupied elsewhere, Latin America was relatively free to pursue a more autonomous political agenda, including greater regional integrations, to the point of rejecting the U.S. proposed 'Free Trade Agreement.'

2) Washington's heavy emphasis on military-driven empire building drained state resources from bolstering its economic empire in Latin America and contributed to the relative decline of the U.S. as the dominant market and source for Latin American exports and imports (except for Mexico). The result was that Asia, Europe, the Middle East, Russia and neighboring Latin American countries became increasingly important trading part-

ners. With the declining importance of U.S. markets, the U.S. lost some of its leverage and influence, especially with regard to 'political issues.' Latin America *rejected* the US embargo of Cuba and its pressures to isolate Venezuela.

3) The boom in commodity prices of primary exports from Latin America increased the region's trade surplus. The size of its foreign reserves reached record levels and eliminated the influence of the U.S. via the IMF in particular, and the international lending agencies in general. With world demand high for energy, metals and agro-exports, Latin America diversified its markets, suppliers and sources of external financing. Paradoxically, while the center-left regimes gained relative autonomy in relation to the U.S. via their agro-mineral exports, they strengthened the position of their primary product exporting elites, which historically have been the most pro-Washington sector of the class system.

In summary, the combination of failed U.S. geo-military commitments, favorable world market conditions and the legacy of mass mobilizations, provided the center-left regimes with a degree of *political autonomy from the U.S.* – a midpoint between the crass subservience of the 1990's and the rebellious spirit of national liberation of the earlier half of the first decade of 2000.

FROM ECONOMIC BOOM TO BUST 2008

The advance of the center-left regimes, during the first half of 2008, the continued increase in world agro-mineral prices, the abundance of world liquidity, the growing foreign reserves and the incremental social changes ended by mid-year. With the onset of the world recession/depression, Latin America's exports, growth and reserves stagnated. The decline of world trade and the collapse of commodity prices starting in September eroded the high growth expectations of the center-left regimes, particularly of Brazil, Argentina, Venezuela as well as other countries in the region.

The current world capitalist crisis has several features that require analysis in order to understand the political and economic dynamics of U.S.-Latin American relations in 2009/2010.

Unlike in the past, the recession hit the U.S. and Europe *first* and more *severely before* it spread to Latin America. In part this was the result of Latin America's most recent crisis (1999-2002), which 'destroyed' many of the toxic assets in the system and lessened the links to the speculative heartland. Secondly, the commodity boom reduced overseas dollar-denominated public debt, increased foreign reserves and stabilization funds, allowing Latin American regimes to 'cushion' the initial shocks of the world recession, at least from October 2008 to March 2009.

Because Latin American diversified its markets and because its new Asian markets retained their resiliency for a longer spell, the recession entered Latin America 'later' than in Europe and the U.S. beginning around November-December 2008 and deep-

ening in February-March 2009. Finally because Latin America's speculative sector was still weak after the crash of 2000-2001, it was not as 'integrated' into the Anglo-American housing bubble and therefore not as damaged by the bursting of the bubble in 2007-2008.

While recognizing these specificities of the Latin American economies and the differential impact of the world recession on Latin America, the fact of the matter remains that Latin America has been hit and with considerable force by the spread of the world recession throughout 2009 and beyond. The belief, stated by Brazil's President Lula da Silva in 2008, that Brazil can 'avoid' the worst effects of the recession are pure fantasy.

The recession will spread and deepen in Latin America and it will undermine precisely the 'engines' of growth – the primary export sector – and spread throughout the economy. The budget surpluses are temporary stopgaps to finance some stimulus packages – but they are totally insufficient to reverse the fall in all export sectors, the drying up of private credit and the drying up of new local/foreign investment. In fact the first sign and substance of growing recessionary tendencies is the large outflows of capital by investors anticipating the crisis. The other sign of the deepening recession is the decline of exports (both in quantitative and value terms). The decline in government revenues especially derived from export earnings is eroding public spending. The decline of the twin dynamics of trade and state investment and earnings is precipitating a sharp fall in the services (finance, real estate, commerce and transport) and local consumption and production (manufacturing, automobiles, textiles and so on).

Latin America's growth over the past 5 years was heavily dependent on public and private debt financing. Over \$150-billion of Brazil's \$600-billion public debt falls due in 2009. With the U.S. borrowing over \$1-trillion this year, it will be impossible for even the most 'neoliberal' regimes in Latin America to raise the financing in the international market. Large-scale private corporate debt in Latin America, especially dollar-denominated debt, will cause a serious liquidity problem and large-scale bankruptcies. Even countries with large foreign reserves, like Chile and Brazil, will see those reserves evaporate as the recession extends beyond 2009-2010. Latin America will need \$250-billion dollars just to pay off maturing debt; these funds are just not available internally or externally. That Latin America enters 'later' into the global recession does not mean that it will leave sooner.

There are several reasons to assume the opposite: The center-left regimes did little or nothing to deepen the internal market, nor did they diversify their export products. On the contrary, they created a new emphasis on primary products for export in order to take advantage of the temporary high prices of 2003-2008. The center-left retained the privatized, foreign-owned strategic sectors inherited from the previous neoliberal regimes, severely weakening the economic levers through which it could revitalize the economy. With the banks remaining under private foreign control, loans to the productive sector are restricted. The

privately owned industrial sector is not willing to risk new investments especially in the face of the growing recession in the United States. The state only intervenes via channeling state loans and investment to the private sectors and depends on their willingness to make the 'appropriate' productive employment-generating investments. At best, this is a hit or miss proposition; at worst, it leads to 'slippage' or loss of investment funds. Under these conditions the center-left has to re-nationalize in order to invest for recovery, focus on new public projects in infrastructure (with its limited effects on employment), impose capital controls, suspend debt payments and run large-scale fiscal deficits to avoid a depression.

Latin America, contrary to the illusions of some Presidents and economists, cannot sustain regional growth or even stabilize capitalism in one region – not in an ocean of depressed advanced capitalist countries.

WHAT IS TO BE EXPECTED? WHAT IS TO BE DONE?

A discussion of immediate and future prospects for revolutionary politics must start with a realistic analysis of the anti-capitalist, socio-political forces, as they *exist* today, and their *potential* for growth in the near future.

A realistic assessment of the proximate period begins by taking account of the *striking contrast* between the extraordinarily favorable '*objective conditions*' (the prolonged and deepening world capitalist recession/depression) and the *weak* and *uneven development of the 'subjective' conditions* (organized mass anti-capitalist movements or parties). In other words we are in an unstable period where *both* capitalism and socialism are weak. The question becomes which side will be able to intervene, reorganize and recompose its forces to take advantage of the other.

This requires an 'inventory' of advantages (and disadvantages), reserves and resources of each side in order to evaluate the possible outcome of future conflicts and confrontations in a time of *deepening world recession*.

ENTERING THE RECESSION: THE LEFT

The 'Left,' as it is known in broad terms, includes the Chavez government, the independent rural and urban class social organizations, peasant and Indian movements, and the guerrilla movements of Colombia, militant independent trade unions and nationalist and Marxist political parties throughout the region.

Over the past 20 years the left has suffered several tactical defeats. At times it has been in retreat, and some organizations have declined or disappeared. Nevertheless the Left has not suffered any *strategic historic defeats* – such as the military seizure in Brazil (1964), Bolivia (1971), Uruguay (1972), Chile (1973) and Argentina (1976) – which destroyed the mass organizations, decimated the cadres and leadership and atomized the rank and file. The left has experienced over 20 years of *continuity*, accumulating experiences, educating its supporters and recreating its

organizations, at a minimum to defend the immediate interests of its supporters.

In the case of Venezuela – the pivotal center for the advance of the Latin American Left – the Left has moved from opposition to government (1999), has overcome coups, imperialist destabilization campaigns, employers' lockouts and sabotage. The Chavez government has financed a dynamic mixed economy, advanced welfare programs and created a mass socialist party (PSUV).

The left movements have demonstrated their capacity to effectively mobilize large masses of supporters on numerous crucial occasions to overthrow pro-imperial electoral client Presidents, mobilized to defend left and center-left presidents (Venezuela and Bolivia) and engaged in street demonstrations and organized the unorganized in prolonged street warfare. The latter include the unemployed workers in Argentina (1999-2003), the Brazilian Landless Rural Workers Movement (MST) (1985-2002 with a decline under Lula from 2003-2008) and the Bolivian workers-peasant/Indian urban insurrections (2000, 2003 and 2005).

The trajectory of the mass movements however has not always been upward – the bulk of the most successful movement mobilizations took place between 2000-2005, followed by a relative decline in the three years predating the current world recession. The Left was weakened by the primary commodity boom.

The brief, but, intense capitalist recovery of 2004-2008 (until September) gave rise to both reformist and 'center-left' regimes of Correa, Morales, Kirchner/Fernandez/ Vazquez and Lula, as well as the rightist regimes.

The 'weak side' of the Left going into the world recession is the fact of the fragmentation, dispersion and internal conflict among the Leftist parties in Latin America, limiting their capacity to compete for state power.

The mass movements and trade unions have been weakened and divided and sectors of their leadership has been co-opted by the center-left regimes. The latter used the movements to neutralize and depoliticize mass mobilizations. As the recession deepens and unemployment rises, center-left control is weakening. Lula co-opted the majority of the trade union leadership of the CUT (its General Secretary became Minister of Labour), weakened the MST through limited financial aid to its co-ops, broken promises, repression, and above all by channeling billions of Brazilian reales toward the agro-business export elite.

With the recession, Lula's control will be severely 'tested.' As unemployment grows and agro-exports decline, mass discontent will intensify.

The left movements under the rightwing and center-right regimes of Uribe in Colombia, Garcia in Peru, Bachelet in Chile and those of Central America and the Caribbean, have regained

social and, in some cases, political space. The electoral and extra-parliamentary struggles challenge neoliberal hegemony.

Particularly in Colombia and Peru, the entire 'interior' (provincial capitals, towns and countryside) has produced mass peasant and urban regional movements. These movements have challenged the central state over the distribution of public wealth and the destruction of local habitat and economies by multinational corporations. The collapse of commodity prices and growing unemployment may create 'dual power situations' based on regional power blocs.

In the period immediately preceding the recession (2007-2008), mass mobilizations took place in countries and among classes, which were different from the economic sectors of the earlier decade. For example, militant mass mobilizations in Colombia, Peru and Costa Rica exceeded those in Argentina or even Bolivia in the period 2005-2008. Within Colombia, while the guerrillas were regrouping and in tactical retreat, mass marches of Indians, students and trade unionists took the foreground in the struggle against the murderous Uribe regime.

The major weakness of the social movements is obvious: They have a largely 'sectoral' leadership and base and do not have national structures. Even as they embrace a more general society-wide program, their leadership lacks independent sources of financial and material resources to provide for a national cadre structure. Above all, they lack a practice and program for taking political power – state power. As they gain influence and mass support, they turn toward or ally with the 'center-left' political leaders who have demonstrated repeatedly that: 'Out of power they are with the Left, but in power with the Right.'

WHAT IS TO BE DONE?

The end of the commodity boom means there will be a rise in unemployment among miners, petroleum workers, and the agricultural proletariat concentrated in homogeneous communities, with their traditions of class struggle, organizations and 'consciousness.' Isolated, localized protests are inevitable and, in fact, are already occurring by the end of 2008. The sharp fall in the exports and domestic consumer market will provoke an increase in unemployment among industrial workers, especially in the automobile and related manufacturing industries, opening the door for a renewal of the organization of 'unemployed workers' for direct action. The decline of state revenues, dependent on taxes from agro-mineral exports, will result in the firing of state employees and the freezing of new hires. This means that tens of thousands of young graduates of universities, teachers colleges, preparatory, technical and secretarial schools will be out of work, creating a potential vast army of young people with no future and available for organization and action.

The recession/depression (general crisis) will discourage international migration and will cause a return of migrants. There will be a huge loss of remittances from overseas relatives and workers, intensifying local hardships, tensions and the necessity

to struggle 'at home.' The 'world' nature of the recession eliminates out-migration as the "escape valve" of the past several decades. The sectors of the population, who in the past emigrated, are of the same age and ambition as those who stay and organize class organization. Blocked from overseas emigration, these young workers are likely recruits to reinforce and radicalize the movement of the under and unemployed.

There is no question that the pressures 'from below' will intensify. But in the absence of concrete organizations of struggle rooted among the young, in the neighborhoods, among the vocational students in the major plazas, and in the streets 'employed' as 'informal workers,' the anger and discontent can take many apolitical or even reactionary forms. Crime will increase astronomically, especially contraband, drugs, prostitution, assaults and kidnapping. New recruits for rightwing paramilitary and 'security agencies' can be found among the chronically unemployed or those on the edge of subsistence. Millenarian cults, charlatans and spiritualists can mystify the least political and those socially isolated in household economies.

In other words, the same *objective* circumstances of economic desperation, the same subjective frustration can lead to divergent social and political/apolitical responses. *The emergence of anti-capitalist consciousness is contingent on the active presence and close links of socialist organization to everyday struggles.*

PERSPECTIVES ON LATIN AMERICAN RELATIONS TO THE U.S. EMPIRE

U.S. foreign policy, especially 'everyday' decisions are made by the permanent officials of the state (Pentagon, State Department, CIA and Treasury). Permanent staff members make over ninety percent of the foreign policy decisions. They form the vast majority of functionaries engaged in collecting information, preparing policy papers and designing options. This means that there is great continuity in policies, methods of operation, strategy, alliances and, above all, *interests* to be pursued and adversaries to be attacked.

The continuities in U.S. policy toward Latin America are exclusively defined by the need to defend its political, economic and military empire (and if possible extend its reach), defeat and destroy its enemies and out-compete its imperial rivals. Defense and expansion of the empire involves (1) retaining economic dominant positions, (2) maximizing economic linkages, profits, interest, royalties and capital transfers, (3) maintaining control over strategic economic sectors and trading partners. Military supremacy is pursued by establishing military treaties, bases and joint military maneuvers with 'local military commanders.' Political supremacy is achieved by securing political officeholders willing to extend or consolidate U.S. economic and military power.

The key to the success of U.S. 'neo-colonial' empire building is the recruitment and control over collaborator/ client regimes. They perform all the 'colonial state functions' facilitating economic exploitation, putting down resistance and providing

military force for imperial interventions. Without collaborator regimes and their ruling class supporters, Washington's imperial power is severely diminished, their regional influence over economic policy declines and the U.S. must either resort to costly and risky direct military intervention or play a marginal role.

U.S.-Latin American relations are profoundly influenced by political-economic-military contingencies, such as: war and peace, economic booms and recessions, economic crises, revolutions, uprisings and reactionary coups. An understanding of U.S.-Latin American relation today is dependent on understanding both the structure (imperial) and the contemporary contingencies (world recession/multiple wars).

The economic boom in Latin America between 2003-2008 was led by Latin American exports, which increased its revenues and reserves and, most importantly, lessened its dependency on U.S.-Euro controlled international financial agencies, like the IMF. Greater 'domestic financial resources' and greater diversification of trading partners provided the basis for greater political flexibility and created a more 'nationalist' foreign policy. In some cases like Venezuela, it strengthened overt opposition to U.S. imperial institutions, policies and interests.

U.S. imperialism's prolonged and costly military efforts at empire building beginning in 2001 and continuing to the present, further weakened U.S. imperial relations in Latin America. Most political-military resources were concentrated in the Middle East, especially Iraq and Afghanistan, which lessened U.S. pressure on Latin America. Prolonged wars weakened domestic political support for new military interventions in Latin America. The hundreds of billions of dollars spent on military driven empire building in the Middle East, *diverted* funds from investments directed toward enlarging and consolidating the empire in Latin America.

The simultaneous abrupt overthrow of the collaborator regimes of the 1990s occurred when Washington was not in a position to engage in a reactionary restoration: At best it backed the emergent 'center-left' as the lesser evil to any more radical socialist alternatives, which might emerge. The combined weight of the loss of collaborator regimes, the growth of social movements, center-left victories, imperial wars and economic boom set in motion a process of realignment in U.S.-Latin American relations. The result was a wide spectrum of relations.

The spectrum of relations runs from independent (Venezuela), autonomous competitive capitalist (Brazil), autonomous and critical (Bolivia) to selective collaborator (Chile) to the deep collaborators (Mexico, Peru and Colombia).

Venezuela constructed its leadership of the alternative nationalist pole in Latin America, in reaction to U.S. intervention. Chavez sustained its independent position through nationalist social welfare measures, which expanded mass support. Venezuelan independence was financed by the commodity boom and the jump in oil prices. The 'dialectic' of the U.S.-Venezuelan conflict evolved in the context of U.S economic weakness and over-

extended warfare in the Middle East on the one hand and economic prosperity in Venezuela, which allowed it to gain regional and even international allies.

The U.S. suffered major losses. Washington's proposed Latin America Free Trade Agreement was defeated. Its efforts to finance the overthrow of Chavez were defeated. The State Department's policy of isolating Venezuela was a failure. Regions and countries historically under imperial domination, like Central America and the Caribbean, joined Venezuela's "Petrocaribe" organization receiving subsidized oil as part of new trade and aid agreements. Venezuela initiated a new regional integration organization, ALBA, with plans for large-scale joint ventures.

The autonomous-competitive tendency in Latin America was embodied in Brazil. Aided by the huge agro-mineral export boom, Brazil projected itself on the world trade and investment scene, while deepening its economic expansion among its smaller and weaker neighbors, like Paraguay, Bolivia, Uruguay and Ecuador. Brazil, like the other BRIC countries, which includes Russia, India and China, forms part of newly emerging expansionist powers intent on *competing* and *sharing* with the U.S. control of the resources and land of the smaller countries in Latin America. Brazil under Lula shares Washington's economic imperial vision (backed by its armed forces) at the same time as it competes with the US for supremacy. Brazil seeks extraregional imperial allies in Europe (mainly France) and it uses the 'regional' forums and bilateral agreements with the nationalist regimes to 'balance' its powerful economic links with Euro-U.S. financial and multinational capital.

At the opposite end of the spectrum are the 'imperial collaborator' regimes of Colombia, Mexico and Peru, which remain steadfast in their pro-imperial loyalties. They are Washington's reliable enemies against the nationalist Chavez government and staunch backers of bilateral free trade agreements with the USA.

The rest of the countries in the region, including Chile and Argentina, oscillate and improvise their policies between these three blocs.

What should be absolutely clear, however, is that all the countries, from radical nationalist to imperial collaborators operate within a capitalist economy and class system, in which market relations and the capitalist classes are still central players.

THE CAPITALIST CRISIS OF 2009: ITS IMPACT ON U.S.-LA RELATIONS

The election of Obama will have no change on the structure of the U.S. empire, its political-military apparatus and especially its economic interests. What will probably change are the resources and capacities in pursuit of imperial policies given the depth of the U.S. recession and the escalation of U.S. wars in the Middle East, Afghanistan and elsewhere.

United States policy to Latin America will be made by a militarist cabinet, intent on pursuing a global strategy of military driven empire-building. The key foreign policy positions in the Obama regime are occupied by notorious and well-known militarists: The National Security Adviser, the head of the CIA, the Defense Department, the Secretary of State, the U.S. Ambassador to the United Nations have been closely identified with the militarist empire-building policies of the Bush and Clinton regimes.

Nevertheless unlike Bush and Clinton, Obama's regime comes to power under severe material limitations: First the U.S. is relatively isolated in terms of 'collaborator regimes,' unlike Clinton, who ruled during the 'Era of 20 Clients,' and unlike Bush, who, for a brief period after 9/11, was able to 'mobilize' Latin American presidents (except Venezuela's Chavez) behind the 'War on Terror.' Secondly Obama comes to power after 5 years of rapid growth in Latin America, a time of relative autonomy in which an alternative anti-imperialist pole, led by President Chavez, has been established. Thirdly, Obama faces a severe domestic recession while promising an escalation of the war in Afghanistan and more military confrontations in the Middle East (Iraq, Palestine, Lebanon and, especially Iran). The fourth point is that Obama is facing 'protectionist pressure' as the economic crisis deepens, weakening any attempt to revive 'free trade' agreements. Moreover, U.S. capital is in flight out of Latin America. In contrast, the pressure of more plant closures are forcing Latin American governments to intervene and 'nationalize' bankrupt firms. Even 'bilateral free trade agreements' will be of minor significance if the US Congress refuses to approve the pact with Colombia. NAFTA, the U.S.-Mexican free trade agreement has led to U.S. subsidized food imports flooding into Mexico while the Mexican-based manufacture of car parts sold in the U.S. is leading to calls on both sides of the border for its modification.

The 'reactionary anchor' of Obama's imperial policy for Latin America will be Plan Colombia to counter Venezuelan influence. Free trade agreements with Chile and Peru in the Andean region will be used to counter Bolivia. New diplomatic initiatives with Brazil will include the likely recognition of the Lula regime as a regional imperial power.

Overall, Latin America represents a *fifth level priority* in the Obama imperial agenda: The first priority is to reconstruct the deteriorating domestic foundations of empire; the second is to launch a new imperial offensive in South Asia and the Middle East. The third level of priorities is to attempt to coordinate economic and military policies with Europe and Japan to counter the world recession and secure collective imperial-military interventions. The fourth is to negotiate with China over the severe trade imbalances and debt financing.

In the end, Latin America will receive 'residual' attention and resources. Whatever funding, military intelligence and diplomatic personnel are left over from Washington's higher priority areas will be assigned to Latin America. Having noted the limitations of the U.S. empire and Latin America's low priority,

nevertheless, *relative to its power potential* in Latin America, Washington still has formidable instruments and assets of power. First and foremost, Obama has a formidable array of strongly entrenched political allies at the pinnacle of the class structure throughout Latin America. They include private bankers, industrialists, agro-mineral exporters and multi-national executives who dominate the economies, influence most governments (even the ‘center-left’) and control numerous major regions and cities (Guayaquil, Buenos Aires, Sao Paolo, Caracas and Santa Cruz in Bolivia).

Washington, given its own limitations, will operate through local clients/allies in the economic system to undermine adversaries and finance political assets. While the U.S. is militarily over-extended in its empire, it has assets in the Latin American military, which it can move under propitious circumstances. The key strategy in this period will be to operate through clandestine and legal civilian structures. The U.S. will rely on NGOs, electoral parties, ‘civic movements’ and right-wing ‘trade unions’ to undermine nationalist parties, regimes and popular movements. Washington will, by necessity, make major diplomatic overtures to Brazil, especially toward Lula. To be successful, Washington will be obligated to recognize Brazil’s emerging imperial/regional ambitions.

Recession/depression and military spending undermines any large-scale U.S. ‘economic offensive’ toward Latin America in the form of investments and loans. The U.S. will have to rely on much weaker political and diplomatic inducements or joint political-civic-military intervention, which however will occur under the most constraining economic circumstances.

The Latin American Left has unusual political advantages: The over-extension of the U.S. outside of Latin America weakens the strength of its ruling class allies in Latin America. The defeat of its clients in the earlier half of the decade and the ‘relative distancing’ of the center-left has legitimated anti-U.S./anti-imperialist politics. The spread of the world recession/depression to Latin America will erode support for the capitalist system among the better-paid private workers and the lower middle class, trade unions and public employees. The demise of the ‘free market’ ideology will weaken the ‘hard right,’ at least temporarily, before it regroups as a more eclectic and repressive “state capitalist right.”



The new panorama facing the left requires that it sharpen its focus:

1) On the central role that the domestic ruling class plays in sustaining imperial edifice.

2) The diversification of imperial substitutes for the U.S. – especially among the old and new economic empires of Europe and Asia (The Lula-Sarkozy Pact is one example).

3) The rise of Brazil as an emerging regional imperial empire (with overseas ambitions) and how it influences the national and class struggles. In Paraguay, Bolivia, Ecuador and Uruguay nationalist struggles pass through a confrontation with Brazil over unequal and exploitative gas, oil and hydropower treaties and the colonial exploitation of vast tracts of land and resources.

4) The unification of previously fragmented economic demands and their formulation into a socialist political program in the face of a system-wide economic crisis and class-wide unemployment.

The strategic strength of the U.S. (and Brazilian) imperialists is not found in their own resources but in the fragmented organizations, dispersed actions and ideological cacophonies of the left political formations, competing social movements and spontaneous mass mobilizations.

There is no easy answer or readily available, easily discernible political leadership on the current horizon, even as the dark clouds of recession/depression obliterate the hopes of sustaining the capitalist expansion of 2005-2008. Venezuela with President Hugo Chavez offers some political direction. His program points toward social mobilization and the nationalization of privatized strategic enterprises. But the economic crisis will hit Venezuela hard. Venezuela has tied its fortunes with weak countries, like Cuba and Nicaragua and with center-left regimes, like Brazil and Bolivia, who themselves are part of the obstacles to developing a socialist alternative to recession-prone crises of capitalism.

The strategic advances of the Left in Latin America are found in its heritage of recent class victories over neoliberalism, the relative weakness of the U.S. Empire and, above all, the deepening world recession.

The current gap between favorable objective economic condition and the under-development of (subjective) revolutionary socialist consciousness is probably a temporary phenomena: The ‘lag’ can be overcome by the direct intervention of conscious socialist political formations deeply inserted in everyday struggles capable of linking economic conditions to political action. **R**

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Ecuador: New Progressive Constitution Adopted

Duroyan Fertl

On September 28, 2008, 65% of Ecuadorian voters approved the country's 20th and newest constitution – strengthening the mandate of left-wing President Rafael Correa.

Correa was elected in 2006, promising a “citizen’s revolution” to build a “socialism of the 21st century” in order to overcome the corruption rife in Ecuador, and to end the poverty that afflicts over half of the small Andean country’s 14 million inhabitants.

The drafting of the new constitution, by an elected constituent assembly, involved significant public participation.

More than 3500 organisations presented proposals to the assembly, and thousands of public forums were held in schools, universities and communities across the country in the lead-up to the referendum.

PROGRESSIVE CONTENT

Included in the 444 final articles are the right to free universal health care; free education up to university level; equal rights for same-sex relationships; a universal right to water and prohibition of its privatisation; and women’s control over their reproductive rights.

The last article opens a legal avenue for abortion for the first time in the heavily Catholic nation.

The constitution also calls for the eradication of inequality and discrimination toward women, and proposes putting a value on unpaid domestic work.

It guarantees the right to quality housing, regardless of means, and provides for the redistribution of large unused landholdings – which led to armed peasants occupying land in at least four provinces, including a number of natural reserves, immediately after the referendum victory.

The government has declared these occupations illegal, claiming that they are based on a misunderstanding of the constitution and that some of them are on environmentally sensitive land.

The response nonetheless demonstrates the willingness of the Ecuadorian people to take matters into their own hands when it is seen as necessary.

A key concept in the constitution is the indigenous concept of *sumak kawsay* (good living), which urges living in harmony with the individual, society and nature. The charter also elevates indigenous languages to the status of official national languages



for the first time in a country where more than 40% of the population are indigenous.

The constitution also declares Ecuador to be a “pacifist state,” calling for universal disarmament, condemning weapons of mass destruction and outlawing foreign military bases on Ecuadorian territory.

This is a further step toward making Correa’s oft-repeated promise to expel the unpopular U.S. airbase at Manta, whose lease expires next year, a reality.

The constitution also guarantees universal social security and the permanent right to food security. It calls for the establishment of a sustainable economic system, founded on the equitable distribution of wealth and the means of production.

Perhaps one of the most notable features is the granting of legal rights to nature, making it the constitutional duty of both government and citizens to protect the environment and natural biodiversity, to prosecute those who harm it, and to repair it when damaged.

Ecuador’s weak, debt-ridden economy is heavily dependent upon oil and mining, which have caused extensive environmental destruction.

Correa has threatened to nationalise oil fields held by Brazil’s state-run oil company Petrobras for delays in handing their lease to Block 31 – an environmentally fragile part of the Yasuni National Park – back to the government, which is seeking to avoid the destruction oil mining in the area would cause.

Petrobras recently agreed to return it to the government after clashes with Ecuador over taxes as well as anti-oil protesters.

Ecuador has also threatened to expel foreign oil companies, including Petrobras and Spain’s Repsol, for lagging in oil production while they negotiate new contracts with the government that would give Ecuador a larger part of the profits.

On October 8, newly appointed oil and mining minister Derlis Palacios warned the companies “not to play games” with the country.

A commission set up by Correa in 2007 recently reported that much of Ecuador’s foreign debt is “illegitimate and illegal,” adding to speculation that Ecuador will carry though on another of Correa’s threats – cancelling foreign debts. Ecuador’s foreign debts are equivalent to almost half the country’s GDP.

OPPOSITION

These gains have not come without opposition, with Ecuador’s wealthy elites and traditional political parties decrying the new constitution as “dictatorial.” However, their “No” campaign only achieved 28% of the vote nationwide.

The strongest opposition came from Correa’s home city of Guayaquil – Ecuador’s financial centre and home to its main port – where the referendum lost by just over 1%.

While the most high-profile opposition leader, Guayaquil’s Social Christian mayor Jaime Nesbot, has threatened to use the victory of the “No” vote in the city to justify non-compliance with the new constitution, the vote is widely seen as a victory for Correa as Guayaquil is the only significant right-wing stronghold in Ecuador.

There are indications that the U.S. government is seeking to destabilise Correa by promoting separatist sentiments – as it has in Bolivia. However, the closeness of the Guayaquil vote suggests that Correa’s anti-poverty policies have appealed to Guayaquil’s enormous poor population and significantly eroded opposition support.

Opposition to Correa has also come from other quarters, however.

SOCIAL MOVEMENTS

The new constitution is a product of the nearly two decades of work by the social movements, who, led by the main indigenous federation CONAIE, have been responsible for overthrowing three presidents.

Many social movements, however, have criticised the constitution for not going far enough, especially in protecting the environment from mining and oil pollution, and in recognising indigenous communities.

The constitution only grants indigenous communities the right to consultation over proposed projects on their land, rather than power of veto they had sought to have included.

While this year CONAIE has declared itself to be in opposition to Correa, and CONAIE president Marlon Santi has threatened an indigenous uprising over mining activities, the organisation still mobilised its membership to vote “Yes,” recognising the new constitution as a step forward.

Correa has lost other allies, especially from parts of the country’s left who believe that his often-radical rhetoric is not genuine.

Highland indigenous federation ECUARUNARI, which also campaigned for a “Yes” vote, has called a meeting to prepare its strategy under the new constitution, which will include proposing draft bills to implement important articles recognising Ecuador’s “plurinational” character.

Rather than waiting for the government to act, the people of Ecuador are preparing to open up the next chapter of their history on their own behalf. **R**

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Refounding Bolivia Through Democratic Means

Raul Burbano

Bolivian President Evo Morales has called for a national referendum on the country's new draft constitution on December 7. The demand of the Bolivian people for a new and socially, politically and economically inclusive constitution is at the heart of the present political upheaval in that country.

Right-wing forces representing the country's traditional ruling oligarchy have launched a secessionist movement to Balkanize the country, in an attempt to block the constitutional referendum. They have organized murderous fascist gangs to terrorize the population.

They are backed by the U.S. government, whose ambassador, Philip Goldberg, has recently been expelled from Bolivia for his support of the opposition and openly admitted interference in Bolivian political life.

On the other side of the pendulum the vast majority of the Bolivians, more than 67% of whom just voted support President Evo Morales in a recall referendum.

The constitutional struggle in Bolivia has thus become linked to the broader regional struggle in Latin America of who will benefit from its wealth – the masses of the continent or its traditional oligarchy backed by Washington.

The demand for a new constitution is not limited to Bolivia. In fact, over the past 15 years there's been a demand for a Constituent Assembly to propose such a document in virtually every Andean country in Latin America; Colombia (1991), Peru (1993), Ecuador (1998), and Venezuela (1999). All countries have written or modified their constitutions. In contrast to some of these experiences, the demand for a constitution in Bolivia emerged from grassroots movements and has widespread national support.

LENGTHY CONSTITUTIONAL STRUGGLE

Bolivia's demand for a Constituent Assembly is not a recent development and goes back to the early 1990s. It emanated from the Guarani people with their "Great March" from the eastern lowlands of Bolivia to La Paz; their slogan "Land, Territory and Dignity" was rooted in the demand for a Constituent Assembly. Then in early 2000 we saw the demand for a Constituent Assembly taken up by both urban and rural social movements who had suffered at the hands of previous governments' neoliberal policies. This culminated in the Water Wars of Cochabamba, where residents poured into the streets to protest Bechtel's takeover of their water system and attempted nationalization of their gas – hence the Gas Wars in La Paz. It was during this turbulent period that the call for a Constituent Assembly merged with the call for a referendum on the gas issue.

In 2005 the MAS (Movimiento al Socialismo) under Evo Morales was elected under a platform to "refound" the country's political institutions through a Constituent Assembly. This was seen as the only way to bring about change and address the endemic inequalities in the country. The magnitude of inequality that the MAS is trying to rectify can be summed up by the issue of land. According to the United Nations' Development Program, 25 million hectares of prime farmland is controlled by 100 families. In contrast, the remaining five million hectares of farmland in the country are shared among two million *campesinos*. This profound inequality is endemic and represents what is being challenged with the new constitution.

CONSTITUENT ASSEMBLY

The Law Convoking the Constituent Assembly resulted from a negotiated process between the political parties in the Bolivian Congress and the executive branch headed by Evo Morales. Bolivians in each of the 70 voting districts elected three delegates. The party that received the most votes sent two representatives from the district and the second or third place party sent one, thus guaranteeing that no party could monopolize the assembly. The only condition was that a minimum of 30% of the delegates had to be women. On July 2, 2006, Bolivians elected 255 delegates for the Constituent Assembly. The MAS sent 137 delegates (64 were women), the opposition 99, and the rest were independents.

There are 411 articles in the new constitution. Many are progressive and outright revolutionary promising to refound the country to the benefit of the majority. The new constitution is controversial, but the majority of Bolivians, the indigenous people, fully support it, as was seen in the August 2008 recall referendum.

FOCUS OF CONTROVERSY

The following are articles or sections of articles from the new constitution that are most important to the indigenous majority of Bolivia and also the most controversial.

- *Bolivia is a unitary, plurinational, communitarian and democratic State:* This means that all 36 peoples, cultures, languages have the same rights and opportunities, and are recognized equally before the law, institutions, and society. It refers to a Bolivian unity that respects autonomy – i.e. municipal, departmental, regional, indigenous-*originario*, *campesino* and peasant autonomies. This guarantees the unity of the state and the democratic decentralization of power.

- *Plurinational public administration:* This refers to all public functionaries and requires them to know the dominant indigenous language of the region where they work. This will enable

them to be able to communicate with the people they represent. They are also to know the Spanish language, to enable them to communicate with the rest of the Bolivians; and a foreign language, as a link to the outside world.

- *The nationalization of natural resources, renewable and non-renewable, under the control and ownership of the Bolivian people:* This would forbid the ownership of gas, oil, mining resources, water, land, and forests by foreigners. All natural resources will be the property of Bolivians, for use by Bolivians for the benefit of Bolivians, and administered by the state.

- *Sovereign natural resources:* It is totally prohibited for non-state organizations to directly involve themselves in the administration, management, control and preservation of forests, parks, and natural reserves, as well as biodiversity, all of which are under the control of the state.

- *Social and communitarian economy:* The state will participate in the strategic sectors of the economy. Foreign private investment will be subordinated to national development plans. Private property should guarantee that it plays an effective social function for the benefit of human beings. Ownership in the economy will be public, private and communitarian. Medium and small rural producers, agrarian communities and productive associations will receive state protection, economic support, credits, technology, and infrastructure in order to guarantee the well being of society. A mixed economy is proposed to reassure business interests and maintain market stability.

- *Expropriation without indemnification of latifundios:* The goal is to redistribute land amongst producers including those from the countryside and city who are willing to produce for the benefit of society. This is a major blow to the giant landholders – the Ronald Larsens and Branko Marinkovics of the Media Luna (eastern) departments.

- *Re-election and revocation by popular mandate of any elected authority:* Never again will authorities be untouchable owners of their positions. The people are sovereign and the people can ratify or change their authorities when they so desire.

- *Election of all authorities of the Judicial Branch, including the Supreme Court:* This is a change from the current undemocratic model of appointment by congress, which has seen nepotism flourish in the courts. It looks to redress the balance of power that has for so long been in the hand of the elites.

- *Recognition of communitarian justice as an alternative, complementary and ancestral form of solving differences and conflicts:* The indigenous systems of justice would be given the same standing in the official hierarchy as the existing system.

- *A plurinational Parliament with only one chamber:* In essence, this is a re-engineering the political institutions. This would guarantee the same number of current representatives for each department and no more chambers of elites and privilege. The

goal is to break the oligarchies' traditional monopoly in the Senate that has traditionally acted as an obstacle to all progressive governments.

- *All Bolivians have the right to free health care and education in equal conditions.*

- *Total elimination of illiteracy.*

Other articles in the constitution that are relevant and important to note:

- *A new capital of Sucre:* Sucre is to be acknowledged as Bolivia's official capital.

- *Ban on sexual orientation discrimination:* Bolivia would be only the second country in the world, after South Africa, with this constitutional provision.

- *Bolivia is a country of peace that promotes the culture of peace. Bolivia repudiates all war of aggression and prohibits the installation of foreign military bases on its national territory.*

- *Water is considered a human right.*

- *All the cultural rights for indigenous people are also accorded to the Afro-Bolivians.*

- *A wide number of social rights are established for children, youth and older people, never before seen in 183 years of Bolivian history.*

RATIFICATION PROCEDURE

The national assembly approved the new constitution in December 2007. The country's main opposition party boycotted the assembly vote on the new charter. The constitution now requires ratification by at least 51% of Bolivian voters in a national referendum. If voters reject the draft, the country's existing constitution will remain in effect. It's important to note that a number of articles have to be approved directly by Bolivian voters.

Among them is an article that would limit the size of individual land holdings to a maximum of 10,000 hectares. This is bitterly opposed by the country's agribusinesses and big landowners of the Media Luna region in the East. If passed this would have a major impact on the lowland departments of Santa Cruz, Beni, and Pando, and finally address the historical injustice of unequal land distribution.

The opposition claims the constitution proposes the creation of two Bolivia's: "one for indigenous people and another for non-indigenous people," as one opposition member said, "with separate and parallel judicial systems and languages effectively making the indigenous people first class citizens and everyone else second class citizens." The opposition parties claim that the gov-

ernment is trying to establish a Cuban-type one-party-dominated state that will put an end to pluralism. They also argue that the government is just following in the footsteps of Venezuelan president Hugo Chávez.

Those who support the constitution feel that its plurinational communitarian aspect is a decolonization of the state that for centuries has discriminated and marginalized the indigenous majority. They believe that it is designed to give every citizen equal access to Bolivia's resources. Others see it as confronting the neoliberal doctrine and replacing it with a viable alternative – the cosmovision of the indigenous people (communitarian land and rights for nature) – thus creating a more humanist and just society.

Vice-President Álvaro Garcia Linera called it a first step in the new road toward “*capitalismo Andino Amazónico*” (Andean-Amazonian capitalism) which will “improve the possibilities of the emancipation of the worker and community forces in the medium term.” The *Agencia Nodo Sur* (South Node Agency) explains that “Andean-Amazonian capitalism is neither socialism nor neoliberalism, but a system catering to the contemporary realities of Bolivia which recognizes communal, state, and pri-

vate forms of economic organization as being equal under the law.”

INTENSIFIED CONFLICT

The “refounding of Bolivia” with the new constitution and the re-engineering of the political institutions has widened the rift between the mountainous, largely poor, and indigenous part of the country that backs Morales, and rulers of the more prosperous Media Luna states, where the opposition has their base of support.

The conflict is now rapidly coming to a head. The opposition has said they would not allow the constitution to be imposed on them. They are instigating a civil war in the country with the hope that direct U.S. involvement in the conflict will turn the tide to their advantage. Meanwhile, the government is pressing for a vote on the new constitution before the end of this year in the hopes that it will, for once and for all, refound Bolivia. **R**

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Indigenous Autonomy Finally A Reality?

Martin Garat

NEW CONSTITUTION PROTECTS INDIGENOUS SELF-DETERMINATION

Bolivia's recently-approved constitution is a milestone for Bolivia. Approved in a popular referendum on January 25, 2009, the charter is the country's first that creates autonomous indigenous territories that will carry the same weight as departments, or states.

“Native indigenous-*campesina* autonomy consists of the self-governance, such as the free determination of native indigenous [or] *campesino* peoples, whose population shares land, culture, history, languages, and their own legal, political, social and economic organization or institutions,” states Article 289 of the constitution.

But this is not a new concept, at least to Bolivia's indigenous population, says anthropologist Jorge Riester from Support for the Indigenous-Campesino of the Bolivia Orient organization.

“Autonomy is not an invention of the current government,” he said. “The indigenous have always considered that they have

the right to self-determination, despite the fact that for a time in history they were exploited and discriminated against.”

Indigenous lands will be outlined by the Native Communal Land legislations. In 1996, a law established that these indigenous lands would be collectively held by the community and could not be sold. Under the new constitution, the residents on these lands will be able to request autonomy. Under the Native Communal Land regulation, some indigenous autonomy has already been granted, such as the election of authorities using native customs and processes.

Indigenous autonomy is a strengthening of the right “to decide what to do with their land, to participate with voice and vote on their development visions and to do business with their natural resources in a most just way” if it does not violate the constitution, Riester said.

RESOURCE MANAGEMENT

According to the new constitution, autonomous indigenous governments can administrate natural resources found on their

lands including, medicinal plants, trees and soil, among others. The state will continue controlling hydrocarbon fields, however, including those found on indigenous lands.

Miguel Ipamo runs the indigenous land management arm of the Confederation of Indigenous Peoples of Bolivia, an umbrella group of eastern Bolivian indigenous population. Ipamo, a member of the Chiquitano people of eastern Bolivia, and a longtime indigenous activist, works to improve the structure of the Native Communal Land regulations.

“The [autonomy] proposal is ours, not the Movement to Socialism’s,” Ipamo said, referring to President Evo Morales’ political party. “We wrote it and we put it in the constitution through the ruling party.”

The state will have to provide funds to the autonomous indigenous communities. But the generation of their own income is important, Ipamo said.

“It can’t be autonomy with someone else’s money,” he said. “Autonomy is made, managed and articulated from inside. That’s why it is important for us to generate income on our own territory, but without degrading the land.”

Many indigenous lands are rich in timber, a possible development alternative being considered on indigenous lands. Self-determination’s affect on health and education are also key issues.

“We use medicinal plants, which are also used in scientific medicine. We get them naturally, which is, cheaper and more fresh,” Ipamo said. “When it is necessary we combine them with scientific medicines, with pills and other remedies.”

He added that there are always new lesson plans in the works for their schools.

“First of all, the children are going to learn who we are and they are going to learn our languages. Then we will incorporate the region, the country and the rest of the world.”

Gender equality is a pressing issue. “Women need to be equal to men,” Ipamo said. “Now, women are also leaders, give their opinions and suggestions.” He said that the autonomy will help strengthen processes that were already underway under the 1996 indigenous land legislation.

RISKS AND CHALLENGES

Some indigenous organizations are still weak, which poses a threat to autonomy, in terms of how decisions are made and assigning responsibilities in the community.

Many of Bolivia’s 36 indigenous peoples are small communities with fewer than 1,000 members. Ipamo said that the creation of an autonomous community should have a minimal population of 5,000 people. This would force small or isolated indigenous communities to merge with other peoples, which would make it hard to reach a consensus.

Riester said that indigenous communities may need technical assistance, which he calls “professionalization” to help them self-govern.

“One of the main problems is that there still isn’t a sufficient number of indigenous professionals for the adequate management of their resources. But it’s not the fault of the indigenous people. They have always been excluded from education,” he said.

Job training also implies risks, such as having young indigenous community members deserting their homelands to study in urban centers.

Even if citizens have the right to live where they would like, in order to avoid the “escape of the minds” special measures must be put into place, to keep the community present with them, even when they leave. **R**

Martin Garat writes for Latinamerica Press.



Why the Venezuelan Amendment Campaign Is So Important

Diana Raby

(This article was written a few days before the actual referendum vote – editor.)

Sunday, 15 February 2009, Venezuelans vote in a referendum on a proposed Constitutional Amendment that will allow for any candidate to stand for the Presidency, or indeed for any elective office, without restriction on the number of terms they may serve. Only the people's vote will decide whether they are elected and how many terms they serve.

In other words, if President Hugo Chávez, who is already serving his second term under the provisions of the 1999 Constitution, wishes to stand for a third term, he may do so. Equally, the opposition mayor of Greater Caracas, Antonio Ledezma, may stand three or four times if he wants (and if the people vote for him).

This is no different from the practice here in the UK, where Margaret Thatcher won four elections for the Conservatives (although we did not have the privilege of voting for her personally as Prime Minister), and Tony Blair won three times for Labour. It is of course different from the situation in the U.S., where some sixty years ago a limit of two consecutive terms was introduced for the presidency.

But why is there such a fuss about this proposal in Venezuela? Once again, as so many times before in the last ten years, the media are full of stories about Chávez' dictatorial tendencies or being President for life, and the opposition goes on about "the principle of alternation [*alternabilidad*]." But they know perfectly well that Chávez will only be re-elected in 2012 if the people vote for him in elections which have been certified time and again as impeccably free and honest, and that the possibility of mid-term recall still exists and will be maintained. And alternation, as the experience here in the UK and in so many 'advanced democracies' shows, is all too often a neat device to prevent any real change while giving the appearance of choice with a superficial change of personnel.

The real problem is – and everyone knows this, they just don't want to discuss it – that Chávez represents the continuation of the Bolivarian project, a popular revolution which has transformed Venezuela and inspired similar transformations in several other Latin American countries. And that against Chávez, the opposition will again lose, and lose badly as they have done before. Hugo Chávez is the people's candidate, and for the foreseeable future will continue to be. No, he is not a dictator, and of course he is not infallible. He himself has often recognised his failings. But he has demonstrated time and again his commitment to serving the people – the poor, the workers, the excluded – of Venezuela, and they have reaffirmed their confidence in him.

If he were to go – and thank God, this is not the case – it is to be hoped that the people would find, indeed create (as they did with Chávez) another leader or leaders. But why substitute a leader of proven ability, indeed one who has grown in stature and maturity with every new stage of the revolutionary process?

In these circumstances, those who talk about "Chavismo without Chávez" are either naïve or ill-intentioned. What is at stake in Venezuela is a fundamental clash of class interests, although one which is being played out as far as possible in peaceful and democratic fashion. The campaign for the Constitutional Amendment to abolish term limits is simply the latest battleground in this contest, and as such, a victory for the "Yes" camp on Sunday 15 February is crucial – and let's hope the victory is a decisive one! **R**

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Venezuela Votes "YES" To Referendum

With nearly 70% voter turnout, Venezuelans approved a constitutional amendment to end term limits for all elected officials by a much wider margin than predicted. Results of the referendum released by the National Electoral Council (CNE) last night after 94% of votes had been counted revealed that 54.36% voted in favour of the amendment, while 45.63% were opposed.

CNE Director Tibisay Lucena congratulated the Venezuelan people for having carried out the voting in a civic and democratic atmosphere. She called on opposition groups to calmly accept the results "of this marvelous day in which they, too, were protagonists."

Similarly, in a speech at the presidential palace last night, President Chávez called the peaceful electoral process – one of about a dozen in the last decade – a victory for all Venezuelans. He also said he expected to be a candidate in presidential elections in 2012, "unless the people decide otherwise."

The referendum demonstrated that most Venezuelans remain satisfied with their country's system of "participatory democracy," which is based on the "transfer of power to the people." According to UN statistics, government policies have dramatically reduced poverty over the last ten years, giving Venezuela the lowest rate of socio-economic equality in the region. The voting process was another indication, as well, that the ballot box has truly become the symbol of the Bolivarian Revolution. **R**

A Tale of Two Bolivarian Cities

nchamah miller

It cannot be denied that in the last decade it has been a priority of the mayor's offices of the cities of Bogotá, Colombia and Caracas, Venezuela to alleviate the effects of poverty especially with respect to housing. In the case of Bogotá this has been a veritable uphill battle given the lack of aid from the national government. Caracas, in contrast, has made headway given the full support of the national state. But there is still the matter of numbers: Bogotá has a population of 8,250,000 approx. including an estimated 1,500,000 persons displaced by the current civil war. Caracas has approximately 4,500,000 inhabitants. Given the populations of the cities it is no wonder that the national governments of both these countries vie to control the mayor's office simply because they are political strongholds and are the barometers of the political climate in the rest of the country.

Political antagonisms in these cities are deep. The point is that today, both political 'seats' show the trend of disaffection with their respective country's president. Each city, through their respective mayor's offices, is consolidating an alternative position to the national government by setting up to voice the disaffection of their citizens. There are many causes to this disaffection: the distribution of the income from the oil-economy, the policies which govern collective social programs including the distribution of funds to communal councils, and the tricky business of re-distribution of income from collective enterprises because there are important inner connections between the communal councils and these collective enterprises. Few are aware that this participatory form of democracy exists both in Colombia and Venezuela, through constitutional amendments. But as long as these councils lack political power, they are still practically only a mechanism of market distribution with no say in national governance or the distribution of national wealth in which case their model of "participatory democracy" is merely symbolic and cultural.

TWO FACES OF BOLIVARIAN IDEOLOGY

Another contradiction emerges because currently in Venezuela and Colombia, over and above the discourse of socialism, the primary ideology manifested by all political parties is that which is described as the "*ideario Bolivariano*" or roughly translated, Bolivarian ideology. For his part, President Chávez of Venezuela has tried to synthesize this Bolivarian "ideology" with his version of proto-socialism and he has yet to work out the contradiction between these ideologies. For instance, it is not quite clear how he means to translate into this new discourse how the mechanism between executive power (Bolivarian) and local direct community power (socialism) can operate, given that he has operated by presidential decree, and since he has not provided a written

manuscript to explain his own political thoughts (all we have are the multifarious authors he recommends on his "Alo Presidente" program ranging from Trotsky to Peron, and whom he claims influence his thought).

As for President Uribe of Columbia and his followers, they also claim to base their genealogy on the "*ideario Bolivariano*" except that their language is deeply couched in neo-conservative free market principles. Their interest in Bolívar's work stems from those writings in which Bolívar cites and is clearly influenced by Montesquieu and even Locke. The end result is that Uribe has very ably fused neo-conservative discourse in the name of Bolívar and this has made him the darling of both Bush and Harper, but at the same time the "hermano" brother, Bolivariano of Chávez.

Under the renewal of Bolivarianism, claiming a new form of democracy, we see both the Presidents of Colombia and Venezuela vying to change the constitutions of both their nations in order to achieve a third term in office. Their strategies of course differ.

Uribe for one is playing the Julius Caesar drama and not asking for re-election directly but acts instead by manipulating the Congress and Senate (his previous re-election was achieved by extortion and those implicated are before the courts although by a directed magical wand Uribe is not himself indicted). His goal is simply to be acclaimed as the necessary candidate, worse come to worse, by a national referendum. He attempts to give an appearance of being detached from the outcome – whether he is re-elected or not – publicly stating that he does not have any personal vested interest in this process. The benefit for Uribe is that he gives the impression that this change is one of historical contingency for the benefit of Colombia's citizens.

Chávez also is making his bid on historical necessity and uniqueness. But having once lost this bid in the referendum of December of 2007, he has asked directly for the required change in the constitution and is going on an all out campaign directly asking for a plebiscite which would amend the constitution and allow for any executive to seek re-election.

PRESIDENTIAL TERM LIMITS AND POLITICAL REGIMES

Uribe's move appears to be the most astute since he is not directly asking for a change in a constitution. Instead, the process gives the appearance that the change would be made by a vote in Congress, which would not touch the national constitution. The benefit of this move on Uribe's part, is that, if ever Colombia would elect a president of the left, this change would

not come back to haunt the oligarchy and their partners the narco-paramilitary conservatives. Thus, this Bonapartist move would not spill over as a benefit to be enjoyed by an eventual president of the left, or even a liberal candidate. In other words, this regime is masterful in its manipulation of the democratic discourse and its set of appearances.

I believe that in Chávez's case, the consequences have not been thought out, or rather seem to be ignored due to the high emotional attachment of the people to Chávez's charismatic figure. They appear to be short-sighted and are forgetting that in the future if by any circumstance a President of the bourgeoisie were to be elected he would then enjoy this privilege of re-election and in that case could potentially involve coercion of the electorate as currently happens in Colombia.

Now here is the curious part. Venezuelans in the list of reasons justifying this move give Canada as an example, particularly Trudeau's extensive term in office. The problem is they appear to forget, or prefer to ignore, the little detail of the difference between the political forms of government between Venezuela and Canada. Canada has a Prime Minister who cannot rule by decree, but who is the functional head of Government until her party is defeated in an election or is rejected by her party. In a republican state, such as Venezuela and Colombia, the presidents have, including Chávez and Uribe, ruled by decree, and for this reason, given their considerable power, there is the wisdom in curtailing their time in office.

Another example given by Chávez's supporters is that members of the assembly can have long terms in office. What perhaps is being forgotten is that the opposition to such a move would not apply to members of the Assembly or Senate simply because they as individuals do not have the power to neither veto legislation nor to rule by decree.

All indicators are that Chávez will win his coveted elimination of term limits to the Office of the Presidency, which then will allow him to hold office indefinitely, provided he wins each subsequent election

when due. But this does not mean that the thorny issues of constant changes to the constitution to meet the political contingent aspirations should supersede and cause an erosion of the instruments and institutions which have, so far, preserved the vestiges and possibility of democratic participation. With this precedent this also opens the possibility for Uribe to make his move and one is left to wonder what types of regimes are emerging in Latin America. **R**

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