

International VIEWPOINT

International Viewpoint—magazine of the Fourth International

IV423 April 2010

GREECE

Workers against the so-called stability programme

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The meaning of the Greek crisis

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Thailand

Greece

The Netherlands

Ecology/Food

Pakistan

Sri Lanka

Burma

Britain

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GREECE

The meaning of the Greek crisis

PASCAL FRANCHET ·

The media has extensively incorporated the official message, which could be divided into 5 chapters: ?

- 1) Greece cheated to hide "unsustainable" public debt; ?
- 2) The country is on the verge of defaulting on their debt, as well as other countries in the euro area; ?
- 3) The European Union can not help but sympathize and even encourage the adoption of austerity measures and ask for the Mediterranean country to be placed under a trusteeship; ?
- 4) Greece must take austerity measures to reduce its fiscal deficit; ?
- 5) The crisis in developed countries means the need for a widespread adoption of austerity plans of the same nature.

We therefore need to decode the ideological message intended, as a matter of fact, to all the peoples of the North.

1) Greece cheated to hide "unsustainable" public debt

Yes, without doubt and this reveals a State plagued by corruption and backdoor arrangements between friends. It seems clear today that Goldman Sachs, through the use of complex arrangements (swaps) and credit derivatives, enabled the Greek government to reduce its notional debt by more than 2 billion euros by means of an invisible loan [2]. This practice allowed Greece to enter the Euro zone. There is also evidence that the successive governments since 2001 decided to look the other way on this issue.

But Greece is not the only country in the euro area that has done so. There is a storm of hypocrisy on the matter.

In 1996, Italy used swaps with JP Morgan to artificially reduce its deficit. Afterwards, Berlusconi sold the entrance fees of national museums to a financial corporation for 10 billion euros, which in exchange received 1.5 billion euros per year for 10 years. France, issued bonds in 2000 and included the repayment of the interest at the end of a period of 14 years. In 2004, Goldman Sachs and Deutsche Bank have completed a financial package for Germany called "Aries Vermögensverwaltungs". Germany thus borrowed at rates well above the market, just to avoid that the debt ended showing up in the public accounts [3].

Placing in context the "unfathomable abyss" of Greece

Greece would have a deficit of 12.7% of GDP, and not of 6% as announced by the previous government, and a public debt of 115% of GDP, but if we compare it to other countries, there is nothing that justifies the panic cries. The cost of servicing the debt, which was 14% of GDP in 1993, is now 6%! The position of the accounts of the Greek State is certainly far from equilibrium, but it is less tarnished when compared to other northern countries.

Neither the European Commission, Eurostat or even the rating agencies, have lessons to give to Greece!

After 2001, the European Commission could not be unaware of the unreliability of the accounts presented by Greece. It only had to look at the accounts of the central government to measure the permanent deficit of the budget of the Greek state, to observe the multiplication of armament orders, to assess the cost of Olympics 2004 and to compare them with the budgetary resources and reserves held by the Greek Central Bank to understand that the official debt (made presentable to join the euro

zone) was not that which was announced. It could not be unaware of this situation but in fact did nothing to denounce it. ?

The integration of Greece into the euro area was necessary for the Commission for political and geo-strategic reasons. The top advocates for the acceptance of Greece in 2001 were, France (2nd armament supplier of the country) and Germany. Banks in both countries now hold 80% of the Greek debt.

As regards Eurostat, no lessons to be given either.

According to Bloomberg, Eurostat was perfectly aware of this operation. It is also in the name of good accounting rules that the EU statistical agency dismisses the outstanding public debt, after the billions of euros given to banks without compensation as part of the different bailout programs (SEC decision in June 2009). Eurostat is the same, which allows to avoid the incorporation of the loans of the State into the stock of public debt ("great debt" in France, borrowing Greek and Portuguese). And yet the taxpayers (those who do not benefit from tax cuts to the wealthy) have to pay these sums one way or the other.

As for the rating agencies, how reliable are they?

They have a pretty questionable credibility, as they were the ones who gave a triple-A rating to the sub-prime securities issued by Lehman Brothers, just 3 days before its bankruptcy.

These same "clairvoyant" agencies are extremely powerful and do as they please on financial markets, including on those unregulated known as OTC (Over The Counter Derivatives) or the toxic markets in which agents buy insurance against the risk of default, CDS (Credit Default Swaps). They are closely related to Anglo-Saxon banks (including Goldman Sachs and Citibank). ?These agencies do not work with a crystal ball, but with the abundant data provided by the issuer of the loan or the intelligence provided by the market of specific financial products. In our case, the agencies have downgrad-

ed the bonds after the change in the sentiment of the majority of the market, once the Greek government itself provided new data.

2) Greece is on the verge of defaulting on their debt just like other countries in the euro area

The message has a primary function: that of increasing interest rates (risk premiums) and thus the profits of lenders (including Goldman Sachs and hedge funds). The bonds issued by Greece were traded with an interest rate of 6.40%, which is double what a creditor could expect in this area. It should be noted that this bond for 5 billion euros, received at the moment of its initial issuance, 3 times the initial offer [4]. Beautiful contradiction from the part of financial markets regarding a country considered being "on the verge of default".

The dominant ideology has a tendency to compare the situation of the state budget with that of a household or a business, which makes no sense. One state, unlike a household or a business, always has the possibility to increase its revenue through taxes. It is this fact, coupled with a quite higher life expectancy, the essential difference and the reason that makes this comparison absurd. The U.S. state has existed for 221 years and accumulated debt since 1837, or 173 consecutive years [5].

The second reason behind this alarmist discourse is to prepare public opinion to accept a path towards social regression and austerity. The Greek government also has discretion to conduct a thorough reform of the tax system in order to eliminate tax breaks and social gifts for the wealthy as well as taxing capital income and rent; in short, the freedom to increase its tax revenue in order to eliminate the budget deficit. This is a matter of political choice, which the PASOK (Greek Socialist Party) didn't choose because it agrees with the basic premises of neoliberalism: the Greek world is and must remain a neoliberal economy market! For several decades, the public policies followed by successive governments have increased fiscal deficits and the stock of public debt. Joining the euro area (2001) has only amplified this phenomenon.

3) The European Union sympathizes but cannot do anything except encourage the adoption of austerity measures and ask for the country to be placed in trusteeship;

?

The European Central Bank (ECB) does not have the right to lend to states!

Whereas the European Central Bank lent heavily to the banks in 2008-2009 to save them from bankruptcy, it is not allowed to do the same with regards to the public authorities of the Member States. It's a shame.

Is important to note that Article 123 of the Treaty of Lisbon stipulates the rules out the ECB and central banks of Member States from undertaking "direct acquisitions [from public authorities, other bodies or public companies of Member States] of debt instruments".

So, no "direct" acquisition of government debt (and no help to states) but at the same time preferential loans are granted to banks which are required to use as a collateral... securities obligations of States (including the Greek state!). Beautiful hypocrisy the one allowed by this mechanism of the Lisbon Treaty.

The European Investment Bank, which amorality is well known in developing countries [6], cannot finance the Greek deficit? On paper, it's true. But as a matter of fact, it funds many dubious investment projects which increase the deficit and the rising public debt such as the 2004 Olympics whose total cost is still unknown (estimated between 20 and 30 billion euros).

4) Greece must take austerity measures to reduce its fiscal deficit

This is where the proponents of economic capitalism and financial want to arrive at! On the alleged reason of a public debt deemed as unsustainable, the government imposes an unprecedented dose of austerity for its people in the name of fiscal consolidation: an end to stimulus measures, a freeze on

civil service salaries in 2010, reduction by 10% of bonuses and 30% of overtime work in the public service, 10% decrease of public spending of which 100 million euros are comprised by reduction in education expenses and hospital costs, 2 years lengthening of the age of retirement which passes thus to 63 years, hiring freezes, reduction of CSD in the public, raising taxes on fuels, tobacco, cell phones, 2 percentage point raise in the VAT... ?

And EU wants some more! It requires structural reforms that affect all jurisdictions, the liberalization of goods, labor flexibility, comprehensive reforms of pensions and health ...

Conservatively speaking, it is a 15% unemployment rate and a contraction of at least 7.5% of GDP, which awaits the Greek people in the short term, according to estimates by Deutsche Bank.

Yet, other internal budgetary solutions exist! ?

The expected savings of the austerity plan are in the order of 5 billion euros. Other choices are however possible! Greece is the country of the EU whose military expenditures are the largest as a share of GDP. They reached 9.642 billion dollars in 2006 [7]. In 2008, Greece spend 2.8% of its GDP on defense and this figure does not include the totality of the military expenditure [8]. This considerable burden on the state budget primarily benefits the defense industries of the U.S. and Europe. ?

Greece also has the world's No. 1 commercial fleet with more than 4 000 vessels that drain each year almost 6 billion euros in VAT rates from the Greek state through advantageous mechanisms. ?

The majority of the large employers have transferred their assets to offshore companies in Cyprus (where they face a tax rate of 10%). The Orthodox Greek church is tax exempt, even though is the National Champion of real state property ownership. ?

Greek banks have received 28 billion euros of public funds under the bailout without any compensation, and now they speculate against the public

debt with impunity. Therefore the resources exist to follow a different path! ?

To acquire these resources requires a thorough reform of taxation but the PASOK government, serving the capitalists, decided to leave things as they are. They prefer to make the poor pay in order to stay in the euro area, even though this membership in the name of "free and undistorted competition", is the source of deregulation and loss of national sovereignty.

5) *The crisis in developed countries means the need for a widespread adoption of austerity plans of the same nature.*

In all developed countries, governments and the media repeat the same message. Whether is in Portugal where the government has launched a vast program of privatization of the public services; in Spain, which is entangled in a housing crisis, and where the rate of unemployment around 20%; in Ireland, whose budget deficit is close to that of Greece,; in Italy, which holds the EU record with a national debt of 127% of its GDP or the United Kingdom whose deficit now exceeds 14.5%. ?

Other European countries are also expected to pass through the mill of austerity plans. Proposed reforms of pension systems and rupture of the health and social security systems are already at work everywhere in Europe.

One thing is certain: the public money, obtained at very low rates by large private banks from the European Central Bank, will not go to households or businesses. Outstanding loans have declined massively in 2009 across Europe. This money will go, and has already gone back to speculation on the public debt and sovereign risk. Today Greece. Tomorrow, Portugal, Spain, Italy, Ireland. After tomorrow, Belgium, France ... The euro area is completely fragmented and reveals his true face: it is a system built for the richest economies on the backs of the poor.

Provisional conclusions and six proposals

?The European Union is political bankrupt: with a common currency but a tax and social competition between its Member States, with a common market, but without a mechanism to transfer resources from the rich to poor; with its neo-liberal dogma that crushes the people, it is unable to provide a response to the crisis for its population.

In return, people are beginning to mobilize and organize the response by themselves: two consecutive general strikes in Greece, with massive manifestations taking place in most major cities; the 93% of Icelanders which refused the payment of the private debts envisaged by the Icesave law [9] ; impressive demonstrations in Portugal; also demonstrations taking place the 23rd of March, which mark the beginning of a third social cycle in France.

The wind is rising throughout Europe and carries the refusal of employees, pensioners and the poor to bear the brunt of the crisis. ?

What is missing in these mobilizations, in addition to break the isolation of struggles, is an outlet, which establishes the links between the social and political responses. Throughout Europe, social movements need to bring elements of alternative programs to address the systemic crisis, choosing to defend and expand the collective rights against the logic of valorization of the capital.

The central question raised by these "crisis pretexts" of the public debts in the North is about a different distribution of wealth.

For that, we must keep two irons in the fire: increasing salaries by levying taxes on dividend and implementing a comprehensive a tax reform. Increasing wages would bring debt relief to households and would open up opportunities for the production of goods and services.

A drastic reduction of working time along the retention of wages and compensatory recruitment is also required. This would address both the problem of unemployment, the financing of social security (by increasing the number of contributors) and the

insufficient leisure time and recreation for those who work.

A harmonized tax reform on a European scale would allow to address the existing tax loopholes, as well as restoring a progressive tax on all income (taxes on income and corporate taxes); to reduce or abolish indirect taxes which strike especially the poorest (VAT, taxes on petroleum products). Any effort for reform has to establish a special tax on financial income and wealth of the creditors of the debt, without forgetting the taxation on other capital income and pension tax.

A cleansed fiscal policy would also cancel the many social contribution exemptions for enterprises; in-

crease employer contributions, and thus ensure sustainable social protection for all as well as a good standard for retirement and pensions.

Finally, the financial system has proven its adverse social effects. We must expropriate the banks and other financial institutions, transfer them to the public domain and place them under citizen control.

There is also the need for a citizens' audit of public debts, to measure their legitimacy or illegitimacy (what have they financed?).

Let's put these proposals into discussion to determine a list of demands.

THE NETHERLANDS

The SP at a crossroads

WILLEM BOS ·

One bad election result doesn't have to spell disaster, especially if it comes after a long line of victories. But it is clear the SP is experiencing something else than a (temporal) electoral setback. Before the municipal elections, there was the disappointing score in the European elections (the party maintained its two seats in the European Parliament), support for the SP in polls is consistently low (the party now has 25 out of 150 seats in parliament, but according to poll figures, it is set to lose more than half of those) and the party is losing members. Right at the moment the SP is proven right in its criticism of neoliberalism, the party suffers a heavy blow.

Many people point to the overall right-ward shift in the Netherlands when they try to explain the election results. This shift is profound, and is visible in first the rise of rightwing, anti-immigrant populist Pim Fortuyn in 2001 and 2002 and now in the popularity of far-right politician Geert Wilders. But to point to the rightward shift of society as the cause of the growth of the right-wing parties and the weakening of the left is just a tautology. The most important factor in the shift of voters sympathies is the antipathy against politics in all its shapes. The number of people who don't bother to vote is steadily growing; politicians are increasingly unpopular; the membership of political parties is declining and people move from one party to another more than ever. The feeling that 'politicians' (in general) are making a mess of things, and that 'the common people' are the victims of it, is widespread.

This unease has its roots in the neoliberal policies of the past decennia; privatization and liberalization has destroyed much of the security people felt

and has heavily damaged ties between people. What remains is insecurity, confusion and frustration: fertile soil for people who give a political voice to this feeling.

Party of opposition

During the nineties, the SP was clearly the party of opposition. The Labour Party shed its left-wing past while the SP was rising as the party of dissatisfaction and resistance: resistance against the destruction of the pension system, against a universal market principle and against the sell-out of the welfare state. The SP grew in popularity and its number of seats in parliament increased.

But now it's Wilders's 'Party of Freedom' that symbolizes opposition against politics as usual. With help from the other parties, Wilders managed to put the focus of the public debate not on the economics problems and their consequences, but on 'the islam', he made integration of migrants a central issue in the political debate.

The other parties, who all remain loyal to neoliberal dogma, have an interest in not focusing the debate on social-economic issues. If it's up to them, working people will be made to pay for the crisis. And that is a message those parties would like to keep hidden from open view for as long as possible – in any case, until after the parliamentary elections in June.

The SP didn't succeed in breaking the neoliberal consensus and putting economical and social issues on top of the agenda. This meant the party lost ground in the public debate because it is strongest on exactly these points. Because of an unclear approach in the whole debate on 'integration' and a failure to clearly oppose Wilders, the party also lost voters to parties with a more anti-racist profile like the Greens.

An important problem is that the true extent of the crisis is still not visible to many people in the Netherlands – unemployment increased but not on a massive scale and is mainly limited to flexworkers. People's purchasing power is maintained and the enormous cutbacks on government spending are yet to come. We are flooded with messages that the worse is behind us and the economy is recovering.

Any left-wing party faces difficulties in such a situation: it has to confront a mood of 'let's all work together' and 'pessimism will only make things worse'. To counter this mood, a party needs to be able to present a long-term alternative and have a clear view of the crisis. Both seem to be lacking.

Lessons from the crisis

In October 2008 the SP presented a manifesto: 'Lessons of the credit crisis'. It spoke in favor of nationalizing banks that were in danger of going bankrupt, a law on nationalizations and a parliamentary inquiry into the causes of the crisis. There should be more supervision over the financial sector, the power of stockholders should be limited and the culture of outrageous bonuses for top-executives should be ended. Other points included dealing with tax-havens and the introduction of a tax on money flows (Tobintax). A drastically reformed IMF or a new financial authority should have the authority to issue a new international exchange currency to replace the dollar and the system of fixed exchange rates should be reconsidered.

The manifesto made 30 proposals, all concerning the financial sector – nowhere was it made clear that the financial crisis was bound to hit the real economy, nowhere a case was made for structural changes. Even the nationalization of banks and financial institutions was limited to those that 'were in trouble'. The manifesto ended with a plea for a return to the so-called 'Rhine-land model', without asking if such a return was even possible.

In the following period this attitude changed little. Of course, at a certain moment the conclusion that

the bursting of the financial bubble was the prelude to a worldwide crisis was inescapable but no practical conclusions were drawn from this. The SP committed itself to the struggle to keep the retirement age at 65 but this struggle was not placed in a wider framework. What was and is lacking is a plan of struggle against the crisis measures: for the preservation of jobs, against the destruction of social benefits and for taxing the rich, nationalizing the financial sector and drastically reforming the economy in a social and ecological direction.

The lack of a discussion on the causes of the crisis was remarkable. Of course, many view points were exchanged but a general discussion in the whole party did not take place. The crisis meant a deep change of social reality – the party has to respond to that change. Such a response needs to be the result of collective analysis and discussion.

The SP has the reputation of being a party of doers, not just talkers. That is a good thing, especially when there's clarity on what the course of the organization should be. But it becomes a disadvantage when times change and old viewpoints need to be reevaluated. A party needs to have room for serious political discussions – this can stimulate the members to be involved in plotting the course of the party and take responsibility for it.

At a crossroads

The coming weeks until the elections of the ninth of June will be crucial. Roughly, there are two possibilities: either the party manages to position itself again as the party of discontent and of the refusal of working people to pay for the crisis. Or the party will get more caught up in trying to manage a crisis-ridden capitalism. If the last scenario becomes reality, the differences with the labor party will become less and less – and more people will vote for Wilders to give voice to their discontent. This course would make the SP lose on the electoral level as well.

The first approach offers no guarantees that the SP can regain its electoral position in the short term.

As long as social resistance against the crisis measures is limited, the possibilities for a party that wants to be the expression of this resistance will be limited as well. But this approach at least creates a better long-term perspective. Whatever the result of the elections will be, one thing is certain: we will

have a government that is going to implement cut-backs like we haven't seen before. The lower classes will be hit even harder than during the eighties. The SP has its roots in resisting the crisis measures of those years – confronted with an even worse crisis, the party needs to continue that tradition.

Food sovereignty: we can feed the world

ESTHER VIVAS ·

The food crisis shows one of the most dramatic faces of the current capitalist system, with more than a billion people in the world, one out of six, who starves, especially in countries from the Southern hemisphere. Paradoxically, in the last twenty years, while population has been growing at a 1.14% yearly rate, the production of food has increased in more than a 2% rate. Therefore, and evaluating this data, we can conclude that currently we are producing enough food to feed the population of the whole world. Then, where does the problem lie? Well, that if there is not enough income to pay the price, people cannot eat.

The neoliberal policies applied to agriculture in the last thirty years (green revolution, delocalization, free trade, depeasantization...), have lead us to an increasing food and alimentary insecurity. Food has become a business, a privatized good in the hands of a few companies from the agrifood industry, which have the support from governments and international institutions.

Having to face this situation, summit after summit, the Food and Agriculture Organization of the United Nations (FAO), the World Bank, the International Monetary Fund, the G20, together with the main companies of the sector, are telling us that in order to overcome this crisis a brand new green revolution is necessary, as well as more transgenics and free trade. They want us to believe that the policies that lead us to this current situation will help us overcome the problems generated by these policies themselves.

Local, peasant-like and ecological agriculture

But the alternatives exist. The relocation of agriculture in the hands of the peasants, will allow us to guarantee a universal access to food. And this has been proven by the results shown in an extended international investigation which lasted four years and which involved more than 400 scientists, carried out by The International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD), an evaluation project supported by the World Bank, in partnership with the FAO, the UNDP, the UNESCO, government representatives, private, scientific and social institutions, etc., taking as a model the Intergovernmental Panel on Climate Change and the Evaluation of the Ecosystems of the Millennium.

It is interesting to observe how, in spite of the fact that the report was backed up by all of these institutions, it concluded that the agro-ecological production would provide those least favored, the poorest population, with monetary and alimentary income, at the same time that would provide a surplus for the market, becoming a better guarantee for food and alimentary security than transgenic production. The report issued by the IAAST supported the local, peasant-like and familiar production, and the redistribution of the land in hands of the rural communities. The report was rejected by agribusiness and filed away by the World Bank, even though 61 governments quietly approved it, with the exception of the United States, Canada, Australia, among others.

A research study by the University of Michigan (2007) positioned itself along the same lines, concluding that agro-ecological farms are highly productive and capable of guaranteeing food and alimentary security all around the globe, on the contrary to industrialized agricultural production and

free trade. Their conclusions pointed out, even taking as a reference their most conservative estimates, that organic agriculture could supply at least the same amounts as done currently; although, their researchers considered that, a more realistic estimate would be that ecological agriculture could increase the global production of food by 50%.

In the area of commercialization, and in order to break the monopolies of major distributions, has proven essential to support short circuits of commercialization (local markets, direct sales, groups and cooperatives of agro-ecological consumption...), avoiding intermediaries and mediators, and establishing closer relationships between producers and consumers based on trust and mutual understanding, which will lead to a growing solidarity between the countryside and the cities. Currently, the broad distribution (supermarkets, chain discounts, hypermarkets, etc.) monopolize

the commercialization chain of food, obtaining the maximum benefits at the expense of exploiting workers, peasants and the environment.

Food sovereignty proves to be the best alternative to end world hunger. It is a matter of returning the control of the agricultural and food policies to the people (peasants, workers, consumers, women...), as well as their access to the land and the common goods (water, seeds...). A food sovereignty which will have to be deeply feminist, recognizing the role of women as a guarantee of food to a global level, and fighting against the oppression, not only of the capitalist system, but also of the patriarchal system.

Contribution to the working group on agro-ecology, food sovereignty and degrowth at the Second Conference on Economic Degrowth for Ecological Sustainability and Social Equity. March 26-29th 2010, Barcelona.

PAKISTAN

Help us build a credible alternative

FAROOQ TARIQ ·

On 10 April 2010, Mian Abdul Qayum, a labour leader in Faisalabad, has submitted his nomination papers as candidate for the Punjab Assembly constituency 63 Faisalabad. The other candidates from this constituency will be from Pakistan Peoples Party, Pakistan Muslim League Nawaz and National Muslim League. We need your support to contest this bye election.

Who are our opponents?

The seat was declared vacant when one Mian Asif Ajmal resigned after it was clear during a Supreme Court hearing that he has submitted bogus degrees to the election commission in 2008 to prove that he is a graduate. Asif Ajmal is an industrialist and owner of a textile factory. He was arrested by police in 2008 after he and his goons fired on workers of his textile factory when they were demanding wage increase and union rights. One worker was killed and over a dozen seriously injured. He spent nearly one and half month in jail at the time but came out of jail using his political influence among police and courts. He got elected in February 2008 election on a nomination of Pakistan Muslim league Q, he later joined PMLN. Mian Nawaz Sharif has nominated Asif Ajmal to contest this seat. The person who used bogus degrees and deceived his constituency and the election commission is awarded a ticket of PMLN, a party that claim to defend democratic traditions fight for independent judiciary.

Pakistan Peoples Party Punjab president Rana Aftab is once again in the field to contest election after he was defeated in 2008 general elections. He has been member of Punjab Assembly two times earlier. He is rich farmer and an advocate by profession and die hard PPP activist.

Amjad Warraich, a former Member of Parliament and leader of one National Muslim League, a new Muslim League under his leadership, has also announced to contest from this seat. His wife is member of National assembly and his brother is in Punjab Assembly. There is no end of gluttony within this family.

Labour Party Pakistan has decided to contest the bye election of Punjab Assembly constituency PP 63. Mian Abdul Qayum will be its candidate from the seat. He is chairman of Labour Qaumi Movement and a member of LPP Federal Committee. We have decided to contest this election to challenge the hegemony of the big capitalist and feudal parties. We have not much experience of parliamentary politics. The parliamentary elections in Pakistan favour the rich and those with a lot of money. It is constituency based and rich politician spends millions in violation of the election commission laws and no one take notice of that. Despite all this, we have decided to fight back.

Our candidate: Mian Abdul Qayum

Mian Abdul Qayum is a labour leader of textile and power looms workers. He is the founding member of Labour Qaumi Movement, a labour organization that has led many struggles of textile workers in Faisalabad and surrounding area. Over 10,000 joined when LQM organized a mass workers rally on the eve of the Labour Party Pakistan fifth congress on 29 January 2010 at famous Dhobi Ghat ground of Faisalabad.

Mian Abdul Qayum, himself a textile worker, has been able to organize LQM in every area of Faisalabad because of its militant actions and solidarity expression with other movements. At present, he works full time for LQM. Workers of Faisalabad textile sector pay his expenditures. His

partner Shamim Qayum is also an activist of LQM and spends time to organize the women workers.

Mian Abdul Qayum has been arrested several times during the last few years during the struggle of the textile workers. He spent 28 days along 24 other power looms workers in Jhang jail when he led a strike that lasted 20 days resulting in a complete victory of power looms workers. Since LQM was established over 10,000 power looms workers have got social security cards. There was none when the LQM was formed in 2003. They have been able to help workers in wage increase, blocked payments were released, new trade unions in several factories formed and in general a labour dignity is been restored.

LQM is an independent labour organization supported by several left political currents and social organization and movements. Most of its leaders are formally members of Labour Party Pakistan. LQM formation is a departure from the traditional trade unions that have been unable to grow during the last decade. It is community based labour organization and not just a work place organization. LQM has combined activism at work place and at community level. It has formalized many informal sector workers. It has revived the real workers tradition of picket lines at work place and at the homes of the bosses.

LQM strategy to press the demands of the workers varies from case to case. It has held hunger strike camps, public rallies, seminars, workshops, Gherao (pickets) of factories, bosses homes, police stations and labour department, demonstrations and many other forms of protests. It has held very militant but peaceful struggle.

Mian Abdul Qayum decision to contest election against the parties of the rich is an important step in promotion of working class politics. It will pave the way for more independent actions of the working class not only in parliamentary field but also outside. After the election of Mai Jhoori in Baluchistan bye election last month, the contest of

Mian Abdul Qayum will also be watched closely by many in Pakistan and internationally.

Our election programme

Although this is a Punjab Assembly bye election, we want to contest the election on a revolutionary programme with transitional demands. In a meeting on 9th April 2010 at Labour Qaumi Movement in Faisalabad to discuss the priority of the election campaign, it was decided to take up three issues forcefully. They are price hike, labour rights and load shedding of electricity and gas. One is directly linked with the lives of the workers and the other is linked for the survival of the local power looms industry and infrastructure. There has been a massive price hike because of the conditionality's of the IMF and World Bank loans. We will take up the issue of neo liberal agenda and role of imperialism and multi national companies. We will raise the issue of labour right to form union and fight for workers right to decent life.

Importance of this election

This election is been announced at a time when PPP government is taking very important decisions to implement the neo liberal agenda. Price hike is out of control. Important public sector institutions are on offer for sale. Infrastructure is collapsing. The load shedding of electricity is for over 12 hours. Most of the power looms are closed because of shortage of electricity and thousands of workers laid off temporarily. The workers are very angry and there is a possibility of a grand black lash against PPP government through this election.

This is an area where workers have gathered in thousands on the call of labour Qaumi Movement for defense of worker rights and better job conditions. PPP Punjab president is in contest. So workers have a choice of making a decision on the policies of PPP.

This is also an election where PPP and PMLN have put up candidate against each other unlike the previous bye elections. PMLN have nominated a per-

son who has been involved in firing cases, forgery of the educational certificates and other criminal activities. Workers may reject the both big parties in this area.

A decent vote or a victory of a textile worker in a bye election can generate a lot of enthusiasm among the working class in Pakistan to go for an alternative choice than that of parties of the capitalists and feudal.

This is the first parliamentary election that LPP is contesting after 2002 general elections. LPP have done a good street work against military dictatorship, for workers rights and peasant's right to own land. The LPP can make a difference in this election if it gets the right support from its friends.

What can you do?

We need your support in different fields. We have not much time left. The election is on 15 May 2010.

1- Please help us financially,

2- Please take off time to go the constituency. It is called PP 63 and it covers the areas next to Faisalabad airport, Sadhar, Thekiwala, Pansera on Jhang Road. Please come and help in the election campaign to go to door to door.

3- Please help us in transport. If you have a car, small van or jeep, please lend it to us with a driver for at least a week before the election campaign. We

have to cover a long distance area and we need a lot of transportation.

4- Please help in printing of literature, posters and leaflets. If you can get it printed, we can provide you the text and designs.

5- Please help us in designing banners and help in printing on cloth.

6- Please give suggestion in promotion of our election symbol APPLE, the LPP election symbol. We have taken a peaceful sign unlike the PPP and PMLN who have very violent election symbols.

7- Please take a day off on 15 May to help on the Election Day.

8- Please suggest any other way to help us.

Please contact me for any help and I will put you in contact with right persons involved in that area.

Labour Party Pakistan appeals to all its supporters, friends, comrades and members to come forward to help in the campaign of Mian Abdul Qayum.

Farooq Tariq

spokesperson

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SRI LANKA

No holds barred to establish Sinhala chauvinism

VICKRAMABAHU KARUNARATHNE ·

In 1983, though Hector was the main opposition candidate, the campaign was led by Vijaya Kumaranatunge. Vijaya and a few others were taken into custody just after the presidential elections, thus removing the spirit of the SLFP. Terror was unleashed everywhere and the referendum was a historic fraud. In this election too, with the opposition in disarray, state terror is evident everywhere. The only difference is that the in-fighting within the government camp is also widespread. Those who are close to the president, or to his family, demand special treatment. This has pushed others out of the preferences campaign. For example the "Panchayuda Kumaraya", Wimal Weerawansa, is a separate "establishment" in the Colombo district.

In the Kandy district, Mahindananda Aluthgamage behaves like a feudal prince. I was surprised to see only Mahindananda pictures, posters and cutouts in the entire area of Nawalapitiya. Not even the leader of the district, Sarath dares to challenge him. Apparently even the president was hooted when he mentioned the name of Sarath as the leader of the Kandy UPFA list. When we went around distributing leaflets I felt that people were looking at us in amazement. The atmosphere was such that many told me to be careful and not to stay in one place for long. However nothing interesting happened until we started to address the crowd gathered near the bus stand. A police officer came and began pleading with us to stop the meeting. I explained to him that it was normal for a political leader to address the crowd gathered for a few minutes. I have been doing this since 1975 and I was challenged only by political intruders. Such a situation arose

recently at Ratmalana where a group of thugs led by a UPFA municipal councillor tried to stop us by abuse and intimidation. We did not yield and in the end they had to retreat as many residents were against them. In Nawalapitiya it was a different story. The police officer pleaded with us to understand his plight if he allowed us to address the crowd gathered. It was clear that he had to act according to political instructions instead of protecting law and order. I had to give-in partially as I could not be responsible for the penalty he will have to pay. However, I addressed the crowd without any amplifiers and was successful in giving my message. I was fortunate to come back without much trouble. on the next day it was reported that in a clash between two groups of UPFA supporters, some were hospitalized while others were in police custody. This had taken place between Gampola and Nawalapitiya.

Consolidated at any cost

Elections are mini civil wars in many parts of the country. Perpetrators of violence do that in the name of the Sinhala nation. It is said that the victory of the Sinhala nation over the Tamil rebellion has to be consolidated at any cost. Hence those who vociferously defend the war, such as Wimal are to be given a special place. "Do your duty to him" screams the banner of Wimal Weerawansa. He has defended the Sinhala nation with his silver tongue! Hence he has assumed the title of the 'Prince of Five weapons'. All these mythological factors are brought in to strengthen Sinhala chauvinism at any cost. In order to establish democracy and freedom, one has to face this fierce Sinhala nationalism. This is amply proved by what is taking place in Nawalapitiya and other such places. Obviously we cannot expect a free and fair election, but we must do our best to achieve one.

NSSP contributions: NAVA SAMA SAMAJA PARTY, 17BARRACKS LANE, COLOMBO 2 A/C NO: 8004893301,	COMMERCIAL BANK OF CEYLON LIMITED swift code CCEYLKLX contributions to vickramabahu: BANK OF CEYLON A/C NO 0000306345 swift code BCEYLKLX
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THAILAND

Violent repression of "red shirts" in Bangkok

DANIELLE SABAI AND JEAN SANUK ·

At first gambling on the redshirt demonstrations fragmenting, the government and the elites who support it have been disappointed. After a month of demonstrations, tens of thousands of protesters continue to call for more justice and democracy. No longer knowing how to force the demonstrators to return home, Abhisit eventually declared a state of emergency on Wednesday April 7th in Bangkok and the surrounding provinces. Then he closed the PTV ("People's Television Channel") which is popular among the red shirts as well as over 30 independent websites which were not relaying Government propaganda. Justifying these measures by his desire to "stop distorted information", Abhisit inflamed the anger of the protesters who took over the headquarters of Thaicom to resume broadcasting. Arrest warrants against the main leaders the red shirts did not prevent the demonstrators from defying bans on rallies and events. There were still tens of thousands in the streets of Bangkok on Friday and Saturday.

It was too much for the government, military, and bureaucratic elites who refuse to give up so much as a crumb of the power they have held for many decades. On Saturday, the military fiercely suppressed unarmed demonstrators, in some cases using live ammunition according to many observers. More than 20 dead and 800 wounded have been identified, mostly among the red shirts. This is the worst death and injury toll since the 1992 coup. In a television delivery on the evening of Saturday April 10th, Abhisit presented his condolences to the families of the victims but justified repression, stating

that the red shirts were behind the clashes. He covered up for the military, claiming that while they were armed with live ammunition, they had fired in the air.

Despite the means deployed the army was not able to defeat the demonstrators and the military had to withdraw. The future seems very unclear: the military staff are in shock after this defeat. The army is divided, with many soldiers displaying sympathy for the red shirts. This has led to army officers organizing a witch-hunt against those soldiers that they called "watermelons", green in uniform but red inside.

Attempts at repression could lead to more widespread riots and unpredictable consequences. It is not certain that this option is being considered today by the Government. At the same time, Abhisit's days as premier may well be numbered. His survival depends on the ability of army and bureaucratic elites who put him in power place to find a replacement solution that is acceptable to them. A new military coup is not ruled out.

There remains one major unknown: what is happening so far as the Palace is concerned? The King, in hospital since last September, is no longer able to intervene as he did in the past to try to stifle the protests. Members of the royal family are themselves prey to infighting for the succession. Each of the claimants has forged alliances with factions of the army and police, which partly explains the indecisions of the government over the past month.

The red shirts are demanding the restoration of democracy. This involves the immediate resignation of Abhisit, who has blood on his hands, and the convening of new legislative elections. It is a critical moment in the history of Thailand. The NPA is alongside all the workers, peasants and poor

of Thailand and supports their legitimate struggle
for social justice and democracy.

THAILAND

Thailand: Resolve the Crisis through Democracy, not Crackdown

We are deeply concerned over the current situation in Thailand where military-backed Prime Minister Abhisit Vejjajiva has declared a state of emergency and started a bloody crackdown amidst escalating protests calling for fresh election.

The situation is worrying as the Thai government closes down all opposition media and gives sweeping new powers to the security forces to prepare for a violent crackdown on the Red Shirt protesters. Thai troops are using excessive force including tanks and live ammunition, against pro-democracy demonstrators in Bangkok.

The United Front for Democracy Against Dictatorship (UDD) or more well-known as the Red Shirts has re-launched massive protests against the military-installed unelected Abhisit government since last March. This pro-democracy movement comprised of rural and urban poor, who stand up against the military-back oligarchic rule.

The current crisis unfolded in September 2006, when the military staged a coup against the government of Thaksin Shinawatra, scrapped the 1997 popular Constitution and replaced it with a military-sanctioned constitution. The royalist Yellow Shirts started to organize fascist demonstrations when the pro-Thaksin party won in the 2007 election. The current Abhisit government was installed by

the military after the fascist mobilizations by the yellow shirts and a coup by the court.

The government, the army and the Yellow Shirts are afraid to face real democratic elections, as they know that they would lose since the majority of the poor support the Red Shirts. Abhisit and the ruling elite are refusing to call for elections and are trying to buy time and even preparing for a violent crackdown. It is becoming clear that Abhisit and the old elite are bringing the country towards a fascist dictatorship.

Thailand has entered a new phase of class war. The old ruling elite with the backing of the military are using all means to scrap democracy in Thailand. The pro-democracy Red Shirts comprised of the majority of the working class, peasantry and poor, have shown their real popularity and mobilizing strength which has definitely shaken the royalists and the military. With the broadening of the masses' support for the Red Shirts, it could be a new and important step in the struggle of the ordinary people in Thailand for the restoration of democracy and social justice.

We call for:

– The immediate resignation of the military-installed Abhisit government and the holding of fresh democratic elections.

-
- Demand a halt to all forms of violent crackdown against Red Shirt protesters. Respect the right of the people to organize, to protest and to strike.
 - Demand a halt to the suppression of democratic rights and clampdown on the media.
 - Demand the Thai government to not resort to any military coup.

The current crisis in Thailand only can be resolved through genuine democracy and people's power. We extend our support and solidarity to all workers, peasants and poor in Thailand who struggle against the anti-democratic government and for the restoration of real democracy.

10th April 2010

GREECE

Workers against the so-called stability programme

ANDREAS SARTZEKIS ·

This discussion is certainly not without interest, for at least two reasons: it makes it possible to see how the great speeches on European unity and its famous constitution become scraps of paper when inter-capitalist contradictions develop; furthermore, the placing under supervision of the Greek state by unelected European institutions and the German and French governments makes it clear that a really effective response by workers in Greece requires a working-class fightback at the European level, and many gestures in this direction are encouraging, even though limited: the presence at the head of the big demonstration in Athens on February 24 of John Monks, general secretary of the European Confederation of Trade unions, the numerous declarations of solidarity with the struggles of workers in Greece.

But after the very big general strikes on February 24 and March 11, the trade-union leaders are postponing mobilizations until later, confirming, if it was necessary, the close links of the bureaucratic leaderships with the leadership of PASOK. In both the GSEE (General Workers' Confederation of Greece, the only trade-union confederation) and ADEDY (Federation of Public Sector Workers), the majority current in the leadership is PASOK. Now what is at stake for PASOK and Prime Minister Giorgos Papandreou, who, it should be remembered, is currently president of the Socialist International, is to do everything to make people forget that the great electoral victory of September 2009 [1] was above all a victory against the Right and its austerity policies. Within a few weeks, the leadership of PASOK has just adopted the worst measures ever taken against the population since

the end of the Civil War in 1949. This article will deal with these measures and with the workers' mobilizations, but it goes without saying, at the time when in France for example, the Socialist Party has just won a great electoral victory against Sarkozy and the Right, that it is urgent, in order to defeat not only the Right but its policies, to strengthen the mobilizations and to build an anti-capitalist organization independent of social democracy and its capitulations.

Catastrophic measures

Taking as a pretext the discovery of figures that had been falsified by the preceding government and thus of an economic situation taking the country to the verge of bankruptcy, Papandreou had wanted since the end of last autumn to prepare the country for measures presented in the first place as inevitable, and over recent weeks as demanding national unity, as if in a war situation... A social war indeed, since the measures, announced in several "packages" spaced out over a few weeks, are the following:

- Public sector wages: freezing of wages above 2000 euros, but especially cuts of 30 per cent in the thirteenth and fourteenth months' wages, a reduction of between 10 and 20 per cent of bonuses and other extras;
- Pensions: freezing of pensions and retirement age raised to 62 or 63, with payment of the basic pension from the age of 65. It is estimated that in the coming years, the drop in the level of pensions could be as much as 30 per cent;
- Increase in sales taxes: on electricity and petrol and gas. Unleaded petrol is now 1.428 euros the litre (the third highest price in Europe, after Holland and Denmark). VAT is increased by ap-

proximately 2 points, being fixed at 5 per cent or 21 per cent, depending on the products concerned;

– Income tax: no increase for companies, but for average wages and the liberal professions (which constitute, moreover, one of the electoral bases of PASOK), with a plan to finally tax the very rich Orthodox Church (which is not separate from the state). It should be noted that out of "kindness", the government exonerates redundancy payments up to the level of 60,000 euros...

Furthermore, the "support" granted by the countries of the euro zone on March 25 is in fact only support for the markets and for the exorbitant interest rates that they demand from indebted countries like Greece, together with the promise that the euro zone will guarantee, with a range of loans from the IMF and the other countries of the zone, continuity of payment. With this in view, no matter what Papandreou says, new attacks are being prepared, all the more so in that the agreement, whose text has not been published, includes precisely the recourse (with a minority of overall loans) to the IMF, whose "assistance" in Hungary resulted in the cutting back of the public sector and in privatizations.

We can also expect attacks on wages to extend to the private sector. In fact some companies already want to take the initiative. But it is also a question of dismantling labour laws, which still, according to the employers, give too much protection to employees, in particular in the event of being laid off. The managing director of the Bank of Greece has expressed his support for these measures... while putting as a condition that the government must attack the lack of competitiveness, pointing out that labour costs are too high in Greece compared with the other European countries.

As for the OECD, it claims to want to avoid youth unemployment, which could reach 28 per cent, in order to make some recommendations: lower wages for new workers, easier conditions for sackings (the law prohibits laying off more than 2 per

cent of the workforce per month) and changes in unemployment benefits...

All this is enough to expose the inanity of the debate about the inspirers of all these attacks and the "less bad" solutions: The IMF, the European Union and the Greek bourgeoisie; the goal is clearly to defend profits while attacking the workers.

Dramatic consequences

Here is a concrete example of the measures on wages: a civil servant who earned 14,000 euros a year will lose 1,200 euros, one who earned 24,000 euros will lose 2,200. As for the already miserable pensions, they will plunge hundreds of thousands of people into situations of sheer survival, the more so since family solidarity, which up until recently was still capable of playing a role, has been undermined: now we can see homeless people in the streets of the big cities. These measures only encourage the employers' attacks: the newspaper *To Vima* of March 25 gives many examples of companies which are trampling on collective bargaining agreements to impose, under threat of sackings, individual contracts with reduced wages, and they are doing it in all parts of the country, whether in Northern Greece, on the islands or in big cities like Piraeus (where the rate of unemployment is 25 per cent) and Patras. Of course, these measures will lead to a drop in individual consumption (estimates range from -3 to -6 per cent) and will have negative effects on sectors like construction (where already 140,000 new residences remain empty) and tourism: the hotel sector is expecting a shortfall of 500 million euros, this in a sector where only one worker in three is declared - moreover the year 2009 saw 10,000 workers who were declared lose their jobs. Under these conditions, unemployment will explode. The official figures show that it went from 514,000 in the last quarter of 2009 to 766,000 in March (out of a population of 11 million), with a much higher proportion of women and young people, and some regions particularly severely hit (Eastern Macedonia, Thrace). The Minister of Labour himself does not rule out official unemployment figures reaching 20 per cent by the

end of the year... whereas unofficial estimates give a current figure of 18 per cent, with a recession estimated for the year at 2 per cent, and even 4 to 5 per cent.

Greek crisis?

The figures are well-known: at the end of 2009, the national debt had reached 135 per cent of GDP, the deficit 12.7 per cent. These figures were allegedly hidden, which supposedly shocked the virtuous people in charge of the European economy. One could only smile at this, if the situation were not so dramatic: it is enough to remember that those who opposed the Olympic Games of 2004 questioned the lasting and frightening indebtedness which the organization of the Games in Athens would involve... As Pascal Franchet says, "after 2001, the European Commission could not be unaware of the unreliability of the accounts presented by Greece" [2]. In any case, in this situation, Greece was plunged into a spiral of bankruptcy, with rates for loans on the appropriately named capital markets exceeding 7 per cent and thus reinforcing the debt! Which led to the Papandreou measures and the appeal for help from Europe.

Papandreou explained why this help was above all a political signal to the speculators that Greece had a European guarantee of payment for its loans (he was looking for 5 billion euros in the short term). And on the internal level, he wanted to be able to justify by a "good agreement" that people's sacrifices served some purpose. He has in fact obtained mitigated support: the German Chancellor demanded that the IMF be brought in to supply approximately a third of the financial support, whereas the French president and the president of the European Central Bank, Jean-Claude Trichet, claimed to want a strictly European solution.

All these negotiations were above all a pretty piece of scene-setting: first of all because the very same Trichet insisted, of course, that it was not a question of giving subsidies, but only a guarantee of loans at a rate a little lower than those of the speculators! Next, because as far as money from Europe

was concerned, the discussions were conducted by Merkel and Sarkozy, with the other European governments being called in afterwards. We do not know the details of the discussions, but the reality that has to be taken into account is that Greece is the second biggest purchaser of arms from Germany (9.6 per cent of German arms sales over 30 years, including 18.2 per cent in 2006), the fourth from France (5.5 per cent on average, including 35.9 per cent in 2007!), and that these two countries want Greece to be able to buy the six French frigates (at a cost of 3 billion euros) and the submarine and dozens of military aircraft from Germany that have been ordered!

What is sure in any case is that both the IMF and the leaders of the euro zone will from now on be intervening at will in the Greek situation, demanding for example a radical reform of social security or the privatization of state enterprises.

However, if we take into account that Greece is not an isolated case in Europe, we will understand that fundamentally, the way European leaders have dealt with the case of Greece is intended to be exemplary: succeeding in imposing drastic measures on the population of Greece must above all be used as an example, to the workers on the one hand, and to the banks and speculators on the other, showing clearly whose interests have been served.

Because fundamentally, the agreement in Brussels does not settle anything and will do nothing but make things worse: thus, nothing is settled concerning tax evasion and neither Papandreou nor the European leaders are calling into question the "offshore" status of the big Greek ship-owners who thus avoid tax!

Their passionate commitment to private enterprise will reinforce one of the weaknesses of the Greek social system: it is estimated that there are 1.5 million undeclared workers in Greece, working under the worst conditions. Thus, in the private postal service sector, there are 12,000 such workers, without a collective bargaining agreement, who are paid late, who will have no fourteenth month this year (following the example of the public sector...), for

whom the many accidents (due to moving around the country) are not regarded as industrial accidents. In the private call centres, workers on temporary contracts work five days a week, including Sunday, from 8 p.m. till midnight, for 450 euros a month. Not to mention the workers who are "rented out" to big companies and who work 8 hours a day for 650 euros a month. All this is illegal, but there are not enough factory inspectors in the country, and all these situations explain why there are only 15 per cent of trade unionists in the private sector.

To extend such a model to the whole of Europe, that is the dream of the European bourgeoisie and its representatives, who prefer to offer short-term profits to the speculators and to the modern slave merchants rather than apply even classic Keynesian solutions.

Resistance!

The announcement of the measures, presented as the only possible ones, was immediately accompanied by opinion polls indicating that the majority of the population supported them. But though the PASOK trade-union leaderships tried to slow things down, the workers pushed for mobilization, thanks to two factors: the success of a first general strike on December 17, and the active role of the local trade union branches in countering the inertia at federal and confederal level. In fact, for several months, the local branches of the trade unions, above all in the public sector, have pushed for mobilization in the face of the crisis, against which the PASOK government elected in September had not taken any measures. Their role was decisive for the launching of the one-day national strike on December 17, quite well supported in some sectors. The trade-union sector of the KKE (the Greek Communist Party), called PAME, intervened largely in this strike, with a sectarian logic (against the GSEE and PASOK), but finally, in spite of this strong presence of PAME, the December 17 strike was not seen as being against the GSEE, but rather as what it was necessary to do.

So, when Papandreou announced the first package of his "stability and development programme" (!) by explaining that "as a people, as a nation, as Hellenism, we are not in a situation where we can put up with blockades, strikes or work stoppages", ADEDY had to immediately call a first strike on February 10, very well supported by the workers of the public sector, but everyone knew of course that it was only a first step.

The next step, under the pressure of the workers, was the general strike on February 24, called jointly by the GSEE and ADEDY, with at least 50,000 workers in the streets of Athens, followed by a still more massive strike on March 11. Meanwhile there were work stoppages, occupations (of the Ministry of Finance by PAME, of a central avenue in Athens for a week by the sacked workers of the Olympiaki airline company...), and of course demonstrations, like the one on March 23 called by ADEDY. The result was that in mid-March a poll in the *Eleftherotypia* newspaper indicated that 62 per cent of people were ready to mobilize against anti-social measures!

But - no surprise there - we see that instead of encouraging struggles, the GSEE and ADEDY leaderships are no longer fixing any dates for major actions. The congress of the GSEE, which has been just held, was ten thousand miles away from the urgency of mobilizing. It should be said that the philosophy of its leader, Giannis Panagopoulos, is clear: it is not right that the workers should pay for all the crisis... implying that they must pay for a part of it. Then the GSEE congratulated itself on the fact that redundancy payments are not taxable up to 60,000 euros! Even though in his public speeches, the same leader dares to say that is not up to the workers to pay for the crisis, the groveling of the majority current of the GSEE in front of PASOK is clear, something which represents, besides, a break with the confrontation that the then leader of the union, who was, however, also a PASOK member, had organised in 2001, against PASOK's plan to reform pensions. What else is the leader of the European TUC saying, when he de-

clares in relation to Greece: "We want plans that are well balanced and socially acceptable"?

We can see the decisive role that the local trade union branches are playing in this context, accentuating the pressure towards an ongoing general strike, which can obviously not be proclaimed, but must be prepared by concrete mobilizations (strikes, occupations...). Faced with the obvious intentions to demobilize the workers (many commentators have expressed the fear of a social explosion exceeding by far the revolt of December 2008) and to make them mere spectators of the "conflicts" between representatives of big capital, the militant forces must be able to propose broad and united initiatives, contrary to the practices of, for example, the PAME current.

Mobilizations and anti-capitalist alternative

The importance of what is at stake and the obstacles put in the way of mobilization of course make it necessary to take into account the positions taken by the political parties and their possible contradictions, starting with PASOK. At first glance, the rank-and-file members of PASOK seem to be KO: the only debates are between leaders, arguing about whether or not it was necessary accept the intervention of the IMF... but of course it was Papandreou himself who raised the issue by threatening to address himself only to the IMF if the European Union did not help Greece! In fact, the "left" criticisms expressed by PASOK cadres relate not to the need for measures, but to the absence of associated measures favouring economic development. So the challenge now is to succeed in involving in the mobilizations the great mass of the rank and file of PASOK who are now silent, whereas they had taken part in the preceding mobilizations.

The worst thing for PASOK is that its principal political support today does not come from the Right, which is having great difficulty recovering from its defeat in September, but from the far Right, which is playing the card of national unity and can of course only be delighted by these attacks against the workers. Apart from the fact that its leader

hopes in this way to benefit from the discredit of PASOK, it should be noted that the far Right continues to be active, with extremely violent fascist groups attacking immigrants and left activists. Furthermore, the influence of this nationalist far Right in the various police forces is being quite frequently demonstrated, and a united response to that is becoming urgent!

To the left of PASOK, we can distinguish two types of reaction: the first is that of the KKE and its trade-union current PAME. Behind a discourse which sometimes has anti-capitalist accents there lies a dangerous sectarianism: for them the solution to the crisis is only to reinforce their own organisation, and they go to great lengths never to call actions jointly or in the same place as the majority unions. However, the combativeness of many of their militants is obvious; there remains the task of getting them to work within unitary frameworks.

The other position consists of seeking united mobilization to defeat the government's measures. On this axis are to be found the two regroupments of the anti-liberal and anti-capitalist Left, Syriza and Antarsya. Of course, there are many nuances of analysis, even between the now fairly divided factions within Syriza: on one side, the spokesperson Alexis Tsipras insists especially on the absence of measures in favour of economic development, while Alekos Alavanos, the former spokesperson, demands the resignation of the government. In Antarsya, there are also nuances between those currents which swear only by the general strike, and others, such as OKDE-Spartakos (the Greek section of the Fourth International) who insist on the processes that are necessary to make this general strike a reality. In any case, the two regroupments argue today in favour of committees against PASOK's programme of stability, with the aim of setting up local committees which address themselves to the mass of the population. This approach also tries to involve the militants of the KKE, but also, even though there is no direct appeal to their party, those of PASOK. But what is most important is that these committees should aim to get trade-

union activists (the role of the local trade union structures is important), and others – political and neighbourhood activists, including those not affiliated to an organisation, to work together. The first initiatives show that it is possible, but above all essential, in order to unleash the dynamic which all the defenders of the bourgeois order (or disorder)

fear! For that, the axis must be a logic of radically challenging capitalism: refusal of military expenditure, a minimum wage of 1400 euros, reduction of working hours, nationalization of the banks, hiring of employees with permanent contracts in public services...

Athens, March 28, 2010

BURMA

Burma: Alcatel in troubled waters

DANIELLE SABAI ·

Since 1962, Burma has been enslaved by a military dictatorship which is among the most repressive in the world. The junta in power essentially owes its survival to the investments that countries like India, China and Thailand and multinational companies like Total and Chevron make in the country.

To cement its power and perpetuate its enrichment, the military junta has never hesitated to suppress and control the population. However during the Saffron revolution of September 2007, dissident bloggers or ordinary citizens used the internet to post photos and videos of the events to demonstrate the brutal levels of repression. This has exacerbated condemnation and pressure against the military junta. Since then, everything has been done to control the Internet. Internet cafés must now account for all of the users in their shops. The Burmese junta also plans to issue digital certificates to all Internet users. The authorities want to control all information leaving and entering the country, in particular to control access to web sites, indeed block them. It is for this purpose that the Government has founded Yadanabon, a cyber-city of 50 hectares near Pyin Oo Lwin, allowing it to centralize and control all means of communication in the country.

The official newspaper "The New Light of Myanmar" relates that 3 foreign companies, Alcatel Shanghai Bell, ZTE (China) and CBOSS (Russia), are contributing to the project in Yadanabon which should cost around 22 million dollars. Alcatel con-

firms that "following the signature in 2006 of a contract financed by the Chinese governments, Alcatel-Lucent, through its Chinese subsidiary Shanghai Bell, participated in the construction of an information highway in Myanmar". Alcatel has supplied to the Chinese authorities an integrated interception system, Lawful Interception Integrated, which allows listening and monitoring of all electronic communications. Despite the denials of the representatives of Alcatel, it is very probable that Shanghai Bell has allowed the Burmese regime to profit from this precious system of repression and monitoring. A dramatic situation when it is known that in Burma the regime is the sole provider of access and that the internet users who share information that the government deems "sensitive or subversive" risk jail sentences of between 7 and 15 years.

The argument from Alcatel that "improvement of the infrastructures of communication is to favour the economic and cultural development of the country and also contributes towards its evolution towards democracy" is a lie which serves to mask juicy and morally reprehensible investments. No political progress has accompanied multinational investment in Burma. It has rather favoured a phenomenal enrichment of the ruling generals and their maintenance in power. The "constructive engagement" preached by the nations of southeast Asia has failed. The only language the Burmese regime understands is that of sanctions, in particular a ban on investment in the sectors which are most lucrative for the junta: rare woods, precious stones, minerals, oil and gas.

THAILAND

Thailand: New stage in the "class war"

DANIELLE SABAI ·

The demonstrators are grouped under the banner of the "National United Front of Democracy Against Dictatorship" (UDD), a broad movement composed of supporters of former Prime Minister Thaksin Shinawatra (overthrown by a coup in September 2006), republicans and activists for the restoration of democracy.

This "class war", as the demonstrators call it, is indicative of the deep crisis in Thailand since the coup of September 2006. The country remains more than ever divided between the elites of Bangkok and the popular and poorest layers, mostly peasants and workers who live in the provinces of the North and East of the country.

In promoting a coup in 2006, the Thai military, with the endorsement of the monarchy, intended to restore the old political agenda - dominated by the monarchy, bureaucracy, the military and the Democrat Party – which had been seriously undermined by 5 years of Thaksin Government: coming to power to defend his own interests as a billionaire, Thaksin had succeeded in a few years in dominating political and economic life. In a country where business and politics are closely intertwined, Thaksin directly threatened the economic and financial interests of the Royal family and the "big financial families" not related to his own clan. At the same time, he skilfully adopted policies favouring the poor, which had never happened before in Thailand. This earned him the staunch support of the popular classes, a support which directly competed with the popularity of the King and the Bangkok elite could not stand this. The King is the guarantor of the "unity of the country", which in fact has until recently involved smothering all the demands of the popular classes and the maintenance of the system in favour of the establishment.

Thaksin has learned to his cost that it is difficult and risky to upset the balance of power in the Thai political system. The elites are not ready to accept the verdict of the ballot box if it is contrary to the maintenance of the traditional order.

Since Spring 2006, three democratically elected governments, all involving Thaksin, have been brought down by the military or the judiciary with the support of the monarchy. The current government, led by the Democrat party leader Abhisit Vejjajiva, was put in power by the military by promoting a reversal of parliament alliances in December 2008. This party is in the minority in the country and has not won an election for more than a decade. It supported the 2006 coup. Since then, Abhisit has proved a valuable ally to the army on many issues. But, for the army and the monarchy, problems are coming. Parliamentary elections will be held within a year, and the Democrat Party seems unlikely to win.

It is in this political context that we should see the decision of the judiciary at the end of February: 46.6 of 76.6 billion baths belonging to Thaksin and his ex-wife Pojama, frozen since the coup of 2006, were seized by the courts. This is a new episode in the establishment's battle against Thaksin. The military first sought to destroy the Thaksin party by resorting to the exorbitant power of Thai justice. The new constitution of 2007, written under the dictation of the military, indeed offers the judges the ability to dissolve a party if they consider that one of its members have committed a fault. This possibility has already been used twice since 2006 against Thaksin and his party, the Thai Rak Thai (TRT – Thais love Thais) and then its heir the People's Power Party (PPP). Despite his exile, the monarchy and the military have failed to eliminate Thaksin from Thai politics, so they now seek to

tackle his other instrument of power, money, in order to prevent the emergence of any other political alternative.

This judicial verdict has been seen by the popular classes as profoundly unjust and illustrative of showing how Thai justice is two-faced. Those responsible for the assault on Suwannaphum airport in support of the coup have still not been brought to justice after a year and a half.

Following this verdict the UDD leader decided to organise the current mobilisations. The objective of bringing 1 million demonstrators to Bangkok, was far from reached and the government did not give way to the request for dissolution of parliament. But contrary to what has been written by numerous commentators who relay the information of the dominant classes, this movement has attained numerous highly significant political objectives. First, the "red shirts" have definitively entered onto the national political scene and the old élites can no longer ignore their weight and their demands. In rallying 150,000 persons, the UDD has shown its capacity for mobilisation and its real popularity. Such a movement, historic according to some analysts, has not been seen since the country became a constitutional monarchy in 1932. Also the Front has widened its social base. It can no longer be said that this struggle opposes the rural hordes of the countryside to the elites and middle classes of

Bangkok. A part of the middle classes has become conscious of the high cost of the coup in both political and economic terms and it now supports a movement which seeks to re-establish democracy. The current political system is in full decomposition and the death of the king who is now aged 82 and has been hospitalised for several months with respiratory difficulties could lead to its collapse. The "red shirts" are not alone in believing that only a free election and a minimum of devolution of power to the provinces could begin to resolve the political crisis.

The popularity gained by the "red shirts", the broadening of the movement's support, is a new step in the long struggle for the restoration of democracy and social justice. Current events show that this is no longer an opposition between different sectors of the bourgeoisie or between the city and the country as it has often been presented. The divisions are deep and based on a questioning of the privileges of the dominant classes, in other words on class differences. The Thai popular classes remain deprived of a political party that truly represents their interests. This movement is a first step which puts an end to the exclusion of the workers from the political sphere. But for a real democratisation of Thai society, they need to completely free themselves of populists of the Thaksin type and develop a genuine programme of social transformation.

BRITAIN

Britain 2010: Watershed Election

PIERS MOSTYN ·

There is a possibility that Brown will return to Number Ten but apart from a brief bounce following his unelected accession to the Labour leadership – Labour has dragged behind in the polls for the past three years. It would take a dramatic turn of events or a massive Tory own goal to reverse that trend, though the polling evidence is becoming contradictory.

Although New Labour took power on the back of revulsion against 18 grim Tory years, a host of indices indicate that life has barely improved and in many cases is worse. Inequality, child poverty, social mobility, the housing crisis, prison numbers, teenage pregnancy rates, race discrimination and drug addiction statistics each tell a damning story of their own inequalities underpin class society.

Increased spending on health and education has been a plus. But savage inequalities underpin class society and Labour's enthusiasm for deregulation, privatisation and a credit boom based on the bubble of property prices have tended to undermine any gains.

Disillusion set in by 2001 and deepened with a succession of corruption scandals over the party's habit of selling favours to reactionary millionaire businessmen and more recently with MPs on the take. Then there was a hugely unpopular Iraq war built on lies. Now the biggest recession since the Second World War has combined with looming climate catastrophe.

Gordon Brown and the whole Labour leadership bear responsibility for all of this and the electorate knows it. The party has little to offer but more of the same. In the past two elections Labour only scraped in due to a combination of declining voter

turnout (with only one in five electors voting for the government) and Tory unattractiveness.

Cameron not so shiny

Cameron has turned that around since 2005, but only to a degree. The shine is coming off and, at the time of writing, a hung parliament seems possible. The Liberal Democrats are manoeuvring to maximise this opportunity to their advantage. And there's a welcome revival of interest in proportional representation, although it's worth remembering that Labour first promised legislation on PR back in 1931 - and that what is being talked about now is by no means a fully proportional system.

All this might be depressingly familiar were it not for the global context. The world economic crisis is far from over and the continuing inability of the ruling capitalist class to agree on a solution is evidence of the deeper systemic failure. Confidence in the world's largest economy is at such a low point that in mid-February China sold \$34 billion worth of US government bonds. The failure of the Copenhagen climate change talks signalled the entrenched hostility of individual capitalist states to rein back the slightest competitive advantage to meet the burning necessity of action on global warming.

This fragility and division has been sharply exposed in the Euro zone where one of its smaller economies is on the verge of going into free-fall. The French government urged financial support to stave off Greece's deficit crisis - fearing the fall of one domino would bring others crashing down, as the markets lost confidence in the Euro. The German government backed fierce cuts.

The massive Greek austerity package has been met with general strikes, mass demonstrations and

farmers blocking roads. The similarly weak position of Ireland, Spain and Portugal has underlined the high stakes involved.

The relaunch of the expanded, centralised and streamlined EU after years of slog, through the final ratification of the Lisbon Treaty in December, now seems an eon away.

Muddied waters

Gordon Brown initially claimed Britain would bounce back more quickly than most because of its supposed economic health. The opposite has proved to be the case. Britain's budget deficit – at 13% of GDP – ranks even higher than Greece. In the last quarter of 2009 the economy managed just 0.3% growth, making it the last major economy out of recession. Few now doubt the possibility of a "double dip" recession.

Hopes of a recovery have been dashed with a jump in unemployment in January to the highest level since Labour took office. A miniscule drop in the final quarter of 2009 to 2.46 million proved to be a false dawn and government plans to keep the public deficit below £170 billion for the current financial year were dealt a blow with a further £4.3 billion borrowing in January.

These events have ironically reined back the Tories lead. The waters are now muddied between the two major parties as Cameron has back-tracked on a promise of immediate and savage post-election cuts, against New Labour's plan to wait until a recovery is underway. The frailty of the economy has fuelled fears that undermining demand would deepen recession.

As the Tory leadership dithered, a phalanx of 30 leading economists weighed in to back the party's original position. A few days later 60 others responded in the Financial Times arguing for a one year pause, as did the normally hard-headed IMF – reflecting lack of confidence in an early recovery.

These battalions of bourgeois economists battling it out in the public arena have exposed the funda-

mentally political character of the debate. The capitalist class internationally is divided over whether or not to go down the Greek route, with its potential consequences of an economic crash and mass militancy.

Our political rulers are barely in control of what is a systemic crisis of international dimensions. On the one hand, the impact of any national action is marginal. For instance Spain, still in recession with nearly 20% unemployed amid fears it could end up worse off than Greece, is Britain's seventh largest trading partner and a sales slump of 31% in 2009 will have inevitable knock-on effects for the economy. On the other hand, as Copenhagen and the Greek crisis showed, capitalism is incapable of reaching the international agreement required to overcome national self-interest.

However there is no dispute within the global elite that labour should pay for the crisis through a massive transfer of wealth towards capital. In Britain all three parties are united in offering huge post-election cuts. The only question is when over the coming year they are brought in. These will have a devastating impact across the public sector – including so-called "frontline" services like health and education – where tens of thousands of redundancies are already in train.

Resurgence of Labour left unlikely

Unlike European countries where there has been mass resistance in recent years, in some cases reflected through the growth of new parties of the left – the working class in Britain has been slow to regain its confidence after the defeats of the past three decades. The danger is that the major defeat implied by a post-election austerity offensive could leave the class struggle left marginalised to a degree it has not been for a long time. Whether this occurs depends on the character of the response, the willingness of BA cabin crew and civil servants to fight providing some cause for hope.

Assuming that Brown leaves Downing Street, some may consider a turn back to Labour as the party of

opposition. This happened after 1979 when, despite the bitter legacy of the Wilson/Callaghan years, the Labour left grew - becoming the organisational focus for political resistance to the Tory onslaught of the 1980s. But that scenario is unlikely to be repeated on a significant scale.

Thirty years ago the Labour left started from a much stronger position – closely linked to the unions and with a continuity going back to post-war Bevanism. There was also a thriving internal party culture of activism and debate, despite all the democratic limitations. If the Blair/Brown leadership achieved nothing else it smashed this left, dismantled democracy, drove away hundreds of thousands of members and wedded the party to neo-liberalism in a way that is hardly likely to unravel.

The widespread desire to register a protest could instead lead to a rightward turn, with growth in support for UKIP and the BNP. There is also a danger of defeatism and depoliticisation.

How many resist this will depend on the visibility of a credible socialist alternative – yet to be created in the opening caused by Labour's shift to the right. In its absence we may see a resurgence in support for the Green Party and, in Scotland and Wales (where there are anti-Tory majorities), the nationalists.

This makes the late arrival of the Trade Union and Socialist Coalition on the electoral scene alongside the more established challenge from Respect, certainly welcome. But whether and how this is built upon at the election will significantly determine the prospects afterwards. A coherent left alternative will need to be unified, inclusive, democratic and pluralist. And it will have to reach out - alongside socialists in the Green Party, Plaid Cymru and Labour - to the trade unionists, communities and young people on the frontline of the attacks.