

# INTERNATIONAL VIEWPOINT INTERNATIONAL VIEWPOINT

NOVEMBER 2003

354

US\$4 £2.50 €5

NEWS AND ANALYSIS  
FROM  
SOCIALISTS WORLDWIDE

CONV 850/03 87

## EN CHAPTER II ECONOMIC AND MONETARY POLICY

### ARTICLE 111-69

1. FOR THE PURPOSES SET OUT IN ARTICLE 1-3, THE ACTIVITIES OF THE MEMBER STATES AND THE UNION SHALL INCLUDE, AS PROVIDED IN THE CONSTITUTION, THE ADOPTION OF AN ECONOMIC POLICY WHICH IS BASED ON THE CLOSE COORDINATION OF MEMBER STATES\* ECONOMIC POLICIES, ACCORDANCE WITH THE PRINCIPLE OF AN OPEN MARKET ECONOMY WITH FREE COMPETITION, AND CONDUCTED IN ACCORDANCE WITH THE PROCEDURES SET OUT THEREIN, THESE ACTIVITIES SHALL INCLUDE:

2. CONCURRENTLY WITH THE FOREGOING, AND AS PROVIDED IN THE CONSTITUTION AND IN ACCORDANCE WITH THE PRINCIPLE OF AN OPEN MARKET ECONOMY WITH FREE COMPETITION, THE UNION SHALL ENTAIL COMPLIANCE WITH THE FOLLOWING GUIDING PRINCIPLES: STABLE PRICES, SOUND PUBLIC FINANCES AND MONETARY CONDITIONS AND A STABLE BALANCE OF PAYMENTS.

European  
Union

### SECTION 1 ECONOMIC POLICY

#### ARTICLE 111-70

MEMBER STATES SHALL CONDUCT THEIR ECONOMIC POLICIES IN ORDER TO CONTRIBUTE TO THE ACHIEVEMENT OF THE UNION'S OBJECTIVES, AS DEFINED IN ARTICLE 1-3, AND IN COMPLIANCE WITH THE BROAD GUIDELINES REFERRED TO IN ARTICLE 111-71-2. THE MEMBER STATES AND THE UNION SHALL ACT IN ACCORDANCE WITH THE PRINCIPLE OF AN OPEN MARKET ECONOMY WITH FREE COMPETITION, FAVOURING AN EFFICIENT ALLOCATION OF RESOURCES, AND IN COMPLIANCE WITH THE PRINCIPLES SET OUT IN ARTICLE 111-69.

European  
Social  
Forum

#### ARTICLE 111-71

1. MEMBER STATES SHALL REGARD THEIR ECONOMIC POLICIES AS A MATTER OF COMMON INTEREST AND SHALL COORDINATE THEM WITHIN THE COUNCIL OF MINISTERS, IN ACCORDANCE WITH ARTICLE 111-70.

2. THE COUNCIL OF MINISTERS, ON A RECOMMENDATION FROM THE COMMISSION, SHALL FORMULATE A DRAFT FOR THE BROAD GUIDELINES OF THE ECONOMIC POLICIES OF THE MEMBER STATES AND OF THE UNION, AND SHALL REPORT ITS FINDINGS TO THE EUROPEAN COUNCIL. THE EUROPEAN COUNCIL, ON THE BASIS OF THE REPORT FROM THE COUNCIL OF MINISTERS, SHALL DISCUSS A CONCLUSION ON THE BROAD GUIDELINES OF THE ECONOMIC POLICIES OF THE MEMBER STATES AND OF THE UNION.

Brazil

3. THIS CONCLUSION, THE COUNCIL OF MINISTERS SHALL ADOPT AND SHALL REPORT TO THE EUROPEAN PARLIAMENT OF ITS FINDINGS ON THESE BROAD GUIDELINES. IT SHALL BE THE RESPONSIBILITY OF THE MEMBER STATES AND OF THE UNION TO ENSURE THAT THEIR ECONOMIC POLICIES ARE IN ACCORDANCE WITH THESE BROAD GUIDELINES.

## IN THIS ISSUE

## EUROPEAN UNION

- The new stage and its difficulties 3  
 The threat to education 12  
 The spirit of Saint Denis 15  
 Europe at the crossroads 18  
 What kind of new Europe? 25

## EUROPEAN SOCIAL FORUM

- A new step forward 8  
 Feminism and the movement 10

## BRAZIL

- Nine months of Lula's government 25

## LETTER TO READERS

*This issue of International Viewpoint focuses on some of the key debates that will animate activists attending the European Social Forum (ESF) in France in November, but which also have a broader relevance for the global justice movement.*

*François Vercammen looks at the sharpening contradictions within the imperialist bloc, as the jubilation of Bush and his cronies at the fall of Saddam's regime turns to concern at their inability to impose a peace which will allow their profits to flow unfettered. He moves on to analyse the impressive gains of the social movements, but also the challenges that still lie ahead. Crucially he argues that the turn made by Bertinotti, leader of Rifondazione Comunista in Italy, which seeks a new governmental alliance of the left against Berlusconi, could lead to dangerous compromises. Within this context he asserts that the process of recomposition remains at an initial stage and will need a whole period in which to deepen before the mobilisations on the street will be reflected in stable political gains at an electoral level. If we are successful in building a European party for the European elections next year, as well as in cementing our role as part of the social movements at this second ESF in Paris, we will have taken an important step in the right direction.*

*Léonce Aguirre explores the key tasks facing this second meeting of the ESF itself, building on the strengths of the first meeting in Florence last year and going beyond them, inspired by the strength of the European anti-war movement and with increasing fight backs against government attacks in individual countries.*

*Nadia De Mond looks at the importance of the women's assembly and the need to integrate feminist demands and methods of organising into the heart of the struggle for another world.*

*In two articles, G Buster traces the evolution of the European Constitution – a neoliberal treaty for a European power – and argues that crucial to opposing it will be the strengthening of currents amongst trade unionists not tied to the worn-out policies of the traditional leaders of the ETUC. Buster argues that the left should be campaigning for referenda in each of the states of the EU and for a 'no' vote on the basis of opposition to the continued onslaught on public services.*

*Carlos Sevilla Alonso looks in detail at how policy in higher education has been tailored to meet the needs of capital. He also argues that the development of European-wide networks of resistance which have grown over the last year are increasingly vital in stemming this tide.*

*Catherine Sammary explains that the peoples of the Eastern European states in the process of joining the European Union do not agree with the Thatcherite approach of their governments. A majority opposed the war against Iraq, even if it had gained backing from the United Nations. This is not the picture of these countries that most of us have access to in our mainstream media.*

*While the issue is centred on European matters, we also carry a major article from João Machado, assessing the development of Lula's government in Brazil. The assessment in these pages, based on extensive debates amongst supporters of the Socialist Democracy current within the Brazilian Workers party, which identifies with the Fourth International, argues strongly that the battle for the entire party has not been lost. The task of the left is vigorously to oppose the government where it kow-tows to neo-liberalism – and this can most effectively be done from within the party.*

# Europe: the new stage and its difficulties

FRANÇOIS VERCAMMEN\*

Faced with an employers' offensive seeking to impose counter-reforms throughout the European Union, largely spontaneous social mobilizations have borne witness to the legitimacy crisis of the neoliberal model, already apparent in the success of the movement for global justice. However, a hiatus persists between the breadth of this rejection and the difficult renaissance of a political project which can give a content to the massive demand for "another possible world". How can the radical left, whose political and institutional visibility has increased in a series of European countries, develop the political responses that the mass movement, albeit still unconsciously, is expecting?

The war against Iraq and its aftermath constitutes an important moment of verification for the conditions of struggle and political perspectives. Two aspects should be stressed. Imperialism, despite its enormous material means, has emerged divided and weakened at the political level and in terms of legitimacy; however, the mobilisations against war and neoliberal policies, despite their historically unprecedented size, have prevented neither the war nor the worsening of living conditions on a world scale. The confrontation between the two camps continues. Attention is increasingly focused on the reorganization of the forces on the ground.

**T**he further we are from the end of the war, the more the perception of its political consequences tends to vary. Presented initially as a cakewalk, the US invasion had begun to encounter a tenacious resistance with a popular component that seemed to denote a long-term struggle. This 'pessimism' disappeared with the disappearance of Saddam's army. The road seemed favourable to US imperialism for a reconquest/remodelling of the entire Middle East; Bush even announced his intention of dealing with North Korea. Today, the dynamic has reversed. The US government is foundering in Iraq: the problem is no longer military, but political; and Bush is desperately seeking support in order to get out of the quagmire.

US pressure on Syria, Iran and, in a different way, on Saudi Arabia is real. But it cannot act now to destroy the state apparatuses of these countries. It is, rather, the urgent stabilization of the conquered country which is the prerequisite to any sizeable political-military operation.

The defeat of Bush's policy to pacify Israeli-Palestinian relations amplifies the difficulties. All this could boomerang on him – domestic policy (budget, economic revival and so on), state lies about Iraq, the launch of the electoral campaign for the November 2004 presidential elections.

The impasse in the Middle East reveals the limits of US supremacy. The US is a superpower, and the only one in the world; but it does not have the means to exercise an integral control over the planet. To subjugate the planet, including its own allies in the imperialist camp and its valets, is beyond its means. All of a sudden, the contradictions inside the imperialist system have become manifest.

The two most striking political facts are the following. First, the Franco-German axis, at the head of the EU, has marked the limits of 'US governance' – from before the outbreak of the war and the reverses of the invasion – notably through forming a coalition with Russia (and China). Then,

there has been the resurgence of a coalition of the 'non-aligned' (the G20 or G21), at the Cancun summit, around Brazil, India, South Africa and China. Brazil, relaunching the Mercosur and promoting Latin American economic relations as alternative to the FTAA, has pioneered this new audacity. At the Cancun summit, a certainly fragile coalition has thus succeeded in halting the disastrous liberalisation of the agriculture of these countries. It is important to note that the open conflicts inside the transatlantic bloc (EU, USA) has created the space to strengthen the demands of the third world countries. Cancun has brought back memories of Seattle.



## Conflicts between the US and EU

The major political fact is the growing autonomy of the European Union in relation to the US and the conflicts which accompany it. In analyses of 'imperialism' and the world situation, the EU is generally forgotten and US supremacy taken for granted.

For about 15 years, from the end of the 1980s to the end of the 20th century<sup>1</sup> it has constituted a single market of a size comparable to that of the USA, and on this productive and commercial strength is built an autonomous monetary system<sup>2</sup>. The state apparatus of the EU is certainly incomplete, but the already existing supranational structures (the Commission, the European Council, the Central Bank, the Court of Justice) and a series of constraining inter-state norms now frames its functioning. A commercial entity which initially operated in a 'spontaneous' and dispersed manner now acts in a concentrated and political manner. This is felt inside and outside the EU.

The contradiction which has broken out inside the transatlantic bloc is neither fortuitous nor random. The new tendency to conflict between the EU and the US comes from two opposed movements which are strengthening. On the one hand there is the erection of an EU state apparatus - which in any case, would have rebalanced the prior relations of force with the US - and its concrete activity in the world arena; on the other hand, there is the US dominant class embracing a unilateralist and activist strategy - trying to control the overall imperialist system very closely.

The era of unmediated US domination since 1945 is reaching its end. The omnipresence, omnipotence and activism of the US state apparatus in the service of US multinationals come up against international interests - not only the EU, but also other

great and medium powers. Exacerbated competition and inter-state rivalry multiply conflicts hidden and open, big and small, economic and political. The limits of the US empire appear, its contradictions also.

European opposition to the US within NATO had already briefly materialised during the Afghanistan war, reappeared in 2003. France and Germany confronted the US desire for domination. They paralysed NATO around the Turkish question. And in building an alliance with Russia and China at the UN, inside the Security Council, they blocked the US strategy and exposed it to international isolation.

## The EU: a new legitimacy

Paradoxically, this intra-Atlantic conflict has given the EU a broad popular base for the first time. This will be a significant political factor, initially inside the EU. The gigantic operation of imposing a Constitution on the EU and the European elections of June 2004 tend to consolidate this gain.

Thus, where all the costly campaigns to popularise the EU's image had failed, the war - or rather the wars, notably that of the Balkans - has succeeded. Without there being unanimity inside the dominant classes, politicians of all stripes, in particular the social democrats and the Greens, are fully exploiting this turnaround. The EU is presented as a counter power, an alternative to the US. According to a 'Eurobaromètre' opinion poll, Europeans now have confidence in 'their own' defence forces and believe that Bush is 'increasing insecurity in the world.'

The tendency is general but its breadth is variable according to the country. The result is most spectacular in Germany - the country which lived for 40 years facing the Stalinist

bloc and under the occupation of the 'allies'. The reversal of political climate there is complete. The country which had been devoted to its US protector against 'communism' has in a few years (since 1999), made two colossal leaps. First, it has broken the taboo of an army which according to the Constitution was forbidden to leave national frontiers. And after Iraq Germany can position itself at the forefront of a 'European' defence which will defend the interests of European imperialism. We have come full circle. The US war has allowed the Franco-German nucleus, supported by a large majority of member countries, to retake the initiative inside the EU.

The 'new' legitimization of the EU is not based on democratic and social 'values' (as was the case since 1957 - the treaty of Rome - until the 1980s), but on the empty shell of the 'alternative to the USA' and the strengthening of repressive apparatuses (army, border police, 'antiterrorist' measures and so on). The overwhelming majority of established political parties, whatever their disagreements on certain principles, are ready to support a draft Constitution which is entirely neoliberal, bellicose and anti-democratic. This includes conservatives, liberals, greens, social democrats and even some communist parties (like the German PDS for sure, while others mull things over).

The pathetic fate of British Prime Minister Blair is directly linked. His strategy was to position himself next to Bush during the war to force Britain to the head of the EU and the process of monetary union (the euro). Through this defeat and the scandal which has affected him personally (in relation to state lies concerning the death of the scientist David Kelly), he has undoubtedly lost all usefulness for the British dominant class. To the point that Blair has now made a U-turn by accepting the Franco-Belgian-German concept of a 'military defence' of the EU, autonomous of NATO. Others are impatient to take over: his rival, Gordon Brown, or the Liberal Democrats. The second effect is a crisis unprecedented

since 1945 in the Labour Party. The enormous anti-war movement, initiated by the global justice movement and attracting many Labour activists, has shaken British society. It was carried into the very heart of social democracy by significant trade union sectors, fusing resistance to the war and to Blair's cynically pro-bourgeois policies.

The Italian and Spanish governments have not suffered the same discredit as Blair. Despite exceptionally numerous and combative mobilizations neither Berlusconi nor Aznar have been punished electorally.

On the other hand, the European governments, whether 'pacifist' (France, Germany, Belgium, Luxembourg), basking in their opposition to Bush, or pro-war (Italy, Spain) have not dared to impose any 'sacred union' between employers and workers to paralyse struggles (Blair was the exception, violently attacking the fire-fighters' strike).

On the contrary, throughout the preparations for war and during the war itself social conflict was maintained. That indicates the limits of European legitimacy. The EU and its national governments remain deeply discredited. The employers and the governments console themselves with a well-oiled institutional mechanic which progressively and systematically rolls back social benefits.

## The renaissance of the social movements

Europe has experienced a wave of trade union mobilisations unprecedented for 20 years. In nearly every country we have witnessed phenomena 'for the first time in a long time': in terms of breadth or fierceness or duration but more, important still, in terms of a new capacity of initiative 'from below' (rank and file workers, local teams of activists, intermediary apparatuses). We should also stress the 'outside' intervention into the established workers' movement: associations, NGOs, third world solidarity groups, ecologists, and at a more organised level, global justice activists. All this indicates a renewal of the labour movement – trade union, social and political – which will break new ground.

This reorganization/renaissance is the most optimistic factor in this first great wave of struggle which affects nearly all of Europe. For in general, these struggles have not ended in victories, have not obtained their concrete objectives. The trade union movement remains organically weakened. In most cases, it is workers in the public sector who form the mass and hard core.

In the private sector conditions of hiring and firing are often much more arbitrary. The real massacre of jobs – the so-called 'restructurings' – continues at full pace. The (east) German metalworkers and the Fiat workers – the heart of the industrial working class – went down to defeat after a memorable combat. The Italian experience is particularly disturbing. Italian workers were able to struggle under a left union leadership (the FIOM) in a context where since spring 2001 there has been an extraordinary social rise combining by waves: sectoral general strikes, 'central' general strikes, the eruption of the global justice movement since Genoa, the anti-war mobilisations whose hegemony is manifested by the peace posters in the windows of millions of families, and above all, a beginning of interaction between the trade union movement and the global justice movement.

Three new, dynamic factors stand out from the recent experiences:

- 1** The level of combat, despite its defeat, opens a new perspective in the eyes of militant layers. The forms of struggle change – a democratic rank and file capacity, radical actions and so on. Then, we see everywhere the appearance of a new generation of trades unionists, less ideologically trained but no less hardened in confronting trade union, party and state structures.
- 2** But it is first and foremost a beginning of renewal of trade union cadres. In each country, from each great struggle, each national workers' movement, there are precious indications of the renaissance of the trade union movement. But it is only a beginning, after a major defeat of the working class and a structural weakening of the trade union movement. Thus, we must recognise a hiatus between the breadth of the mobilisations on the one hand and on the other, their political and organisational sedimentation.
- 3** The third factor is the extra-ordinary vitality and creativity of the movement for global justice on the international scale.

The latter has succeeded in forming, in a short time, an international movement as reference point for a multitude of social forces. It has then given birth, through an exceptionally complex phase of the international situation, to an anti-war movement with an impact unprecedented in history. Which has not stopped it from laying the roots of a new European social movement (the ESF in Florence and, now Paris/St. Denis). Today it faces two challenges: to work with the labour movement in the 'rich' countries and to progress towards understanding the 'social

question' in the advanced capitalist world, particularly the exploitation of labour and the oppression of women.

Intuitively there is the sentiment that the fate of the two movements – global justice and trade union – is linked, because they face the same enemy – the dominant classes 'of the north', the imperialist states. However, this does not resolve the problems of demands, organisation, strategy and so on. Two difficult problems are posed, notably because for 20 years or so the gap between youth and the workers' movement has only grown.

Firstly, inside the movement for global justice, it is necessary to understand the role of the wage earning class – as exploited class and as determinant social force for defeating neoliberal politics. Secondly, inside the traditional trade union movement (the unions in the ETUC) there is a search for partners after the quasi-disappearance of the organised union lefts in most European countries. We should not fool ourselves on the relationship of forces; the wage earning class is on the defensive; it is subjected to a continued social regression. At the end of the day, if nothing changes, demoralization threatens. What will the outcome be?

## Bertinotti's turn

A proposal has come from Italy, the country that has had the largest, strongest, most varied and richest political and social experiences in Europe. The PRC has been fully involved in building the global justice and trade union movements, including working to liberate an anti-capitalist, revolutionary 'new political subject' in tune with the movement and 'going beyond' the PRC. This was the turn at their last congress, in April 2003.

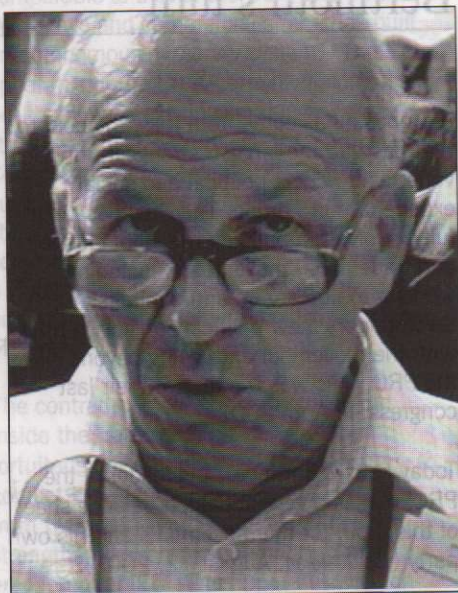
Today Fausto Bertinotti, the leader of the PRC, makes a very mitigated balance sheet of this, both for the movements and his own party (*The Guardian*, August 12, 2003).

The gap between the extent of the social mobilizations and their weak expression in the political sphere (electorally and for the parties) has provoked a change in perspective for the PRC. Given the failure of the movement, the priority has become bringing down the Berlusconi government by a coalition between parties, the 'centre-left' (social democracy, the Olive Tree of Prodi,) and the PRC, supported by the whole of the union and social movement in order to form a new left government.

The spark to this turn was the failure of

the referendum (June 2003). The goal was to widen a law ('article 18;') that would prohibit 'unjustified redundancies' in companies of less than 15 employees. It was a very important social law. And the proposal was very radical, given the neoliberal environment. There was savage opposition from the employers' organizations, the Berlusconi government, DS (social democracy, in the opposition) and two of the three major trade-union confederations (UIL, CISL). By lowering further the threshold, the mass of men and women workers, young people and casualized workers were involved. That had a strong civil aspect, because it spoke to families in difficulty and non-trade-union groups, which often form part of the global justice movement. The PRC succeeded in constituting a broad coalition, which embraced the whole of the social, political and citizens left (PRC, Greens, PdCI, the FIOM, the trade unions at the base, and also the CGIL, and ARCI the main cultural movement). The referendum did not achieve its goal: the level of participation - 25,7% of registered voters - was too low. But more than 10 million supported the proposal, which is enormous. What political conclusion should we draw from such an extraordinarily contradictory situation?

From this 'failure', Bertinotti made his 'turn'.



**Fausto Bertinotti**

From the weakness of this movement primarily based on the social and political currents of the radical left, he has developed a new perspective. It aims at the short-term fall of the Berlusconi government through an alliance with 'the centre-left' (the socio-liberal parties of the 'Olive tree') to form a government, in which the PRC will participate. It is a question "of opening a path, a beginning of an open programmatic discussion, nourished by conflicts, and a goal, the fall of the

Berlusconi government and the realization of a programmatic alliance which is a candidate to govern the country". (Document adopted by the 'National Leadership' of the PRC, Liberazione, September 25). All the tactical difficulties and problems are there: the broadest unity of action including with neo-liberal social democracy to drive out a right-wing government; the battle for hegemony of the - social and political - radical left within this 'united front'; the public political debate to develop a programme of action, the formation of a new 'centre-left' government; and the entry of the PRC into such a government. This latter will be all the more marked by social radicalism, according to Bertinotti, because it will be carried by the movement, in a phase where the social-democrat/reformist program is impracticable in capitalism today, and neoliberalism is completely discredited.

The problem is not the unity of action, nor in fact an electoral bloc to beat Berlusconi if the very antidemocratic electoral law makes it necessary; but the PRC's already announced commitment to enter a government whose programme is already determined! Experience will decide. The main motivation of the PRC leadership is obviously the electoral failure and limited growth of the party after an extremely fertile phase of self-activity and self-organization of young people and the popular masses, a radical line of the PRC in tune with them, and the enormous activity of its militants who played an important part in the movement.

At the root of this hasty turn there is a real difficulty: we are in the first stage of the rebirth of the social and political movement; its organizational recovery is limited, but its legitimacy in society is already well-established. The anti-capitalist/radical parties are still a minority, but have already succeeded in entering elected political assemblies.

It follows that we cannot ignore the intrigues of a right-wing government that multiplies attacks against social (and often democratic) rights. While avoiding electoralism, the effort for a stronger showing in elections is useful for the visibility of an anti-capitalist alternative.

On the other hand, making a programmatic governmental alliance with the social-liberal parties is likely to bring one into discredit as has been the case for several parties, from the French Communist Party to the Belgian Ecologists. Their organizations are in tatters. The still more serious danger is that such a governmental alliance inevitably pushes the anti-capitalist parties that join it to adapt to governmental participation and, worse, to limit the autonomy of the social movement.

Both the party and the movement will be sucked into the political convulsions that such operations require.

## The 'political question': out of reach?

We have to maintain firmly the path to the development of the social and political movement, giving it every latitude to spread its wings in action, to create a culture of freedom of expression and pluralism, to reinforce its programmes, its analyses, its organizations. The question of the 'political expression' is unavoidable and imperative. But for the radical left it is unfortunately posed in a vacuum; parties, elections, government, the state are taboo questions. Everybody talks about them but it is taboo in the movement. The gap between the breadth of the social movement and the necessarily political strategy remains taboo: just to what point?

In the absence of an overwhelming sweep of commitment, there are only disparate elements that will help us bridge the gap.

Four factors can help:

**1** The extraordinary novelty of the situation in that there exists now, for the first time for 25 years, on a worldwide scale, although it varies from country to country, a broad protest and internationalist/globalist layer. It has a stunning capacity for worldwide initiatives, which for the moment escape the grasp of socio-liberal conservative or institutional forces. Within it a social and pluralist left is a fundamental element. It is within this movement that we find the energy and consciousness for forming a new anti-capitalist political formation. But inertia, distrust, reticence, misunderstanding block this solution. Meanwhile they leave the political conclusion of the social activity to the traditional political parties of the social-liberal left.

**2** The movement through its scope and the social problems it raises now contains a deep contradiction: how to achieve the major demands which form its identity (Tobin tax, cancellation of third world debt, fight against social inequality) and over and above those how to get to this 'other world' which is possible? The demand for 'another left' flows logically from this. If you say 'strategy' and 'programme' you must say also plurality of organized opinions, indeed of political currents, movements and parties. It is said and repeated that the movement is 'anti-capitalist'. 'Potentially' anti-capitalist yes, anti-establishment or anti-system, certainly. But some elementary

references for anti-capitalism are lacking; the need to take economic power away from the big multi-nationals; a radical change and reorganization of political power from below; the need for a majority, and thus democratic, social force to contest the financial oligarchy which governs us. These ideas are not discussed, and even less accepted. This is undoubtedly one of the reasons that

make alternative proposals. What is more, this is a real political battle. But politics weighs more and more heavily in the movement and faced with the movement. Thus discredited and worn-out social democracy seeks desperately to 'become part' of the movement. It has found support from reformist individual personalities. For example in France the Cassen-Nikoviev

opportunity to legitimize and contract this capitalist and imperialist Europe from Finland to the Mediterranean, from the Atlantic Ocean to the Russian border. The difference, the conflict between the social-liberal left and the anti-capitalist left will be revealed in the eyes of millions. How can the thousands of movement activists and supporters remain on the sidelines. On this occasion it will not just be counting the votes on election night. It is battle to win 'hearts and minds'.

Two major events are taking place in the immediate future: the European Social Forum will bring together several dozens of thousands in the 'workshop discussions' and several hundred thousands in the Paris demonstration. Millions of people are going to make a political choice in the 25 member states (450 million inhabitants). The two must be linked.

From the Forum we hope for a new push towards common mobilizations to push back neo-liberal politics and to carry the question of social rights into the heart of Europe – without forgetting the fight against the war. These questions will also be at the heart of the electoral campaign of June 2004.

The activists of the social left must grasp this opportunity. We must get involved. The situation is favourable. For the first time a series of – broad and pluralist – parties and movements which have been working together for several years in the Conference of the European Anti-Capitalist Left (see International Viewpoint 353, September 2003) have announced their wish to form a European party. They are not so arrogant as to claim that they already form the new political force in our continent capable of fighting effectively to impose social demands and to fight for 'another world', 'another Europe'. They are holding out their hands to tens of thousands of women and men asking them to get involved. A new anti-capitalist political force must respond to the European Social Forum. ■

\* *François Vercammen is a member of the executive bureau of the Fourth International.*



explains why 'politics' remains mysterious or distasteful for a good part of the movement.

**3** There is a very active political life 'outside the movement'. The governmental parties are a strongly polarizing factor; their action affects the mass of the population. In most European countries it is easy to discern the social-liberal left which is turned and turned about in government or in the opposition. How can the movement refuse to take a position on the concrete policies that are proposed or implemented? Or

leadership of ATTAC has lined up with the SP and CP to attack the political and social radical left. The movement will not be able to avoid having to organize in one or several parties or in currents with a single party.

**4** This process of slow, latent political clarification is undoubtedly going to come to the surface in the next few months. For all the reasons mentioned, but above all because of the European elections in June 2004. For the EU and the parties which are committed to it, this is a wonderful

**1** *All this is very much more complicated. The EU is a very recent assembly of national entities which are relatively homogeneous on the economic level and possess very old imperialist apparatuses. Its construction has been a contradictory process characterised by multiple economic, historic, cultural and political inertia.*

**2** *Michel Husson notes in 'Le Grand BLUFF Capitaliste', La Dispute, 2001, p 184, the key role for states of control of international investment, and exchange rate policy among the main world currencies.*

# ESF: a new step forward

LÉONCE AGUIRRE\*

One year after its first gathering in Florence, the second European Social Forum will be held November 13-15 in Paris and in three towns of what was once the 'red belt': Saint-Denis, Bobigny and Ivry.

This event can allow the social movement and the movement for global justice to take a new step ahead in opposing the construction of a neoliberal Europe, through campaigns and mobilizations for a Europe of social rights which will render credible the prospect of another Europe, a social and democratic Europe of the workers and the peoples.

## Memories of Florence

Remember, less than a year ago, in Florence, the holding of the first European Social Forum (FSE).

Two and a half days of intense debate involving tens of thousands of activists, mostly very young, global justice activists, trades unionists, feminists, ecologists, of various political hues but all deeply convinced that capitalist globalization was disastrous for humanity and that another world is possible. And on Saturday afternoon, a million demonstrators filled the streets of Florence against the imperial war that the United States was preparing to launch against Iraq.

From the meeting of the social movements an appeal against the war emerged which led to demonstrations across Europe on February 15. Relayed to Porto Alegre, through the framework of the World Social Forum, this appeal led to the greatest anti-war demonstration ever organized on a planetary scale. Berlusconi and his government, who had predicted for weeks that the global justice movement was going to ransack one of the cradles of the Italian Renaissance, were rebuffed. The demonstration made it plain that the extreme violence and trouble which had marked the demonstrations against the G8 in Genoa a year earlier were due to the forces of order and not the demonstrators.

The other big losers were the social-liberal currents. The leaders of the European Trade Union Confederation (ETUC) and the social democratic parties saw their orientation very largely rejected in the debates. Their attempt at marginalizing the radical currents, to oppose the social movement to radical left-wing political organizations, failed lamentably. What appeared at this ESF were two lefts, one social-liberal and the other rejecting the imperatives of the market economy and the search to maximize profit. This cleavage ran through both the political organizations and the social movement.

## Paris takes over

The ESF in Paris will have the ambition of amplifying this dynamic. And it is

possible. Since Florence, there have been the immense demonstrations against the war in Iraq, the mobilizations and strikes, sometimes general, in several countries against austerity policies and attacks on social rights, particularly pensions, social security and public services. In France, national education was paralyzed by a strike lasting several weeks.

As for the global justice movement, it showed its vitality during the anti-G8 demonstrations in Annemasse and Geneva and at the immense gathering of more than 200,000 people in Larzac against the World Trade Organization (WTO).

Add to that the failure to reach agreement at the WTO meeting in Cancún in September, and all the ingredients are there to make the second ESF a resounding event. Like that of Florence, this ESF will boost opposition to the legitimacy of capitalism as well as to those who control the European Union and the various European states.

## Five days of debate and mobilization

The 60 lectures and the 250 seminars at the ESF cover every aspect of neoliberal politics. There will be five broad axes:

- a** against the war, for a Europe of peace and justice, of solidarity, open to the world;
- b** against neoliberalism, against patriarchy, for a Europe of social and democratic rights;
- c** against the logic of profit, for a society of social justice, ecologically sustainable and for sovereignty in food;
- d** against the process of commodification, for a democratic Europe of information, culture and education;
- e** against racism, xenophobia and exclusion, for equality of rights, dialogue of cultures, for a Europe welcoming to immigrants, refugees and asylum seekers.

These five general axes will be supplemented by strategic questions like the contribution of feminism to the social movement, the fight against the far right or the range and dynamics of the social forums in the years to come, an opening on the world so as to avoid a Eurocentric vision of the response to capitalist globalization, a confrontation between political parties and social movements and finally a series of questions which are generally underestimated, like disability rights, the rights of children, the urban and national questions or Islam.



This kaleidoscope makes it possible to give a coherence to various resistances and mobilizations against the consequences of capitalist globalization, to show that these various and plural resistances will be able to win only if they are capable of unifying around a coherent alternative project to capitalism.

On Wednesday, the European Assembly for Women's Rights will be held – although not formally part of the ESF it fits in perfectly with its aims. The goal of this initiative is to highlight questions related to the oppression of women, denounce the neoliberal policies which accentuate this oppression and develop the struggles of women and feminist associations and to ensure that these issues are then taken up by the ESF as a whole. The street demonstration on Saturday, which promises to be huge, is based around the following demands: defence of the public services, social security and pensions, rejection of all discrimination, prohibition of layoffs, opposition to war, the commodification of all human activity and the destruction of planet.

Finally, the general assembly of social movements will cap off these five days

of mobilization. 2004 will be a key year, with the installation of the new European Constitution, enlargement of the European Union and a deepened neoliberal offensive against social rights and the public services. It would be very significant and useful if this meeting issues a call for the defence of social rights which can form a point of support for the mobilizations to come on a European scale.

With regard to the continuations of the mobilization against the war, two important events are coming up which this assembly should take on board. First, between Christmas and New Year, the organization 'Against war and all occupations, for the defense of the rights of the Palestinian people', is organizing a caravan which could cross Palestine, Iraq and Kurdistan. Also, there is the appeal launched by 200 US organizations for a demonstration on March 15, 2004 to mark the beginning of the invasion of Iraq and call for an end to occupation.

### An event not to be missed

To debate alternative responses to capitalist globalization in Europe, to

establish and strengthen European networks in all fields, to support continent-wide mobilizations against the neoliberal offensive whose objective is to sweep away all the social rights conquered over the past half-century – that is our goal.

For decades, internationalism has been ridiculed and non-existent. The world and continental social forums provide an irreplaceable framework for overcoming this situation. They can allow the labour movement, with the social movements, to create the kind of convergences necessary to give a true credibility to this aspiration for another world. We want a world without exploitation, where all forms of oppression will be banished, a world where wealth will be measured in free time, a world which will respect ecological equilibria. The second European social forum can be a step in this direction. It is an event not to be missed! ■

\* Leonce Aguirre is a member of the political bureau of the Ligue Communiste Révolutionnaire (French section of the Fourth International).

# Notebooks for study and research

The International Institute for Research and Education shares the values of grassroots activists. Since 1986 the results of our work – on economic globalization, twentieth century history, ecology, feminism, ethnicity, racism, radical movement strategy and other topics -- have been made available through the Notebooks for Study and Research.

- No 1** The Place of Marxism in History *Ernest Mandel* (40pp, €3.25, £2, \$3.25)
- No 2** The Chinese Revolution—I: The Second Chinese Revolution and the Shaping of the Maoist Outlook *Pierre Rousset* (32pp, €3.25, £2, \$3.25)
- No 3** The Chinese Revolution – II: The Maoist Project Tested in the Struggle for Power *Pierre Rousset* (48pp, €3.25, £2, \$3.25)
- No 4** Revolutionary Strategy Today *Daniel Bensaïd* (36pp, €3.25, £2, \$3.25)
- No 5** Class Struggle and Technological Change in Japan since 1945 *Muto Ichiyo* (48pp, €4, £2.50, \$4)
- No 6** Populism in Latin America *Adolfo Gilly, Helena Hirata, Carlos M Vilas, and the PRT (Argentina) intr. Michael Löwy* (40pp, €3.25, £2, \$3.25)
- No 7/8** Market, Plan and Democracy: The Experience of the So-Called Socialist Countries *Catherine Samary* (64pp, €5, £3.25, \$5)
- No 9** The Formative Years of the Fourth International (1933-1938) *Daniel Bensaïd* (48pp, €4, £2.50, \$4)
- No 10** Marxism and Liberation Theology *Michael Löwy* (40pp, €3.25, £2, \$3.25)
- No 11/12** The Bourgeois Revolution, *Robert Lochhead* (72pp, €6, £3.75, \$6)
- No 13** The Spanish Civil War in Euzkadi and Catalonia 1936-39 *Miguel Romero* (48pp, €4, £2.50, \$4)
- No 14** The Gulf War and the New World Order *André Gunder Frank and Salah Jaber* (72pp, €2.75, £1.75, \$2.75)
- No 15** From the PCI to the PDS *Livio Maitan* (48pp, €4, £2.50, \$4)
- No 16** Do the Workers have a Country? *José Iriarte "Bikila"* (48pp, €2.75, £1.75, \$2.75)
- No 17/18** April 1917: Coup d'Etat or Social Revolution? *Ernest Mandel* (64pp, €2.75, £1.75, \$2.75)
- No 19/20** The Fragmentation of Yugoslavia: An Overview *Catherine Samary* (60pp, €3.25, £2, \$3.25)
- No 21** Factory Committees and Workers' Control in Petrograd in 1917 *David Mandel* (48pp, €5, £3.25, \$5)
- No 22** Women's Lives in the New Global Economy *Penny Duggan & Heather Dashner* (editors) (68pp, €5, £3.25, \$5)
- No 23** Lean Production: A Capitalist Utopia? *Tony Smith* (68pp, €5, £3.25, \$5)
- No 24/25** World Bank/IMF/WTO: The Free-Market Fiasco *Susan George, Michel Chossudovsky et al.* (116pp, €8.75, £5.50, \$8.75)
- No 26** The Trade-Union Left and the Birth of a New South Africa *Claude Jacquin* (92pp, €5, £3.25, \$5)

Subscription costs £18, US\$30 or €30 for 5 issues; £30, US\$50, €50 for 10 issues.

Notebooks published in book format by Pluto Press generally count as a double issue for subscription purposes. You can request back issues as part of your subscription. Back issues are also available for the prices indicated (outside Europe, add 20% for postage).

For Notebooks for Study and Research we prefer payment in euros, made by bank or giro transfer to Netherlands Postbank account no.1757144, CER/NSR, Amsterdam. Next best are cheques payable to P Rousset, either sterling payable in Britain or dollars payable in the US. Please avoid Eurocheques. Please add 20% for postage outside Europe.

IIRE, Willemsparkweg 202, 1071 HW Amsterdam, The Netherlands

Fax: 31-20-6732106. E-mail: iire@antenna.nl

Why a women's day at the European Social Forum (ESF)? The idea of organizing a whole day of women's debates inside the ESF emerged in the context of the limited space for discussion in workshops or in seminars provided by the first ESF at Florence.



## ESF: feminism and the movement

NADIA DE MOND\*

**T**he lack of time available for a real discussion of the subjects raised by women in the framework of this first forum was obvious. Despite the efforts of the World Women's March, which had participated from the beginning in the European meetings to prepare this event, the presence of women – in particular feminists – and their impact in the Forum's discussions has been extremely limited. This corresponds both to the persistence of patriarchy (understood as relations of domination between the two sexes) in our societies, including social organizations and movements, and the absence of a strong structured autonomous women's movement at the national and international levels.

The proposal for a whole day (at the beginning we had even considered a weekend) dedicated to women's rights was intended to rebalance this situation and make it possible to reinforce the bonds between various women's associations and movements in European countries.

### A complicated process

The idea was to insert in each European meeting of the ESF a meeting of preparation for the women's day, thus creating a dynamic transcending the traditional borders and horizons of the women's movement. In fact this formula has not been so easy to apply. The same difficulties that women's associations face at the national level – geographical and thematic dispersal, lack of economic resources and organized and permanent structures – weighed in the realization of a real coordinated work for this Assembly. Consequently the bulk of the organizational and political work had to be taken on by the country hosting the Forum.

The positive side of the coin consists in the great interest that the Assembly has aroused in various countries and in particular in France, where hundreds of women, organized and not,

have already registered. In several countries, mainly in the Mediterranean area, feminist groups have collectively prepared their participation so that the meeting can be really used to exchange experiences on the ground and to work out common strategies of resistance to the Europe of the banks, the army and the Vatican.

In fact one of the objectives of the Assembly is the drafting of a declaration of women opposed to the Europe which is being built – its Convention and the policies which will follow from it.

This declaration will be accompanied by proposals for campaigns centered on the key questions concerning the rights and freedoms of European women: starting with the right to free choice in relation to sexuality and procreation; the inclusion of immigrant women and their autonomous status; and opposition to the neoliberal policies of the EU which impoverish women (and in particular older women) first and foremost.

The Assembly of women is conceived first as a stage in the construction of networks and campaigns which will allow the women's movement to act at the continental level, to approach the European dimension of politics.

The work of the morning will be divided into six workshops which will exchange the experience of resistance and struggle on the following subjects: women and war; violence; free choice; immigration and reproduction; employment, poverty, job insecurity; incarnation of power.

The topics dealt with will be presented to the plenary assembly in the afternoon and then connected to the declaration concerning the Convention to be approved at the end of the day. A procession will then connect the women's day to the official opening of the ESF.

## Feminism in the movement for global justice

The holding of the European Assembly for Women's Rights is the fruit of an enormous subjective effort by the wing of feminism which has involved itself in the movement for global justice on the basis of two assumptions:

**1** That the presence of the women's movement is essential within the international movement for another possible world and that the radical critique of systems of domination is doomed to failure

without the contribution of feminism.

**2** That the movement of women has everything to gain by immersing itself in this mixed movement, made up mainly of young people – many of them young women – to renew itself and build a bridge to the new generations.

It is mainly thanks to the maintenance from the year 2000 of the European network of the World Women's March against Violence and Poverty that the essential minimal conditions were met so that the event could take place.

In connection with the first assumption it is obvious that the movement for global justice has had difficulty in fully absorbing feminism into its analyses and discourse. Feminism introduced into the movement fundamental topics like a rereading of the economic structures through the recognition and valorization of domestic labour, which practically remains the responsibility of women, or the use of the optic of gender to interpret social relations. On these themes there is now a full bibliography and an 'expertise' built up by researchers and activists everywhere in the world.

At the theoretical level feminism brings fundamental concepts like the multiplicity of the subject of transformation (from which it follows that there is no longer one priority contradiction in relation to others and no longer a single vanguard that will direct the process); the need for a holistic approach which integrates the different spheres of life in a revolutionary perspective (a project that can only succeed if it manages to mobilize the energies and passions of those directly affected).

All this remains absolutely marginal in relation to the ideas and forces that have characterized the movement until now, a movement which moreover has rarely explicitly expressed itself in feminist terms. A strong and articulated presence of feminism within the movement is an essential condition but not necessarily a sufficient one so that the theoretical and strategic assets of the women's movement become hegemonic within the World Social Forum.

The millennia of patriarchal culture consolidated in structural social and economic relationships weigh on the social Forums, which show a formidable inertia relative to attempts at renewal of the modalities of struggle and organization, the training of a different leadership, and definition of the priority contents of the movement.

However, it should be said that from the point of view of the affirmation of principles, the WSF and its various regional articulations have registered progress compared to what

is the tradition of the labour movement. In words at least, feminism and the fight against patriarchal structures have been taken on. The international feminist networks and the women's movement in various countries taking part in the movement have found the doors open to their entry in the Forums. In several countries, not particularly progressive in terms of women's rights and sexual freedoms, like Portugal, Italy and Switzerland, the Social Forums have integrated into their programme topics raised by feminists and lesbian and gay activists.

These are the first indications that the 'mutual contamination' of the various currents and subjects which make up the movement will not stop there and that its advance is a question which rests also partially in our hands. At the same time there are signs of a revival of the women's movement and interest in relation to feminist analyses outside and inside the movement for global justice.

In the countries of the South women's organizations have not ceased growing during recent decades. Massive support for the World Women's March in 2000 in certain countries of Africa, Asia and Latin America bear witness to that. Within the framework of the social forum some sectors of women are raising questions on the specificity of their participation as (young) women within this movement. During the last demonstration against the Europe of the bankers and social exclusion in Rome, for example, a sector of 'disobedient' youth self-organized for the first time by seeking their own forms of visibility and radical action within the demonstration, facing the police force, inspired by the direct action of peasant women during the mobilization against the WTO in Cancún. A great debate followed on the feminist discussion lists in Italy. Do forms of action which do not exclude conflict belong to our movement? Is there an embryo of feminist consciousness there?

In my view it is not at all an automatic process that young women who mobilize within the framework of the movement become aware of their condition of subordinate gender, the patriarchal relations which exist in society and the discrimination to which they are subjected. But it is certain that this milieu offers the best possibilities so that the feminist discourse can be heard and taken up, provided that we are perceived as part of that same movement and able to communicate our ideas and our experiences in an attractive way. ■

\* *Nadia De Mond is a member of Italy's Party of Communist Refoundation (PRC) and of the 'Bandiera Rossa' current (which organizes PRC members sympathetic to the Fourth International). She coordinates the World Women's March at the European level.*

# European Union: the threat to education

CARLOS SEVILLA ALONSO\*

Education faces multiple threats as attempts continue to reduce it to a commodity. From the French republican school to the mass university of the post World War II period, educational systems have reproduced and continue to reproduce class inequalities. On the other hand, new resistances appear that defend public services and search for alternatives to the neoliberal educational model.



**E**ducation, like other public services, is in the line of fire of UNICE (the European employers' organization), the OECD, the ERT (European Round Table of Industrialists), the European Commission, the WTO, the General Agreement on Trade in Services (GATS) and of the reforms of each individual state aiming to liberalize this public service and open it up to the voracity of capital.

## Education at the crossroads

Over and above these conjunctural tendencies, formal educational systems

have contributed and still contribute to the structural and ideological reproduction of class society. However, education has increasingly a more economic and less ideological function, because this latter has been replaced by the press, the radio, the television or advertising.

In the 20th century, the advances of industrial technology, the growth of public administration and the development of commercial employment created a demand for qualified labour. The educational system began to develop modern, technical or

professional sections, and education began to assume an economic function. After World War II the economic role of the school prevailed.

The emergence of the so-called welfare state, based on high and stable economic growth and heavy long-term technological innovation, demanded a bigger work force and a general rise in the educational level of workers and consumers. Education budgets rose from 3% of GDP in the 1950s to 6-7% of GDP by the late 1970s. The qualitative aspects of the education-economy relationship (objective, contents, methods, structures) became questions of lesser importance.

As secondary (and to a lesser extent higher) education became a mass phenomenon between 1950 and 1980, it did not change fundamentally in nature. This increasing mass nature also contributed to the role of the educational system as a reproductive instrument of social stratification. The demand for manual labour in the service and administrative sectors seemed to offer certain expectations of social promotion, but the extension of education at a mass level (together with the non-democratization of structures) also led to an increase in scholastic failure.

After the new economic context defined by the structural crisis of the 1970s, the growth of public expenditure, within

which education occupied a preponderant situation, was brutally reined in. The leaders of the capitalist countries became fully conscious of the new turn and the new goals it imposed on education.

This new environment has been characterized by:

- constant technological innovation; industries and services use these innovations to obtain greater productivity or conquer new markets. Communication technologies have been introduced into production and

(or short term training in one's own workplace).

- abandonment of state commitment to public services.

### Crisis of public expenditure

The duality that exists in the labour market is accompanied by a parallel duality in education. Thus, labour flexibility demands the recycling of the work force, by means of continuous lifelong training. This process requires

non-school education is promoted by suppliers of private education, a "lifelong education" profitable for its providers. The idea of distributing responsibilities between the public sector and private suppliers is extended.

The strategy of the employers can be summarized as follows: to lower the price of training costs (the state socializes costs which are reduced for the company, increasing the margin of profit), to remould qualifications so as to accommodate them to increasingly precarious work, deskilling society in a generalized manner.

### Education as a commodity: the General Agreement on Trade in Services and the European Space of Higher Education

Education like other public services has entered into international trade through the WTO and GATS. The objective of GATS is the 'complete liberalization of the services market'. Education was introduced at the origin of the WTO (Uruguay Round, 1995) at the proposal of the US which is the world's leading exporter of education services.

The limits to GATS occur in those services offered by a governmental authority which are provided totally free and which do not occur in competitive or commercial circumstances (articles 1.3b and 1.3c).

However, there are in the public services numerous forms of "externalization" to diverse suppliers, even though the main provider is a governmental authority. There are then, no public services in a pure state that are beyond the reach of GATS and the rules of the market. The market in education (as the WTO calls it) is divided into five categories: primary, secondary, higher, adult and other services. The public sector has continued to be the main source of financing.

Art.15 of GATS directly threatens an end to the public financing of education. It describes subsidies as having "distorting effects on the services trade" and affirms that "each member that considers that a subsidy accorded by a member state harms them will be able to start up the process and to ask for a hearing in the body for resolving differences" - the tribunal of the WTO, which will apply sanctions to countries that establish obstacles to free competition. Thus, the norms of internal regulation of the member states of the WTO cannot, according to art.4, involve "unnecessary obstacles" to the free circulation of commodities.



mass markets. Economic predictability is continuously reduced.

- reforms in the labour market; ever-greater job insecurity. Workers are forced to regularly change tasks, employment, even professions. The growth of the number of highly qualified jobs (computer science, engineering, specialists in computer science systems and management of networks) increases in percentage but not in volume. On the other hand, growth is still more explosive in the jobs with low levels of qualification

a qualitative adaptation of education and a docile workforce used to its own adaptation to the labour market.

In line with this, we see the deregulation of qualifications, with flexible formulas that reduce the capacity for collective bargaining with employers and introduce the "spirit" of private enterprise (professional competition, personal aptitude, discipline) into educational systems.

Another tendency in education is the promotion of informal modes of training:

These articles of GATS go hand in hand with the fundamental principles of the WTO relating to "most favoured nation" or that of "national treatment". In the first case, favourable treatment accorded to one country that is a signatory in the import and export of services implies the same treatment should be extended to all the countries that are signatories. In the second case, the foreign companies present in the market of a given country should benefit from treatment that is at least equally favorable to that which national companies receive in this same market.

As we can see, the objective of GATS is the pure and simple dismantling of public education as a competitor with advantages (thanks to public financing) over the education provided by private companies.

Education was excluded from the proposals presented on March 31, 2003 by the European Commission for the WTO summit in Cancún. But the pressure of the free-market vanguard in the field of education (the US, Australia and New Zealand) and the importance of exporting education services for some EU countries (France, Germany and Britain), combined with the pressure of the ERT and the UNICE, mean that although this public service was excluded from the recent round of negotiations, the objective of both the WTO and GATS is to advance towards complete liberalization.

In the EU, the European Space of Higher Education (ESHE) is being developed in evident relation both to with GATS (as a form of gradual application of this agreement to be completed by 2010) and with the objectives set by the European Council in Lisbon in 2000. These were to promote a "knowledge economy, the most competitive and dynamic in the world, capable of creating durable economic growth" where education "should adapt itself to the new technological demands, those for qualified personnel and flexibility" formulated by the European employers.

The development of the ESHE is being openly coordinated and it is reflected in what is known as the Bologna "process" which, from 1998 to 2003 has involved a series of meetings of ministers in charge of higher education (the Sorbonne 1998, Bologna 1999, Prague 2001 and the most recent one this year in Berlin). The origins of the ESHE can be traced to the famous White Paper on Education of the European Commission (1990) whose role in education, thanks to the institutionalized pressure of the ERT and the UNICE, is increasing significantly.

From the point of view of the legislation regulating education and training, articles

149 and 150 of the Treaty of European Union contain general criteria and good intentions; but this situation will change in the draft European Constitution, presented by the Convention, which constitutes a threat to all public services it characterizes as "services of general economic interest", a concept that also appears in the Green Paper of the Commission.

The principles informing the ESHE and the approach of the European Commission are: to promote distance learning and e-learning as methods of informal training provided by private suppliers, lifelong learning strategies to adapt to the changing demands of the labour market, individual responsibility of students for their own training and adaptation to



the market, employability, renovation of pedagogical methods by means of the massive introduction of new information technologies and communication in schools, the introduction of marketing in schools that promotes the spirit of private enterprise. In themselves they do not say much but it is necessary to understand them within the new changing economic context explained earlier.

The measures adopted in the development of the ESHE can be summarized in a few key themes: a change in the structure of university studies, a system of equivalent degrees (the European credit transfer system) and mobility of teachers and students. The fundamental measure is the reform in the structure of studies, establishing two cycles (undergraduate and graduate), diminishing the length of the first cycle to three years devoted to generalist lessons oriented to a deregulated labour market and a second degree confined to an elite.

The Declaration of Prague in 2001, signed by 33 countries, clarifies the influence of the Commission, the ERT and UNICE, as well as the objectives of

the European Council of Lisbon. In this declaration objective of 'increasing the competitiveness of the ESHE to attract students from all the parts of the world (transnational education)' is set.

The ESIB (National Union of Students in Europe) participated in the Prague meeting as well as follow up meetings. Its position is that of a critical 'yes' towards the Bologna process, similar to the position of many of the unions of the ETUC in relation to the European Constitution. The result has been to fundamentally legitimate the process without managing to modify any aspect of it.

### Education not profit!

But resistance is being organized through the movement for global justice, the counter summits, forums and demonstrations that are producing a convergence of actors in education who share a similar critical analysis of its commodification and look for alternatives to it.

Forums are being developed in opposition to neoliberalism. Among them are the World Forum on Education (2002-3) in the World Social Forum, made up of trade unionists and NGOs whose work has been one of analysis and formulation of alternatives but without proposals of action. Another forum has been the Berlin Forum of European Education (2003), a European space of convergence for student groups and rank and file unions opposed to the Bologna process and GATS.

Also in the European Social Forum diverse initiatives have been carried out (seminars, lectures, assemblies of students) that have not managed to crystallize in proposals of action of a European dimension but are developing an incipient European sectoral network in the area of education.

The political importance of these networks is obvious since if the neoliberal offensive takes place at a world-wide (GATS) and continental (European Commission and Bologna process) level, resistance still remain anchored within the strictly national framework against the measures of each government that respond to a set logic.

Through these meetings and the development of common proposals and actions on a European level we can prevent the triumph of the employers' project for education and lay the basis not only to defend public services but to transform them so that they are universal, free and controlled by those who use them and work in them. ■

\* Carlos Sevilla Alonso is a supporter of the 'Espacio Alternativo' current in the Spanish state.

The government of the member states... extending the crisis of the EU... continuation' has continued to spread and it has already reached new members like Poland.

### The spirit of Saint

# European Union: the Spirit of Saint Denis

**T**he opening of the IGC on October 4, 2003 in Rome, by a Berlusconi who some days earlier had tried to justify Mussolini, had to face a street mobilization of tens of thousands of trades unionists from the European Trades Union Confederation (ETUC) and global justice activists. But it also had to face an internal blockage on the key questions of the draft from the Convention; the composition of the Commission, the internal division of votes and the capacity to block community institutions, the level of 'communitization' of foreign policy and the role of the EU's foreign minister, the legislative functioning of the Council and so on.

These are not formal or secondary questions, but on the contrary key elements of the articulation of the 'governance' of the European power, which illustrate the difficulties of the Franco-German axis which seeks to impose its model of functioning on a Union enlarged to 25 member states. These difficulties have their origin partly in the sharpening of inter-imperialist competition at the time of the second Iraq war. The war in Iraq and now its 'reconstruction' have divided 'old' and 'new' Europe, have blocked the possibility of a referendum on the euro in Britain as well as the incorporation of Blair in the Franco-German axis and have taken the shine off the construction of a European power, resting essentially on the Franco-German axis and the intergovernmental consensus stemming from the growing weakness and discredit of the Prodi Commission.

If Paris and Berlin were able to rest on the massive anti-war demonstrations to oppose Bush at the UN Security Council, their attempt to rebuild a social base ready to accept, as a lesser evil, neoliberal reforms and the 'Spirit of Lisbon' in the name of 'competitiveness' and competition with the US has met many more difficulties. In France, the teachers' strike before

modification of the Constitutional... Treaty submitted by the Convention... accompanied by an alternative consensus... tomulus, not the open treaty, but an... the part of these member states which... are not contributors to the European... budget, in the context of negotiations... the EU financial perspectives for 2006... have prevented Spain and Poland... demanding the majority... of power and blockage that they... in the Treaty of Nice to the detriment of the 'big' member states; that have... the small member states from pursuing... their campaign to be represented... in the Commission (by voting... in the Commission will involve... the... finally, they have not stopped the... European sector from... own campaign for a European... on the Constitutional Treaty with the hope of... this... How would it... of legitimacy? There... This was... The agreement...



the summer has created a new social situation and opened a crisis of Raffarin's government, which would be deeper but for the spectacular malaise of the Socialist Party and the crisis of its old allies of the 'plural left', incapable of the least resistance for fear of being overtaken by the far left. In Germany, Schröder was able to restrain the last rebellion against his neoliberal reforms by a sector of the parliamentarians of the Social Democratic Party (SPD) only through the blackmail of threatening a general election. The negative result of the Swedish referendum on the Euro has not been helpful to maintaining the Franco-German dynamic either. In this situation, Chirac and Schröder are meeting unexpected opposition at the IGC. Neither the warnings of German foreign minister Joschka Fisher that any proposed

Although the European Council at Thessalonica had given a 'positive welcome' to the draft Constitutional Treaty drawn up by the European Convention, it is obvious that the intergovernmental conference (IGC) has opened a Pandora's box

intergovernmental... of the Council and the dynamics... the single market is... and coordinated, responsible... for social policy remains with the... member states. It legally imposes... the... Any... Parliament, the only representative... institution of the European citizens... Government... will... it does not even... of individual... social rights in the Charter of Fundamental... Rights... European... state members... five... independence of people who... immigrants, are exposed to illegality... it... it does not...

modification of the draft Constitutional Treaty submitted by the Convention must be accompanied by an alternative consensus formula, nor the open threat to cut aid on the part of those member states which are net contributors to the European budget, in the context of negotiations for the EU financial perspectives for 2006, have prevented Spain and Poland from demanding the maintenance of the quota of power and blockage that they obtained in the Treaty of Nice to the detriment of the 'big' member states. Nor have they stopped the small member states from pursuing their campaign to be represented directly in the Commission with voting rights and putting in question the 'directorial method'. Finally, they have not stopped the more Eurosceptical sectors from launching their own campaign for a European referendum on the Constitutional Treaty with the hope of thus depriving it of legitimacy.

This was the scene when the IGC was inaugurated on October 4. The absence of any democratic constituent process could not be more evident. The debates and the struggles between the member states, linked to the negotiations of other questions and interests, like the financial perspective after 2006, promise a continuous erosion of the credibility and legitimacy of the Constitutional Treaty that will finally be adopted. But if the capacity to impose a new resolution at the Security Council for the reconstruction of Iraq is a fundamental test for the credibility of the international hegemony of the USA and the Bush administration, the ability to impose a rapid 'consensus' in the debates of the IGC is also an acid test of the ability of the French-German axis to lead the EU.

The intergovernmental debates on the future of the EU have become one more example of the crisis of legitimacy of neoliberal policies and the institutional reforms necessary to continue imposing them. The 'optimal' framework chosen by the European dominant classes to impose these reforms with the minimum political and social cost — the EU — is in deep crisis. The Commission, imposing neoliberal policies 'from above', plays with its hypothetical technocratic prestige and grants partial and focused compensations through structural aid to try to avoid the worsening of the political and social crisis inside the member states. But given the lack of legitimacy, the opacity of the decision making process and their consequences, it is inevitable that social resistance to these policies becomes confrontation with

the governments of the member states, extending the crisis of the EU. The 'French contamination' has continued to spread and it has already reached new members like Poland.

## The reasons for a 'No' to the Constitution of the European oligarchies

As the IGC negotiations develop, illusions on the 'progressive character' of the Constitutional Treaty vanish. In the first place, because people begin to read or to familiarize themselves with the content of the Convention's draft. It is impossible to maintain with a minimum of seriousness that it marks a step forward in the construction of a 'European social model' or a 'Europe of

a 'no' to the Constitution of the European oligarchies is equivalent to accepting the Treaty of Nice. If the European dominant classes have taken the trouble to organize a Convention and the IGC it is because they are perfectly conscious that the Treaty of Nice never had sufficient legitimacy for the construction of the European power they need, or even for the operation of the EU after enlargement. It is enough to remember the result of the only referendum that was held on Nice in a member state, Ireland. There was a clear 'no' to the beginning of the militarization of the EU that it implied and to the institutional inequality between the member states it represented. A second referendum was needed, with enormous pressures, blackmails and promises of economic aids, before the Irish government persuaded its population to accept Nice.

On the contrary, the reasons to reject this draft Constitution of the European

oligarchies are easy to summarize in eight basic deficiencies:

**1** There is no constituent process based on the sovereignty of the citizens and the peoples of Europe. The Constitutional Treaty is born of an intergovernmental agreement and is a charter granted by the existing regimes

**2** It does not establish a federal Europe, but continues subordinating the process of European construction to intergovernmental agreements of the Council and the dynamics of the single market. Whereas the neoliberal management of the single market is centralized and coordinated, responsibility for social policy remains with the member states. It legally imposes a neoliberal European economic model and rejects a European social model. The European Parliament, the only representative institution of the European citizens, remains limited and subordinated in its legislative powers by the Council.

**3** It does not even ensure the exercise of the individual and social rights in the Charter of Fundamental Rights — itself largely inferior to the European average — because Title VII subordinates them to the legislation of each state member. The inequality of citizens thus becomes a norm, as well as the inequality of people who, as in the case of immigrants, are exposed to illegality.

**4** It does not promulgate a peace policy,



progress'. It appears as a text that tries to set in stone as European basic law the neoliberal management of the European economy, to trim existing social rights in many member states, to impose an oligarchical 'governance' against all democratic legitimacy, to militarize European societies through brandishing the spectre of 'international terrorism'.

Nor should we accept the argument that



but maintains the bellicose option of subordination of the EU to the obligations of the members of NATO, creates a European army and gives an institutional impulse to a community weapons policy.

**5** It does not guarantee the right of self-determination of the European peoples, but fixes and articulates the operation of the EU on the basis of the existing member states, which are affirmed as the only frame of development for any type of administrative, cultural or political autonomy. It does not even guarantee equality between the member states, because it institutionalizes 'strengthened cooperation', in other words centres and peripheries.

**6** It does not allow a social and economic policy aimed at the satisfaction of the needs of the citizens. It establishes legal limits to the budgetary capacity of the EU, prohibits its indebtedness, throttles its tax capacity and rules out anti-cyclical economic policies. It guarantees the independence

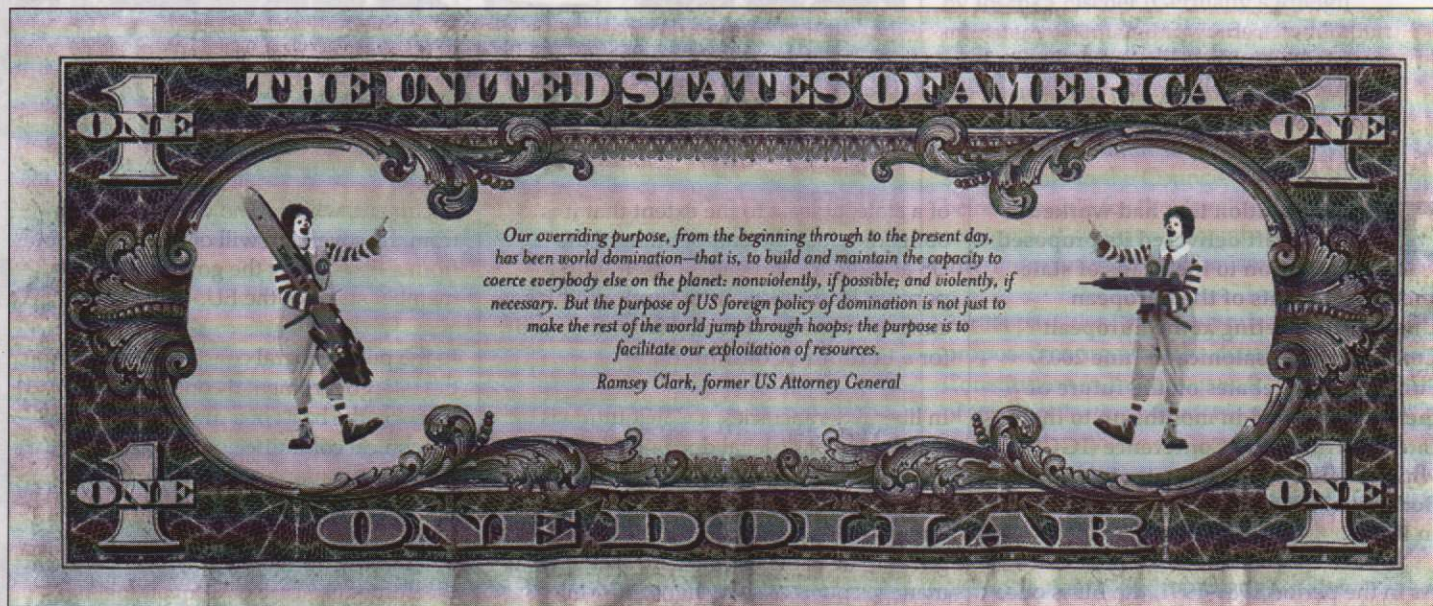
and respect for the environment to the interests of the market and to neoliberal policies.

## The spirit of Saint Denis: for a democratic and social refoundation of Europe

The challenge for the European Social Forum is to give a European framework to the dispersed struggles of resistance that occur in each member state against the neoliberal reforms impelled by the 'Spirit of Lisbon'. That is the great contribution that the 'movement of movements' can make: the understanding that the challenge is posed at a European level. This means analyzing the institutional instruments that articulate the hegemony of the dominant

A coordinated trade union resistance at a European level is another essential element. The campaign against the draft Constitution of the European oligarchy should allow the establishment of the bases of a democratic and social refoundation of Europe, an anti-hegemonic project based on the extension of citizenship rights, with the perspective of constituting a Congress of the Peoples of Europe.

The first practical step is to demand the holding of referendums in each member state. Denmark, Ireland, France, Luxembourg, Holland, Spain, Portugal and the Czech and Poland are trying to ratify the Constitutional Treaty with a mere parliamentary approval, under the pretext of its intergovernmental character. What will happen if a state member says 'No'? How would it affect the EU's current crisis of legitimacy? There is no easy answer to these questions, any more than there was when Ireland said 'No' to the Treaty of



of the European Central Bank and submits the EU to a regime of permanent austerity. Any social advance is conditional on competitiveness.

**7** It does not create a democratically transparent and responsible European administration. The Commission will thus continue being an opaque and independent administration, with legislative initiative to propose its regulations, decisions and laws for adoption by the Council and the European Parliament. The communitarian institutional confusion does not respect in any way the division of powers and the existing institutional democratic control in the member states.

**8** It does not promote a 'green Europe', but subordinates sustainable development

classes at European level. That is, to build a common campaign for a 'No' to this draft constitution.

In spite of the crisis of the EU, it is necessary to reject the idea that a return to the framework of the nation-state is possible. The communitarian single market is a reality that links the European economy with the world market. 'Resistance in one country' to neoliberal policies is not possible. The battle unfurls within the European framework; its outcome depends largely on the ability to build a solidarity of the working-class capable of imposing social redistribution and rights for all beyond the member states, beyond the present borders of the EU, overcoming the dynamics of division and the social and geographic segregation of 'fortress Europe'.

Nice, one of the main causes of the present constitutional process.

So that another Europe can be possible, of the citizens and the peoples, the European Social Forum must register the common interests and objectives that allow us to oppose the weight of the majorities against the oligarchical hijacking of our sovereignty and to articulate those majorities in social resistance and political alternatives. That is really our best weapon — understanding that if we act together we are much stronger than they, that the Europe of solidarity can be much stronger than the neoliberal European power. ■

\* G Buster is editor of the Madrid-based review *Viento Sur*, a supporter of the *Fourth International* and of '*Espacio Alternativo*' (Spanish state).

## The spirit of Saint Denis: for a democratic and social re-foundation of Europe

The draft European Constitution – which raises neoliberal dogma to the rank of fundamental law – is a challenge to Europe's workers and peoples

# European Union: at the crossroads

G BUSTER\*

**The Convention that had worked on the draft delivered its proposed constitution to the heads of state and governments of the European Union (EU) meeting at the European Council in Thessalonica in June 2003. Fundamental debates on the future of the EU continued in months up to the Intergovernmental Conference (IGC), which Italian prime minister Silvio Berlusconi inaugurated in early October in Rome.**

As in the period 1989-1991, the EU is once again at a crossroads. Then, the collapse of the 'people's democracies' in eastern Europe and the USSR, the first Gulf War and the outbreak of war in the Balkans led the dominant classes in Europe to make a qualitative leap in the construction of the Union. The Maastricht treaty, economic and monetary union and the perspective of enlargement eastwards were the cornerstones of this step. Today, the events of September 11, the second Gulf War, the aggravation of international economic competition in the framework of a double recession and the effects of enlargement oblige them to make a new step in the construction of a supranational state apparatus, capable of articulating and defending the interests of the European bourgeoisies.

To face up to the challenges on the economic, military and diplomatic fronts, the EU must assume the proper functions

of a state, at least to the extent that it is obliged to face the competition of the US and Japan, and endow itself with a popular legitimacy and a support which is currently cruelly lacking. Hence the need for a European Constitution.

In liberal democracies, a Constitution is usually the basic legal document on which the legitimacy of the state in relation to its citizens is based. It presupposes the existence of a social pact for the common good in the name of which the state manages popular sovereignty within the framework of the limits set by the Constitution. Beyond this myth one finds nonetheless the division of power inside the dominant classes, for the defence of their interests, inside the executive, legislative and judicial institutions. The constitutional mask – the political equality of citizens – hides the social and economic inequalities of the capitalist market. To maintain this fiction, the state is separated from civil society and placed above it, on the pedestal of the Constitution.

The very fact that the fundamental juridical document of the new legitimacy of the Union is presented as a Constitution – and not as an intergovernmental diplomatic treaty – shows the political ambition of the dominant classes to create a European power starting from the EU. But they need increased legitimacy to carry this through. Once again, however, the word games cannot hide the true nature of the

document, which in no way originates from the sovereign will of the peoples, but from a decision by the governments of the member states of the EU.

In the purest liberal conservative tradition, the intergovernmental conference will work on the basis of a draft prepared by a technical committee designated from the parliamentarians of the member states, the European parliament, direct representatives of the governments and those of the Commission which, despite the pompous name of Convention, has no popular mandate. Even if subjected to a referendum process in the majority of member states (although this is only obligatory in Denmark and Ireland), it remains a Charter drawn up through an intergovernmental agreement. Inside this the rulers – in this case the heads of government of the member states – interpret the interests of their subjects and accord them some rights, while generously defining their own field of action.

## 1 Origins of the European constitutional debate

The federalist political yearnings of the founding fathers of the European communities like Schuman, Monnet, Spaak, or Gaspari, were rapidly subordinated to the political realities of the Cold War, giving way to what was called the 'community method' to advance towards European unification after the

Second World War. It was a functional and gradual way of formulating common institutional responses to the need for regulation of markets when the expansion of productive forces overran the existing frontiers in Europe after the war.

This situation endured, with progressive advances – above all under the mandate of the Delors Commission – until the Maastricht Treaty. But the enlargement of

'democratic deficit' of the Union. The 'No' vote won the day in the Danish referendum on the Treaty of Amsterdam and in the first Irish referendum on the Nice Treaty. The average rate of abstention in the elections for the European Parliament was 50.2%, reaching 76.7% in Britain and 70% in Holland. The external circumstances were not better – the euro fell in relation to the dollar and in the Balkans

single market, with a 'European power' constituted inside it by those member states capable of advancing towards a 'strengthened cooperation'. This lays the basis for a 'common model of society' open to all the member states of the Union. It does not amount however to an 'à la carte' Union, with asymmetrical and variable introductions, like that of Britain or Denmark, but a single model, although access to this model can be evolutionary and gradual, determining thus a centre and a periphery of the Union.

This schema demands a clear delimitation of the 'model', the rules constituting 'strengthened cooperation', the taking of decisions at different levels on the 'European power' and the 'European space', and finally the common mechanisms of regulation with guarantees for all the member states. Delors' proposal, supported inside the Commission by important sectors of its bureaucracy and from the outside by Joschka Fischer (Germany's foreign minister), orientated towards a 'federation of member states' with a strong role for the Commission. Its powers concerning the internal market would be increased but it would remain strategically subordinate to the Council, which will be responsible for the development of foreign and security policy through the intergovernmental mechanisms.

For its part, the Prodi Commission proposed to organize the debate on the Constitution in three stages: **1** a period of 'open reflection'; **2** a 'structured reflection', with the convocation of a consultative Convention which would prepare a draft Constitution inspired by the method of discussion already used for the drawing up of the Charter of Fundamental Rights adopted at the Nice Council; **3** final discussion at an intergovernmental conference in 2004.

The first stage was conspicuous by its absence, despite the funds spent by the Commission, for the member states did not want the debate to go beyond the circles of the bureaucracy and its experts. The lack of discussion, its blockage by the member states and the experience of the drawing up of the Charter of Fundamental Rights led the Belgian presidency to create a 'committee of wise men' made up of Delors, Dehaene, Amato and Geremek, who devised the functioning of the Convention in the 'Laeken Declaration' approved by the European Council in December 2001.

## 2 The Convention of 2002-2003

The second stage was concretized by the setting up of the Convention which, despite the revolutionary



the EU was reminded of its military subordination to the US.

That is why the debate on the future of the Union opened in Nice. Despite the initial skirmishes around the question of whether European construction should adopt the federal or confederal model (starting from intergovernmental agreements), a consensus rapidly evolved. This was developed to a large extent by Jacques Delors and argued that extension demands the differentiation of a 'European space' emerging from the extension of the

the Union to 25 members, the introduction of the euro and the need to develop a military capacity in the new international situation in the late 1990s, led the European Council – meeting in Nice in December 2000 – to discuss a new sharing of power inside the community institutions among member states and to open the debate on the future of the Union.

From the viewpoint of the European bourgeoisie, the internal political circumstances could not then be more unfavorable. They shed light on the

historic origins of its name, was not representative. It took the form of a series of working commissions and a plenary session, composed of 105 euro-deputies, national parliamentarians, representatives of governments of 25 states and representatives of the European Commission, together with 102 alternates, all designated according to obscure criteria. It was presided over by an old icon of the French right, the former president Valéry Giscard d'Estaing, helped by Dehaene and Amato. From the beginning the debate was dominated by the discussions inside the Praesidium, between the representatives of the governments and Giscard, who imposed the curious procedure of never taking a vote inside the Convention and interpreting the consensus obtained.

Although the Convention had organized its work through 10 groups, eight months later, in October 2002, only two of them had finished their reports and the task seemed impossible. But the Praesidium had been working discreetly since July on what Giscard called the 'skeleton', which was distributed on October 28. The document defined the institutional and constitutional structure, marked the general lines of action and procedure and the general clauses of application, ratification and revision of the constitutional treaty.

From this time onwards the dynamic of the Convention changed. Despite their initial reproaches towards Ana de Palacio, Spain's foreign minister, for participating in the Convention, France and Germany also designated as members their foreign ministers, Villepin and Fischer. There were also significant changes of the representatives of Holland, Portugal and Ireland.

Giscard's proposal included a clear reference to the "federal management of certain common spheres". It left open a possible change of name of the Union. It incorporated the text of the Charter of Fundamental Rights, despite the reticence shown on this subject at the Council of Nice. It established three spheres of responsibility – community, mixed and national – but within the framework of a single institutional system that put an end to the 'three pillars' of Maastricht. It accorded the European Parliament the power to censure the Commission and created a Congress of the Peoples of Europe – an assembly of the representatives of the national parliaments. It included the central elements of a neoliberal economic governance, including budgetary stability and autonomy for the European Central

Bank. However, it did not enter in the central debates on the allocation of votes among member states, decided at the European Council in Nice, or on the intergovernmental management of foreign and security policy.

In early December the Commission made public its own proposal. Or, more accurately, its proposals. For, to everyone's surprise, in addition to the communication entitled *Peace, Liberty, Solidarity – the fruit of a difficult consensus* – the daily *Le Monde* received another proposal, drawn up at the demand of Prodi by a group of high ranking 'Delorist' civil servants, coordinated by François Lamoureux and enjoying the support of the 'Delorist' commissioners, Lamy, Busquen, Schreyer and Damantopoulou. Its content was much more federal. It was nicknamed 'Penelope'.

## We must guarantee full rights to foreign citizens residing in the Union and assure their integration, including citizenship, after five years of residence

In fact, Prodi had presented a copy of 'Penelope' to Giscard some days previously, and the latter had seemed to take the proposal for the official viewpoint of the Commission. But at the following meeting of the Commission, Neil Kinnock headed a denunciation of Prodi, demanding an immediate clarification. The next day Prodi presented the official communication to Parliament and the Convention. Giscard took this opportunity to humiliate the 'Delorists', signaling that the preamble of 'Penelope', inspired by the European Coal and Steel Community Treaty as a tribute to the federalism of the founding fathers, was old hat and irrelevant. As for the official communication, Giscard simply ignored it.

If Giscard had scored some points in the internal power games of the Convention, some of the proposals of the official communication of the Commission and those of 'Penelope' would be taken up by the small member states against the big, as well as by the more federalist sectors. The Commission was opposed to the creation of a stable President of the Council, extending the community sphere of control to all sectors, including foreign and security policy with the nomination of a Community Foreign Minister and transformed the simple double majority – of countries and peoples – and the codecision of the European Parliament and Council into a habitual mechanism of functioning of the future Union.

The member states intervened rapidly to retake the political initiative in the debate. Blair made known his position at a conference held on November 28, 2002 in Cardiff. His vision of the Union's future was broadly reflected in a draft intergovernmental treaty drawn up by Alan Dashwood, a Cambridge academic. Its basis was the dual equilibrium of powers between the Council and the Commission, with its double and distinct legitimacy and responsibility ('accountability'). It could accept the election of the President of the Commission by the European Parliament instead of their designation by the Council, on condition that this election escaped "the political struggles which would render it prisoner of a parliamentary majority" – in other words, if it was elected with a two thirds majority. However, the President of the Council

should be stable and it was necessary to put an end to the six-monthly presidencies rotating between member states. This proposal was supported initially by Aznar and Chirac.

The small member states, led by Holland, Belgium and Luxemburg, made public their proposal in early December, 2002, motivated by the fear that the Commission – traditional protector of their institutional rights – was marginalized in the debate. "The Union should have strong community institutions, with an extension of the community method and a strengthening of the institutions which defend the common interest", it says. For this group of states, the president of the Commission should be elected by the Parliament with a two-thirds majority and be confirmed by the Council, the opposite of the current procedure. At the same time they firmly opposed any election of a Council president, which would put an end to the current regime of rotation.

This debate was to a large extent settled by the conclusions of the Franco-German summit, held on the 40th anniversary of the Treaty of Reconciliation between the two states in mid-January 2003. Affirming the importance of the Paris-Berlin axis as the real motor of the EU, Chirac and Schröder came up with a schema. Germany accepted the idea of a future president of the Council for a period of two and a half years and France that of the election of the president of the Commission by the European Parliament.

The community foreign minister would, on this schema, be named by the Council, but would occupy a vice-presidency of the Commission and should work inside it on areas within the community sphere and outside in the area of foreign affairs and defence, which would retain their intergovernmental nature. The constitutional treaty would include the possibility of 'asymmetric cooperation', the areas governed by Parliament-Council codecision would be widened and above all there needed to be a European anti-terrorist 'solidarity clause', independent of NATO and a European military force with a global operational capacity.

### 3 A consensus is imposed

The Franco-German agreement recast the framework of the Convention's debates and eliminated a whole series of proposals, like that of a Congress of the Peoples advanced by Giscard. Despite the importance of institutional questions, the Convention established no new working groups and the preparatory debates were confined to the Presidium.

On April 22, 2003 Giscard distributed the draft of the 15 institutional articles, which envisaged a Union ruled by a 'directory' emerging from the European Council, with a stable president, "the highest authority of the Union", above the Council of Ministers, the Parliament and the Commission. The meetings of this 'directory' would be quarterly and the president of the Council would be assisted by a vice-president and two heads of governments, elected according to a régime of annual rotation, the Community foreign minister, the presidents of ECOFIN (the council of ministers of economy and finances) and the Council of Justice and Security.

The European Council, equipped with this permanent structure, would be transformed into an authentic European government to which the Commission would be subordinated, inasmuch as its legitimacy would be located in Parliament. The council of Ministers would conserve both legislative and executive functions. In practice, this proposal incorporated the Franco-German proposals with the British vision of a parallel institutional system, with a dual and opposed legitimacy.

Giscard's institutional project also included the extension of the double majority (of the member states and the population) as the habitual method of the taking of community decisions, breaking with the complex arrangement of powers and votes in order to establish a qualified majority decided on at the European Council in Nice.

At the plenary session of the Convention, on May 30-31, 2003, Giscard was faced by a veritable rejection front organized by the representatives of the Spanish and Danish governments – Dastis and Christophersen – and supported for the most diverse and divergent reasons of national interest by Britain, Poland, Austria, Ireland, Lithuania, and Cyprus. This front demanded strict respect for the institutional decisions taken in Nice. In thus blocking the functioning of the Presidium, this front obliged Giscard, with the help of Dehaene and Amato, to build his own bloc of alliances, making concessions to other components of the Convention.

Giscard's first objective was to fully integrate Britain into the Franco-German consensus, accepting all the 'red lines' laid down by British representative Peter Hain:

**Schröder's difficulties in Germany are well known; but in Britain Blair has, in the last few years, seen a number of trade union leaderships captured by left currents. Austria has seen its first general strike in 50 years, not to speak of Italy, Spain or France**

tax and security questions would remain at the national level, without attempts at harmonization; the idea of the legislative function of the Council, founded on the double majority, would be abandoned to maintain its intergovernmental nature; no aspect of foreign policy and security would come under community control. Finally, incorporation of the text of the Charter of Fundamental Rights would only take place on condition that it be accompanied by an explanatory chapter, which would stress the superiority in these areas of state jurisdictions, and would avoid any extension of social rights through community laws.

The next step was to obtain the support of the smallest states and the Commission itself, seeking a new equilibrium in the division of national and institutional competences. Thus the Parliament would be elected by universal suffrage, but not according to the criterion of proportionality of the populations of member states, but rather that of a 'decreasing proportionality' to favor the smaller states. The number of European deputies would thus climb from 700 in the first proposal to 736.

Such a Parliament would elect the president of the Commission by a simple and not qualified majority. This latter would choose between the triads presented by the member states, the

three commissioners, taking account of the principle of rotation and would give its 'agreement' to the foreign minister designated by the European Council, submitting a Commission thus constituted to a vote of confidence by Parliament. The European Council would not be a rival of the Commission, not disposing of a permanent structure, but would have a president elected according to the procedure of the double qualified majority, by a majority of two thirds of states and three fifths of population of the Union.

Thanks to these concessions and fortified by the support of the big states and the three majority groups inside the European Parliament, Giscard dismantled the rejection front in the course of the first two weeks of June, without giving in on the revision of the Nice accords and completely isolating Spain and Poland.

The 'consensus' was finally imposed on June 13, accompanied by a champagne toast and the chords of Beethoven's "Ode to Joy".

On June 19-20, the European Council at Thessalonica accepted the draft of the Convention as a 'good basis' for the intergovernmental conference. It thanked Giscard, Dehaene, Amato and all the members and alternates for their efforts and for having shown the utility of the Convention as "a forum of democratic dialogue".

### 4 Result: a neoliberal treaty for a European power

The draft submitted by the Convention will in no way resolve the problem of the 'democratic deficit' which has characterized the EU since its creation. On the contrary, it will worsen it. If it incorporates the Charter of Fundamental Rights<sup>1</sup>, it limits these rights in Title VII to laws adopted at the European level and stipulates that these latter can in no case take priority over existing national laws. This 'red line' imposed by the Blair government mortgages any future attempt on the community scale to extend the most advanced democratic and social rights that could be adopted by the most progressive member states. The European Union will continue to be built in an asymmetric manner in the area of rights and liberties.

It is not by chance that the term 'federation' has disappeared from article 1 from the first sessions of the Convention. The reference to the will of "citizens and states" from article I-1-1 can only hide the fact that "the Union shall act within the limits of the competences conferred upon it by the Member States" (article I-9-2). The reference to the "peoples" of Europe, which appeared in the first draft examined by the Convention, has disappeared from the final version and with it any possibility of recognizing the right to self-determination, recognized by the Charter of the United Nations and by other basic texts of international law. Citizens do not even have the right to decide freely their identity in the context of the EU, since article I-8-1 imposes on them the dual nationality of current member states and of the Union.

The proposed draft clearly defines the functions of member states, reducing their obligations to their citizens to the basic elements of the liberal conception – maintaining law and order, internal security and territorial defence (art. I-5-1). Any reference to the "European social model" or to "advanced social democracy" – as in different Constitutions adopted after World War 2 as a consequence of the anti-fascist resistance – which appeared in the first edition as the expression of the pressure of the European Trade Union Confederation (ETUC), has been disfigured by the intervention of the European employers' organization (UNICE), with its stress on 'competitiveness'.

In fact, the constitutional draft legally embodies the programme of neoliberal counter reforms, promised in the name of the 'spirit of Lisbon', against which hundreds of thousands trades unionists and activists for global justice mobilized throughout Europe. Article I-3-2 proposes "a single market where competition is free and undistorted"; article I-3-4 guarantees free trade; article I-4-1, freedom of circulation of persons, but above all that of commodities, services, capital and establishment of enterprises. While article I-11-3 makes the Commission responsible for promoting and coordinating economic policy, in the field of social policy this is only left open as a possibility, as the competence is left with the member states and their good will to coordinate. Article I-29-3 gives the European Central Bank absolute autonomy to determine monetary policy, while article I-53-2 stipulates a balanced budget and a zero budget, forbidding the EU to indebt itself under any form. The amount of the European budget will continue to be decided by member states, without the participation of the European Parliament.

While the competence of member states is

maintained in foreign policy and defence, the draft Constitution introduces the EU to 'armed globalization'. From the beginning it subordinates the EU's foreign and defence policies to US hegemony through NATO (art. I-40-2). A European army with 'operational capacity' will be created, in accordance with "the principles of the UN Charter". But these same principles were used by Bush, Blair and Aznar to justify the attack on Iraq, violating art. 51 of the same UN Charter, which expressly establishes the general competence and preeminence of the Security Council in matters of peace and war. But the draft goes further and transforms into law cooperation in the anti-terrorist fight through art. I-42, in a clause of parallel communitarian solidarity to the obligations of the Atlantic Alliance.

The institutional framework of the EU – establishing a European power in foreign policy and defense, a fortress Europe in relation to immigrants and a neoliberal Europe in relation to workers – is submitted to a Council and a Council of Ministers, with both executive and legislative powers, establishing a functioning dominated by the interests of the great powers, the 'directory'.

The equality of the member states is sacrificed not only in the area of the new presidency of the Council, designated by the heads of state and government among their former colleagues, but also in that of the Commission, which until now was the guarantee of that equality. The draft also gives legal form to 'strengthened cooperation' between some member states, creating an asymmetric union at varying speeds and with different rights. The 'communitarian method', based on the institutional equilibria established by the Treaty of Rome, is the first victim of 'competitiveness'.

### 5 A democratic and social refoundation of Europe is possible!

The draft of the Convention, drawn up by representatives of conservative, liberal, social democratic and green parties, is not acceptable in its present form. The coming months demand that the European radical left, the unions, NGOs, popular organizations and social movements make a special effort to defend their demands and to demand a democratic and social radical refoundation of Europe. The Constitution that will be approved by the Intergovernmental Conference of Heads of Government of the member states will keep in broad outline the draft of the Convention, defend the interests of the European dominant classes and deny those of the workers and the peoples. As shown by the immense demonstrations

for global justice of recent years, as well as the resistance of workers and unions against attacks on their rights, pensions and public services, another Europe is possible and necessary.

#### • Against the creation of a 'European power'

Any European Constitution should include in its first articles "rejection of war as an instrument of aggression against the liberties and independence of other peoples and as a means of resolving international conflicts".

Also it would have to include the principle of unilateral disarmament of the weapons of massive destruction on EU territory and propose a process of multilateral disarmament controlled and verified by the UN. Europe should support the dissolution of blocs and military alliances, in a strict interpretation of art. 51 of the UN Charter. Also, the EU must establish among the objectives of its international policy a new 'global constitutionalism', with a Democratic Contract of Peoples and States, for the establishment of international agreements on the environment, climate change, food security, the fight against contagious diseases and epidemics.

#### • Oppose Europe's 'democratic deficit'

A European Constitution should establish popular sovereignty and its constituent power on all common themes, without taking account of the narrow limitations of the current states.

The European Constitution must recognize the principle of self-determination, in agreement with international law on the basis of which many member states were founded after World War I.

It should reaffirm the legal equality of all European languages, without excluding the possibility that one or several languages are chosen for the internal operation of its institutions.

The European Constitution must grant exclusive legislative power to the European Parliament and a Congress of European Peoples, constituted by representatives of the state, national and regional parliaments of the EU. The state, national and regional parliaments must have a right of veto, on the basis of a qualified majority, on the application in their territory of any community measure or law, opening automatically a process of constitutional arbitration.

The Commission must be responsible to



the European Parliament, which must have full powers to remove at any time, through a vote of censure, the President of the Commission or any one of the Commissioners. The European Council will maintain with the Commission the right of legislative initiative, but no legislative functions. Its mission will be the coordination of the application of community directives in the member states.

#### • Oppose a Europe of unequal rights

We must demand the elimination of Title VII, which conditions and interprets the Charter of Fundamental Rights and creates European citizens of a first or a second zone, without establishing an equality of rights for

all. We must guarantee full rights to foreign citizens residing in the Union and assure their integration, including citizenship, after five years of residence. All the rights established legally by the decisions of the European Court of Justice should be integrated in the Charter of Fundamental Rights. In the same way, to ensure total equality of women, the European Constitution would have to incorporate the norm of parity between the sexes in all community legislative and executive bodies.

#### • Oppose neoliberal Europe and the 'spirit of Lisbon'

The European Constitution must establish a new social and citizen

contract that assures the universal satisfaction of the basic necessities of Europeans through public services like social security, health, education, justice, energy, water, telecommunications and housing. Although the responsibility in this area is that of the member states, the Constitution must oblige the EU to intervene in these areas if the member states cannot guarantee equal basic rights for all European citizens, to guarantee the full exercise of their citizenship independently of their place of residence.

To this end, the EU must practice a redistributive policy in favor of the sectors of the population in the most depressed regions. The Parliament and the Congress of the European Peoples will have to fix a community budget, within the limit of 5% of community GDP, to face these obligations, based on direct contributions from the member states and on the establishment of European taxes. These European taxes could concern nonrenewable energies, the resale of financial holdings, international transactions of capital and currency exchanges. The European Central Bank will be subordinate to the European Parliament, which will approve economic directives proposed by the Commission and subjected to a referendum held every five years on community social and economic strategic orientations, so as to ensure the broadest citizen participation in the budget.

The so-called Stability Pact will be replaced by a Pact of Solidarity and Full Employment, freeing the Constitution of the artificial limits of the 'zero budget' and allowing the European Parliament and the Congress to regain control of the European economy to assure an authentic 'social European model'. For that we need a European Solidarity Fund, functioning as an automatic stabilizer in the face of crises and recessions, within the limit of 1% of community GDP. The European Constitution should fix by law the 35 hours week and the principle of equal wages for equal work.

#### • Oppose the Europe of catastrophes and ecological crisis

The European Constitution must make a contract between generations for the production and distribution of energy, including the closure of all nuclear power stations in the EU linked to a European plan of energy substitution and security. It should promote a new culture of water, with the objective of obtaining a balance and rationality of the use and renovation of aquatic ecosystems. It must ensure the

strict fulfillment of the Kyoto Protocol and the reduction of polluting gas levels.

## 6 A Shays' Rebellion in the EU?

The debates in the Convention have from the beginning recalled the debates of the Philadelphia Convention of 1787 that drew up the US Constitution. Let us briefly recall the historical context.

The principle of the equality of the citizens before the law and the liberal vision of the separation of the new American market powers masked the defense of a supra-state government sufficiently strong to defend with protectionist barriers, guarantee the recovery of public and private debts accumulated during the War of Independence and ensure the collection of taxes to maintain a permanent army capable of expropriating the lands of the native Americans and maintaining slavery. In the summer of 1786 various farmers' revolts began to organize the veterans of the War of Independence in militias to defend themselves from the seizure of the property for non-payment of debts and to demand that the state parliaments print paper money. The repression of the revolt and the attempt to try its leaders in Massachusetts led to a rapid extension of the rebellion, led by Daniel Shays, until the intervention of the army crushed it.

However, the ratification of the Constitution of Philadelphia met significant popular resistance, mainly in New York. In order to defend it, Madison, Hamilton and Jay published a series of articles, known as the *Federalist Papers*, in which they stressed that the objective of a federal government was to maintain peace inside a civil society crossed by conflicts caused by "different and unequal distribution of property".

The necessity to equip the Constitution with a popular legitimacy led in 1791 to the adoption of a series of amendments known as the Bill of Rights. But not by chance the principles of the Declaration of Independence ("the right to life, liberty and the pursuit of happiness") were transformed in the Bill of Rights to "life, liberty and property".

Since the French public sector strike in France in 1995, Europe has lived through its own version of Shays' rebellion with the mobilizations against the European Councils, perceived as an expression of capitalist globalization, and trade union resistance to the neoliberal counter-reforms emanating from Brussels, first in the name of the Stability Pact and then motivated by the quest for greater

flexibility in the labor market and reform of the pensions system. *The Economist* (June 28, 2003) dedicated an article, with the title "The dangers of a political Europe", to comment on this social revolt that formed the background to the debates of the Convention<sup>2</sup>.

For this incipient revolt to take form and project itself in European political life with its own independent programme depends on breaking the ideological chain that has attached important sectors of European trades unionism initially to the European Community and subsequently to the EU.

The weakest link in this chain is the myth of the 'European social model', based on

## The federalist political yearnings of the founding fathers of the European communities like Schuman, Monnet, Spaak, or Gaspari, were rapidly subordinated to the political realities of the Cold War

a pact and social co-management with the big unions of the ETUC, that would form the foundation of a European welfare state and allow a greater redistribution of income in the EU in comparison with the USA or Japan. And the strategic conclusion of this myth, whose historic origin is the real correlation of forces established in the 1950s after the antifascist struggle in World War 2 and in the 1960-70 period through a great wave of struggles, is that new social reforms are possible through social pressure and lobbying in the EU institutions.

The conviction that this reformist strategy of 'Europeanist trades unionism' has failed and is in an impasse is beginning to spread under the blows of a neoliberal counter-reforms impelled by the Commission, which has provoked a chain of sectoral and national general strikes in a great number of member states. The present debate in Germany's IG Metall, the most powerful union in the EU, after the failure of its strike for the extension of workers' rights to the old East Germany, is in every respect a symbol of this situation.

Schröder's difficulties in Germany are well known; but in Britain Blair has,

in the last few years, seen a number of trade union leaderships captured by left currents. In Austria we have seen the first general strike in 50 years, not to speak of Italy, Spain or France. In this sense, the draft Constitution closes the doors to any hope that the strategy of 'Europeanist trades unionism' can lead anywhere, for it elevates the model of neoliberal management to the rank of European basic law and confines social questions to the member states. The FGTB in Belgium has already denounced this and has called for a campaign of defence of the social and democratic rights of the European workers.

European questions as such have been largely absent from the concerns of the movement against capitalist globalization. However, in the coming months, under the intense propaganda of the mass media, subsidized by the EU member states, citizens will inevitably be confronted with a political debate on the Constitution.

At the beginning of October, Berlusconi inaugurates the Intergovernmental Conference in Rome; in May 2004 the enlargement of the Union to the new states of central Europe will take place and, some days sooner, the IGC will close. In June, the elections to the new European Parliament will take place and in an important number of member states referendums on the European Constitution will be held. The resistance movement has its own appointment in the European Social Forum in Paris in November, 2003 which must serve as a catalyst for the creation of a joint and alternative vision of another possible Europe to that of the neoliberal EU. The task of the European alternative left is to lay the bases of a new Europe of the workers and the peoples. ■

\* G Buster is a member of editorial board of the Madrid-based review *Viento Sur* and a leading member of the Fourth International.

1 Remember that this Charter itself amounts to a regression in comparison to the majority of national Constitutions of member states and particularly in comparison with the Universal Declaration of Human Rights of 1948.

2 See *The Economist*, June 28, 2003



# European Union: what kind of new Europe?

CATHERINE SAMARY\*

The 'new Europe' which is joining the European Union has been likened recently to a US 'Trojan Horse' inside the European project. And it is true that the new and old elites in power in Eastern Europe since the fall of the Berlin Wall, notably in Poland, have adopted an Atlanticist and ultra-neoliberal orientation

**B**ut whether we are talking about the Iraq war or the attitude towards the European Union that the new members will join in May 2004, the gap between popular opinion and governments increasingly resembles a gulf. That is why the eastwards enlargement of the Union carries a contradictory dynamic, with

potential conflicts which will last well beyond the compromises which will be sealed at the summit on the 'Constitutional Treaty'. In the coming crisis (so often predicted that it risks being underestimated when it comes), will it be possible to consolidate the nascent hopes of another possible Europe?

## The 'new Europe' from below...

More than 75% of the populations of the candidate countries were opposed to military intervention in Iraq this February, and a relative majority (nearly 50%) persisted in opposing it, even in the event of a UN Security Council vote (whereas in this case, the majority in the EU supported intervention). The signature by a series of leaders of the 'new Europe' and letters and declarations of support for the US position (mobilized in response to the anti-war positions of Chirac-Shröder) was heavily criticized inside these countries, since it was not the subject of any parliamentary debate and all the polls indicated the dominant hostility of the people in all the countries of Central and Eastern Europe (CEE) which were candidates for EU membership – including Poland.

This gap between the people and their 'representatives' relates to the central questions of everyday life and work. During the discussions at the Convention,



the 'delegates' from Eastern Europe and particularly Poland supported Great Britain's hostility to EU competence on social questions, the polls went exactly the opposite way. The populations of the future new members of 2004 were asked which decisions should be taken at the European level or at the national level alone – an average of around 70% thought that the EU should take responsibility for fighting unemployment and poverty, protection of the environment and health, social protection and humanitarian aid, indeed foreign policy.

In other words, the people of the 'new Europe' want a European 'social model' that, undoubtedly, Sweden (which has just rejected joining the Euro) incarnates in their imagination. In voting nearly 80% in favour of joining the EU (see tables), some can certainly still believe in the promises of a rosy future inside an EU of whose real functioning they know little. But in the absence of a credible and progressive 'national' alternative a new 'European consciousness' is gaining ground. The idea is that it is easier to resist on this scale than on a national level alone (above all when the anti-Europeans in the Czech Republic, for example, preach an unrestrained Thatcherite capitalism; or when, from Hungary to Poland, they develop a racist and xenophobic nationalism) and that Europe incorporates long traditions of social and democratic struggles which can be built on.

Across Europe people are realizing that it would be possible to have other convergence criteria than those of the European Central Bank and other values than those of the stock market to define the European project; that economic choices are choices of society which should relate to democratic procedures, not commodity competition, with social minima and objectives of development, full employment, social security and decent wages.

These ideas are beginning to ripen and spread in Eastern Europe, stimulated by the establishment of European Social Forums, where the first transnational links between trades unionists and activists of various associations from the current and possible members of the Union have been made. The forum held in Pomerania in Poland in July 2003 was the third social forum in Poland, after that held in Silesia in Katowice, in October 2002, and that of Warmie-Mazurie in Elk, in February 2004. In a Poland where 20% of the population is unemployed (on average – in some regions it is nearly 30%), it is very significant that the organizers were the Federation of Committees of Defence of the Rights of the Unemployed of Pomerania, and that trades unionists participated from the OPZZ union federation (present at the naval shipyards in Gdynia and other workplaces) and from Solidarnosc, as well

as a number of mayors, deputies, and employees of local and regional labour and employment agencies. Invited to the Forum, and expressing new solidarities, were Angela Klein from Germany, coordinator of the European Marches against Unemployment in Germany, Christiane Maigre from Belgium, representing FGTB federation and the Belgian network of Euromarches, and Stefan Beckier, correspondent in France for the monthly *Silesian Worker*.

In Hungary, as in Poland – and beyond that in Russia – the initial links were made at the first ESF in Florence in November 2002, which stimulated the formation of national social forums. In Hungary, of the dozens of associations involved, many were the same as those active in the Citizens for Peace association, which organized the 50,000 strong anti-war demonstration of February 15, 2003 in Budapest.

European construction, like neoliberal globalization, is beginning to generate the idea that it is necessary to resist and organize at the level where the economic and political choices are made. This does not involve simply a necessary and possible coordination of struggles, but also the emergence of what one might call new 'citizenships', fighting for recognition of legitimate rights, inside and outside the existing institutions, resting on counter powers and counter information, stimulating self-organization. Only another relationship of forces can stop the tightening noose of a socially regressive European construction. The new enlargement will not modify the priority given to commodity competition in the current European construction but it is not enlargement which is the cause of these policies. The countries of Eastern Europe have suffered, like the peoples of the member states, for some years. But this enlargement will aggravate the internal contradictions of the current project and we can take advantage of this fragility.

## An enlargement not like the others

Seeking to convince the peoples of eastern Europe that enlargement is a good thing, the European Commission (EC) argues that, like previous enlargements, this one will add strength and cohesion to the EU and the European social model.

Anyone can dream! But we should assess the contradictions reflected by this discourse. Contrary to what the EC says, this enlargement is not like the precedents. But it is still worth comparing it to its precedents, notably the entry into

the European Economic Community (EEC – which became the European Union in 1993) of Greece (1981), Spain and Portugal (1986), because the hope of the new members is to have the same rights as the predecessors. Encouraging this hope, the dominant discourse stresses the stabilizing and modernizing influence the enlargement of the 1980s had on countries which, like the current new members, had emerged from dictatorship and were poorer and more agricultural than the EEC average at the time. Their average GDP represented 60% of the average GDP of the Community in 1986, while their combined population of around 60 million inhabitants, was not far off that of the new member states from eastern Europe (around 70 million).

There should be no doubt – contrary to the widespread view – that political motivations were central to the acceleration of the new enlargement at the end of 1999. The use of Eastern Europe as a liberalized market and favoured terrain of relocation, was already a reality well before enlargement. More than 60% of the trade exchanges of these countries are made with the EU – and to the benefit of the latter. And if the future members have, since 2000, attracted more direct investment abroad – DIA (see box), many of the neoliberal currents in the CCEE fear that effective integration in the EU will involve social and institutional constraints and will lead to companies relocating even further east! Enlargement is a source of difficulties and major conflicts for the EU. This is already obvious at the institutional level, in the negotiations of the current IGC (intergovernmental conference), and will be even more so in the discussions on the 2007-2013 budget with new members who have more and more poor and unemployed people (whom the structural funds of the European budget should theoretically help!)

The summit in December 1999 decided that the integration of the ten CCEE candidates was an 'irreversible decision' and 'global' (even if the dates were not yet fixed), and set up the Stability Pact for south-eastern Europe, the supposed 'ante-chamber' of the EU for the western Balkans. It did so for geo-strategic and political reasons; the rise in all countries, (even the most 'advanced' or integrated with the EU like Hungary or Poland) of xenophobic currents and electoral abstention. In other words, growing difficulties for the neoliberal and Atlanticist currents. While the EU tarried, it was NATO (and the US) that bought to these elites the expected succour from outside.

However, the choice of previous enlargements had already increased the heterogeneity of the EU both on the socio-economic and political planes – which is not a small detail in a construction where

nation-states do not disappear, but are 'represented' and should be subject to elections. Thus 'structural' and 'cohesion' funds were introduced and became important (they represent the second biggest expenditure of the European budget after the Common Agricultural Policy or CAP). These funds concern regions and countries where the GDP is less than 90% (in some cases less than 2/3) of the EU average and which are experiencing problems of restructuring and unemployment. In 1993, the four countries that benefited from the fund then introduced were Spain, Portugal, Greece and Ireland. The EU's 'cohesion policy' was part of the 'Community patrimony' of which the new members should be beneficiaries, since they have a GDP very much below the EU average (nearly 70% for Slovenia, but less than 60% for the others – see box).

But two sets of (qualitative) data distinguish the new enlargement from all the precedents and notably that of the 1980s (beyond the fact that the disparities are greater and relate to eight different countries, which is more difficult to manage, politically and economically, than three):

**1** the EEC and its common market has been transformed into the European Union, with its market and its single currency, on monetarist bases, attenuating considerably the margins of economic policy and the social role of the member states; a European power is being built, with a proto-state, a (weak) budget but a central bank, as well as a parliament whose rights of co-decision have been extended at the same time that the executives (Councils and Commission) are concentrating their essential powers;

**2** on the other hand the countries of southern Europe were, with their specificities, capitalist. The membership of the countries of Eastern Europe involves a radical change of political and economic system.

These two transformations are not 'stabilized' – indeed, each destabilizes the other.

## Growing contradictions

Enlargement has led to the project of a 'hard core' (around France and Germany) and strengthened cooperation at a variable geometry. But the states of 'old' as of 'new' Europe which feel marginalized by this process will resist.

Also, the growth of the heterogeneity of the EU means growing conflicts where the essence of what is at stake will not be debated by those affected. In order

for the new members to benefit from the same rights of access to the structural funds and the CAP as the old members, it would be necessary to at least double the EU budget. If the budget is kept at its current level, it is necessary either to give either less to the new members or to take from the south to give to the east, or to give less to everybody. A combination of all these processes has been chosen; Polish farmers will only receive 25% of the aid which French farmers will get in 2004 with alignment to 100% from here to 2013 – but from here to there the CAP aid will have fallen. This reform of the CAP is being carried through without the implications for farming (national, European and at a world level) being considered. The same is true for the social implications (in terms of jobs and food production, often essential to survival in the countries of eastern Europe without social protection); the environment and health implications (notably GMOs but also the question of pollution); the implications for international north/south relations visible in the WTO negotiations in Cancun (with dimensions also for the relations of western and eastern Europe). But where are the democratic and pluralist debates on these questions?

As for the structural funds and the European budget, it is necessary to debate both their amount, resources and objectives (a budget of less than 1.27% of the GDP of the Union – whereas in the US for example it is around 20% – implies in practice very little means of redistribution from the very rich towards the very poor and very few common projects of infrastructure and development).



the government faced opposition from sectors of the social movements and, at These questions have produced the bitterest discussions in the negotiations around enlargement; in the CCEE, people are increasingly aware of the hypocrisy of the fine talk about the "historic turning point of the reunification of the continent". This explains the high rate of abstentions in the referendums on joining the EU. But the leaders of these countries will demand equal rights. Just as Spain has blocked and will block any process of change of the funds

allocated which will imply a loss for their country. All this could immediately sharpen conflicts over increasing the EU budget. The costs of German unification weigh in (on average from 1989 to 1999, the new Länder have received around 100 billion dollars per year whereas the budget envisaged for the ten new members between 2004 and 2006, net of the amount these members should pay, will be around 25 billion!). Meanwhile the net contributor countries are dominated by a logic first expressed by Mrs Thatcher: "I want my money back!" It is a completely false logic, of course – the budget funds redistributed towards the poorer countries will often return to the donor countries through trade. But it is primarily a logic of growing egoistic and short-term resistance to redistribution from the richer regions of the Union towards the poorer. At the same time competition in the big unified market increases the disparities; it is the opposite of cohesion which is being built, with the socially explosive development of inequalities.

On the one hand we must demystify the dominant discourse suggesting that integration in the EU will allow these countries to overcome their backwardness through a process of catching up. We must focus on of the causes of the new poverty, of the growth of inequalities and unemployment since the introduction of neoliberal policies in Eastern Europe (as in the rest of the planet). The destruction of the old system has taken the form of a forced and generalized privatization, a challenge to social and national protection, the domination of financial systems by logics of short term profitability based particularly around foreign investment; the result everywhere is increasing social and regional inequality. Overall in the CCEEs growth (measured in terms of GDP) has fallen; only four countries out of the 10 candidates had a higher GDP in 2000 than in 1989<sup>1</sup> (see box, page 28). Even when there was a (fragile) revival of growth, we should point out that it is characterized by inequality, lowered access to education and health and unemployment – notably for women. The rise of prostitution, as well as the trans-European sex trade and the systematization of insecure seasonal work (where workers from eastern Europe are hired instead of North Africans) without social protection; these are some of the effects of this social degradation.

There are two ways of responding: a racist and xenophobic anti-foreigner discourse; or a fierce struggle for new social rights and for economic policies which, at the European level as in each country, create jobs, social protection and decent incomes. ■

\* Catherine Samary teaches at the University of Paris IX-Dauphine.

### Some figures on the CCEE candidates (2000)

	Population (millions)	Rural population % (1998)	GDP/per capita (*) % of the average of the EU 15	Real GDP in 2000 (1989 = 100)	Rate of employment	Share of private sector in % of GDP (1999)	Population on income below 4\$ per day and by inhabitant in % (1998)	DIA accrued (1989-2000) per inhabitant	DIA accrued/inhab 2002 (*)
Bulgaria	8.2	30.6	22	74.1	18.3	70	33	407	545
Hungary	10.2	34.0	51	104.5	7	80	2	1935	2406
Poland	38.6	35.2	37	126.8	19	65	13	751	1255
Rumania	22.3	42.7	27	77	10	60	30	303	393
Slovakia	5.4	39.8	49	102.7	18.3	75	1	669	1874.3
Slovenia	2.0	48.0	71	110.6	11	55	1	768	2558
Czech Rep.	10.2	34.1	59	97.7	12.0	80	1	2102	3375
Estonia	1.4	26.2	37	84.1	12.4	75	40	1337	2468
Latvia	2.4	26.3	27	64.1	13.1	65	23	1027	1137.4
Lithuania	3.5	26.4	29	65.3	16.5	70	46	642	938

Source: *Courrier des pays de l'Est* number 1016, June-July 2001

(\*) source UNCTAD FDI Database.

NB The same sources give for Russia: 170.3 \$/inhab of DIA accrued in 2002; real GDP in 2001 of 67.4 (1989=100)

### Results of referendums in the CCEE\*

Country	Date	% of "yes" = A	% of participation = B	% of "yes" in the electorate = A x B/100	% of abstention
Slovenia	March 23	89.6	60.3	54.02	39.7
Hungary	April 12	83.8	45.6	38.2	54.4
Lithuania	May 10/11	90.8	63.3	57.4	36.7
Slovakia	May 16/17	92.4	52.2	48.2	47.8
Poland	June 7/8	77.5	58.9	45.6	41.1
Czech Rep.	June 16	77.3	55.2	42.5	44.8
Estonia	September 14	66.9	63-	42.1	37.-
Latvia	September 20	67 -	72.5	48.5	27.5

\*CCEE = Countries of Central and Eastern Europe

### Growing contradictions

with the EU like Hungary or Poland. Enlargement has led to the project of a "third vote" (around France and Germany) and strengthened cooperation at a variable geometry. But the states of old as of new Europe which felt marginalized by this process will resist.

Also, the growth of the heterogeneity of the EU means growing conflicts where the essence of what is at stake will not be debated by those affected. In order to

# Brazil: nine months of Lula's government

JOÃO MACHADO\*

After nine months in office, the government of Luis Inacio da Silva 'Lula' has confirmed its contradictory and, in many aspects, even surprising character



The biggest surprises are an economic policy that displays great continuity with that of the previous government, which the PT had opposed, and the assembly of a base of parliamentary and political support that incorporates almost all the existing right wing forces in the country<sup>1</sup>. In fact, on the right, only the parties that formed the axis of the government of Fernando Henrique Cardoso (FHC), the Brazilian Social Democratic Party (PSDB) and the Liberal Front Party (PFL) continue in formal opposition; nonetheless, they have been partners of the government in some of its more important initiatives, such as pensions reform.

This does not denote incoherence on the part of the PSDB and the PFL, since the pensions reform proposal presented by the Lula government followed the general lines of their own proposal, which had they been unable to fully implement, largely because of opposition from the PT. On this question, the government faced opposition from sectors of the social movements and, at the parliamentary level, mainly the left of the PT and some of the other left parties.

On the other hand, the Lula government has maintained coherence with the historical programme of the PT in the areas of international relations, agrarian reform and other sectors. There have been important changes in these areas from the policies of the previous government, but they face difficulties,

given the more general economic and political choices made by the government so far.

## An initial balance sheet of the government

The great contradictions which exist make it difficult to draw a considered balance sheet of this process. In any case, it is important to try. Because of the weight that they have in the definition of the government's overall policy possibilities, it is best to start the assessment from the general political options and the economic policy which has been adopted. The central core of the government opted to avoid a global confrontation with the dominant classes, whether national or international. More than this, they seek the maintenance of a degree of broad agreement with them. The political axis of the government has been to broaden alliances with the historical political adversaries of the PT, while preaching patience to the people in general and the social movements in particular.

This had led to a distancing from what the text approved at the national meeting of the PT in December 2001 defined as the 'democratic axis' of the programme – to rely on social mobilization to make possible measures that would face resistance from the ruling classes, and to go in the direction of implementing mechanisms of participatory democracy. In fact, even though there are initiatives

from the government and the social movements that can represent initial steps in this direction, as well as processes of consultation and debate in some areas that keep open channels of dialogue with society, this is not what predominates. In fact, the government has not submitted its central choices – especially its economic policy – to any type of debate with the social movements and with society.

### Neoliberal economic orientation

Macroeconomic policy has been characterized by continuity, and there are no consistent signs of the search for a transition to another policy. The government has concentrated on fiscal austerity (mainly through increasing the 'primary fiscal surplus'<sup>2</sup>), fighting inflation by means of conservative policies (of higher interest rates) and seeking to keep the confidence of the financial markets. This orientation helped stop the depreciation of Brazil's currency, the real – which has experienced a significant revalorization – and has led to a sharp fall in inflation.

The risk of an immediate currency crisis has been averted. However, this is not essentially due to 'confidence' in the Brazilian economy, as the government has proclaimed; it was due to a large extent to the inflow of speculative capital, favored both by the general international trend of the last few months and by high Brazilian interest rates.

These results are then very precarious – in fact, the external dependence of the Brazilian economy has not been reduced at all. On the other hand, it is important to point out the serious negative consequences of these policies – a serious recession (at best, the result by the end of 2003 will be economic stagnation), increased unemployment (reaching an all time high in August) and a fall in real income for workers and for society as a whole (all these facts are certified by different public statistics). Moreover, the combination of an increased primary fiscal surplus with high interest rates implies a significant transfer of wealth to the holders of financial assets, in other words the wealthier sectors of society. The income of the overall population has fallen and, to make matters worse, it is becoming still more concentrated. Finally, fiscal austerity imposes great restrictions on all government policies.

The negative consequences of this macroeconomic policy will be hard to overcome. The maintenance of the increased primary fiscal surplus is foreseen for the entire term of president Lula, and compromises the capacity for

public investment. The fall in the income of society inhibits private investment. Thus, even with a reduction of interest rates (which, given the fall in inflation, is part of the logic of the monetarist policies followed and would not indicate, by itself, a change in economic policy), economic recovery will tend to be limited – and will always be threatened by the permanence of external vulnerability.

As a result basically of the economic policy adopted, especially the search to gain the 'confidence' of the markets, pensions reform has resulted in a particularly negative experience. The government plan encountered opposition from civil servants and the CUT, that is, social forces that had been decisive to Lula's victory. Inside the PT, and in particular its active social base, it led to great discontent. This led to partial alterations in the plan, that reduced its damage, but they were insufficient to change its character<sup>3</sup>.

### A new foreign policy

The most positive aspect of the government's orientation so far has been its foreign policy. Beyond opposing the US attack on Iraq and steps in the direction of establishing an independent foreign policy, there has been an attempt to construct South American unity, and also a front of the so-called 'developing' countries, opposed to the interests of the imperialist centers, as was seen at the World Trade Organization (WTO) conference at Cancún. Brazil is also opposing the US position on the Free Trade Area of the Americas (FTAA). Although the negotiations on this are continuing, the government has sought to reduce their scope, saying that it could eventually accept an 'FTAA-lite', from which subjects would be excluded that surpass the limits of trade (like regulation of government purchases and investments), and has demanded important concessions from the US. However, given the vulnerability of the country to external pressure and the existence of divisions inside the government, it is not clear what the outcome of the process will be. Thus, the proposal for a referendum made by the Continental Campaign Against the FTAA, with the objective of rejecting the FTAA in its entirety, retains a burning relevance.

In opposition to the policy of the Ministry of Foreign Affairs, it is necessary to point out that there are aspects of international relations that are conducted by the Ministry of Finance (like relations with the IMF). There, a conservative position prevails. This recently led to a paradoxical situation – when the Argentine president

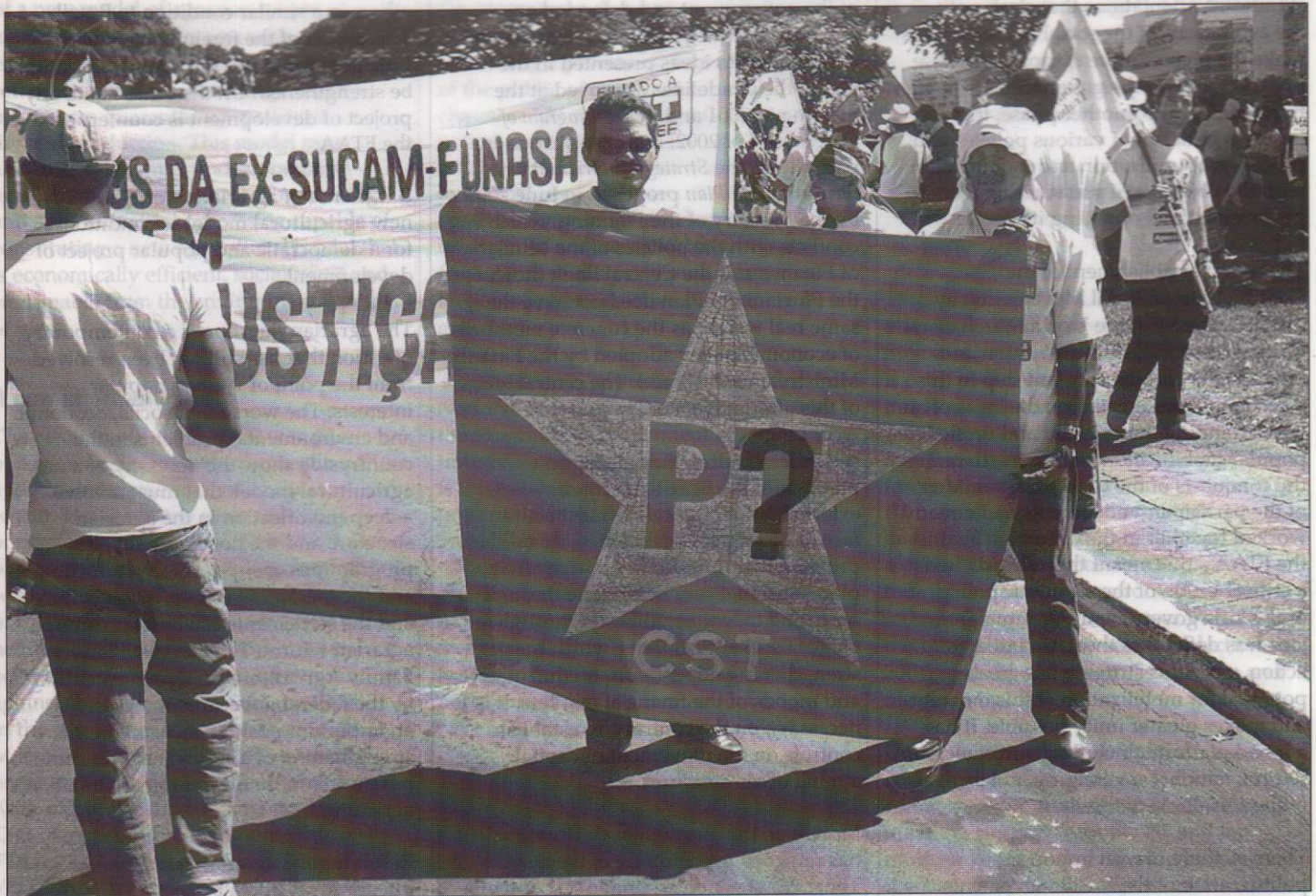
negotiated an agreement confronting (in part) the pressures of the IMF, they enjoyed the support of other Latin American heads of State, and even the USA, but not Lula. The press has divulged that Kirchner is dissatisfied with the extreme subservience of the Brazilian government at this level, which seems very likely. Lula has rejected criticism that he has accepted excessive interference from the IMF with the doubtful argument that the more controversial options – like the primary fiscal surplus of 4.25% of GDP – were decided on by the Brazilian government independently of pressure.

In fact, it seems that a significant number of the more dubious decisions in economic policy have not been a result of IMF pressure. For example, there is currently a discussion on whether a new agreement with this institution is useful, and many sectors of the government have said that this would depend on having greater flexibility in the negotiation of conditions. They want to modify the method of calculating the primary fiscal surplus, to allow for greater public investment and more social expenditure (for example paying for the lands redistributed in the framework of land reform with Agrarian Debt bonds. With the method currently used, this would be counted as an internal debt and would reduce the primary fiscal surplus). In this debate, finance minister Palocci has opposed any significant flexibilization, even if this would be accepted by the IMF. The inner group that decides Brazilian economic policy is, therefore, showing itself more orthodox and conservative than the IMF.

### Land reform

The conservatism of economic policy has been a significant obstacle to agrarian reform. On this question, the Ministry of Agrarian Development<sup>4</sup> has, since the early days of the government, established a constructive relationship with the rural social movements and has sought a broad dialogue with society.

A new conception of agrarian reform is being developed, as well as of family and cooperative agriculture, integrated with a project of change of the economy and society. Immediately this involves aid to the settlements of landless peasants carried out under the FHC government, so as to ensure citizenship rights and overcome productive disorganization. Financing of the harvest for small producers, as well as the construction of alternatives that make the settlements economically viable are the first concrete results of this process. Moreover, the government has committed itself to urgently settle about 60,000 families who



are squatting. Finally, the Ministry has shown the determination to face down the criminal armed resistance of the large estate owners, who are organizing militias. It favours immediate and firm action to punish those responsible and prevent them constituting a latifundium state in the Brazilian countryside.

All these policies, however, come up against the budgetary restrictions imposed by the economic policy that has been chosen. For example, without the funds to pay the latifundistas<sup>5</sup> the commitment to settle 60,000 families could not be fulfilled<sup>6</sup>. This example, like others, has shown once more the contradiction between social change and the maintenance of basic aspects of the economic model inherited from FHC.

#### Retreat on GMOs

Another controversial question opposes the conception that prevails in the economic area to other sectors of the government – the question of genetically modified organisms (GMOs). The more conservative sectors of the government, prominently the Ministry of Agriculture, linked to the big agricultural producers, have defended the use of these organisms (in opposition to the policies previously defended by the PT as a whole). The

Ministry of the Environment, the Ministry of Rural Development, the environmentalist movement, the social movements in the countryside (especially the MST), the progressive sectors of the Catholic and Evangelical churches, the CUT trade union federation and the broad majority of the PT are all opposed. The government has finally issued a Provisional Measure allowing the culture of generically modified soya up to 2004 (repeating a procedure already adopted in the early days of the government, when the marketing of the harvest of illegally planted genetically modified soya was authorized). This measure has helped discredit the government in the eyes of the progressive social movements. It is possible that the vote on this question in Congress will lead to a significant confrontation between the position of the government and that of sectors of the PT.

This initial period of government reveals a conflictual dynamic, both inside the government and in the relationship of the government to the social forces responsible for its election. The contradictions have become ever more clear. If the Lula government can in some cases be the partner of progressive movements, as happened in the conference of the WTO in Cancún, it can also be clearly opposed to these

movements, as in the case of pensions reform and the dispute over GMOs. On other questions, such as agrarian reform, the government has had difficulties in fulfilling its commitments due to budgetary restrictions and conservative conceptions of economic policy and the rural social movements have thus made their demands more forcibly.

Thus, at the centre of this conflict is the economic policy that maintains external vulnerability and imposes policies of adjustment governed by neoliberal logic. So far, it is this policy that has set the general tone of the government.

#### The social movements in a complex picture

In this situation, the social movements have been obliged to seriously modify their behaviour. The electoral defeat of neoliberalism, with the election of Lula, represented a victory for the trade union and popular movement, and renewed its possibilities of organization and mobilization. On the other hand, they continue and have deepened adverse social and economic conditions for the movement, above all unemployment. The political conditions have changed, but the fact that the Lula government is defending, and putting into practice,

significant orientations that clash with the aspirations of the social movements, make the picture more complex. A phase of expectation in the government is being transformed into another phase, that involves criticism of various policies and processes of unification and mobilization with the objective of pressurizing the government and opposing its choices.

The recent establishment of the Coordination of Social Movements (by the CUT, the MST, the World March of Women, the UNE students' union and other bodies) is an important step in this direction. It was created on the basis of an understanding that a broad and unified popular mobilization alone can guarantee the conquests of the toiling classes. Most of the participant movements had already worked together in the campaign against the FTAA – this meant they already had a critical vision of the economic policy of the Lula government. A campaign for jobs was defined as the main initial joint action, since this struggle has greater potential for mobilization at this moment and makes greater unity possible. It has a broad platform, including agrarian reform, national sovereignty and recovery of the social role of the state.

There is, therefore, an important politicization of the social movements underway, having as its axis a redefinition of their role in relation to the government. To help develop this process in the direction of affirming the social movements as basic subjects in the conflict of orientation of society and government is one of the main tasks of the Brazilian left today. In fact, the unfavorable correlation of forces inside the government can only be modified by a strong social mobilization, defending an alternative set of policies.

### A platform for change

The construction of a broader platform presenting society with a programmatic alternative has therefore a central importance at this moment. Some elements of this platform could be:

**1** Understanding that popular participation in political decision-making is a decisive element for the affirmation of a left government (participatory democracy is one of the axes of the Guidelines of the Program for Government, approved at the 12th National Meeting of the PT, which took place in late 2001 in Recife).

**2** An alternative economic policy. Since the beginning of the year many economists linked to the PT or the left have criticized the economic orientation

of the government and defended an alternative strategy. This strategy also corresponds to ideas presented in the text of the Guidelines approved at the meeting of 2001 and in the *Program of Government of 2002*; it also corresponds, partially, to the *Strategical Orientation of the Pluriannual Plan* proposed in June 2003 by the Ministry of the Planning, which conflicts with the policies of the Ministry of Finance and the Central Bank (however, the Pluriannual Plan does not have the same real weight as the concrete measures of economic policy adopted by the Finance Ministry and the Bank). The central ideas of this alternative are:

**a** Understanding that the biggest problem of the Brazilian economy is its external vulnerability, the most acute face of economic dependency; this is the problem that must be faced in the first place, and that cannot be done through searching to 'gain credibility' through bigger fiscal adjustments, which means strengthening dependence on the interests and moods of the financial markets. It is necessary, on the contrary, to establish controls on the movement of capital, among other measures.

Moreover, the question of the foreign debt has returned to the centre of discussion. There was a statement made on September 1, 2003 by Celso Furtado, a well known Brazilian economist, in favor of the declaration of a moratorium to renegotiate the debt. There is the example given by Argentina in its renegotiation; and we have seen the publication of a study by the IMF itself (!) in mid-September, wherein the latter recognizes that "countries that declare moratorium, like Argentina, have great possibilities of reducing the weight of their debt in relation to GDP and returning to growth in a relatively short period"<sup>7</sup>.

**b** to return to economic growth, through the reduction of interest rates and abandonment of the concept privileging 'primary surplus'. This will make possible the reduction of unemployment (that will also require other specific policies) and increased incomes for workers. Therefore, it is the key to the reduction of poverty and social inequalities. It must be combined with a bigger emphasis on development through the expansion of the domestic market, a traditional proposal of the PT (which appears in the *Strategical Orientation of the PPA 2004-2007*). In other words: it is necessary to emphasize the search for a national project of development, as the PT always did.

**c** a national project of development is not counterposed to the deepening of relations with the countries of Latin America and

others in a similar condition to Brazil. This aspect of the foreign policy of the Lula government is important, and must be strengthened. On the other hand, any project of development is counterposed to the FTAA.

**3** Defense of agrarian reform and a new agricultural model as conditions for a democratic and popular project of development.

The agrarian question is a contemporary question that has still not been resolved from the point of view of popular interests. The worsening social, economic and environmental problems in the countryside show the necessity of a new agricultural model, that must involve a deep modification in the agrarian structure and the development of programmes of support for production and the marketing of family agriculture and the settlements established through agrarian reform. The Harvest Plan for Family Agriculture presented recently by the federal government represents an important positive measure in the strengthening of a sector that will come to have a still more central role in Brazilian agriculture.

Resolving the agrarian question, integrating it into a project of development supported by the domestic market involves, therefore, the implementation of a broad agrarian reform on new bases. This should promote the democratization of access to land, power and income, the universalization of basic rights for an important part of the population that lives and works in the Brazilian rural milieu, a more balanced occupation of territory and the preservation of the environment, besides fulfilling a basic role of guaranteeing sovereignty in food and dynamizing the regional economy. The defense of agrarian reform is also a profound challenge to the neoliberal inheritance and the more conservative sectors of Brazilian society. The agrarian counter-reform carried out by FHC sought to criminalize and deprive of legitimacy the movements and disqualify the settlements of the landless by localizing them in isolated areas, while policies of support for production and marketing were not developed.

An active commitment to agrarian reform implies a broad militant solidarity with the MST, the CONTAG and the many movements that fulfill a democratic and civilizing role, to strengthen social pressure to confront the large estate owners and their militias, symbols of backwardness and promoters of violence. Among the tasks necessary to develop this commitment are the construction



of a new model of agrarian reform, expropriating land in area with already existing infrastructure, concentrating settlements and transforming them into spaces guaranteeing quality of life and production. This model must also integrate family and cooperative agriculture with structures of marketing and agro-industrial processing capable of constituting a new agricultural model that is economically efficient, socially just and sustainable from the environmental point of view.

### A new internationalism

The election of Lula in 2002 was part of a growing rejection of the neoliberal agenda in diverse regions of the world. However, the main measures of economic policy of its first months of government clash, to a large extent, with the expectations and yearnings of the broad world-wide resistance to neoliberal globalization. These have been expressed in the mobilizations against the multilateral organizations, in the World Social Forum, the World March of Women (which has a strong organization in Brazil), the International Network of Social Movements, the Continental Campaign against the FTAA, the Continental Social Alliance, Via Campesina and the Coordination of Trade Union Centres of the Southern Cone. The reinforcement of these international initiatives, bringing to the national plane the world-wide dimension of these challenges, and connecting national struggles with regional and world-wide campaigns, constitutes the embryo of a new internationalism that will be able to stimulate struggles throughout the world and to strengthen the popular initiatives of the Brazilian left. In this form, it can strengthen the more progressive positions taken at the international level by the Lula government.

### The perspectives of the PT and the politics of the left

The conquest of the federal government by the PT opened a new stage in the trajectory of the party. Its ability to realize the hopes constructed in struggle and the conquest of the Presidency of the Republic is at stake, as is the ability of the PT to remain faithful to its own programme for the transformation of Brazilian society in the direction of the socialism. The initial period of government throws up a sober question mark over this quest.

The conception of government that prevails implies a conflictual relationship with the social base of the PT. The alliances made are in contradiction with

the programme of government defended in the electoral campaign; we are not witnessing a process of democratization of the public administration, of a popular character. On the other hand, in foreign policy, agrarian reform and other areas measures are being taken that correspond to the historical positions of the PT. A conflictual process is developing in the PT, its deputies and its social base. Support for defense of the party programme and its democratic and active functioning is growing.

The Guidelines approved at the 12th National Meeting in December 2001, and the Program of Government approved in June 2002 constitute an elaboration which is limited, but very important, for they present the official point of view of the party. The left of the PT must make this elaboration a starting point for the debate on the orientation of the government; in this form, it renews the thread of the trajectory of the PT, and rests on the legitimacy of the positions taken in the party's meetings.



The government does not suffocate the possibilities of the party. The roots of the movement that constructed the PT over these 23 years are deep, and they lie in the working class and the people. The history of the construction of the PT is a history of social, political and cultural struggles in Brazilian society, and also a history of internal disputes. There are strong arguments to reaffirm that this process continues:

**a** The trajectory of the PT is that of the social classes and social sectors that the PT seeks to represent and that feel themselves represented by the PT;

**b** the fundamental weight of the left inside of the PT;

**c** the tradition of pluralism in the PT, its internal democracy and the right of tendency;

**d** the programmatic references constructed throughout the trajectory of the party.

Thus, it is not correct, on the basis of the orientation of the government in the first nine months, to conclude that the game is over, as if the options taken expressed in a homogenous manner the entire movement and indicated its entire future; as if there were not contradictions and forces which move in relation to them. The PT has just experienced a time of crisis, and it will continue to develop thus for a period that is not possible to predict today. Fundamental confrontations face us, whether questions of government are those relating to party activity (elections in 2004, renewal of the party leadership and meetings in 2005).

Understanding the depth of the current crisis does not have to lead to the conclusion that it is impossible to surpass it, taking support from the PT and the multiple conflicts that develop in society. It is necessary to critically examine which alternatives are in gestation from this environment. The precipitate exit of small fragments of the PT to join the PSTU<sup>8</sup> could not constitute an alternative - this possibility would not correspond minimally to the historical meaning of the PT since its creation.

At the moment, what is necessary is to bring the forces of the left together to intervene in the same direction, knowing that the process is conflictual and can have more than one outcome. The fight for the PT as a socialist and democratic party is not settled. On the basis of this evaluation, the Socialist Democracy tendency has defended the construction of a broad left current in the PT, with the capacity to formulate programmatic contributions, to intervene in the central conflicts underway, address the whole social movement around the PT and the experience of the government, opposing their strategic choices.

A battle against the transformation of the PT into a transmission belt for governmental decisions is necessary; to fight to reestablish a party process on the basis of the programme of the party (it is this, and the decisions of the party's meetings, that must be the basis for party unity) and on internal democracy. A basic aspect of this fight is opposition to the disciplinary measures

that are taken or proposed by the majority of the PT leadership<sup>9</sup>, and in particular the struggle against the threats of expulsion of parliamentarians<sup>10</sup>. The punishment cannot be considered legitimate on the basis of votes for positions long defended by the party, including in the last electoral campaign, that had been modified by the majority of the leadership without a broad and democratic debate.

Moreover, it is important to be clear that the debate on the PT's orientation cannot today be made only through internal quarrels – this should be a debate in the broad political and social movement for which the PT is a reference. The PT, in the broad sense, brings together what is most expressive of the Brazilian left, the result of more than twenty years of democratic and social struggles, having the PT as central reference. It is necessary to participate in the process from inside, with an alternative overall vision to that of the current majority of the leadership, presenting solutions that answer the problems we face.

The arrival in government means that the politics of the party majority are being tested much more quickly, as in the case of the economic policy; the process of debate on orientation has undergone a great acceleration, and has a dynamic of greater interlacing of party issues and social struggles. There is a greater politicization of the movements and more informed social classes (in which a critical vision of the government has grown rapidly).

There is more than one possible outcome to all this. The perspective that best orients a left intervention is that of fighting for a socialist reconstruction of the PT. It is also that which best corresponds to the new political situation – marked by the growth of conflicts and mobilizations, the conjuncture cannot be considered as defensive.

The construction of the PT as a democratic and socialist party was the strategic element that allowed the growth of the left in Brazil. It is necessary to fight to reconstruct this project. If we were to make the contrary choice, the risk of fragmentation of the left would become dominant, and the way would be opened for other regressions in the political and social struggle. The left of the PT can intervene in the processes of debate on orientation in the party with the legitimacy of those who defend the historical and strategic project of the PT – the project of a democratic and socialist party. This perspective allows the construction of a broad left current as a socialist pole of reference. ■

\* João Machado is an economics lecturer at the Catholic University of Sao Paulo, is a member of the coordination of the Socialist Democracy Tendency (composed of members of the PT identifying with the Fourth International). He has been a member of the PT since its foundation and is a former member of the party's national executive. This article is based on a draft resolution presented by the coordination of the Socialist Democracy Tendency for debate at its next conference.

#### NOTES

- 1 See João Machado, *The two souls of the Lula government*, IV 348, March 2003.
- 2 *The budgetary surplus before interest payments on the public debt.*
- 3 *The draft can still be modified on the basis of discussion in the Senate, but no great changes are anticipated.*
- 4 *The Ministry of Agrarian Development, also known as the Ministry of Agrarian Reform is headed by Miguel Rosseto, former vice-governor of the state of Rio Grande del Sul and a supporter of the Socialist Democracy Tendency of the PT. This ministry is independent of the Ministry of Agriculture, which is led by a pro-latifundist. The Brazilian government, which is not responsible to parliament, does not hold cabinet meetings – ministers are directly responsible to the President.*
- 5 *The legislation inherited from preceding governments envisages the possibility of 'expropriating' lands which are 'unproductive', with the landowners being compensated in money or 'agricultural debt bonds'. The latter are less profitable for the latifundists. The agreement with the IMF which stipulates that the primary fiscal surplus should not be lower than 4.25% of the GDP and the method of calculation of this latter, which includes these bonds as a debit from this surplus, reduces the capacity of the Ministry of Rural Development and protects the latifundists.*
- 6 *There was also a problem of management. Following the replacement, in early September 2003, of the president of the INCRA (Instituto Nacional de Colonização et Reforma Agrária – the body of the Ministry directly in charge of agrarian reform) there was an acceleration of the establishment of settlements of the beneficiaries of agrarian reform. The figure of 60,000 families could probably be reached at the beginning of 2004. That does not mean that the process of agrarian reform is easy – it is not certain that the Ministry will dispose of the means to establish anew 60,000 families in the budgetary year 2004 and even this figure is modest in relation to need. Several hundred thousand families are occupying lands and waiting to be settled.*
- 7 *Folha de São Paulo September 12, 2003. A joke on the left has it that Finance Minister Palocci is about to break with the IMF because it is too left wing.*
- 8 *The United Socialist Workers Party (PSTU)*

originated from a split in the PT from the Socialist Convergence tendency (a Trotskyist current identified with 'Morenism') in 1992 – after the first PT Congress at which a settlement of the internal tendencies in the PT was adopted (which Socialist Convergence did not accept), and before the 8th National Meeting (June 1993), at which the left of the PT for the first time obtained more representatives than the moderate current (led by Lula) in the leadership of the party. A little after this split some activists (who were among the fiercest partisans of leaving the PT) left the PSTU and formed the CST (Corrente Socialista dos Trabalhadores) – a small tendency (primarily present in the states of Rio Grande do Sul and Pará) which returned to the PT. In the course of 2002, the CST split, the wing based in Rio Grande do Sul forming the MES (Movimento de Esquerda Socialista) after fusing with a local trade union current. The MES and CST are best known through the positions of the federal deputies Luciana Genro (MES) and João Batista Babá (CST), threatened by the PT majority. The MES and CST have now begun the construction of a movement to form another party (provisionally called the PTS – Socialist Workers Party), while deciding to establish it only after the expected expulsion of Luciana and Babá. Because of an orientation which had led it to isolate itself from the left of the PT, the MES split in 2003. Whether the new party will be formed in common with the PSTU is not yet settled and divergences seem to exist inside the potential components. For now this process concerns at most a few thousand people, while the PT has more than 100,000 members.

- 9 *The government succeeded in that the majority of the PT's parliamentary group voted in favour of pensions reform in the Chamber, though only through the imposition of a 'block vote' and threats against deputies opposed to the plans. Twenty four PT federal deputies voted for the proposals, but made a public declaration that they did so solely to respect the decision of the party, while three deputies voted against and eight abstained (which under the rules for approval of a constitutional amendment, was the same as a vote against). During the second vote, the procedure was repeated, with the difference that one of those who previously abstained voted against.*
- 10 *Currently there is the threat of expulsion of senator Heloísa Helena (a supporter of the Socialist Democracy Tendency) and three federal PT deputies (who voted against pensions reform). Also eight federal deputies were recently suspended from the PT's parliamentary group for 60 days (the seven who abstained during the two votes and the deputy who abstained on the first vote and voted against during the second). This suspension represented a setback for the majority of the executive, who had announced before the vote that those who voted against or abstained were heading for expulsion from the party. The suspended deputies appealed against this measure to the National Leadership of the PT, which was to meet on October 25-26. At this meeting the proposals for expulsion will also be voted on.*



## PT radical stays and fights

At the very end of September, Heloisa Helena, the senator at the forefront of opposition to the Brazilian government's right-wing economic policies, announced she had no intention of walking out of the governing Workers' Party (PT). If the leadership really wanted to silence her, they would have to pay the price of expelling her. Heloisa, who is a member of the Socialist Democracy Tendency (which organises supporters of the Fourth International in the PT), has been under pressure to stand in next year's local elections for Mayor of Maceio, the capital of her home state of Alagoas. The PT leadership postponed until the end of October the meeting that was to decide whether to expel Heloisa and three other members of parliament. This would be after the deadline for registering as a candidate in those elections and was widely seen as a manoeuvre to persuade Heloisa to leave the PT of her own accord in time to register under the name of another party. At least two other parties on the left had offered her their ticket. But the former teachers' leader, whose term as senator is now coming towards its end, has decided to stay and fight within the PT.

**Heloisa** spoke to Brazil's biggest daily newspaper, the *Folha de Sao Paulo*, about her decision.

**Folha** *By staying in the PT, have you given up standing for Mayor of Maceio?*

**Heloisa** I am not going to be dictated to by the electoral calendar. I'm putting my name down for the PT primaries, I want to stand for mayor, but I'm not going to do what they want. As a girl growing up in a poor family, I often had to enter by the back door. I've no intention of leaving by it. It's not my style. If they want me to leave, they'll have to go through with their show trial and point their totalitarian, neo-Stalinist finger at me.

**Folha** *Aren't you afraid of expulsion?*

**Heloisa** I was brought up out in the drought-ridden backlands of the Northeast, where you learn to live with solitude and hunger. The presidential palace cannot punish me for voting in favour of the positions we've defended for so long in the PT, and which have now

been changed without any democratic debate. Those positions were decided by our last national conference.

**Folha** *Do you still believe in Lula's government?*

**Heloisa** In the first nine months the economic policy has been conservative and subservient to the markets, continuing that of the previous government. This could change. Not because the government itself decides to change, but because of the pressure of objective reality, because of pressure from the social movements and from many of the party's members. It may be forced to change.

**Folha** *What are you most disappointed about in the Lula government?*

**Heloisa** Being submitted to a process of expulsion while the government licks the boots of some of the biggest crooks in Brazilian politics. That really hurts. And I'm depressed by the huge chasm that has opened up between what we promised people when we were in opposition, and what we are doing now in government.

# DONATIONS NEEDED TO PUSH SALES EFFORT

International Viewpoint's finances are close to breaking point because of a decline in donations this year. While the magazine typically obtains as much as €5,000 in donations from readers and organisations each year, total donations this year have been just €664: the resulting gap is a desperate financial deficit that is threatening the magazine seriously. If you can afford to help us produce the magazine, please send your donations to us by mail or using PayPal.com.

The financial pressure on IV is something that the editors have foreseen. We understand that the rising level of political activity means that our supporters have more demands for their personal and financial support. IV has responded by improving the magazine and making it easier to pay for it. Supporters, especially in the US and The Netherlands, have helped us to increase revenue from sales of the magazine to 73% of our costs compared to 70% last year. Volunteers have also helped us to cut some of our costs. However, sales revenue alone cannot cover our costs.

Donations from the organisations and individuals who support International Viewpoint have always been essential. Because of the political importance of the magazine the FI budgets a yearly subsidy to International Viewpoint. But this subsidy has to be exceeded by the generosity of readers and supporters of the magazine if it is to survive. This time last year, supporters' donations totalled €3234. This year's total is one-fifth that amount. You can secure the magazine's future if you help us plug that gap.

The resolutions of the Fourth International's recent world congress, published in our last issue, made development of the press of the Fourth International a priority for the FI's Executive Bureau - and for its supporters. Sustaining and developing International Viewpoint can help revolutionary Marxists worldwide to develop an orientation, profile and political behaviour independent from the movements they are active in. The magazine is informing, co-ordinating and publicising the work of activists, as well as allowing revolutionaries around the world to speak in their own words.

Donations will help us to continue that work and to increase revenue from sales. If donations arrive on the same scale as last year, then we will be able to invest in an improved invoicing system that will help us to increase sales income and make it more regular.

To help us, please mail your donation to the address below, or use PayPal.com to email a donation to us at DC

## SUB\$CRIB€!



### 10 issues delivered by airmail, for only:

Britain, Ireland	£30
Other European countries	€50
Greece, Portugal, Turkey, East Europe	€25
Australia, New Zealand	\$85
Canada	\$85
Rest of world	\$70
Non-OECD countries	\$35

### First-time subscribers - 25% discount!

Britain, Ireland	£22.50
Other European countries	€35
Greece, Portugal, Turkey, East Europe	€20
Australia, New Zealand	\$50
Canada	\$50
Rest of world	\$50
Non-OECD countries	\$28

NAME

ADDRESS

CITY

CODE

COUNTRY

PHONE

EMAIL

Send to/order from:

International Viewpoint PO Box 112, Manchester M12 5DW, Britain