

International VIEWPOINT

International Viewpoint—magazine of the Fourth International

IV456 January 2013

MAURITIUS

"The dynamic of the victorious struggle of the workers in the sugar industry has spread to other areas..."

EGYPT

Muslim Brotherhood coup and popular reaction

DOSSIER

Tunisia

Italy

Mali

Algeria

Mexico

Economics

Algeria/Mali

Egypt

South Africa

Mauritius

Venezuela

Indonesia

internationalviewpoint.org

International Viewpoint, the monthly English-language magazine of the Fourth International, is a window to radical alternatives world-wide, carrying reports, analysis and debates from all corners of the globe. Correspondents in over 50 countries report on popular struggles, and the debates that are shaping the left of tomorrow.

International Viewpoint—magazine of the Fourth International

IV456 January 2013

CONTENTS

Tunisia — Consolidation of the left	P4
Tunisia — "The mobilisation can weaken or even directly challenge the government"	P7
Tunisia — A second page opens in the revolutionary process	P12
Tunisia — "Fundamentally, nothing has changed"	P13
Italy — What should the class struggle left do?	P14
Mali — We oppose the French intervention	P18
Algeria — PST statement on hostage taking	P20
Mexico — The national situation after December 1st	P21
Economics — When buying cheap turns out expensive	P23
Algeria/Mali — Stop the French military intervention in Mali! No to Algerian cooperation!	P25
Egypt — Muslim Brotherhood coup and popular reaction	P26
South Africa — Harvesting discontent	P32
South Africa — Neoliberal land & agricultural policies at heart of farm strikes	P35
Mauritius — "The dynamic of the victorious struggle of the workers in the sugar industry has spread to other areas..."	P37
Venezuela — Possible policy scenarios	P44
Indonesia — Indonesian class struggle; the bosses retaliate	P46

International Viewpoint, 2 rue Richard Lenoir, 93100 Montreuil, France · ISSN 0294-2925 ·
www.internationalviewpoint.org

The Fourth International also publishes reviews in French, Spanish and German. You can visit them online at these locations:

Inprecor, French-language journal <http://www.inprecor.org/>

Punto de Vista Internacional, Spanish-language journal <http://puntodevistainternacional.org/>

Inprekorr, German-language monthly magazine <http://www.inprekorr.de/>

TUNISIA

Consolidation of the left

DOMINIQUE LEROUGE ·

Since the spring of 2012, the Tunisian political landscape has been marked by a growing polarization between two major poles:

1. The first consists of the Islamists of Ennahda, the Congrès pour la République (Congress for the Republic - CPR) of President Marzouki and Ettakatol led by the social democratic President of the Constituent Assembly, Mustapha Ben Jafaar (Ettakatol is now the official Tunisian grouping of the Socialist International);

2. The second pole strives to bring together various forces, essentially the 17 parties emerging from the break-up of the parties of Ben Ali and Bourguiba, who, within the logic of "everything but Ennahda" have fallen behind Nidaa Tounes (the Call of Tunisia) led by Caïd Essebsi (a prominent minister under Bourguiba who was prime minister from February to December of 2011). Talks began in late spring 2012 between Essebsi's party and the forces involved in the governments of Mohammed Ghannouchi immediately after the fall of Ben Ali, like for example those emerging from the PDP (Parti démocratique progressiste – Progressive Democratic Party) and the "modernists" around Ettajid (which traces its origins to the old Communist Party). Currents from the Parti du travail tunisien (Party of Tunisian Labour - PTT) led by Badoui were added. The primary objective of Essebsi was to bring together former leaders and activists of the RCD.

The Tunisian left, whose activists had played a leading role in the revolution of December 2010 - February 2011 was marginalized during the elections of October 2011. Grouped inside the January 14 Front, the various left and Arab nationalist political organizations made the choice of contesting the elections alone, when they lacked the material

means to be visible. Their capacity to intervene in the struggles was diminished.

In the spring of 2012, discussions started to reconstitute a January 14 Front on new bases, open to other parties as well as independent individual activists (not belonging to any political party). The challenge was to build a third political pole simultaneously opposing the two poles situated in the framework of neoliberal capitalism.

When asked about this in July 2012, the leader of the Parti des travailleurs (Workers' Party, the former PCOT) Hamadi Ben Mim explained: "the revolutionary political forces that formed the January 14 Front in the days that followed the fall of Ben Ali have largely contributed to the fall of the first two interim Governments. When Caïd Essebsi then became Prime Minister, on February 27, 2011, the PCOT favoured bringing him down and replacing him with a government in the service of the workers. (...) But there was no consensus on this point between the revolutionary parties: Essebsi threw some bait to the left organizations, and some of them fell for it. The January 14 Front then exploded. (...) It is now necessary to recover and bring together again the revolutionary forces of the left, whether Marxist or nationalist. It is necessary to build a new coalition, on the basis of a revolutionary new program to combat the polarization between Ennahda and the forces led by Essebsi.

To achieve this, we want to revive the January 14 Front, in another form. The conditions for such an association are now met, because most of those who had previously agreed to enter into the framework put in place by Essebsi have learned the lessons of it. (...) Exchanges between the Parti des Travailleurs and the Trotskyists of the LGO face two main problems: first, the LGO would like the UGTT to rebuild the Front and the latter would be

around it. The Parti des Travailleurs is opposed to this tactic, and thinks you must start by grouping the Marxist left and nationalist political organizations. Secondly, the LGO considers that the backbone of any front must be the UGTT. The Parti des Travailleurs thinks that the constitution of this front does not have to wait until the UGTT agrees to participate. Especially as the UGTT seeks, in its latest initiative, a consensus between government and opposition." [1]

In July 2012 Chedli Gari, then responsible for trade union work inside the PTPD, also drew a negative balance of the break-up of the Tunisian left: "the division of the political organizations of the left was catastrophic at the October 2011 elections. We made the calculation with Jmour and Hama Hammami: If we presented unitary lists, the PCOT of Hama Hammami, MOUPAD of Chokri Belaïd and the PTPD could have come in second place. By adding the Arab nationalists, we would have remained second but with more seats. Three weeks before the elections, we were still trying to achieve common lists, but each organization has finally contested the elections alone thinking it would get the lion's share".

In the summer of 2012, Gari explained the reasons for the break-up of the PTPD: "it is necessary to break with the very right-wing political orientation of Abderrazak Hammami and the majority of the political bureau reflected notably in periods of flirting with Ennahda, Essebsi, Chebbi, or Ettajid. Abderrazak Hammami has indeed tried to reach out to the major parties and has pushed for a break with the radical left. He wanted the PTPD to be perceived as the organization safeguarding the revolution from its extremist tendencies: thus he met with Rached Ghannouchi (the founder of Ennahda) and Essebsi as well as the Ennahda human rights minister". Gari presented thus the orientation of his current since its split with the PTPD: "our focus for the coming months is as follows: strengthen the process of unification with the MOUPAD, with whom a fusion congress is scheduled from August 31 to September 2; Rebuild a Front including the

Arab nationalists, who are very attached to Muslim identity, which is why Ennahda seeks to win over some of them. We are not located in the Islam-secular debate posed by Ennahda and Ettajid". [2]

Meanwhile, Néjib Sellami, one of the main leaders of the UGTT's secondary school teachers and a known activist from the MOUPAD, said last July: "a peasant woman told me last week: the Tunisian revolution is like a watermelon on a table. It is indeed not in a stable situation, it fluctuates and may fall to earth at any time. This image pleased me very much. We had an authoritarian regime in the Palace in Carthage in the hands of Ben Ali, today, another authoritarian regime is being established at the Casbah in the hands of Jebali, the Islamist Prime Minister. This party practices a form of double-speak: it claims to be democratic and civil, but its practices are reminiscent of Ben Ali's RCD. It wants to decide everything and Tunisians today fear the return of a dictatorship in a religious form. Faced with Ennahda, a grouping has formed around Essebsi with old Bourguibistes and former RCD members. They are joined by forces of the centre, or even exits from the left. Ennahda and the US and French Governments want to push the Tunisians to choose between two poles: Ennahda and the parties originating from the old regime. These two forces are well structured and have lots of money. But a third pole is taking place rejecting this polarization. It is made up of left-wing and Arab nationalist parties. They want not only to prevent any return to a dictatorship, but also to achieve the satisfaction of the demands for which the people made the revolution. The objective is to restore what existed previously under the name of the January 14 Front". [3]

A member of the leadership of the Ligue de la gauche ouvrière (Workers' Left League - LGO), Jalel Ben Brik Zoghلامي, summarised the conditions of reconstruction of a January 14 Front this summer: "this Front will be meaningless unless several conditions are simultaneously met: 1. A firm base in the current social mobilizations, the political left is currently lagging behind the social

mobilizations; 2. Establish a programme of struggle and mobilization around the essential points: against the line of Ennahda, reactionary, anti-democratic and opposed to women's rights, cancellation of the debt and the agreements of association with imperialist forces, for the campaign against unemployment and for the right to work, the establishment of a system of development favouring the disadvantaged classes and regions... 3. To clearly oppose the antisocial, pro-imperialist and undemocratic policies of the government of Muslim Brotherhood of the Ennahda party and their puppet allies. And to combat illusions around the liberal pole of the old RCDistes (around Sebsi) and their ally Najib Chebbi. 4. To call for the fall of the current government and start to discuss the nature of a popular government. For the LGO, it should be based on a popular and democratic workers' front, with the spinal column or the UGTT; 5. Opening up to and working with independents, notably leaders in the struggle in the trade union movement, in the regions, among women, the unemployed and young people". [ibid.]]

An initial agreement was announced on Monday, August 13, 2012 between twelve parties, announcing the creation of the Popular Front for the Realization of the Objectives of the Revolution. The daily newspaper "Le Temps" noted: "At a time when observers of national political life believe that a polarization between Ennahda and Nidaa Tounes is now inevitable (...), the Front, bringing together left and Arab nationalist parties, considers that Tunisians are not forced to choose between Ennahda and Nidaa Tounes" [4].

This new Front brings together organisations from various traditions:

– Marxist-Leninist: Parti des travailleurs (Workers' Party, the former PCOT, led by Hama

Hammami), Parti des patriotes démocrates unifiés (Party of United Democratic Patriots, resulting from the recent merger of the MOUPAD led by Chokri Belaïd and the Jmour current of the PTPD), the Parti patriotique socialiste révolutionnaire (Revolutionary Socialist Patriotic Party, led by Jamel Lazhar), and the Parti de la lutte progressiste (Party of the progressive struggle, PLP – led by Mohamed Leban);

– Trotskyist: Ligue de la gauche ouvrière (Workers' Left League - LGO);

– Socialist: Parti populaire pour la liberté et le progrès (People's Party for Freedom and progress, PPLP, led by Jalloul Ben Azzouna);

– Marxist Pan-Arab: Front populaire unioniste (Popular Unionist Front, led by Amor Mejri);

– Nasserite Arab nationalist: Mouvement du peuple (Movement of the people - Hrakat Echaab, led by Mohamed Brahmi);

– Baathist Arab nationalist: Mouvement Bath, led by Othmane Belhaj Amor, Parti de l'avant-garde arabe et démocratique (Party of the Arab and Democratic Vanguard, PAGAD, led by Khereddine Souabni);

– Others: Tunisie verte (Green Tunisia, led by Abdelkader Zitouni), Mouvement des démocrates socialistes (Movement of Socialist Democrats), RAID (ATTAC and CADTM).

Many independent activists also participate in the Front.

At its first national conference in September 2012, the Popular Front adopted a draft political charter and elected the historic leader of the PCOT, Hama Hammami, as spokesperson.

TUNISIA

"The mobilisation can weaken or even directly challenge the government"

JALEL BEN BRIK ZOGLAMI ·

Two years after the beginning of the "Arab spring" where are we?

It is a revolutionary process for dignity, liberty and social justice.

What has fundamentally changed is the relation of the population, essentially the popular classes to the regime and to politics. The people have lost their fear of the dictatorships. And this is something the Tunisians share with their brothers and sisters of the Arab region.

The first specificity of Tunisia is its specific history marked by:

- the importance of the organised working class inside the UGTT,
- the weight and a certain experience of the popular and working class left,
- the gains at the level of women's rights.

The second specificity results from the elections of October 2011. They led:

- on the one hand to the setting up of a government dominated by the fundamentalists of Ennadha,
- on the other to the pursuit of struggles and mobilisations of the popular sectors faced with the failure to consider the demands which lead to the outbreak of the revolution.

This combination opened up a new phase of the revolutionary process marked by the reorganisation of the democratic, workers' and social movement. The latter is in frontal confrontation with a neoliberal fundamentalist government supported by the US, the EU and Qatar.

Today we are at a crossroads:

– on the one hand, faced with a plan for the liquidation of the revolution,

– on the other, faced with real possibilities of advance, towards a popular, democratic and anti-imperialist regime.

Even if the current government is in the hands of Ennadha, the latter have not succeeded in getting a grip over the working class, the unemployed graduate youth, the students, women, the populations of the deprived regions, the poor of the popular neighbourhoods, the artists, the peasantry, the petty bourgeois layers and so on. Very much to the contrary, we are seeing a strong remobilisation of these diverse sectors.

What has changed at the level of democratic rights?

We have won the freedom to express ourselves and organise. These rights have been imposed on the ground, before being recognised in legislation. Under the government of Caïd Essebsi, which had preceded that led by Ennadha, Tunisia ratified several international Conventions concerning notably women's rights and democratic rights. There was also the installation of parity on electoral lists. It was notably demanded by the women's movement, the UGTT and the parties of the left. Ennadha had to accept it.

The game is not yet over. The Ennadha regime, on the ground and through its constituent majority, manoeuvres energetically to bring the legal system, press, public space and administration under its diktat. The democratic movement, hand in hand with the UGTT and the combative youth, fights tooth and nail to defend and expand rights and democratic space. We are seeing big mobilisations

against the attacks of the government from the social movement, the UGTT, journalists (on October 17, 2012, they led a general strike for the first time in Tunisia), the judges and so on.

What has changed at the social level?

The successive governments since the fall of Ben Ali have followed the same neoliberal economic choices, in liaison with international capital. Inflation is high, and there are around 200,000 more people unemployed than at the time of Ben Ali. As for the development of the regions of the interior, we face an almost total absence of state and private sector investment. So poverty is increasing. The new partnership agreement with the European Union will deepen the neoliberal policy, increase the destruction of the economic tissue, and above all will attack agriculture.

What about the situation of women?

Today women are facing an offensive by Ennadha and the Salafists to push them out of the public space. Certain currents are even campaigning to threaten the freedom of woman to choose their husband, the age of marriage, as well as the ban on polygamy. We note that in the section on human rights, the new agreement with the European Union refers to the international Conventions, but with the hypocritical blessing of the Europeans, there is an exception on women's rights, in not mentioning the Convention on the Elimination of All Forms of Discrimination Against Women. In the context of the writing of the future Constitution, Ennadha seeks to replace the notion of equality between men and women by that of "complementarity".

How have struggles developed over the past two years?

Since December 1, 2010, we have been in a revolutionary process which has been like a switchback. The struggles were particularly significant between December 17, 2010 and February 27, 2011: Ben Ali had fled, and the two Ghannouchi governments which followed him had to resign. Significant ad-

vances were imposed, like the ban on Ben Ali's party and the election of a constituent assembly.

After February 27, 2011, struggles for social rights took place, essentially in the mining basin as well as in regions of the interior like Sidi Bouzid or Siliana. In posts and telecommunications, the state had to withdraw its plans. Then the situation changed: many activists concentrated on the elections, initially planned for July 2011, and finally taking place in October. Then the mobilisations resumed, beginning in the mining basin. Not a day passed without a strike or a demonstration, even in small localities. Mobilisations notably took place around wages.

Incapable of resolving the social and economic problems, the government has from early 2012 tried to attack the backbone of the social movement, the UGTT. That led to big mobilisations in its defence, and the regime had to back off. The struggles also affected precarious workers, subcontracting as well as the unemployed graduates in the Union des diplômés-chômeurs (UDC).

Mobilisations have also taken place for the defence of civil liberties, including freedom of expression. Tunisia has seen its first general strike of journalists. A victorious strike in particular took place at one of the main Tunisian newspapers against the director imposed by Ennadha.

The fight for the defence of women's rights has notably been marked by significant street demonstrations, on August 13, 2012, the anniversary of the promulgation of the Personal Code recognising an extended legal equality for women in 1956.

That said, significant differences exist between sectors since they do not all have the same experiences of struggle. This is evident between the regions. Some regions are very much in advance of others, like for example that of Sidi Bouzid and numerous towns in the interior.

Inside the working class certain sectors are more combative than others, like posts, telecommunications, teaching or public health where strikes also affect doctors.

Social struggles have above all concerned the sectors organised by the UGTT. In the public sector the government has been forced to negotiate nationally, and wage increases have been won. Advances have also taken place in the private sector.

At the end of November, in the region of Siliana, big popular mobilisations took place, supported by a general strike called by the regional UGTT. Fierce police repression followed, with more than 200 wounded in the initial days. This radicalised the population of Siliana and gave rise to big mobilisations of support in all regions. These mobilisations can open real perspectives, to weaken or even directly challenge the current government.

What repression has been used against the social movement and activists?

Repression is especially significant in the regions of the interior. It is organised by three types of forces:

- First the state apparatus of the Ben Ali period, which remains intact. Martial law remains in force, giving the police and army important powers. That allowed a strong-arm intervention in Tunis on April 7, 2012, against a demonstration by unemployed graduates. The same thing was repeated two days later against a demonstration for the defence of democratic rights. In recent months, the police intervened violently in the regions of Menzel Bouzaïane, Hencha, Gabes, Djerissa, Kasserine and elsewhere. And in a horrible way in Siliana.

- There has been a multiplication of intimidation. Left activists or sympathisers have been arrested. Certainly, there have been mobilisations which succeeded in having them released, but the threat of being brought to court continues to weigh on their heads.

- Repression is also exercised by the militias of Ennadha, organised at the local level and claiming to act "in defence of the revolution". In particular they attack the political meetings and demonstrations of the UGTT. They bear responsibility for the

death of a leader of Nidha Tounes during a demonstration in Tataouine, in the south of Tunisia.

- The third instrument of repression is constituted by the Salafists and jihadists. They have declared a "holy war" against the UGTT, democrats and women who do not respect Sharia. These are violent groups who sometimes confront the police. They have established their law in some popular neighbourhoods, and their first victims are women and the poor. They are at the heads of demonstrations attacking certain artists.

What balance sheet do you make of the government led by Ennadha since autumn 2011?

If this government took the baccalaureate, it would have scored zero in every subject. It has neither the competence nor the necessary experience. Ennadha's leaders have spent years in prison or in exile. They did not expect the old regime to fall. They didn't believe it was possible to overthrow it and were ready to negotiate with it. They have shown the people that they practiced the same clientelism as Ben Ali's party.

On the social level, they boasted of being able to create 500,000 new jobs, and we have 200,000 more unemployed. In terms of relations with international capital, Tunisia constitutes a key player. The country has suffered from structural adjustment plans which have impoverished it, destroyed a great part of its economic tissue, through hundreds of thousands of people into unemployment, with some of them having to take to the seas, often dying there.

The government has made the same economic choices as Ben Ali. It has even gone further than him in negotiating a partnership agreement with the European Union. The parties in government are increasingly criticised. They are isolated on questions like the independence of the judiciary. The same goes for the organisation of the elections scheduled for 2013, where they are in conflict with the Ligue tunisienne des droits de l'Homme (LTDH – Tunisian Human Rights League), the parties of

the Popular Front, the parties of the centre and so on. As for international policy, the government is also very much criticised for its alignment with Qatar or the Western countries, notably the USA.

What are the relations between Ennadha, the Salafists, and the jihadists?

A small part of the Salafists and jihadists are linked to the Wahabists or to Al-Qaeda. Some have been to fight in Afghanistan. But the others, above all the youth, generally are at the service of the Ennadha strongmen. They are manipulated by them as well as the political police, to attack women, artists, the UGTT and so on.

In particular we see them going into action when the police and army have difficulties in dealing with mobilisations. But they also confront the forces of order when the government is in difficulty at the social and economic level. Fundamentally and strategically, nothing fundamental distinguishes these three currents. But Ennadha is by far the biggest numerically, with ten times more members than the Salafists and jihadists put together.

What balance sheet would you make of the past attitude of the organisations of the political left? Why did the January 14 Front break up in 2011?

Before the elections, the different components of the January 14 Front did not have a good appreciation of the relationship of forces. The main organisations very much overestimated their influence. With their heads turned by the role accorded to them by the media, some thought that it was possible for them to make an electoral breakthrough running on their own.

The result of the elections of October 2011 was a real cold shower. Then, discussions took place and the organisations have begun to work together. The first reason is that the activists who had participated in the January 14 Front had a long tradition of working together since the time of Ben Ali, for example inside the UGTT, the UDC, on student or feminist questions, or inside the LTDH. Their links

were strengthened in the first revolutionary phase from December 17, 2010 to February 27, 2011. The second reason for this rapprochement is the gravity of the current situation. The third is the need, in this context, to confront the two blocs around Ennadha and Nidha Tounes.

What would be your initial balance sheet of the new Popular Front?

Today the Popular Front has an undeniable presence, notably in the most advanced sectors of the working class. It is present in all the regions, among the unemployed graduates, as well as in a series of organisations like the UGTT, the LTDH or the Association tunisienne des femmes démocrates (ATFD – Tunisian Association of Democratic Women).

Since it was founded, a coordination has been created in which numerous independents participate. The meeting organised on October 16 was one of the most significant that Tunisia has seen since the elections of October 2011. Even if it has few financial resources and no offices, the Popular Front is present in most of the social movements and mobilisations, where its activists sometimes play a leading role.

Its platform is democratic, progressive, anti-imperialist and anti-neoliberal. It explicitly demands parity between men and women. For the first time, the activists making up the Front pose the problem of taking power, on an anti-neoliberal and anti-fundamentalist orientation. It is a broad workers' and popular front which, for the LGO, prepares the way for the UGTT to then play such a function. The Popular Front is fully involved in the democratic and social mobilisations. And it will run lists at the 2013 elections. These two aspects are complementary.

What do you expect from the World Social Forum which will take place in Tunis in March 2013?

This Forum should be an effective time to express loudly the rejection of neoliberalism as well as the

diktats of the EU and the USA. We expect a significant presence from all the movements opposed to neoliberalism and fighting for the emancipation of oppressed peoples.

On December 13, 2012, Tunisia was due to experience its second general strike since independence. The strike was called off on December 12. In what context was the strike call made?

Just before there were the mobilisations in Siliana. After weeks of mobilisations organised by the regional UGTT, the latter launched an appeal for a strike on November 27 which led four days later to fierce repression. On December 1, the government partially backed down, notably by dismissing the governor, whose departure had been demanded.

With the Islamist attack on the UGTT office of December 4, the plan by Ennahda to unleash violence against the UGTT became apparent. All the more so inasmuch as it was the sixtieth anniversary of the killing of Farhat Hached, the great leader of the national movement and the trade union movement. Choosing this date was something that was resented by the population.

The UGTT immediately organised regional strikes in Sfax, with around 50,000 demonstrators, Tozeur, Siliana, and so on. On Sunday big meetings took place where there had been no strikes. As usual, the bourgeoisie and above all the most coherent elements among them, namely the army and police, have used a very common device: calling for national cohesion saying that blood had flowed and a great danger threatened the country. They also launched a hate campaign against the UGTT, ac-

cording to was damaging national cohesion and the economy of the country. It was in this context that the UGTT decided the next day to call a general strike for December 13.

On what basis did the UGTT leadership cancel this strike?

Certainly, the administrative ban on militias wasn't obtained. But the main thing is that Ennahda and the government were exposed. They recognised that the UGTT had been attacked, and they denounced this attack. They also accepted the constitution of a commission of enquiry.

The UGTT showed that it did not only defend the immediate interests of the working class or the union, but also liberties and the Tunisian people against the violence of the fascist militias of Ennahda. At the same time, the UGTT pushed to the limit the contradictions inside the bourgeoisie, whether in the opposition or in power, and even inside Ennahda. Following the cancellation of the strike, the UGTT did not appear as an adventurist leadership, striking for the sake of striking, but as a leadership which defended the Tunisian people against violence. The government has been shown a yellow card: if it recommences such attacks, a general strike will then be legitimate in the eyes of all. Beyond the ban on militias, the possibility of overthrowing the government would then be open.

The UGTT emerges from this trial with a reinforced social and democratic weight and strength. To reassure its activists, Ennahda wishes to put over the message that the UGTT backed down, whereas it was them that backed down. It would be a serious error to say the same thing as our enemies.

TUNISIA

A second page opens in the revolutionary process

CHOKRI BELAÏD ·

Two years after the outbreak of the Revolution its direct and distant causes are still there. They have deepened, whether at the level of social demands, employment, regional development, social justice or political reality. The police repression and that of the militias is reproduced with the Ennahda movement.

The current government is that of the foreign agenda. It is devoted to the choice of foreign forces unrelated to the national interest of Tunisia and the Tunisians.

Official violence and that of the militias is present, with the political assassination in Tataouine, and warnings and calls for the liquidation of political competitors without the authorities responding. The situation that gave birth to December 17, 2010 is still current.

The revolutionary process experiences ebbs and flows. October 23, 2011 was the date of the provisional victory of the anti-revolutionary forces represented by Ennahda. The situation that prevailed before December 17, 2010 continued. Hence the popular protest movements and the gathering of militant political forces with the constitution of the Popular Front. Disputes have affected the entire territory and all sectors of society. Tunisia is opening a second page in the revolutionary process, against the despotic Ennahda project protecting corruption and consecrating dependency.

The political, social and economic situation is stifling. There is unanimity around the diagnosis. It is the responsibility of the Ennahda government who turned their backs on all promises made during the election campaign. It has led the country into a dark tunnel.

The political, social and security instability requires the formation of a restricted government of national jurisdiction, with ministers who have not been involved with the former regime. They should not stand as candidates in the next elections so that they may exercise their functions without any electoral considerations.

This government will be called on to take urgent measures, such as the fixing of a specific road map, the completion of the drafting of the Constitution, the adoption of the election law and the establishment of three bodies (responsible for elections, the judiciary and information).

Urgent measures are to be taken for the control of prices, employment, the solution of the problems of the wounded of the Revolution and the families of the martyrs. Urgent decisions are to be taken for the benefit of the poorest regions. Transitional Justice should be implemented without political manipulation. A restricted and competent government is the only hope for the remainder of the transitional period.

TUNISIA

"Fundamentally, nothing has changed"

– **The aspirations of the Tunisian people for freedom and democracy are still current, given that they have been little realised. Apart from the freedom to organize and publish a newspaper, nothing has been done. Public freedoms are still flouted. There is a return to torture and arbitrary arrest. Demonstrations are suppressed. In the regions and to some degree everywhere, we have returned to the abusive use of repression and weapons. The government has turned a deaf ear to the practices of the League for Protection of the Revolution and the acolytes of Ennahda.**

– At the political level the balance sheet is very thin. In the National Constituent Assembly (ANC), we are still awaiting the Constitution. At the same time there are attempts at non-democratic legislation such as that of the so-called immunization or that of the ethics of the judiciary.

– Worse still, at the level of economic and social issues, Tunisia is still in a recession with no light at the end of the tunnel. The indicators, inter alia, of production, prices, and foreign trade lead to anxiety. Our balance of trade is very much in deficit. Inflation has stabilized at more than 5.5% and is expected to rise to 6%. The budget deficit is growing. The share of the debt is a cause for concern. In

the time of Ben Ali indicators were better. The government does nothing. It follows the same solutions as the old regime.

– Social problems have become acute. Unemployment is above 700,000. The inland areas are still left out. This is generating uprisings such as that at Siliana and demonstrations nearly everywhere. The poverty rate is above 20%.

– Nothing has been done in the fight against corruption. The Court of Auditors has revealed the maintenance of the same practices of corruption and abuse of power.

– The government still refuses to engage in Transitional Justice. It wants to use the old do-it-yourself measures.

– On the external side, Tunisia has placed itself in the reactionary axis of the Arab world. The country advances towards a status of a protectorate of Qatar, Saudi Arabia and the Turkey. The government has taken initiatives to make Tunisia a privileged partner of the European Union. It will open the doors of the country in the areas of agriculture and services. We expect that the Tunisian economic fabric will receive some damaging blows.

Overall, the balance sheet is very negative. This situation cannot be explained only by international economic difficulties, but also by the choice of the government.

ITALY

What should the class struggle left do?

DAVE KELLAWAY ·

The February 24/25 general election is a real anomaly in the political history of our country.

The contest between the three main coalitions [See box below "Short guide to the main Italian political forces involved in the election" – DK] is in fact a gigantic smokescreen attempting to conceal from the electorate that they all supported the Monti government. A government that in its shortlived 14 months led a fierce, uninterrupted attack on the rights and the main gains of working people: destroying key areas of the welfare system (the worst pensions 'counter reform' in the whole of Europe); the abolition of Article 18 and the reintroduction of the 'freedom' to sack workers without legitimate cause; the selling off of state property; privatising public services; massive cuts in local council spending, education and the health service; and increasing taxes on people with modest and low incomes. All these measures, which have resulted in deeper exploitation, increased unemployment and a rise in poverty, have been supported by the parties led by Berlusconi, Bersani, Monti and Casini. ((see below, short guide to main Italian electoral slates))

These parties have also voted for the regulations and treaty agreements that have tied our country into the diktats of the EC Troika, thereby accepting for decades to come that there will be deep cuts in public spending and attacks on basic rights. They all support the fiscal compact and the counter reform that embeds balanced budgets into the constitution.

Obviously even the SEL party, (Socialism, Ecology and Liberty), while not participating in the outgoing legislature, in order to confirm its strategic, electoral alliance with the PD (Democratic Party), has made a commitment to support all the agreements with Europe. In fact the SEL leader,

Vendola, has said he is ready to collaborate with Monti on 'constitutional reform', as if this makes it all acceptable.

So what these parties are saying about employment, development, equality or public services is all just so much electoral hypocrisy in order to deceive working people. However, this substantial convergence between the main centre-right and centre-left political coalitions is not something that has just started but is a distinctive feature of the last fifteen years.

Those are the pro-austerity parties. Let us now examine the other electoral slates.

The Movimento 5 Stelle (Five Stars Movement – led by comedian Beppe Grillo) is truly a new phenomenon in the Italian political landscape. It is putting itself forward as the only alternative, hoping to build a solid electoral base through its absolute denunciation of the parasitical and corrupt political caste. Grillo is effectively surfing the wave of deep contempt of broad sectors of people against all politicians.

However this absolutely correct denunciation of the politicians ignores those people who are really responsible for today's austerity policies: the bankers, big companies and financiers who after benefitting from the connivance of politicians are today taking advantage of mass discontent to dismantle the political system as a place for democratic debate, for involving people or winning mass support. It is not accidental that Grillo has organised 'his' movement in a totally top down way where he has the final say or veto on every policy and on the political line. Again it is absolutely logical for him to criticise the trade unions not because of their bureaucratised character but rather because there are supposedly holding back economic development. At the same

time he shamelessly tail ends the mood on the street so he has taken ambiguous positions on immigrant rights and is wrong when he makes favourable statements about a fascist organisation like CasaPound.

Faced with this desolate panorama a new movement emerged during the last months of 2012 which aimed to build an electoral coalition that was a transparent and clear alternative to all the other political forces that have been in government in the last decades.

Thousands of political, trade union, ecological and movement activists responded to an appeal to action called *Cambiare si puo* (Yes we can change things). A series of well attended, broadly based meetings were held and there emerged the possibility for an alternative project to see the light of day as a slate in the upcoming elections.

But the internal contradictions of the appeal's promoters and especially the electoralist assault of parties like the PRC, PdCI, the LdV and the Greens who were terrified about the possibility of not regaining some parliamentary seats, led this process into a dead end which has seriously disillusioned many activists. The subsequent selection of candidates – with a striking and embarrassing lack of women – had confirmed the worst methods of these parties. The slate is a result of a haggling session between parties and the 'promotion' of representatives from 'civil society' directly chosen by Ingroia and his entourage. A huge number of activists and even people thinking just about voting for the slate have been put off by the whole process.

As a result of our negative evaluation of these events and, despite being fully involved in the two national meetings and in dozens of the local ones in order to support a radical alternative, Sinistra Critica decided on December 28 2012 to not participate in this electoral project and therefore has not been involved in any 'negotiations' over the candidates, nor have we proposed any candidates.

In the December 28 resolution we stated " our eventual position on whether to call for a vote for

the emerging slate would depend on the final list of candidates and the definitive political profile of the coalition."

Today the political profile of the 'Ingroia-Rivoluzione civile' slate has been substantially defined and although it has taken on some of the points put forward by 'Cambiare di puo' it is still very ambiguous politically without any clear class position and an exaggerated over-emphasis on the fight against organised crime as if this was the force responsible for anti-working class austerity policies.

Furthermore Ingroia's coalition maintains a fundamentally ambiguous position in relation to the PD, seeking a discussion with it about possible programmatic agreements. This political approach is also shown in the clumsy attempt to open a negotiation with Bersani for some sort of electoral agreement between the slates for the Senate elections.

Looking at how the candidates were selected, this was done without any rank and file involvement in back room meetings between the parties and some of the well-known personalities associated with the coalition. The fact is that at the top of the slates (and therefore more likely to get elected if they get through the threshold -Tr) are three ex-ministers from the previous centre-left government, which had followed a social-liberal economic policy and made a military intervention in Afghanistan. These politicians are joined by whole range of other dubious personalities who are cloaked in the banner of 'civil society' representatives. All this practically eliminates the political impact of a significant number of candidates who do come from the political and social movements.

Consequently Sinistra Critica will neither directly nor indirectly support the Ingroia-Rivoluzione civile slate.

So in this election Sinistra Critica will not support any slate nor call even for a critical vote for any of them nor will it get involved in any abstentionist campaign. We will not be presenting our own slate. Today the political and organisational conditions

do not exist for our own slate nor for an effective, broad-based anti-capitalist electoral coalition. Such a coalition more than ever is going to be built through struggles and the social movements – that is the only way we can produce a strong enough response to ruling class attacks.

The organisation will use all the means at its disposal to explain the reasoning behind our political stance to supporters and all the people we come into contact with.

In any case we are certain (unfortunately) that the government which emerges from the February elections whatever its precise political colours, will unleash a new phase of austerity in line with the dictates of the Troika and Confindustria (employers body – Tr.). Sinistra Critica will therefore continue wherever it exists to build a movement of struggle and resistance to these policies. It will be our main task in the coming period.

Rome, 24 January 2013

translated by Dave Kellaway

Short guide to the main Italian political forces involved in the election

Berlusconi Partito della Libertà/ Lega Nord

Berlusconi, who precipitated the end of the Monti government by withdrawing his support, has managed to get an agreement with the Lega Nord which is a rightist populist force in favour of independence of most of Northern Italy – Padania. The latter had been in a big crisis due to falling electoral support and corruption scandals involving the historic leader Bossi and his entourage. Berlusconi's manoeuvres have resulted in a fragmentation of his party, the PDL (the party of liberty). He has been omnipresent on all his TV networks and is demagogically opposing some of the austerity measures that he had formerly supported as well as taking a more anti-European stance. He has even stated that he would be happy not to be the prime minister again. He realises he is very unlikely to defeat Bersani so is interested above all to be a 'player' in

the post-election manoeuvres, he is talking about a wide pact including the PD. Of course he has ulterior motives, it helps his legal situation and his business empire if he is in parliament with a group. His latest outrageous statement made on Holocaust memorial day (!) is that Mussolini did some good things apart from the racial laws.

Monti has formed his own coalition linking up with traditionally centrist forces like Casini and his UDC (Union of the Democratic centre). Despite being strongly advised by perceptive commentators such as *La Repubblica* editor Scalfaro not to get his hands dirty in party politics because his great political usefulness was that he was not formally a member of the political caste, he has nonetheless allowed his name to be used for this coalition and is currently attacking both left and right of centre forces. He would like to limit the size of any Bersani victory. If Monti picks up a reasonable score (say 10% plus) and Berlusconi manages to reassemble his electoral base to some degree then Bersani will be more constrained. In any case Bersani has consistently said he wants a government of all the progressive forces, all the pro-Europeans.

Partito Democratico/Socialismo, Ecologia e Libertà

Bersani's PD is in alliance with Vendola's SEL. The SEL is one of the remnants of the old Rifondazione Comunista. Like all the other components to the left of the PD it lost its parliamentary representatives in the last general elections in the debacle of the Rainbow coalition. Vendola has a high public visibility as the governor of the Puglia region and as Italy's best known gay politician. His party opposed Monti's austerity but is now in close alliance with one of its main supporters. Bersani went through a two round primary election in which over 3 million people voted. He defeated Renzi, Florence's mayor and the leader of the modernising even more rightist wing of the PD. Vendola also participated getting a respectable 18% on the first round. The candidates on the PD/SEL slate were also mostly selected via primaries. It is also the only slate that does not have a person's name on the ticket which

as Bersani has correctly pointed out says something about the state of Italian politics. All the polls currently suggest Bersani will be the winner of the elections. He has already indicated on many occasions that he sees a role for Monti in a future PD led government and has reassured international capital in newspaper interviews that the PD would be guarantor of stability and sensible economic management.

Beppe Grillo - Movimento Cinque Stelle

A few months ago the polls were giving his movement around 18% of the vote. This appears to be reducing to something like a third of that but is likely that he will have representatives in the new parliament. Everything is reduced with Grillo to democratic questions and protocols for preventing a political caste forming. So his programme is all about rules concerning salaries, expenses, the number of periods in office you can have, opposition to slate systems. Alongside that is the modernising myth about how the internet revolutionises politics and breaks up the political castes. For example all his candidates were selected through online votes. However as the movement has grown inevitably the lack of normal political structures has led to bitter internal disputes where elected representatives have been purged and occasionally subjected to misogynist attack – one councillor was accused of wanting to go on the TV a lot because it was like her 'g' spot. The internet organisational system also lends itself very well to his rather authoritarian methods since he controls the website. Undoubtedly there does seem to be a social base for this tendency as the traditional networks of the left workers parties and trade unions have become weaker and the numbers of young people who spend longer and longer trying to get into a stable job grows.

Ingroia – Rivoluzione civile

Ingroia is an investigative judge (a bit like a district attorney in US terms) who has been involved in a struggle against the Sicilian mafia. He is following the example of Di Pietro, the leader of the IdV (Italy of Values) who is also part of this coalition, by going from law into politics. The concerns of the labour movement are consequently put more into the background. The other components of this coalition are another remnant of Rifondazione, the PRC (they kept the name) led by Ferrero who has taken an anti-austerity line although on a local level often governs in PD coalitions. The PdCI led by Diliberto was previously in Rifondazione but left in a split well before the final break up. It was in an electoral federation with Ferrero but had broken with it over the PdCI's willingness to look for an alliance with the PD. Then along came the opportunity with Ingroia and so they are all back together. The Greens are also in this coalition and like the other party components see it as the main way of getting back into parliament. Interestingly the overwhelming majority of the original signatories to the Cambiare si puo appeal voted against the final Ingroia project after it had been taken over by the parties. There was a majority of online votes in favour of it though. Many people think it will break up once the elections are over. It is unclear whether it will pass the 4% threshold and current polls see it oscillating around that figure. Some of the issues involved in trying to set up this coalition are not dissimilar to issues here in the Britain about how to democratically organise such processes and the relationship between even small scale party apparatuses and the non-aligned.

Dave Kellaway

MALI

We oppose the French intervention

CHRISTINE POUPIN ·

Olivier Besancenot, Christine Poupin, Philippe Poutou

What did you seek to prove in using these words? That you were commander in chief, a leader in war. And above all that you wholly assume responsibility for the war in Mali. It's sad to note that the rare area where you do not authorise hesitation is that of war. In the highest tradition, you follow the steps of your predecessors. You also aspire to the stature of president of *Françafrique* (France "A fric" [a source of cash] to take up the expression of the association *Survie*). As it is worrying to see the usual retreat behind humanitarian motivations – which only occur to you according to circumstance – to hide from the public the real colonialist interests that France defends in this conflict.

So yes, Mr Hollande, in the north of Mali, religious fanatics seek to impose an odious regime on the Malian people. And yes, there are reasons to be moved and feel solidarity with the Malian people. The only question which matters then is whether your military intervention, carried out alone, will improve or worsen the situation.

To pose this single question is disturbing. And with good reason. The initial applause, ritualistic at the beginning of a war, which greeted your initiative, has rapidly faded and the murmur of the first doubts has already started.

Have we, on this subject also, lost the memory of our recent history? The various foreign military interventions of this type over the past 20 years in Iraq, Afghanistan, Somalia or Libya have led to a political situation which is unmanageable and chaotic and most often a civil war combined with a humanitarian catastrophe.

Because the lugubrious counting of thousands of deaths does not stop with the cease fire decreed by

the Western powers; it inexorably claims its batch of new victims, announced for a few seconds only during our evening news broadcasts.

At the end of the day, these wars which claim to stop, even "destroy" terrorism, have very often only strengthened the position of the most determined, the most extremist, and most radical among them. As for the defence of women's rights, who would dare to say that it has improved? And where? In Iraq, Afghanistan, Somalia or Libya?

Mr Hollande, the political world now garlands you with laurels. One can be carried away by this élan of national unity which was probably sought. To the point where a sense of proportion gets a little lost. You can only note the ridiculous nature of the situation when, without laughter, you take on your new role as the universal shining knight of democracy, proudly proclaiming your fine values – human rights, women's rights, the implacable struggle against religious obscurantism – to justify this war, during a press conference held in the United Arab Emirates? Where legislation is applied according to Sharia and adultery, blasphemy or homosexuality are punishable by stoning.

But what does it matter. The delegation of the CAC 40 emerged satiated with juicy contracts. And we all want to believe that the summit on defence of the environment sponsored by Total and Exxon came up with some hard hitting and sensible proposals. Unhappily, one subject has however poisoned your undertakings: final agreement on a price with the presidency of the Emirates for the sale of 60 Rafale planes. The Dassault group is well aware that waging war is a business.

In the United Arab Emirates as in Mali, you inexorably follow your mission of ensuring France's trading position. We discover then that Sahel is not

only a desert but also the geostrategic confluence of numerous exchanges, both legal and illegal. It is also the key to the fragile border entry which gives access to the zones France seeks to secure, in the first place the uranium mines operated in Niger by Areva, jewel of the French nuclear industry.

You are not a disinterested hero in this war. Nor a volunteer fireman who has come to put out a fire which, remember, was maintained knowingly by successive French governments since the early 1980s. The neoliberal policies and structural adjustment plans linked to the Malian debt, whose repayment particularly interests France, have disoriented Malian society, depriving it of its public services, industries, and service enterprises. The state has been sundered, to the point of virtual disappearance in the north of Mali.

Also the recent events are directly linked to the war in Libya. The French military intervention in Libya did not consist in graciously delivering arms to the legitimate revolution of the Libyan people. France intervened militarily as an external power to remind the future regime of its dependency, and hoped for gestures in return, notably in relation to the oil market. It thus dispossessed the Libyan revolution of the possibility of politically appropriating control of the regions taken militarily. Thus, the region of the Sahel was brutally destabilised and an influx of over-armed combatants returned to their countries of origin, notably in Mali.

Finally, you are well placed to know that the French state has not looked kindly on the overthrow in March 2012 of the corrupt regime of Amadou Toumani Touré, by a military mutiny which became a coup d'état. Since then, France has deprived the Malian army of its own logistical support. The

Economic Community of West African States, led by Alassane Ouattara, who owes a great deal to France for his accession to power in the Ivory Coast in 2011, thus decided last summer to impose an arms embargo on the Malian military, immobilising tanks, munitions and heavy weaponry in the ports of Dakar in Senegal, and Conakry in Guinea. Self defence necessarily became more complicated.

Mr Hollande, the fate of Malians is a matter for Malians. And if a war is to be waged, it is surely not up to France to proclaim itself the saviour of Mali. French paternalism in Africa has gone on too long.

In France, the state concerns itself with Malians above all through expelling them. Has this France suddenly been touched by sincere humanitarian feelings? This France which has not even recognised its responsibility in the Tutsi genocide which took place in Rwanda in 1994. Do not deprive the Malian people of a political solution which voices in that country are insistently demanding: the deputy Oumar Mariko from the organisation Sadi (Solidarity, Africa, democracy, independence), for example, or the former minister Aminata Traoré, who some months ago launched a manifesto against this war in the name of women's rights. Because political, trade union and civil society is an unavoidable reality in Mali.

In France, apart from the doubts expressed over the French mandate or the desultory parliamentary debates, national unity seems to have contaminated nearly all the parties, with rare exceptions. The best way to help the Malian people to lead its own fight against religious obscurantism, Mr Hollande, is that the French state stops speaking in the name of others.

January 18, 2013

ALGERIA

PST statement on hostage taking

PST - SOCIALIST WORKERS PARTY OF ALGERIA ·

Five days after the invasion of Mali by French colonialist troops on 10 January 2013 with the unnatural, clandestine and inadmissible support of Algeria, the taking of hostages on the Tigantourine gas field at In Amenas, by "around thirty armed Islamists led by a one-eyed man" and which is attributed to yet another grouping, "Those who have signed in blood!", sheds a little more light on French imperialist goals in the region and the new relationship of forces being imposed on the peoples.

For the PST, beyond the condemnation of this criminal operation, it is obvious that it benefits French imperialism. The operation at In Amenas legitimates its military intervention in Mali, exerting a greater pressure on Algeria to get more involved in its military, and above all financial plans, and crystallises an international consensus on the "benefits" of this French colonial reconquest effort.

The episode at In Amenas is indissociable from the large scale colonialist manoeuvres inaugurated by NATO and France in Libya in 2011 with massive destruction. The Serval operation in Mali strengthens the Epervier system established by France in 1986 in Chad, relying on Sabre operational helicopters stationed in Burkina Faso and Mauritania.

In other words the whole Sahel region is coming under the boot of "Africa's gendarme", France.

Although the "Islamist threat" in Mali is indeed real and cruel, it originates above all from the social and economic impasse of the neoliberal policies imposed by France and imperialism which mortgage development and condemn the peoples in Africa and the world to poverty and domination.

For the PST, beyond the technical-military considerations on the correctness or otherwise of the ANP's military intervention to free the hostages at In Amenas, the intolerable interference and injunctions of the imperialist powers in London, Tokyo or Washington which we have witnessed reveal the level of selling out of our national sovereignty much as our wealth has been sold off and our economy destroyed in the name of neoliberalism.

No to the colonial war in Mali and its consequences in Algeria!

French troops out of Mali!

No to the opening of Algerian air space to French bombers!

For a political solution guaranteeing the democratic and development rights of all components of the Malian people!

Algiers

20 January 2013

MEXICO

The national situation after December 1st

HÉCTOR MÁRQUEZ ·

At dawn, the first clashes between groups of ultras and the forces of the police began at San Lazaro, around the Parliament building where the new president would take the oath. "Clashes" is certainly not the most appropriate word, because at this point the police were just stoically taking the blows. It was around seven o'clock in the morning, when the first student contingents of the "I am 132" movement [1] arrived on the spot, and while the groups of ultras were withdrawing, the order was given to the police to retaliate strongly with tear gas and rubber bullets, causing many demonstrators to be injured, two of them seriously. Following an apparently well-prepared scenario, the repressive apparatus, under the responsibility of the Federal government and the "progressive" government of the capital, which thus demonstrated its allegiance to the regime, fell on peaceful demonstrators. Pictures showed people dressed like members of the ultra groups moving freely, without being challenged, among elements of the police in the protective perimeter that was inaccessible to the protesters, clearly illustrating the presence of infiltrators who played the role of provocateurs.

The people who were arrested were picked up much later and far from the scene of the morning clashes. Among them, and there are also some pictures which prove this, were peaceful demonstrators, but also many passers-by who were going about their business in the city centre and who were caught up in the impressive police dragnet.

The message of the new government was therefore extremely clear: it could have been you...So better stay at home. Some of those arrested have been released for lack of evidence, while fourteen of them have been released on bail pending a trial in which they will have to face charges, of a political nature, "of disturbing the public peace". Despite the aggressive lynch-mob politico-media campaign against the protesters, a movement for the release of the political prisoners and the prosecution of those responsible for the excesses committed by the police was immediately set up and has demonstrated on several occasions, obtaining the release of all those detained.

A movement that is in reflux, but has not been routed

Although they were not massive, demonstrations refusing the imposed election of EPN took place in many cities in the country. The big movement that arose in the pre-election period, whose aim was to prevent a return to power of the Institutional Revolutionary Party (PRI) [2] and which turned into a movement against electoral fraud and the imposed election of EPN after the elections of July 1st, has therefore entered a phase of relative reflux that may well be temporary.

In the course of its history, Mexico has experienced episodes of massive repression and the crushing of big movements, followed by long periods of reflux. This was the case of the movement of railway workers at the end of the 1950s, and of the student movement in 1968, which was drowned in blood. Nothing like that has happened this time. Despite its authoritarian character and the repressive inclinations that it has never abandoned, the regime today faces a popular movement which, although fragmented, has conducted numerous battles and accumulated large forces over recent years. The

weakening of the Convention against the Imposed Election is mainly due to the refusal of Andrés Manuel López Obrador (AMLO) [3] to work with it and to initiate a consistent fight against electoral fraud. It therefore fell to the "I am 132" movement to take on the awesome responsibility of conducting this battle. Meanwhile AMLO bears the heavy responsibility of having channeled into the institutional labyrinth the huge civic and popular movement that his candidacy had aroused, thus preventing the trial of strength with the regime that had been foreseen.

The need for an alternative policy

The PRD, after having betrayed AMLO for the first time in 2006 by endorsing the fraudulent election of Felipe Calderón [4], lost no time in doing it for the second time, this time pushing things to their logical conclusion by signing a "Pact for Mexico" with the PRI and the PAN. The PRD has thus completed its mutation by quite openly rallying to the neo-liberal, authoritarian and repressive agenda of the Mexican oligarchy. An important part of the institutional Left which did not want a candidacy of AMLO had to reluctantly accept it because of the momentum created by the Movement for National Regeneration (MORENA), while trying to impede it whenever they could.

After a series of local and state congresses, the National Congress of MORENA was held in late November in Mexico City. This congress, after a consultation process, which was not without problems from a democratic point of view, took the decision to launch the process of obtaining its legal recognition from the Federal Electoral Institute (IFE). Some of the cadres of the future party are relatives of AMLO, who were co-opted and not elected, on the pretext that they were "respectable"

people. It should be noted that the National Congress took place without debate, the only speech being made by AMLO. Due to its multi-class composition and to a programme that attempts to reconcile strongly conflicting interests, MORENA will therefore have all the features of a new PRD.

In the context of this important process of political recomposition, the decision taken in mid-December by the National Executive Committee (CEN) of the Political Organization of the People and the Workers (OPT) [The OPT, a proletarian alternative to the crisis of political parties] to attempt to obtain legal recognition from the electoral authorities is also of particular importance. The OPT, whose origins lie in the struggle of the Mexican Electricians' Union of (SME) but which now includes other social forces, represents the backbone of what could become a future workers' party (in the broad sense, not just the industrial working class), equipped with a classist programme for a break with the capitalist regime. The OPT will therefore embark on this costly and difficult battle and attempt to meet the drastic and strongly anti-democratic conditions imposed by Mexican legislation.

This battle is doubly important at a moment when sectors of the population who participated in the election campaign of AMLO, disappointed by his climb-downs and by the conciliatory orientation adopted by the future MORENA party, could choose to join a party rooted in the struggles of the most advanced sectors of the working class. The socialist and revolutionary Left must understand the full importance of this battle and become fully involved in it, because it represents the opportunity to see a part of the working class break away from the social-liberal Left, come out of the fold of the PRI and finally conquer its political independence.

ECONOMICS

When buying cheap turns out expensive

ESTHER VIVAS ·

Mango, Zara, H&M, Bershka, Pull&Bear, Stradivarius, Gap, Oysho... They talk about savings and, more so in the sales, low prices. What they don't tell us and what is hidden behind the label 'made in China/Bangladesh/Morocco' is how they achieve such prices. Industrial relocation is the response: manufacturing while paying the lowest possible price for manual labour, and consequently, violating human rights and basic labour laws. This is exhaustively explained and documented in several reports by the Clean Clothes campaign. Practices that are, of course, also present in the big brands that sell products a bit more expensively or at the top end. The logic is the same. Behind the "glamour" or the "luxury" is hiding the sweat of badly paid workers.

The report, "Spanish Fashion in Tangiers: work and survival of clothing manufacturers" by the Clean Clothes campaign of the Spanish organisation SETEM is one of the many investigations that showing the situation in black and white. The report analyses what the situation is for textile workers in Tangiers working for important international companies and it discovers the working conditions in Moroccan factories: 12 hour working days, six days a week, a salary no more than 200 euros a month, and even on occasion under 100 euros a month, arbitrariness in hiring and firing, restrictions on union activity: a situation that can be found in many other countries. It's no accident that our clothes are produced in Asia, Central America, Eastern Europe and Africa.

But it's not only those working in factories overseas who are losing out, also here the employees in

shopping centres and sales outlets are subject to precarious, flexible working conditions with difficulties for union organisation... And the pressure to achieve the lowest possible costs also falls on them. Those responsible for the unemployment and the precarious situation in the north are not the workers of the south, but rather a few economic and business elites who are trading in our lives, just as much here as on the other side of the planet.

So, Amancio Ortega, the owner of Inditex which numbers among its portfolio of brands; Zara, Bershka, Pull&Bear, Stradivarius, Oysho and Massimo Dutti, was in 2011, according to Forbes, the third richest man in the world, despite or thanks to the economic crisis, depending on how you see things.

And the same story is repeated in the production, distribution and sales of home appliances, technology and even food. And it's not just that a few are taking advantage of precarious or non-existent working conditions but also they take advantage of extremely weak environmental legislation. So the current production system of consumer goods is exploiting finite natural resources, making employees or entire communities ill and/or polluting where eyes don't see. Everything, evidently, at zero cost.

Then they tell us that we can buy cheaply. And the January Sales are the highest exponent of this practice. But is what we are buying so cheap? The current production and consumption model counts on a series of hidden costs that all of us end up paying for. Labour exploitation, precarious conditions, miserable salaries, weak or non-existent union rights... whether they be in the south or in the north they generate poverty, inequality, hunger and home evictions... and it's the State that has to respond to such situations and conflicts with every-

thing that implies in terms of social and economic costs.

The same happens with businesses that pollute and exploit without control or limits to natural resources, generating climate change and environmental destruction with their practices... Who pays for the fragmented and delocalised production and the petrol addicted transport system that generates the green-house gases? Who pays for displaced communities, sick workers and uninhabitable territory? Who bears the consequences of an agricultural and food production model that does away with agrobiodiversity in farming and makes us addicted to junk food? We do. For the company it's free. These are the invisible costs of abusive practices which it

is supposed no one pays for. Stubborn reality shows us the opposite, it's society who pays, and a lot.

And the most scandalous part is that to carry out these practices, multinationals count on the active support of those in those institutions that design the economic, social, environmental and employment policies... at the service of interests of the former. As has been repeated countless times in the streets, our democracy has been kidnapped. And even though they tell us time and again that "buying cheap everyone wins", the reality is otherwise: "buying cheap turns out expensive". And in the end we, the majority, pay the price.

*Article published in Público, 09/01/2013,
Translated by www.Pressenza.com*

+info: <http://esthervivas.com/english/>

Stop the French military intervention in Mali! No to Algerian cooperation!

After the Ivorian episode in 2010, the French military intervention in Mali, with its colonialist overtones, is above all an expression of France's determination to regain its "African garden", which is being gnawed away at by China and other powers, in a context of a major economic crisis of the capitalist system on a world scale.

The "terrorist" alibi of Bush in Afghanistan and Iraq is being used again by Hollande, who tells us with a straight face that "France has no political or economic objectives" in its Mali campaign, and that its Rafales and its armada, without witnesses and without visual evidence, "are in the service of freedom", alongside troops from Ecowas countries where there is no freedom. This "altruism" of France clearly reminds us of its "civilising mission" in the nineteenth century, of which the Algerian people was a victim during the long colonial night.

But the Algerian regime, whose eyes are riveted on the 2014 presidential elections, has eventually yielded to imperialist pressure. Mr Bouteflika has authorized French bombers to use our airspace and ordered the closure of the border. This unacceptable about-face in the Algerian position seriously contradicts the historical fight of our country for emancipation and the dignity of peoples. At a time when we are still celebrating the 50th anniversary of our independence, the about-turn of the Algerian

regime, which is cooperating with France in its warlike enterprise, is the expression of a political turning point that reduces national sovereignty and locks Algeria into an unholy alliance of colonial reconquest.

Like the uprisings of the peoples in the Arab countries and even in Europe, the Malian crisis has its roots on the one hand in the economic and social disaster caused by liberalism, imposed by the imperialist powers and institutions, and on the other hand in the dictatorial regimes which act as guarantors of their interests.

The Malian people, whether in the North or the South, needs development, dignity and prosperity and not bombs and servitude. It is for the people of Mali to drive out a few armed Islamist gangs which want to impose their laws. It is for the people of Mali to freely decide its future.

- Stop the French and imperialist intervention in Mali!
- No to the colonial war in Mali!
- No to the opening of Algerian air space to the French bombers!
- Solidarity with the Malian people and the refugees!
- For a political solution guaranteeing democratic rights and development to all the components of the Malian people!

EGYPT

Muslim Brotherhood coup and popular reaction

CHEDID KHAIRY ·

The current rebellion against president Mohammed Morsi and the Muslim Brotherhood has taken the form of a mass confrontation. The first president elected in a truly pluralistic election has tried to protect his power and consolidate the position of the fundamentalist regime as a hegemonic political force.

Attempt to force passage

The firing of the Attorney General, a relic from the Mubarak era, already appeared as a measure to assert the authority of the Brotherhood over the judiciary authority. Morsi hoped to profit from the outrage caused by the verdicts in the trials of thugs or police officers, which almost all ended with the acquittal of the accused.

On November 22, with his new Constitutional Declaration, he increased his powers. The first point of his statement referred to the renewed investigations into police violence and the new judgment of those responsible. He thus protected the Constituent Commission and the Senate from dissolution by the Constitutional High Court. And then he speeded up the process of drafting a new constitution, leading to the conclusion of the work of the contested Commission and deciding on the organization of a referendum on December 15 and 22, 2012. All these decisions were intended to consolidate the position of the fundamentalist current as a hegemonic political force.

The Muslim Brotherhood in power feels able to pursue such an orientation. The international recognition they have earned from the United States, Europe or the International Monetary Fund (IMF), undoubtedly favour this. They played a decisive role in the cease-fire agreement in the Israeli

aggression against Gaza. They have resumed discussions with the IMF, seeking a loan and defending neo-liberal economic policies.

The extent of the protests resulted in a climb-down which was in fact fairly limited. The weight of the protest led a crisis at the top. Cronies of the president resigned. Mahmoud Mekki, the Vice President, announced that the Presidency was prepared to delay the referendum if the opposition accepted dialogue. This favoured the moderate wing of the opposition ready for negotiations.

Issues of the draft Constitution

The Commission of One Hundred, responsible for the drafting the Constitution, is dominated by the Muslim Brotherhood and the Salafists. Its work is highly opaque, since it has held more than 50 sessions in camera. It is boycotted by most of the non-Islamist parties. Coptic representatives and liberals have walked out, accusing the Islamists of rejecting any consultation and according too many references to Islam. Manal al-Tibi, head of an NGO, even talks of "ideological intimidation".

This draft is very problematic because it is dominated by its ambiguities. Its many fudges leave the door open to drift. The mark of the Islamists is strong. Many problems exist in the area of the rights of women and Copts, not to mention social rights. It may even appear as a backwards step [1].

The effective powers of the president pose a problem. The army sees its special status maintained with a few changes. Its budget (estimated at \$5 billion) and economic activities (assessed at 25% of the gross national product) are beyond the control of Parliament. Article 197 establishes a National Defence Council, chaired by the president, which includes the most important ministers, the head of

the secret service, the Chief of the General Staff and the main army figures. It must ensure "the protection and the security of the country and the armed forces budget". This Council, which is not under the control of the Parliament, must be consulted for any project concerning the army. The minister of defence, who must be an officer, is commander in chief of the armed forces.

The Consultative Council becomes an important centre of power. Article 131 grants it the right to exert sole legislative power in the event of dissolution of the Assembly. The text neutralizes appeals against the composition of the Consultative Council before the Supreme Court. The Council must approve the appointment by the president of the heads of the bodies of control. These can only be suspended with the approval of the majority of the Council. This is in contradiction with the powers of these agencies of control of public funds, including those of the Consultative Council. All of this works to the detriment of the Supreme Court.

The trial of civilians before military courts is maintained with article 198. The military retain the right to try civilians with the code of military justice, an old tool of repression against the opposition. Guarantees against arbitrary detention and torture are recognized, but there is no criminalisation of the use of torture.

As for freedom of the press, article 48 does not prevent the imprisonment of journalists and does not recognize the press as an "independent popular power". It allows the closure and the suspension of newspapers by court decision. The press must respect the "requirements of national security". Article 47 threatens the right of access to information which should not oppose "national security".

There is no progress for women's rights. Section 33 prohibits discrimination and states that "all citizens are equal before the law" and "have the same rights and public duties", but women are not explicitly mentioned. The formula "without distinction based on gender" was removed at the last minute.

Women's rights are mentioned only in article 10... as mothers!

As regards Sharia law, article 2 States that "the principles of Islamic law are the main source of legislation". The attempt of the Salafists to impose the "precepts of Sharia" formula was unsuccessful. Article 219 explains that "Sharia principles" include "the fundamental rules and the jurisprudence of the Sunni doctrines". This leaves the door open to a multitude of interpretations, not to mention the risk of intervention by the Islamists in the criminal law.

The Al-Azhar religious institution is recognized as having a political role with article 4, which gives it the task of interpreting the Sharia: "the opinion of the Council of Al-Azhar must be taken in matters relating to Sharia". The word "matters" is more than hazy. This could give this institution a right of scrutiny over laws that will only come into effect after their adoption by the Council of senior Al-Azhar scholars appointed by the president.

A disputed referendum

With the referendum on December 15 and 22, 2012, Morsi was looking for additional legitimacy. It was very far from the success expected despite the official result of 64% in favour of the draft. First, the ballot was marked by many irregularities, to the extent that Baha Eddin Hassan, head of the Cairo Human Rights Centre, speaks of "a referendum in the Mubarak style" [2]. The list of irregularities is long: lack of judicial control, replacement of judges by observers from an NGO close to the Muslim Brotherhood, detentions, intimidation, theft of ballot papers, premature closure of polling stations and so on. Also, abstention was very strong, at about two thirds of those registered to vote, with peaks as in Aswan, where 86% of the electorate did not take part in the vote. This is the lowest participation rate of any poll held since January 25, 2011.

A keen resentment was translated into powerful mobilizations against the authorities across the

whole of the territory. Resistance immediately gained a popular echo expressed with the response of the judges, the interventions of artists concerned about pressures and censorship or again media, television and newspapers, concerned for freedom of expression and the independence of the press due to multiple pressures and harassment by the Islamists since June 2012. Young football fans still affected by the bloody repression in Port Said at the beginning of the year are mobilizing, not to mention employees increasingly confronted with an authoritarian policy which seeks to block protests and independent trade unions.

Demonstrations are important. Slogans reappear like "bread, social justice and freedom" or "the people want the fall of the regime", a sign of the depth of anger. The authorities are trying to assimilate the judiciary to the Mubarak regime. If some of the senior judges are indeed from the camp of Mubarak, many of them fought for the independence of the judiciary and participated in the democratic challenge. In Egypt, judges have a certain credit, appearing as a recourse in a context of inequalities. Hence the importance of legal battles.

At first, the authorities remained inflexible. They tried to regain the initiative, playing to a virulent "anti-feloul" (remnants of the former regime) demagoguery. They organized a counter-demonstration on December 2 and then from December 3 began an encirclement of the Constitutional High Court to prevent it from ruling on the unconstitutionality of the Senate, the Constituent Commission and Morsi's decrees. The use of the referendum was based on the argument of the need for the purging of pro-Mubarak elements and counter-revolutionaries from the judiciary, and the defence of the country threatened by these "feloul" and their allies in the judiciary.

The protests continued to grow. A historical event took place on December 4, 2012, converging on the Presidential Palace in Heliopolis although there were many other demonstrations around the country. Various offices of the Muslim Brotherhood's Party of Freedom and Justice were targeted. In

Cairo, the protesters surrounded the Palace, the president opting to leave. The next day, Muslim Brotherhood supporters from across the country attacked demonstrators in Heliopolis and elsewhere. Violent clashes left seven dead and hundreds injured.

Sharp objections

The power of the Brothers, which remains significant, is the result of a slow and patient work of penetration of the social body and taking root since the 1970s after their suppression and marginalization in the Nasserite period. Their electoral successes, their place in the professional unions, their place in society, and their ability to mobilize attest to this.

But with this episode of deep discontent that they are undergoing, it is clear that they are far from being invincible. The discontent is impressive, especially in provincial towns where it may prove to be more complicated to oppose them. Their policy errors have led to the present dissatisfaction. Their retreat is clear, even if it is found to be limited to the cancellation on December 9, 2012 of the controversial decree. Of course, Morsi did not yield on the essential, namely the referendum on the constitution. The mobilizations have created difficulties for the Muslim Brotherhood but they have not at all disappeared. Far from it.

Faced with the regime and its offensive, different currents regrouped in the National Salvation Front (NSF) from October, taking up the demands of the movement for an another constitution, justice for the martyrs, the judgment of those responsible and economic reforms. The NSF brings together liberal, secular and left organizations. This includes the nationalists of the Egyptian Popular Current led by the Nasserite Hamdîn Sabbahi, liberals like the Party of Free Egyptians, the Wafd, the Party of the Constitution led by Mohamed El-Baradie, young groups like the Democratic Front of April 6, the left with the moderate Egyptian Social Democratic party, Tagammu' (gathering), the Socialist Popular Alliance, the Socialist Party of Egypt and the

Revolutionary Socialists, and the National Association for Change.

The NSF has actively participated in the large mobilizations, demanding the annulment of the Constitutional Declaration, the non-holding of the referendum and the establishment of a new constituent assembly. Not without hesitation, a few times, between refusal and negotiations. This broad grouping nevertheless has internal tensions notably in relation to the presence of "feloul". Abdel Moneim Aboul Fotouh, a former Muslim Brother and presidential candidate, refused to join the alliance for this reason. The presence of Amr Moussa, former Foreign Affairs minister under Mubarak, is a problem. The risk exists that the NSF becomes a simple gathering of those hostile to the Muslim Brotherhood. This question is tricky. Not to mention the differences: some sectors seem disposed to negotiate and to return to the formal process, risking the objectives of the revolution.

The left, in its different components, participates in the mobilizations. Divided and fragile, it does not have a real independent influence. In addition to the differences and rivalries, its last attempt, in September, to regroup with the Revolutionary Democratic Alliance (RDA) had no tangible results. It includes the Socialist Party of Egypt, the Socialist Popular Alliance, the Tagammu', the Workers and Peasants Party, the Egyptian Communist Party, the Egyptian Coalition against Corruption, the Socialist Revolutionary Movement (January), the Union of Socialist Youth and the Mina Daniel Movement. Ahmed BahaChaban, a leading figure in the ESP, considers that it is not a simple electoral coalition but a long term project to build a bloc capable of intervening. The future will decide.

The Muslim Brotherhood and the exercise of the power

These recent developments reflect a sharp decline in the popularity of the Brotherhood. They had won a majority in the parliamentary elections and raised huge hopes of meeting expectations in terms of democracy and social reforms. It is their management of public affairs that is at issue. They appear

authoritarian, even autocratic, with their desire to ensure the control of power. However, initially, they did not go in this direction. After a short co-habitation with the SCAF (Supreme Council of the Armed Forces), on 12 August Morsi dismissed several minister-generals and gave the impression of going towards the end of the military regime. In fact, behind-the-scenes negotiations had led to the decision.

A turning point occurred in autumn. On October 10, 2012 after the emotion caused by the acquittal of the leaders of the "battle of the camels" (when thugs had charged the demonstrators in Tahrir Square), Morsi attacked the former officials acquitted, promising that they would be retried. He dismissed the Attorney General, who refused to resign, and called on his supporters to take to the streets. But on October 12, the Muslim Brotherhood were driven from Tahrir Square by stone-throwing. On November 18, during the commemoration of the victims, protesters tried to remove the blocks of concrete closing off access to the Ministry of the Interior. The police repressed them. The demagoguery against the judiciary intensified.

This strong disillusionment with the Muslim Brotherhood is expressed in radical hostility: Morsi is compared to Mubarak or is referred to as "Morsilini". His resignation and his departure are demanded. The new tone is similar to the first challenges to Mubarak.

The regime chose to win the good graces of imperialism. Morsi committed himself to respecting the international agreements signed by Egypt. The United States demonstrated a real "political pragmatism" (in the words of Abdel-Moneim Saad, former CEO of Al-Ahram), first looking for the maintenance of their strategic interests. Support for the regime is given in return for the guarantee of the security of Israel, local and regional stability, continuation of privatization and foreign investment, and the security of the Suez canal through which about 8% of world trade passes. Washington says nothing about the Constitutional Declaration, but covers Morsi with praise over Gaza. According to

political scientist Hala Moustapha, the United States and the Muslim Brotherhood officials have concluded arrangements, no doubt with the help of Turkey and Qatar. The conciliatory attitude of Europe is based on strategic rather than democratic calculations. The IMF also seems well disposed as shown by the discussions between Morsi and Christine Lagarde in the summer, while the Government has advanced towards an orthodox policy with a possible devaluation of the pound, reducing subsidies and higher taxes.

Social struggles and the trade union question

A deep social discontent is expressed constantly. The social struggles, by their magnitude and their consistency, are a factor of importance in the overall situation, with more than 2,000 strikes in September and October of 2012.

The protests take many forms: strikes, sit-in protest, blockades of roads or railways, or administrative or official buildings, occupations of public places, or even attacks on state buildings, kidnapping of officials or refusal of payment of water or electricity bills. This can go all the way up to riots. These struggles are often partial or local; sometimes they affect a whole sector. General strike attempts have failed. The complaints are mainly economic, concerning increases in wages, the hiring of precarious workers, sometimes nationalization. But they can take a political character as with demands for the dismissal of managers of firms, particularly those linked to the army, or the former regime [3].

Employees must face an increasingly authoritarian policy. An SCAF decree on May 8, 2011 criminalized social resistance with heavy fines and prison sentences. In June 2012, it was estimated that more than 20,000 Egyptian workers had been dismissed since January 25, 2011 for social protest. Repressive measures are multiple: judicial harassment, imprisonment, disciplinary sanctions, and arbitrary changes because of strike or trade union activity.

The dynamic independent unionism which has developed on a significant scale must now face serious obstacles. Its existence remains precarious. Its legal recognition is far from being acquired, not to mention the persistence of the old official Trade Union Federation (ETUF), which the Muslim Brotherhood are looking to maintain and control.

The future trade union law is an important issue. After the hopes of the beginning of the process, with a first draft drawn up in summer 2011, the signs are now worrying. The first draft has been shelved by the SCAF, and then by the Parliament dominated by the Muslim Brotherhood. The latter have prepared another text which, de facto, bans the formation of more than one trade union in an enterprise "to avoid duplication of effort, without limiting the right to unionize" according to Islamist MP Khaled al-Azhari, now minister of labour. The next union elections will be a test. Initially planned in November, they were postponed for 6 months. Supporters of trade union pluralism were opposed and demanded, firstly, the adoption of a law on trade union freedoms.

The Muslim Brotherhood are also trying to ensure control of the unions with amendments to the law on the ETUF. These amendments will facilitate the take-over of the regime of the official unions. In the meantime, the current members of union leaderships who have reached the age of retirement will be replaced by others. The replacements are to be selected on the basis of the results of the previous (rigged) union elections or appointed on the administrative decision subject to ministerial endorsement. The trade union activist Saber Barakat, a member of the Egyptian Committee for the Defence of Workers' Rights, believes that this will promote the hegemony of the Muslim Brotherhood over official unionism: nearly 80% of leaders are over 60! It amounts to a clash between the supporters of the former regime and the Muslim Brotherhood.

Obstacles and challenges

Political and social conflict is strong in Egypt. Nothing is settled. The past few weeks attest to it. The overall situation is characterized by its volatility. Several serious obstacles exist to an evolution favourable to democratic and social demands.

The general evolution of the political situation is the decisive factor. Its complexity is great because it is not just a conflict between fundamentalists and secularism [4]. The questions of the break with the Mubarak regime and democratisation are still ongoing. Between an evolution towards greater democratic space or more closure, the options are many. Everything will depend on mobilization, on the rootedness of democratic forces and the balance of forces. Right now, the opposition to the Islamist forces has failed to impose a favourable balance of forces. Structuring of the workers and youth remains very low. Hence the leading role of liberal or nationalist forces.

The level of social protest is high. Attempts to stop the social protests have failed so far, but they are continuing. Strong social conflict has not managed to impose a favourable relationship of forces. The independent trade union movement, while in full swing, remains fragile and marked by divisions and disparities in terms of experiences and rootedness.

In the recent street mobilizations it has not played an autonomous role, even though it took part in the movements.

One of the most positive elements is the appearance of a new generation of activists, both in the youth groups and trade union networks. One of the issues is the ability of the combative poles to take root and develop into a force able to weigh on the overall situation and to advance democratic and social demands for rupture and real change. A huge task, which is far from being accomplished.

Recent events demonstrate that Egypt since January 25, 2011 is still a land of unexpected developments and large mobilizations. The setback suffered by the Muslim Brotherhood and their retreat prove that the game is far from being settled in favour of the Islamist currents. However, they remain influential.

Institutional issues have become key to the political future of the country. Not to mention the sharpness of the social question. The worksite opened by the departure of Hosni Mubarak is still under construction. Nothing is yet stabilized. Despite its complexity, the situation is rich with enormous risks and important potential. The revolutionary process continues.

SOUTH AFRICA

Harvesting discontent

MERCIA ANDREWS ·

Rebellion on the farms

The protests and mobilisation that started in the small town of De Doorns on the 6th of November galvanised the anger of farm dwellers against decades of discontent at extreme exploitation and oppression that persist on farms, rural towns and the agricultural sector as a whole.

De Doorns is not dissimilar from hundreds of small rural towns across the Western Cape and South Africa. The grievances and problems that the farmworkers and rural poor speak of extend well beyond the Hex River Mountains in the Western Cape to the borders of South Africa in Limpopo and Mpumalanga. However, the De Doorns uprising has to be seen as an important moment. Like Marikana in the mining sector, 'De Doorns' has ignited the imagination of farmworkers and the rural poor. As with the mineworkers demand for 'R12 500 per month', the farmworkers demand of 'R150 per day' has become the rallying call of this struggle.

In fact, mining and agriculture, the historical backbone of South African capitalism, have been severely shaken.

A historic strike

The spontaneous protests and often self-organised actions of farm workers that unfolded on farms and in rural towns are historic, inspiring and has indeed stunned the rural establishment. Even the Minister of Agriculture, Fisheries and Forests, Tina Joemat-Pettersson Joemat recognised this when she said, "farms and agriculture in the Western Cape will never be the same again".

The significance of what has been unfolding in the Western Cape is that a people who have been labouring under all most feudal conditions, yet remained poorly organised (union representation stands at less than 5%), rose up spontaneously on some of the wealthiest and most productive farmlands in the country, demanding a living wage and radical transformation of the countryside.

A new generation of farmworkers has grown up in the post apartheid South Africa. These are young workers who challenge their parents for not standing up to decades of oppression on the farms. They've had better education, and if one uses De Doorns and Robertson as examples; the use of cell phones and social media, such as Mixit, played an important role in motivating and facilitating neighbouring farmworkers to join in action. Access to popular organisations, television and the radio contributed significantly to overcome the isolation and marginalization of farmworkers and allowed for coordination – however tentative.

Rural women, many of them seasonal workers, have played a leading role in mobilizing at community level in townships and informal settlements on the outskirts of farms. In many instances they led the protests, giving confidence to the men to follow suit. These women often earn less than the men and have more insecure conditions of employment and tenure.

Behind the strike

It is important to ask what ignited the struggles in De Doorns. What has given rise to this historic awakening in the rural areas? And why has the strike and protests been able to spread to many of the surrounding rural towns in the Western Cape in a relatively short space of time?

It relates in essence to a range of objective and subjective reasons that gave rise to the protests and the strikes. Key among these is the fact that despite the changes in labour relations since 1994, little has changed on South Africa's farms. Rather one can describe much of the current labour relations as a continuation of the Apartheid era of "baasskap" or feudalistic social and economic conditions of master servant relations. Massive human rights violations continued, as highlighted by many local reports as well as the recent Human Rights Watch report *Ripe with Abuse*. The new Labour Relations Act as well as other labour legislation supporting equity and decent work has been largely ignored by farmers.

The Department of Labour, which is supposed to monitor and undertake inspections on farms, is unable to cope. They have very limited access to farms and, even worse, sometimes collude with the farmers against the workers.

Conditions of abuse

Over these past few weeks in meeting after meeting farmworkers told stories of how they work and live:

"This week my pay was only R240, 00 and I don't know why. I don't get a pay slip." (Bonnievale)

"When I joined the union I was told that I must fuck off from his farm, he wants no trouble makers." (Francois, Ashton)

"They are so rude and abusive, they are racist and speak very badly to us." (Betty, De Doorns)

There are many stories of violence and intimidation:

"A group of us were huddled together taking shelter from the rain and the farm manager marched up to us and ordered us to go back to work. Suddenly he started beating us with a spade." (Gawie, Ashton)

"Just before the strike was to resume the farmer lined us up against the fence, pointed his shotgun at us, told us he will shoot the lot of us if we join the strike."

From many of these testimonies it was also clear that a substantial number of farmworkers earn well below the R70 per day minimum wage that is the bone of contention. "I work on an apricot farm on the road to Montague where I am paid 89c for every 25kg drum of apricots I fill, and if I want to earn a lousy R89 per day I have to fill over 100 drums with apricots. At the end of such a week all my limbs ache and I can barely stand straight." (Margriet, Montague)

These are stories of hardship and suffering. Many have similar tales of how they are constantly humiliated, belittled and even beaten: "My boss has seven farms but we don't have toilets and when we demanded toilets, he said he would rather buy an additional farm than install toilets... All their children go to university and have cars. We cannot afford anything, not even school shoes."

The problems of organising farmworkers

Today there are just over 500 000 farmworkers in South Africa of which the largest proportion, 121 000, are employed in the Western Cape. Very few farmworkers, both permanent and seasonal, are organized. In fact, only three to five percent are unionized. The history of the labour movement in South Africa suggests that it was extremely difficult to organise farmworkers during the apartheid era given the strong state controls in rural areas, which made access to farms, where most of the farm workers lived, very difficult.

Those parts of the Western Cape where the protests and strikes have been fiercest are also the regions that are most organised with a stronger presence of small unions, popular movements, farmers(workers' associations and NGOs.

Democratic South Africa has introduced a battery of progressive legislation including the Constitution that guarantees the right to freedom of expression and association. While in theory everyone has the right to belong to a union of their choice and the right to strike, most farmworkers have been denied these rights through the prevailing conditions of

fear and intimidation that is the everyday reality of South Africa's farming system. Joining a union often leads to eviction or retrenchment.

Another difficulty that confronts those organising farmworkers is the very isolation of the farms and workers who reside on them. Unlike urban workers, farm workers struggle to meet with other workers regularly. There is a lack of access to public transport and resources to link up and organize.

Deepening poverty

Behind the strike also lies a tale of deepening poverty, ironically entrenched by rising food prices. Low wages and increasing costs have served to intensify the desperation to the point that farmworkers had little to lose by rising up.

Farmworkers complain that they spend the bulk of their meager income on food, yet still go hungry. This is a complaint from both those living on the farms and the contract and seasonal workers. Those who live on the farms very often buy food on credit from the shops set-up by the farmer on the farm itself. Here, they also buy electricity for prepaid meters that were recently installed in their shack-like homes. They often also have to pay rent and an additional amount for children living with them, but not working on the farm.

The result is direct deductions from their wages against the balance of what they owe. This farm 'credit system' has left thousands of workers in a cascading debt trap. Over and above this, farmworkers also have to pay school fees, and in some cases, boarding fees for hostels. This burden of feeding and fending for the family as well as the extended family piles additional pressure meager incomes.

Inequality is extremely stark where impoverished farmworkers live in such close proximity to the farmer and his family. Glaring disparities in living conditions, sanitation, transport and mobility, access to health services, etc. are right in your face. The farmworker is made to feel sub-human as cause and effect become confounded. The more the farmworker does not have, the less deserving he or she is considered to be. For example, denying their farmworkers decent sanitation in the vineyards and fields, serves to entrench the farmer's perception of their employees as animals. This much is apparent as one goes from farm to farm.

These difficulties notwithstanding, the sleeping giant has stirred. A new period has dawned. Farmworkers in more than twenty towns across the Western Cape have mobilized and started to organise themselves both on the farms and in the informal settlements where many contract workers live. The protests and strike have seen contract workers and seasonal workers (including those who live on the farms and those who are brought in each day) making common cause. Perhaps the words of Marx should be invoked when we see the truckloads of workers traveling to farms daily: "capitalism has produced its own gravedigger".

The protests have also unlocked new forms of self-organization on the farms as farmworkers establish farm worker committees. Significantly, alliances between small farmer organisations, contract workers and community groups have cohered to not only support the protests, but also to make new links between the basic demands of the farmworkers and those who demand a radical transformation of the countryside.

SOUTH AFRICA

Neoliberal land & agricultural policies at heart of farm strikes

MAZIBUKO K. JARA ·

The land and agriculture policy framework since 1994 has roundly failed to extend labour rights and a minimum wage to farm workers. In addition, the labour relations framework actually favours commercial white farmers over workers. The Department of Labour has far too few labour inspectors to effectively monitor working conditions and compliance with labour laws on farms. In many of the farming districts, there is massive collusion between farmers, the police and magistrates.

Instead of respecting labour laws and paying even the measly minimum wage, many farmers have responded to post-1994 regulations and other pressures by labour shedding. From a high of more than a million farm workers in the 1970s, agricultural employment is now estimated at just 600,000. The highest rate of decline in agricultural employment occurred in the mid-1990s and early 2000s. Between 1993 and 2002, total employment declined by 14%, regular employment declined by 26%. A 2005 report by Nkuzi and Social Surveys revealed that more than one million people were evicted from white commercial farms in the decade from 1995 to 2005. This shows how weak the tenure security laws are.

This was part of a wider structural shift in the post-apartheid economy towards temporary, seasonal and subcontracted labour. At the heart of this was the squeeze many farmers felt from liberalisation and deregulation which exposed them to global competition from subsidised farmers in the north. In turn, farmers turned the screws on their labour force in order to sustain profits.

One consequence of this is the slave-like conditions almost all farm workers and dwellers endure. Farm workers do backbreaking work under unsafe and unhealthy conditions to produce food, earning starvation wages while living with minimal provision of water, sanitation and electricity. They face the constant threat of evictions, violent physical and verbal abuse and intimidation at the hands of the bosses.

The market-based land reform programme has also failed to ensure widespread redistribution of land. As the 2005 Nkuzi and Social Surveys' report on farm evictions shows, the very social base that should have benefitted from redistributive land reform has actually been displaced from land and has lost access to even the minimal livelihoods that living on farms may have provided. In fact, the more than one million people the survey found had suffered eviction, greatly outnumber those who benefitted from the land reform programme.

In addition, during the era when post-apartheid land reform should have redistributed land to more people, there has actually been a consolidation of farm sizes and increased concentration in farm ownership. The number of farming units declined from just over 60,000 to 45,000 in the six years between 1996 and 2002, and then to 37,000 by 2011. Ruth Hall of the University of the Western Cape has argued that this is a process of the consolidation of landholdings into larger units of ownership and production, as farms are acquired by neighbours and become part of a larger farming enterprises, or as larger agribusinesses buy up farms in an area.

In some cases, these farming units consist of separate farms that are operated as a single unit. In many instances a single owner (whether an individ-

ual or a company) owns more than one farming unit. Hall has also shown that alongside this consolidation of land parcels, another process of consolidation appears to be underway in the distribution of agricultural capital in primary production and upstream and downstream industries. Input trends have changed as production has become more capital-intensive and less labour-intensive. This is complemented by the intensification of high-cost forms of agriculture, with ongoing mechanisation and heavy reliance on pesticides and fertilisers across the horticulture, field-crop and livestock sectors.

The land reform programme has not been accompanied by an associated agrarian reform programme which would restructure the entire agricultural value chain to ensure that the beneficiaries of land reform have conducive conditions and structural power. This policy regime has not empowered farm workers to become owners and producers on redistributed farms within a restructured agricultural value chain. Large-scale commercial farmers and agribusinesses have actively promoted and benefited from these untransformative land and agricultural policies. They have used their monopoly control over most of our food and their contribution to export earnings through agriculture to blackmail the country into believing that there are no alternative agrarian policy options. At the same time, they have managed to portray the rather feeble market-based land reform policies as a huge attack on agriculture.

They have also successfully redefined land reform in their own interests: to become a limited programme of black commercial farmer settlement.

White farmers are aware that, unlike the mass of the rural landless, these aspirants are unlikely to constitute a large and powerful interest group that can challenge the dominant interests within the sector, but rather will be absorbed into it. The narrative here is that 'only commercial agriculture is 'real agriculture''. In line with this, AgriSA has defended the property rights of landowners as absolute. These efforts have been aided by the inefficiency of the state and a political strategy of using the DA as an effective political mouthpiece to challenge any possible radical changes as irrational.

The farm worker strike marks the beginnings of much-needed mass struggles to challenge and defeat white baaskap, starvation wages, slave working conditions, market-based land reform and liberalised agricultural policy. The awakening farm workers and dwellers need to realise that their organised social power is the key to break the strategic advantage of agrarian capitalists. The farm worker committees that have emerged must combine with the radical independent trade unions like CSAAWU and the organised bodies of farm dwellers such as the Mawubuye Land Rights Forum and the Citrusdal Farm Workers/Dwellers' Forum. It will also be important for farm workers and dwellers to link up with allies in urban areas and other countries. Shared concerns about high food prices are potentially unifying. Urban consumers have the power to put pressure on farmers. Urban consumers must take action now to build solidarity with farm workers. Urban consumers must also work out boycott strategies to demand produce from farms that respect worker rights and pay a living wage.

MAURITIUS

"The dynamic of the victorious struggle of the workers in the sugar industry has spread to other areas..."

JEAN NANGA ·

Jean Nanga: In terms of the technical structure of capitalism, Mauritius is one of the best-performing economies of Africa; in other words, it's a neoliberal "success story". In addition, the International Labour (Office ILO) places it in the top 10 African countries as regards the minimum monthly wage. [1]

Ashok Subron: To these indices there should be added one of the most recent which puts Mauritius in 48th position out of 50 in terms of food security. We import 75 per cent of what we consume, given that the post-colonial economy, especially impelled by the International Monetary Fund (IMF) and the World Bank (WB) is an export-oriented economy based on cheap labour. The last food crisis (in 2008) led to quite a lot of problems and revealed the extreme vulnerability of this supposed neoliberal "success story". We need to put things in perspective. There is no minimum wage in Mauritius; I don't know where the ILO gets these data from. The truth is that the sectoral minimum wage in the manufacturing free trade zone, for example, is around €100. The minimum wage of workers in the tourist industry is around €150 to €175. Workers in the sugar industry have a basic salary of a little over €300.

The inequalities have been increasing over the last twenty years. The Gini coefficient numbers are there to prove it. The share of the wealth generated by this economic model that goes to labour is declining. Not to mention the fact that the latest figures show household debt rising. We have here the classic characteristics of neo-liberalism; the wealth

produced is cornered by the elites, local and international, the share of wages is decreasing and consumption is increasingly financed by household debt.

When they speak about the Mauritian economic model for Africa, neo-liberal ideologues naturally use it to legitimize the recipes of the IMF in Africa. But they don't talk about the social model. They don't say that education is free in Mauritius, from pre-school to university in. Even transport is free for students. They don't say that access to health care is free and universal. Surgical operations that cannot be carried out in Mauritius are subsidized by the government. They don't say that all workers are entitled to a pension when they retire. All these measures are not mentioned because they are the antithesis of the precepts of the IMF and the World Bank. The system has developed not because of but despite the IMF and the WB, because the people, especially the workers, have resisted, socially and politically, the dismantling of the social system. If it was not for the existence of the Mauritian social system, which is the result of struggles from the early years of independence onwards, the export-oriented model based on cheap labour could never exist, because with poverty wages people could not survive. The existence of social rights is in a certain sense a form of indirect wages that has made it possible for workers to survive. That is something that the IMF does not tell our fellow Africans. Because everywhere it advocates the dismantling of social rights to education and health and the privatization of these services.

You should also know that Mauritian manufacturing industry benefited, in the mid-1980s, from the

arrival of Hong Kong capital which was afraid of the colony being attached to China. That facilitated its expansion in that period. Now the Mauritian free trade zone functions through the employment of migrant workers in conditions that I can without hesitation characterize as semi-slavery.

Coming now to the tourist industry, which has become one of the pillars of the Mauritian economy; it is a very volatile industry, as we can see today with the crisis of the euro zone. The development of tourism, which I would say is uncontrolled, led to the virtual destruction of the fishing community and reduced access to public beaches to 10 per cent of the coastal zone. In this dependence on tourism, Mauritius has even qualitatively transformed the definition of tourism, because now it is the selling-off of the coastline that is under way. Combined with the policy of attracting foreign direct investment, we are seeing at present the setting up of a new form of colonial occupation. Not to mention the ecological damage that results from this type of development.

The most recent emerging economic pillars are the telephone call centres and the "seafood hub" (a pole dedicated to fishing and all the activities that are related to it or induced by it). The call centres - which employ young people under working conditions that are deregulated and therefore antisocial - have helped to design the new labour laws for all workers. And this sector is just as vulnerable as tourism and the free trade zone to the ups and downs of the world economy.

As for the fishing industry, the Republic of Mauritius has one of the biggest maritime zones in the world. Its exclusive economic zone is more than 2.3 million square kilometres, but the country barely has its own fishing vessels. For example, Mauritius signed with the European Union fishing agreements that allow vessels from the EU to fish for tuna in Mauritian waters at 4.56 rupees (€1 = 38 rupees) per kilo, while Mauritians buy a kilo of tuna for about 200 rupees. The country's fishing policy gives this right to European vessels, which fish in subsidized conditions, then sell the tuna to

Mauritian processing industries which pay workers a monthly minimum wage of €200 for processing tuna. It should be noted that they are not sold on the local market, but re-exported to European markets. On the other hand, to have access to these markets, Mauritius must sign the Economic Partnership Agreements [2] and sell off social services such as telecommunications and port services. If this is not the worst kind of colonialism, it should be noted that the tuna fishers use the method of sliding seine nets, which causes great ecological damage and is condemned by environmental organizations everywhere in the world.

If we take the question of fishing it is because it is important to understand the Mauritian model: a country which has a serious problem of food security, which has a maritime zone of 2.3 million square kilometres, but which cannot ensure food security through fishing, among other things. The tuna consumed in Mauritius is... imported.

Jean Nanga: What are the main reactions to this situation you have described?

Ashok Subron: Faced with this situation the workers (fishers, small planters) the social movements and the Mauritian Left are organizing today, building on a rich tradition of social, trade-union and political struggles. Mauritius, which has known slavery, the indenture system, colonialism until 1968 (the date of independence), produced a significant labour movement which was at the heart of the fight for universal suffrage and for the independence of the country. It was the formation of the Labour Party in 1936 which created this dynamic of struggle for independence. Mauritius is one of the few African countries to have had a Labour Party in those years. In the 1970s, there was a new outbreak of intense struggles (a general strike, the Mauritian May '68) from which there emerged the Mauritian Militant Movement (MMM), a left organization which at that time advocated the nationalization of the major sectors of the economy and self-management. The failure of the MMM in power, the establishment of policies of structural adjustment, the crises, the politicking alliances, led to a long period

of reflux of struggles. Over the last several years we have seen struggles on the rise again, as the structural limits of the so-called Mauritian model have become apparent and the determination of the people not to lose their social gains has been shown. Moreover, the growing inequalities, the arbitrariness of the state, especially the police, produced severe social riots in 1999.

In the trade-union field, there have been several mobilizations of workers against the new labour laws imposed by the Mauritian employers, the IMF and the World Bank and adopted in 2008 by a National Assembly dominated by the Labour Party, which long ago became a centrist formation, subject to the neoliberal logic.

We have also seen over the last few years a revival of struggles in various sectors of the working class (the sugar industry, dockers and public transport workers) which have a rich trade-union tradition. In 2010, there were ongoing strike movements in the sugar industry which signaled the return of trade-union struggles. The determination of the workers in this industry surprised many people, because it was unexpected. The action of the workers even had political echoes and resulted in a first working-class victory against the sugar oligarchy, the historical bourgeoisie resulting from the colonial period. The aim was to challenge the reform of the sugar industry, which was tailored to satisfy the interests of the oligarchy. The sugar industry, which was based on a protectionist and preferential system, began a reform aimed at adjusting to the reduction in the price of sugar and of export quotas which are guaranteed by the ACP-EU agreements. This reform was financed by the compensation paid by the European Union to Mauritius. The oligarchy used the money to finance a massive reduction in the number of permanent workers and then abusively used seasonal labour. The mobilization of permanent workers in 2010 was a response to this diversion of public funds for the implementation of the anti-working class agenda of the oligarchy. The victory of the workers in the sugar industry which took the form, among other things, of an agreement

for a 20 per cent wage increase, gave confidence to workers' struggles, to trade-union struggles. In August 2012, there was a fresh confrontation between on the one hand the workers in the sugar industry, their unions - grouped in a single platform, the Joint Negotiating Panel -, and on the other, the sugar oligarchy. After having benefited from the manna of the EU, the bosses of the sugar industry wanted to call into question the principle of national collective bargaining in order to split up the workers. In this confrontation the workers and their unions even defied a court order of the Industrial Relations Tribunal which prohibited any preparation or strike action. More than 98 per cent of the workers voted for the strike, despite the ban on organizing a vote. All the media gave coverage to this industrial conflict for almost a month. Thus, after 2010, 2012 is another year of victory for workers in the sugar industry. In this old sector of the Mauritian economy, which has gone from slavery to neo-liberal globalization, class consciousness is among the highest in the country.

The dynamic of the sugar industry has spread to dockworkers, who have initiated a mobilization against the privatization of the port and the degeneration of the former trade union bureaucracy. Over the last month or two we have been witnessing the resumption of struggles in another key area, public transport.

We should furthermore evoke the movement of young call-centre workers in 2011, which took the form of an occupation and of two hunger strikes conducted by the youth. The challenge for the Mauritian Left in the trade-union field is to unify the struggles of the traditional sectors with these new sectors.

Jean Nanga: What is involved there is the private sector. What about the public sector and the relationship between workers and unions in the private and public sectors?

Ashok Subron: Workers in the public sector are a major force, because they represent about 25 to 30 per cent of the Mauritian working class. They are

the most strongly unionized workers and they dominate the leaderships of the trade-union federations and confederations in Mauritius. This even causes a certain imbalance of the representation of the working class in the trade union leaderships. It is a structural problem. In recent years, the public sector unions have stood back slightly from the major struggles, even though ideologically they are opposed to neoliberal domination and IMF policies. They are vehemently opposed to privatization, but they have not been able to prevent the disguised privatization of certain public services through the system of subcontracting of services [conceding certain services to the private sector, such as meals in public hospitals] and employment. It should be mentioned that workers in the public sector are constitutionally prohibited from being publicly active in political organizations. They may not even be candidates in regional elections. This contributes to a certain form of distancing of these public sector unions with regard to actions carried out by the private sector unions which have quite a political dimension. But the recent resurgence of struggles in the sugar industry has triggered a dynamic of reconciliation between trade unions in the private and the public sectors. For example, on 2 September this year, there was a big rally, following on the victory of the workers in the sugar industry, in which participated trade union leaders of the public sector - health, education and semi-public companies among others. The combativeness of the sugar industry and the port workers has given new life to other sectors, including the public sector. The challenge of the coming years is to consolidate this interaction around united actions and transitional demands.

Jean Nanga: What is the participation of women in this trade-union dynamic?

Ashok Subron: In Mauritius, women have played an important role in struggles. From the time of slavery, at the time of the big strikes in the sugar fields during the colonial period and in the early 1970s, and during the student revolt. There have been in recent years a lot of sporadic street actions

which they are the driving force. Against sackings or non-payment of wages, for example. However, for the moment they do not yet participate consistently in the trade unions. The latest figures show that women form more than 35 per cent of the Mauritian working class, public and private sectors combined. In the public sector it is nearly 50 per cent. This place of women is not reflected in trade union structures— nor is it, moreover, in political structures. So in terms of representation of women, Mauritius is quite far from the average in Africa in general and the sub-region of Southern Africa in particular. Moreover, in the trade-union sector, there are structural factors that contribute to this under-representation. In the private sector, in areas where women are more numerous, such as the free trade zone, the call centres, the seafood hub, delivery services and hotels, the rate of unionization is very low. This is one of the big challenges for the trade union Left.

Jean Nanga: Does communalism, which has a significant impact in Mauritian society, have an influence on the unity of the working class, on trade-union unity in general?

Ashok Subron: The communalist or communitarian phenomenon in Mauritius is a legacy of the history of the way the country was populated, from the time of slavery, the indenture system and colonization: the Mauritian bourgeoisie consisted originally of French settlers, the slaves were mostly from the mainland and the workers involved in the sugarcane fields (coolies) mainly came from India, after the abolition of slavery (in 1835). Which means that the struggle of the oppressed in Mauritius has been always been closely linked to the fight against ethnic divisions. It is this articulation that was the founding base of the great movements of emancipation of the 1930s and 40s and the 1970s... It was the unification of the working class which contributed to and promoted the big class struggles in the 1930s and 1940s. During the process of independence in the 1950s and 1960s, the traditional bourgeoisie and the other emerging elites distilled communalist consciousness in their

race for control of political and economic power. This provoked serious ethnic conflicts on the eve of independence, causing many deaths. These tragic events led to a new awakening of the people, especially of the working class, and gave birth to the MMM with its founding slogan: "Class struggle, not the struggle between races". As in the 1930s and 1940s, the trade-union struggles that followed consolidated workers' unity, the unity of the working class and the people. But the degeneration, once in power, of the MMM - which embodied anti-communalism - encouraged in the 1980s a new rise in communalist consciousness. Today the renewed struggles in the above-mentioned sectors, combined with the action of the ecosocialist Left is in the process of recreating the conditions that will make it possible for communalist consciousness to be supplanted by class consciousness and civic consciousness.

Jean Nanga: Where is the Mauritian Left today?

Ashok Subron: The Mauritian Left at present consists of three extra-parliamentary anti-capitalist organizations, which have considerable influence in the country. These are Lalit, the May First Movement, led by Jack Bizlal, and Rezistans ek Alternativ. Lalit is the result of a split in the MMM in the 1980s, the May First Movement is a fusion between the OMT/FNAS (linked to the Fourth International) and other currents known as nationalist, while Resistanz ek Alternativ, of which I am a member, and which defines itself as ecosocialist left, is the result of a split from Lalit in 2004. The action initiated by Rezistans ek Alternativ during the 2005 elections, challenging the communalist element in the electoral system, generated a significant dynamic of popular support. This action was broadened out at the last elections in 2010, which saw a unification of the forces of the anti-capitalist left, including Resistans ek Alternativ and the May First Movement, along with left trade unionists, activists of social movements, fishermen, small planters, environmentalist activists, women's movements, and particularly youth movements. A platform which took the name of Platform for a

New Constitution and a New Republic came out of this initiative.

It should be noted that more than 16 per cent of the candidates in the last elections refused the ethnic classification imposed by the Constitution. The rejection of their candidacies by the election commission led to a protest movement which added to the initiative of Rezistans ek Alternativ in 2005. Parallel to the actions of civil disobedience initiated by Resistanz ek Alternativ, there were legal actions in international bodies to challenge this obligation for candidates to give an ethnic classification of themselves. This led in September 2012 to a great victory of the movement initiated by Rezistans ek Alternativ in 2005: the United Nations Human Rights Committee said that the obligation of the communalist or ethnic classification of candidates is a violation of article 25 of the Civil and Political Pact to which Mauritius is a signatory. The state of Mauritius now has until March 2013 to comply. In other words, it must change the Constitution. The action of Rezistans ek Alternativ and the unitary platform which emerged in 2010 opens a historic breach and creates the necessary conditions for greater post-independence constitutional changes in the Republic of Mauritius. It is in this perspective that for the 2010 platform the elimination of the element of the ethnic element in the draft of a new constitution should be articulated with the addition of new rights and freedoms, the principle of participatory democracy, the socialization of the economy, the protection of public goods, the protection of common goods, such as agricultural land, biodiversity and marine resources, as well as the law of nature in this future Constitution. For Rezistans ek Alternativ and for the 2010 platform, the project around a new Constitution is an instrument of mobilization for social transformation and at the same time carries the aspirations for a new ecosocialist Republic. Global capitalism has reconfigured the neocolonial nation-state, which is now totally submerged in the expansion of the interests of transnational corporations. The project around a new Constitution aims at demanding a true sover-

eighty of the people, with the interests of workers, the oppressed, women and youth in the foreground.

Jean Nanga: What about the U.S. military presence on the island of Diego Garcia, which would normally be part of the Republic of Mauritius, unless the Chagos Archipelago, of which Diego Garcia is part, became independent?

Ashok Subron: This is a major concern of the Mauritian Left, all the more so as an important part of Mauritian territory, the Chagos Archipelago, is still under colonial occupation by the British, as part of the British Indian Ocean Territory. On the island of Diego Garcia, part of the Chagos Archipelago, there is one of the most "sophisticated" and strategic United States military bases in the world. The establishment of this base - leased to the United States by the United Kingdom since the 1960s - and the separation of this territory from the Chagos Islands is not only illegal under the Charter of the United Nations, but has led to the deportation of Chagosian populations who had lived for several generations on the whole of the archipelago.

Recent years have seen a fierce struggle of the Chagosians for the right to return to their native land. They have won the legal battle, but the British state has used colonial and authoritarian Crown Powers to block this judgement. The Chagosians have brought the matter to the European Human Rights Committee. The British, in collusion with the United States, have used all kinds of tricks to block the rights of the Chagosians and the Mauritian people on the Chagos Islands. The latest manoeuvre is the decree of a "Marine Protected Area" around the Chagos Archipelago. The Wikileaks revelations recently unmasked the conspiracy orchestrated by the United States and the United Kingdom in tandem on this issue. Wikileaks revealed their exchanges showing that the purpose of the "Marine Protected Area" was to prevent any access of the Chagosians to the archipelago. Some environmental organizations have thus realized that they had been taken in by the ecological disguise of an imperialist plot by the United States/United Kingdom tandem. The Mauritian

state for its part has initiated a case before the United Nations Convention on the Law of the Sea in order to challenge the "Marine Protected Area". Despite this action, according to the latest information, the British are continuing to carry out their project.

But the ruling class of Mauritius, political and economic, also has a large share of responsibility in the separation of the Chagos and the installation and the continuing existence of the U.S. military base. During the negotiations between the British and Mauritian parties, on the eve of independence, the representatives of the bourgeoisie and the anti-independence Right had proposed to swap the Chagos Islands for a strong export quota of sugar to the United Kingdom. The anti-independence posture of this Right created, in terms of the balance of forces, the conditions for the exclusion of the Chagos islands from the territory of independent Mauritius. Although its closure had been one of its demands in the 1970s, the MMM of Paul Bérenger, like all the right and centre parties in the country, now accepts the principle of the US military base on Chagos. It is only the sovereignty of Mauritius over Chagos that they continue to defend. Thus, with the expiration in 2016 of the lease agreement between the United States and the United Kingdom, the political class and the Mauritian economic elites want to be participants in the negotiations, without however opposing the existence of the US military base on Diego Garcia.

For the Mauritian anti-imperialist Left, including Rezistans ek Alternativ, there can be no question of separating the issue of the dismantling of the American military base from that of the sovereignty of Mauritius over the Chagos and the right of return of the Chagosians to the Chagos Archipelago, including Diego Garcia. We intend to wage this struggle on these three dimensions, which we see as inseparable, along with the antimilitarist and social movements in the United States, the United Kingdom, Europe and the rest of the world. As well as all the social forces which, in Africa in particular, are opposed to the American military command for

Africa (Africom). The closure of military bases, including Diego Garcia, is not only necessary from the point of view of the rights of the Mauritian and Chagosian peoples and of peace, but with the ecological and climate crisis this issue has become an imperative of survival for humankind. Military

spending must be drastically reduced to make possible the preparation of an ecosocialist project for the energy, economic and social reorganization of humanity.

Interview conducted in November 2012

Possible policy scenarios

1) Chavez's leaving power seems to be a certainty in the short term (from a few months to a year), either through death or because his health will prevent him from returning to active office. If he returns and is sworn in on January 10 or at a later date, his precarious health condition will keep him almost permanently in Cuba and the real running of the country will fall on one or more other individuals.

2) This implies the beginning of a period of profound change in the political leadership of the Bolivarian Revolution. This period could last several months or even several years.

3) The recent and resounding electoral defeats suffered by the opposition in October and December place the post-Chavez political dispute within Chavismo itself. This will continue for at least several months and perhaps a year or two. Currently, the right wing is not in a political position to act offensively to regain power within the country, but obviously that weakness can change as time goes on.

4) We can infer that the present pro-Chavez leadership headed by Maduro and Cabello will deteriorate as time passes. Causes: none of them have the leadership qualities of Chavez and therefore none of them are able to generate the consensus that existed when Chavez was in office. The deterioration of consensus implies a deterioration of governance over national, regional and local institutions. Generally, one can say that the long-term continuation of the Bolivarian Revolution is not assured with the current leadership, which has constituted Chavez's inner circle and his immediate environment for the past 14 years. We will witness an ongoing crisis of governance that will result in con-

stant rearrangements whose actors and trends cannot be accurately predicted.

5) Several processes will occur simultaneously:

a) An internal struggle for a new distribution of power within chavismo (redistribution of control over state institutions and over effective control of the national budget). Although formally they might manage to reach agreements for slicing up the bureaucratic pie, strong shocks will in fact begin to be produced because the country is not a sum of its parts but an organic whole. Those clashes will be concealed initially, but will progressively become more public. This could even lead to violent scenarios, such as attacks against certain leaders of the various pro-Chavez fractions.

b) The deterioration of this leadership for Venezuelans who support the process. This may occur due to the government's inability to address popular demands around critical issues; for example, labor disputes and collective negotiations involving significant sections of the state (teachers, academics, Guyanese industries, etc.). Chavez will no longer be there to appease people's emotions with the refrain of "the president didn't know" or "they're not complying with the president's directives." The errors of the bureaucracy will not be forgiven by the people, as occurred when Chavez firmly held the nation's leadership.

c) A widespread conspiracy by the "empire" [the US primarily] to penetrate the various civilian and military pro-Chavez leadership circles to promote the reversal of the revolutionary process. This could be supplemented with future scenarios in which pro-Chavez forces and opposition forces unite to achieve the goal of ending the revolution. At the moment, however, those scenarios are not yet possible (thankfully), but they could be created in the short term.

d) In the internal struggle within Chavismo, imperialist forces and their local allies will constantly seek to exert their influence. The empire is likely to attempt to carry out various actions on its own, even violent ones, which could then be blamed on the intra-Chavista struggle. The goal of this would be to add more fuel to the fire and encourage the strengthening of internal tendencies that are more likely to compromise with imperialism.

6) The imperial forces will seek the right moment to end the Bolivarian Revolution. In promoting their initiatives, they will not rule out Libyan or Syrian-type scenarios (i.e., fostering a civil war) to overthrow the Bolivarian government and restore imperial rule over Venezuela.

In conclusion, the removal of Chavez from power opens up a scenario of uncertainty and political crisis in Venezuela, which seriously threatens the continuity of the revolutionary process and opens the door for the international bourgeoisie and their allies to attempt to regain domestic political power.

Given this reality, it is essential that revolutionaries strengthen their organizational activities and joint actions based on broad and democratic debate over the political agenda being raised by popular organizations.

Ensuring the continuation of the revolutionary process will depend on the emergence of new forms of popular collective leadership, which will be born in the heat of the difficult political confrontation that will characterize the months and years ahead.

If this strengthening of alternative revolutionary leadership does not occur, it is likely that reformist trends will end up predominating within the Chavista bureaucracy, pushing for a general agreement with the local bourgeoisie and US imperialism as a way to "save and sustain" the Bolivarian process.

If this latter trend prevails, the re-taking of power by imperialism would progressively occur and the reformist leaders and facilitators of Chavismo would gradually be displaced by more reliable traditional bourgeois leaders. That process could take several years, possibly the entire current presidential term (2013-2019).

The means of avoiding this will always be through the strength of the popular movement led by a truly revolutionary program. This cannot rely on small and tiny groups or tendencies that exist within or outside the PSUV. It will depend on a massive confluence of revolutionary activists (including the military) and social organizations to confront the imperialist conspiracy and reformist reconciliation.

In this strategy — which I believe is the only alternative that exists to save the revolution — we must try out all means for exercising democracy and achieving the broadest possible consensus for allowing unity of action throughout the country.

*First published in the **Havana Times**, 5 January 2013.*

INDONESIA

Indonesian class struggle; the bosses retaliate

ZELY ARIANE ·

The movement also forced the parliament to pass the law on the Social Security Organizing Body (BJPS in the Indonesian acronym) that would implement social security and healthcare for workers and the poor. [2] The trade union movement is divided in its assessment of the governments' plan which is based on the model of private commercial insurance and would mean an increase in workers' taxes. But the huge political impact of the recent movement cannot be denied.

Never since the fall of Suharto in 1998 has Indonesian workers had a stronger sense of their own power. The bosses know this and slowly but surely they are organizing a counter-offensive. Activists are looking to the KSPI (Confederation of Indonesian Trade Unions, one of the country's major union federations) and particularly its founding member, the Indonesian Metal Workers Union Federation (FSPMI) who organized a large part of the participants in the strike of three October, to organize a response.

Crucial demands

The recent wave of workers' struggles demanded a living wage, an end to outsourcing and contract based work, an end to union busting and the criminalization of trade union leaders and a fairer social security and healthcare system.

These demands are crucial in changing the national balance of forces in favor of the workers. The Indonesian economy has seen on average six per cent growth in the last two years, a growth made possible by a large domestic market, low production costs, a cheap and flexible labor-force, and large and varied natural resources. Indonesian's strong economic growth while large parts of the

world are struggling with economic difficulties is making the country an increasingly important capitalist power.

Meanwhile, attacks on union rights are continuing. Media companies for example prohibit unions in the workplace and numerous trade-union leaders have faced false charges in court. Despite the economic growth, real wages have declined since 1998. Minimum wages are based on an assessment of workers' needs, the so-called 'wage components', like food, housing, clothing et cetera. Because the cost of living varies strongly in different parts of the country, the minimum wages are set per region. But these assessments severely underestimate the cost of daily life. The increase in minimum wages won by the movement is a significant step forward but still doesn't guarantee a decent standard of living, especially considering the impact of inflation.

Steps forward

The significant raise of provincial minimum wages (between 7 and 60 per cent), is good news for all Indonesian workers. The highest raises are in cities with the most active and militant workers organizations and are the result of a series of workers protests that demanded a recalculation of the cost of living.

But soon after a 44 per cent raise was won in Jakarta, the Indonesian Chamber of Commerce (KADIN), lobbied the government for 'exemptions' particularly for labor intensive industries like footwear, garments and textile. [3] The demand was accompanied by threats that companies will close, investors will leave and massive layoffs could take place. In short, all the classical arguments against wage increases. [4] The ministry of Industry has approved the exemption. [5]

This is especially a blow against female workers since they are in the majority in these sectors.

Sixty companies in the KBN (Nusantara Bonded Zone) Cakung, which employ at least 80.000 workers (of which 90 per cent are unorganized, contractual female workers), declared a 'postponement' of the wage increase. [6] The unions are powerless against this; the companies base themselves on an assessment made by a 'public accountant' who supposedly judged their financial capabilities. There are no procedures through which the unions can verify or contest this assessment.

As this article was written, the union Across Factory Labor Forum (FBLP) was organizing a picket in KBN Cakung against two companies that forced their workers to sign agreements exempting them from the wage increase. The FBLP is also organizing weekly rallies and protests against the 'exemptions' of the wage increases.

The fight for an end to outsourcing and contractual labor will need to continue. The KSPI claimed as a success that the Ministry of Labor decided to limit outsourcing to five sectors: catering, security, driving, cleaning and support services in mining sites. But in fact this restriction was already put in law in 2003. [7]

The real achievement was that solidarity pickets (called 'geruduk') won permanent jobs for at least 40.000 workers. [8] The KSPI and the Sekber Buruh (Joint Secretariat of Labor, an alliance of radical left unions) are still pushing the demand to restrict outsourcing. [9]

Counter-offensive

The recent steps forward by the Indonesian workers movement are a source of headaches for the government of President Susilo Bambang Yudhoyono (popularly known as SBY). The Indonesian Employers Association (APINDO) was among the first to react to the prolonged protests of workers and threatened to lock out workers. [10] Prior to that, companies in several industrial zones in Bekasi formally asked the Indonesian Police and

Army for 'protection', claiming management was threatened by the ongoing solidarity pickets in Bekasi. Employers are complaining about 'violent union activists' and claim that their properties need protection.

At the same time, companies hired thugs to attack workers. The first large scale attack was on a picket-line of Samsung workers. Samsung is infamous for its anti-union activities and criminal activities. FSPMI is among the first unions that dared to take on the company.

On November 8th, after several serious attacks and threats, some trade unions in Bekasi, including FSPMI, signed an agreement that called for 'industrial harmony'. The agreement was signed by the mayor of Bekasi, the head of the regional parliament, the head of police, the local military command, the employers and businessmen associations and trade-union representatives. The heads of villages near the industrial zones also signed. The agreement mischaracterizes the employer-instigated violence as a mutual confrontation and was severe setback. It legitimized the repression of future movements in Bekasi, and ended the solidarity pickets, the main form of workers' struggle in the zone.

Meanwhile, the criminalization and firing of union activists is continuing and some companies that agreed to give workers permanent contracts are now violating the agreement. Strikes still take place but solidarity pickets have become more difficult to organize. The Sekber Buruh recently organized a big protest in front of the National Police Office against the intimidation taking place in Bekasi. [11]

Given the increased pressure from the bosses, it is harder to maintain the vibrancy of the movement. The KSPI seemed reluctant to organize solidarity pickets after attacks by company thugs. The head of KSPI, Said Iqbal, is somewhat of a media-darling, the acceptable face of labor activism – but despite his high profile, he did not speak out against the constant attacks on unionists in Bekasi.

In 2013 two bills are scheduled to be passed that might severely harm the democratic rights of Indonesian workers; the national security bill (RUU KAMNAS) and the 'bill on mass organizations' (RUU ORMAS). Workers organizations understand this political threat very well, and are preparing a fight against the proposals.

The Indonesian capitalist class seems determined to turn the tide and tame the growing workers movement. To resist, the union movement needs to build on the experiences and confidence won in the last few months of struggle.

FEATURES

In-depth analysis from International Viewpoint's Features section



ECONOMIC CRISIS

Banks versus the People: The Underside of a Rigged Game!

ÉRIC TOUSSAINT · 22 January 2013

What has threatened the banks since 2007 is the structured private-debt holdings they have gradually built up since the major deregulations, which began in the late 1970s and culminated during the 1990s. The balance sheets of private banks are still packed with bad assets [2], which range from completely toxic assets – veritable time bombs – to non-liquid assets (meaning they cannot be sold or shifted on financial markets), and include assets of which the value is completely over-estimated in the banks' balance sheets. The sales and depreciations of assets banks have booked until now in order to reduce the weight of these explosive assets have been insufficient. A significant number of them depend on short-term financing (either provided or guaranteed by the Public Authorities with taxpayers' money) to stay afloat and handle debts that are themselves short-term. [3]

That explains why the Franco-Belgian bank Dexia, which in fact amounts to a very large hedge fund, has been on the brink of bankruptcy three times in four years – in October 2008, in October 2011. [4], and again in October 2012. During the most recent episode, in early November 2012, the French and Belgian governments provided aid amounting to 5.5 billion euros (53% of which was borne by Belgium) to recapitalize Dexia SA, a moribund financial company whose equity has melted away. According to *Le Soir*: "The equity of the Dexia parent company dropped from 19.2 billion to 2.7 billion euros between the end of 2010 and the end of 2011. And at group level, total equity has become

negative (-2.3 billion euros on 30 June 2012)." At the end of 2011, Dexia SA's immediately outstanding debts amounted to 413 billion euros, and the amounts due under derivative contracts stood at 461 billion. Added together, those two figures amount to more than 2.5 times Belgium's GDP! And yet Dexia's senior executives, Belgian vice-prime minister Didier Reynders, and the dominant media are still claiming that the problem afflicting Dexia SA is largely caused by the sovereign debt crisis in the southern part of the Euro zone. The truth is that Dexia SA's holdings in Greece did not amount to more than 2 billion euros in October 2011 – 200 times less than the amount of its immediately outstanding debts. In October 2012, Dexia's shares were worth approximately 0.18 Euros – 100 times less than in September 2008. Despite this, the French and Belgian governments have decided once again to bail out this uncharitable organization at the cost of increasing the public debt in their own countries. In Spain, the near failure of Bankia was also caused by unsound financial packages, and not by a default on the part of any government. Since 2008, the same scenario has been replayed at least thirty times in Europe and the United States. Each time, the public authorities have come to the aid of the private banks (as they systematically do) by financing their bailouts with government debt.

Return to the beginning of the crisis in 2007

The gigantic private-debt house of cards began to collapse when the speculative real-estate bubble in the United States burst (followed by Ireland, the UK, Spain, etc.). The real-estate bubble burst in the United States when the price of homes, of which there was an oversupply, began to fall because more and more homes were without buyers.

The interpretations given by the mainstream media were dominated by partial – or deliberately fallacious – explanations for the crisis that struck the United States in 2007 and had a tremendous contagious effect, mainly on Western Europe. Regularly in 2007 and during the better part of 2008, it was explained to the public that the crisis had started in the United States because low-income people had gone into too much debt to acquire homes they were not able to pay for. Irrational behavior on the part of the poor was pointed to as the cause of the crisis. But beginning in late September 2008, after the failure of Lehmann Brothers, the dominant narrative changed and the finger was pointed at certain black sheep of the world of finance who had perverted the virtuous operation of capitalism. But the lies and partial explanations continued to circulate. Low-income families were no longer responsible for the crisis; it was the rotten apples in the capitalist class – Bernard Madoff, who put together a 50-billion-dollar swindle, or Richard Fuld, the boss of Lehmann Brothers.

The beginnings of the crisis go back to 2006, when the drop in real-estate prices began in the United States, caused by overproduction, itself caused by the speculative bubble that inflated real-estate prices and drove the construction sector to overheat and increase its activity far in excess of solvent demand. The collapse of real-estate prices is what caused the increase in the number of households unable to meet their payments on subprime mortgages. In the United States, households often refinance their mortgages after 2 or 3 years when home prices are trending upward in order to get more favorable terms (especially since, in the subprime-loan sector, the credit rate for the first two or three years was low and fixed, around 3%, before increasing sharply and becoming variable in the third or fourth year). When real-estate prices began to drop in 2006, households who had contracted subprime loans were no longer able to refinance their home loans favorably, and payment defaults began to multiply greatly starting in early 2007,

causing the failure of 84 mortgage companies in the USA between January and August 2007.

As is very often the case, whereas the crisis is explained simplistically by the bursting of a speculative bubble, in reality the cause lies both in the production sector and in speculation. Of course, the fact that a bubble was created and eventually burst only multiplies the effects of a crisis that began with production. The entire rickety structure of subprime loans and structured products that had been under construction since the mid-1990s, collapsed, which had terrible repercussions on production in various sectors of the real economy. Austerity policies then amplified the phenomenon further by leading to the extended period of recession-depression in which the economies of the most industrialised countries are now floundering.

The impact of the real-estate crisis in the United States and the banking crisis that followed has had an enormous contagious effect internationally, due to the fact that numerous European banks had invested massively in US structured products and derivatives. Since the 1990s, growth in the United States and in several European economies had been supported by hypertrophy of the private financial sector and by a huge increase in private debt – household debt. [5] and debts of financial and non-financial companies. On the other hand, public debt had tended to decrease between the second half of the 1990s and 2007-2008.

Thus there was a hypertrophy of the private financial sector. The volume of assets of European private banks compared to gross domestic product ballooned extraordinarily beginning in the 1990s to reach 3.5 times the GDP of the 27 member countries of the European Union in 2011. [6] In Ireland in 2011, banks' assets amounted to eight times the country's gross domestic product.

The debts of the private banks [7] in the Euro zone also amounted to 3.5 times the Zone's GDP. Debt in the British financial sector has reached unheard-of heights in proportion to the GDP – it is 11 times

greater, whereas public debt represents approximately 80% of GDP.

The gross public debt of the countries of the Euro zone amounted to 86% of the GDP of the 17 member countries in 2011. [8] Greek public debt was 162% of Greece's GDP in 2011, while debts in its financial sector amounted to 311% of GDP – double the amount of public debt. Spain's public debt was 62% of GDP in 2011, whereas debts in the financial sector were at 203%, or three times the amount of public debt.

A little history: The implementation of strict financial regulation after the crisis in the 1930s

The crash of Wall Street in October 1929, the enormous banking crisis of 1933, and the prolonged period of economic crisis in the United States and Europe during the 1930s led President Franklin Roosevelt, and then Europe, to strongly regulate the financial sector in order to avoid the repetition of serious stock-market and banking crises. As a result, during the thirty years following the World War II, the number of banking crises was minimal. That is demonstrated by two neoliberal North American economists, Carmen M. Reinhart and Kenneth S. Rogoff, in a book published in 2009 entitled *This Time Is Different: Eight Centuries of Financial Folly*. Kenneth Rogoff was chief economist of the IMF, and Carmen Reinhart, a university professor, is adviser to the IMF and the World Bank. According to these two economists – to whom it would never occur to call capitalism into question –, the very low number of banking crises can be explained mainly by "the repression of the domestic financial markets (in varying degrees), and the heavy-handed use of capital controls that followed for many years after World War II." [9]

One of the strong measures taken by Roosevelt and the governments of Europe (in particular due to pressure from popular mobilization in Europe after the Liberation) consisted in limiting and strictly regulating the uses banks could make of the public's money. This principle of protection of deposits resulted in a separation between commercial banks

and investment banks, of which the US's Glass-Steagall Act was the best-known example, but which was also applied, with certain variants, in European countries.

With this separation, only commercial banks could receive deposits from the public and benefit from government deposit guarantees. In parallel, their field of activities was reduced to making loans to individuals and businesses, and excluded the issuance of securities, shares, and all other types of financial instruments. Meanwhile, investment banks were required to derive their resources from the financial markets to be able to issue securities, shares, and other financial instruments.

Financial deregulation and the neoliberal turn

The neoliberal turn of the 1970s called those regulations into question. Within about twenty years, the deregulation of banks and the financial sector in general was complete. As Kenneth Rogoff and Carmen Reinhart point out, banking and stock-market crises multiplied starting in the 1980s, and also became more and more acute.

In the traditional model inherited from the long period of regulation, banks evaluate and bear risk – that is, they analyze credit requests, decide whether or not to meet them, and, once the loans are granted, keep them on their books until they come due (this is what is called the "originate and hold" model).

Taking advantage of the profound movement towards deregulation they brought about, the banks abandoned the "originate and hold" model in order to increase their yield on equity. To do that, banks invented new processes – in particular securitisation, which consists in converting bank loans into financial securities. The goal was simply to no longer keep credit and its associated risks on their books. They transformed these loans into securities in the form of structured financial products, which they sold to other banks or private financial institutions. This is a new banking model, known as "originate to distribute," also called "originate, repack-

age and sell." For the bank, the advantage is twofold: It reduces its risk by removing the loans it has granted from its assets, and it has additional resources to use for speculating.

Deregulation made it possible for the private financial sector, and banks in particular, to take full advantage of what is known as the leverage effect. Xavier Dupret describes the phenomenon clearly: "The banking world has accumulated large amounts of debt in recent years via what is called leverage effects. The leverage effect consists in using indebtedness to increase the profitability of one's equity. And for it to work, the rate of return of the selected project needs to be higher than the rate of interest to be paid on the borrowed amount. Leverage effects became stronger and stronger over time. Obviously this causes problems. As an example, in the spring of 2008, the Wall Street investment banks had leverage rates of between 25 and 45 (for each dollar of shareholders' equity, they had borrowed between 25 and 45 dollars). Merrill Lynch had a leverage rate of 40. That was obviously an explosive situation, since an institution that is leveraged 40 to 1 can lose its shareholders' equity with a drop of 2.5% (1/40th) of the value of the assets acquired." [10]

Thanks to deregulation, banks were able to develop activities requiring gigantic amounts of financing (and therefore of debt) without accounting for them on their balance sheet. They engaged in so much off-balance sheet activity that in 2011 the volume of the activities in question exceeded 67,000 billion dollars (which is approximately equivalent to the sum of all the GDPs of all the countries on the planet). This is what is referred to as shadow banking. [11]

When off-balance sheet activity leads to massive losses, sooner or later it will affect the soundness of the banks who initiated it. The major banks are far and away the ones who dominate shadow banking. The threat of failure has prompted governments to come to the aid of these banks by recapitalizing them. Whereas banks' official balance sheets show a reduction in volume since the start of the crisis in

2007-2008, the volume of off-balance sheet or shadow banking activity has not followed the same pattern. After declining between 2008 and 2010, in 2011-2012 it returned to 2006-2007 levels, which is a clear symptom of the dangerousness of the situation of private finance worldwide. As a result, the range of action of the national and international public institutions, which are in charge of – to use their vocabulary – seeing to it that finance behaves more responsibly, is very limited. Regulators have not even provided themselves with the means of knowing what the banks they are supposed to control are really doing.

The Financial Stability Board (FSB), the entity created by the G20 forum to be in charge of financial stability around the world, has issued its figures for 2011. "The amount of the shadow banking that escapes any regulation is 67,000 billion dollars according to its report covering 25 countries (90% of financial assets worldwide). That is 5,000 to 6,000 billion more than in 2010. This 'parallel' sector alone represents half the size of the total assets of the banks. Compared to the countries' gross domestic product, shadow banking is prospering in Hong Kong (520%), Holland (490%), the UK (370%), Singapore (260%), and Switzerland (210%). But, in absolute terms, the United States remains in first place, with the share of this parallel sector representing 23,000 billion in assets in 2011, followed by the Euro zone (22,000 billion) and the UK (9,000 billion)." [12]

A large share of financial transactions totally escapes any official control. As we said previously, the volume of shadow banking represents half of the total assets of the banks! The over-the-counter (OTC) market, which is subject to no control by the market authorities for derivative financial products, must also be taken into account. The volume of derivatives developed exponentially between the 1990s and 2007-2008. While it declined a little at the start of the crisis, in 2011 the notional value of derivative contracts on the OTC market reached the astronomical sum of 650,000 billion dollars (\$650,000,000,000,000), or approximately 10

times the worldwide GDP. The volume for the second semester of 2007 has been exceeded, and that of the first semester of 2008 is in sight. Interest-rate swaps accounted for 74% of the total, while currency-market derivatives accounted for 8%, credit default swaps (CDS) 5%, and equity derivatives 1%, with the rest distributed among a multitude of products.

Since 2008, bank bailouts have not resulted in more responsible behavior.

With the financial crisis of 2007, the banks, despite being guilty of reprehensible actions and of having taken reckless risks, were given massive injections of funds through numerous and costly bailout plans. In a well-documented study [13], two researchers set out to verify "whether the rescue operations were followed by a greater reduction of risk in new loans made by rescued banks compared to those that were not rescued." To do that, the authors analyzed the balance sheets and the syndicated loan issues (loans granted to a company by several banks) of 87 large international commercial banks. The authors determined that "rescued banks continued to write riskier syndicated loans," observing that "the syndicated lending of banks that later received a bailout was riskier before the crisis than that of non-rescued institutions." Rather than serving as a remedy and an effective safeguard against abuses by banks, for a number of them the government bailout plans instead acted as a powerful incitement to continue and intensify their reprehensible practices. As the authors put it, "The expectation of state support may give rise to moral hazard and lead banks to engage in higher risk-taking" [14].

In short, a grave crisis of private debt caused by the irresponsible actions of the major banks prompted leaders in the United States and Europe to bail them out using public funds. It was then that the "sovereign debt crisis" tune was struck up as background music to the brutal sacrifices imposed on the people. The financial deregulation of the 1990s was the fertile ground out of which this crisis grew,

with its dramatic social consequences. Until they take control of international finance, the world's peoples will be at its mercy. The struggle must be intensified, and quickly. [15]

Part 2 : The actions of the European Central Bank and the "Fed" [16]

Beginning in June 2011, the European banks entered a highly critical phase. Their situation was almost as serious as on 15 September, 2008, after the failure of Lehmann Brothers. Many of them were threatened with asphyxia because their massive needs for short-term financing (a few hundred billion dollars) were no longer being met by the American money market funds, who felt that the situation of the European banks was decidedly becoming more and more risky [17]

The banks were in danger of being unable to honor their debts. That is when the ECB, following an emergency European summit held on 21 July, 2011 to deal with the prospect of a series of bank failures, resumed massive purchasing of Greek, Portuguese, Irish, Italian and Spanish public-debt securities from the banks in order to provide cash flow and relieve them of a part of the securities they had greedily purchased during the preceding period. But it was not enough to prevent the banks' shares from continuing to drop. The executives of these banks spent August on a tightrope. The decisive action that kept the European banks afloat was the extension by the ECB, beginning in September 2011 and in consultation with the Fed, the bank of England and the Swiss National Bank, of an unlimited line of credit. Banks that were starved for dollars and euros were put on life support. They began to breathe again ; but the treatment was insufficient. Their share prices continued to plunge. Between 1 January and 21 October, 2011, the price of shares in France's BNP Paribas dropped 33.3%, and in Deutsche Bank 28.8%; Barclays dropped 30.5% and Crédit Suisse 36.7%, and Société Générale plummeted 52.8%. The ECB was forced to bring out its heavy artillery – an LTRO (Long Term Refinancing Operation). Between December 2011

and February 2012, it lent more than 1,000 billion euros for a duration of 3 years at an interest rate of 1% to just over 800 banks.

The Fed had been doing no differently since 2008, at an even lower official rate. A July 2011 report from the GAO (US Government Accountability Office) revealed that the Fed has lent 16,000 billion dollars at below 0.25% [18].

The report shows that in pursuing such policies, the Fed did not adhere to its own prudential rules and did not inform Congress. According to an investigative commission of the United States Congress, there was clearly collusion between the Fed and the major private banks : "The CEO of JP Morgan Chase served on the New York Fed's board of directors at the same time that his bank received more than \$390 billion in financial assistance from the Fed. Moreover, JP Morgan Chase served as one of the clearing banks for the Fed's emergency lending programs." [19]

According to former French Prime Minister Michel Rocard and economist Pierre Larrouiturou, based on research done by the New York financial agency Bloomberg, the Fed lent part of the amount mentioned above at a rate that was even much lower : 0.01%. Michel Rocard and Pierre Larrouiturou stated in the daily *Le Monde* : "After studying 20,000 pages of various documents, Bloomberg shows that Federal Reserve secretly lent the troubled banks the sum of 1,200 billion at the incredibly low rate of 0.01%. [20] They ask the question : "Is it normal in a crisis for the private banks, who are usually financed at 1% by the Central Banks, to benefit from a rate of 0.01%, when in times of crisis certain States are obliged to pay rates 600 or 800 times higher ?"

The major European banks also had access to such loans from the Fed until early 2011 (Dexia received a loan of 159 billion dollars [21], Barclays \$868 billion, the Royal Bank of Scotland \$541 billion, Deutsche Bank \$354 billion, UBS \$287 billion, Crédit Suisse \$260 billion, BNP-Paribas \$175 billion, Dresdner Bank \$135 billion and Société

Générale \$124 billion). The fact that this financing of European banks via the Fed dried up (in particular due to pressure from the US Congress) was one reason why the American money market funds also began shutting off the spigot of loans to the European banks as from May-June 2011.

What were the effects of the ECB making 1,000 billion euros available to the banks at 1% ?

In 2012, the banks used the new flow of cash to make massive purchases of public debt securities in their own countries. Let's take the example of Spain. The Spanish banks borrowed 300 billion euros from the ECB at 3 years at a rate of 1% in the LTRO framework [22].

With part of that money, they greatly increased their purchases of debt securities issued by the Spanish authorities. The evolution is quite striking : As of late 2006, the Spanish banks only held 16 billion euros of public securities from their own country. In 2010, they increased their purchases of Spanish public securities, to a level of 63 billion. In 2011, they again increased their purchases, and their holdings in Spanish securities amounted to 94 billion. But thanks to the LTRO, their acquisitions literally exploded – the volume of their holdings doubled in a few months to reach 184.5 billion euros in July 2012. [23] Clearly the operation was very profitable for them. Whereas they were borrowing at 1%, they could buy 10-year Spanish securities with an interest rate that varied between 5.5 and 7.6% in the second semester of 2012.

Now let's look at the example of Italy. Between late December 2011 and March 2012, the Italian banks borrowed 255 billion euros from the ECB within the LTRO framework [24]. Whereas in late 2010 the Italian banks held 208.3 billion euros in bonds from their country, that amount increased to 224.1 billion in late 2011, a few days after the start of the LTRO. Then, they used the credits they received from the ECB to make massive acquisitions of Italian securities. In September 2012, the total value of the securities amounted to 341.4 billion euros [25]. As in the case of Spain, it was a very profitable

operation – they borrowed at 1% and by purchasing 10-year Italian securities, they obtained an interest rate that varied from 5% to 6.6% in the second semester of 2012.

The same phenomenon was repeated in most euro zone countries. A part of the assets of the European banks were relocated to their countries of origin. Concretely, what happened is that the share of public debt of a given country held by the financial institutions in that same country increased very perceptibly during 2012. That development reassured the governments of the euro zone, in particular those of Spain and Italy, since they found that they had less difficulty in selling their bond issues. The ECB seemed to have found the solution. Lending massively to the private banks saved them from a critical situation and spared certain governments the pain of launching new bank bailout plans. The money lent to the banks was used in part to purchase public debt securities from euro zone States. This stopped the increase in interest rates in the most fragile countries and even resulted in lower rates for certain others.

It's easy to see that, from the point of view of the interests of the populations of the countries concerned, a very different approach should have been adopted – the ECB should have lent directly to the governments at less than 1% (as has it done for the private banks since May 2012), or even without interest. The banks should also have been socialized under citizen control.

Instead, the ECB put the private banks on life support by extending an unlimited line of credit at a very low interest rate (between 0.75 and 1%). The banks used this windfall of public financing in different ways. As we just saw, on the one hand, they purchased sovereign-debt securities from countries like Spain and Italy who, under pressure from the banks, granted them high rates of remuneration (between 5 and 7.6% at 10 years). On the other hand, they deposited a part of the credit that had been extended to them by the ECB... in the ECB ! Between 300 and 400 billion were deposited by the

banks with the ECB as call money at a rate of 0.25% in early 2012 and 0% since May 2012.

Why did they do this ? Because they needed to show other bankers and private suppliers of credit (money market funds, pension funds, insurance companies) that they have ready cash to face the potential explosion of the time bombs that are on their books. Without this, potential lenders would shun them, or else demand very high interest rates. With the same objective of reassuring private lenders, they also purchased sovereign bonds from governments who are free of risk in the short or middle term – Germany, Holland, France, etc. The demand was such that 2-year bonds of the governments in question sold at a rate of 0% or even with a slightly negative yield (not counting inflation). The rates paid by Germany and the other countries that are considered financially sound dropped considerably thanks to the ECB's policy and the increasing seriousness of the crisis affecting the periphery countries. This resulted in a flight of capital from the European periphery towards the center. German securities are so sure that in need of cash, they may be negotiated overnight without loss. Banks acquire them not for the purpose of earning money, but to have deposits or highly liquid securities in the ECB that are immediately available, so as to create the impression (often a false one) of solvency and to deal with unforeseen events. They make profits by lending to Spain and Italy, and that averages out certain losses they might take on the German securities. It is very important to stress the fact that the banks did not increase their loans to households and companies, whereas one of the official goals of the ECB loans was to increase such credit in order to stimulate the economy.

What do the elites feel about the ECB ?

For a moment, let's judge the ECB's actions from the point of view of the wealthiest 1% of the population. The official discourse insists that the ECB has made a successful transition between its former president, France's Jean-Claude Trichet, and the new president, Mario Draghi [26], a former gover-

nor of the bank of Italy and former Vice-President of Goldman Sachs Europe. The ECB and the leaders of the main European countries negotiated a reduction of the Greek debt by convincing the private banks to accept a "haircut" of approximately 50% on their holdings and by getting the Greek government to undertake a new, radical austerity plan that includes massive privatizations and abandon of a large part of the country's sovereignty. As from March 2012, representatives of the Troika took up permanent residence in ministries in Athens in order to keep a close watch over the country's accounts. New loans to Greece are granted through an account directly controlled by the European authorities, who thus have the power to block them. What takes the cake is that new Greek debt issues are no longer under the jurisdiction of the Greek courts ; the new bonds are subject to English law, and any disputes between the Greek State and private creditors will be settled in Luxembourg [27].

That's not all : Under pressure from the ECB and European leaders, Giorgos Papandreou's PASOK government, which was very docile but more and more unpopular, was replaced – without election – by a New Democracy-PASOK national unity government, with key roles given to ministers who are directly linked to the banking world.

To complete the picture of the situation, there were three other key advantages for the ECB and the European leaders :

- Silvio Berlusconi was forced to resign and was replaced by a government of technicians, led by Mario Monti, a former European commissioner who is very close to the banking world and capable of imposing an extension of neoliberal policies on Italy [28].

- In Spain, the head of the government that has been in place for a few months, Mariano Rajoy of the People's Party, is also preparing to radicalize the neoliberal policies of his predecessor, Socialist José Luis Zapatero.

- The European leaders [29] have agreed on a stability pact that will institutionalize budgetary aus-

terity, abandonment by the Member States of more of their national sovereignty, and further submission to the logic of private capital. Finally, the European Stability Mechanism (ESM) will soon enter into force and will make it easier to bail out States and banks [30] during inevitable future banking crises, and also EU Member States in need of financing.

These various examples show that European leaders serving the interests of capital have succeeded in marginalizing the legislative powers even further by simply riding roughshod over democracy. In any case, how can we call "democracy" a system under which voters who want to massively reject austerity can no longer express their choice through their vote, or in which the political force of the vote is canceled because the result is not in conformity with the wishes of those in power – as in 2005 in France and in Holland following the rejection of the European Constitution Treaty, or in Ireland and Portugal after the elections in 2011, or again in France and Holland after the 2012 elections. Everything is being set up so that the room for manoeuvre of the national [31] governments and public authorities is limited by a European contractual framework that is more and more constraining. This is an extremely dangerous tendency – unless, of course, those governments, with the support of their populations, decide to disobey.

So if we put ourselves in the place of Mario Draghi, the main European leaders, and the banks, we can see that they must be extremely pleased with the events of March-April 2012. Everything seemed to be succeeding.

The limits of the success of the ECB and the European leaders

Then the dark clouds began to gather. The trouble began in May 2012, when Bankia, Spain's fourth-largest bank, headed by the former Managing Director of the IMF, Rodrigo de Rato, announced its state of virtual insolvency. Depending on the source, the Spanish banks needed to be recapitalized to the tune of somewhere between 40 and 100

billion euros, and Prime Minister Mariano Rajoy, who did not want to ask for a bailout from the Troika, was in a very difficult position. [32] Added to that was a series international banking scandals – the one involving manipulation of the Libor, the London interbank lending rate, being the most sensational – involving a dozen major banks. The Libor scandal came on top of revelations of reprehensible conduct by HSBC involving laundering drug money and other criminal dealings.

In France, a majority of voters rejected Nicolas Sarkozy. François Hollande was elected on 6 May, 2012 ; but that was not really a disquieting development for international finance, since the French Socialists, like the other European Socialist parties, can be counted on to show pragmatism and to continue austerity policies. Still, the French people are unpredictable and capable of various types of excesses once they decide that a real change is needed...

In Greece, the situation is more difficult for the ECB, since SYRIZA – the radical-Left coalition who promise to abrogate the austerity measures, suspend reimbursement of the debt, and defy the European authorities – could well win an electoral victory. For the champions of European austerity, such an occurrence must be prevented at any cost.

On the evening of 17 June, 2012, there was great relief at the ECB, in Europe's seats of government, and in the boardrooms of the major corporations : The rightist party New Democracy was ahead of SYRIZA. Even France's new Socialist president expressed satisfaction with the results. The following day, the markets breathed again, and austerity, stabilization of the euro zone, and the balancing of the accounts of the private banks could continue.

Part 3: We should not underestimate the capacity of the elites to make the most of a crisis situation

The mainstream media regularly deal with the questions of a possible breakup of the eurozone, the failure of austerity policies to revive economies, discord between Paris and Berlin, and London and

eurozone members, contradictions within the ECB, the enormous difficulties in reaching an agreement on the European budget, and the tensions between certain European governments and the IMF concerning levels of austerity. All of these points are true, but one fundamental issue must not be forgotten: the capacity of the elites, who have meekly put themselves at the service of the multinationals, to manage crises, even chaotic situations, in the interest of these big companies. The complicity between governments and big business has gone public. At the head of several governments, in important ministerial posts and at the presidency of the BCE, are men who are part and parcel of the world of high finance, in particular ex-directors of Goldman Sachs. Certain high-level politicians find their rewards in jobs with big banks once they have fulfilled their loyal service to Big Capitalism. This revolving doors complicity is not new, just more candid and systematic than at any time over the last fifty years.

To imagine that the policies applied by the European elite have failed because economic growth has not reappeared is to be somewhat mistaken on the criteria of analysis. The goal of the board of the ECB, the European Commission, the governments of the strongest EU economies, the boardrooms of the banks and other big companies is not a quick return to growth, nor the reduction of inequalities in the eurozone and the EU, in order to create a more coherent structure that would favour the return of prosperity.

Two of their principal objectives must be noted in particular:

- Avoiding banking and financial crash that could be worse than that of 2008 (the first two parts of this series dealt with this subject, which will be further developed in the fourth part);
- The use of a choice of weapons (rampant unemployment, public debt repayment, balanced budgets, promoting unfettered competition between EU member states and between rival companies from other continents) to carry out the greatest ag-

gression by Capital against Workers, on a European scale since the second world war.

Capital's objective is to further menace stable employment, radically reduce the capacity of the workers to organise, substantially push down direct and indirect wages while at the same time maintaining enormous disparities, within the EU, so as to sharpen the blade of labour competition. First, there are the inequalities between women and men, permanent and temporary, full time and part time. The inequalities gap has widened over the last twenty years, pushed by employer's initiatives and helped along by successive governments (including left wing governments that have played an active role). Then, there are the different inequalities between workers in the different EU countries. The differences between workers in the principal economies and the secondary economies within the EU are complementary to those within national boundaries.

Profound disparities between workers in different EU countries

Workers' wages in the stronger countries (Austria, Denmark, Finland, France, Germany, the Netherlands, and Sweden,) are double or triple the wages of Greek, Portuguese, or Slovenian workers, ten times more than Bulgarian workers, seven or eight times more than that earned by Romanian, Lithuanian, or Latvian workers. [33] In South America, although there are great disparities between the stronger economies (Argentina, Brazil, and Venezuela) and the weaker ones (Bolivia, Ecuador, and Paraguay), there is no more than a fourfold difference in the legal minimum wage there, which is much less significant than in the EU. This difference clearly shows how strong competition is among European workers today.

The major corporations in the stronger European economies profit greatly from this wage disparity. German corporations have chosen to greatly increase their production in the EU countries where the wages are the lowest. Partially finished goods are then reintroduced into Germany, without pay-

ing import/export taxes, for assembly and re-exportation, principally to the other European countries. This reduces production costs, puts the German workers into competition with their foreign comrades, and increases company profits. In addition, these assembled and re-exported goods appear, of course, in Germany's export figures, whereas they are, largely, produced from imported goods. Corporations in the other strong European countries are doing the same thing, but proportionally speaking the German economy profits the most from the low wages and precarity of the eurozone workforce (including within Germany's national boundaries [34]) and the EU.

In 2007, 83% of German exports went to other EU countries (145 billion euros to eurozone countries, 79 billions to non-eurozone EU countries, and 45 billion to the rest of the world) [35].

The German example is the result of the neoliberal offensive

Between 2003 and 2005, German employers were assisted by Gerhard Schroder's Socialist government to impose sacrifices on the workers. The paper *En finir avec la compétitivité* (Putting an end to competition) published jointly by ATTAC and the Copernic foundation sets out the steps taken and the attacks against social and economic rights: "The Hartz acts (named after Volkswagen's Human Resources Director who was also Schroder's advisor) were passed between 2003-2005. Hartz I obliges the unemployed to accept any job that is proposed to them, even if the pay is less than unemployment benefits. Hartz II created the mini-job at less than €400 a month (exonerated from social contributions). Hartz III limits to one year the right to unemployment benefits for ageing workers and makes access more difficult. Hartz IV merged long term unemployment benefits with other social aid, and installed an aggregate maximum amount of €345 a month. To this was added successive retirement and healthcare reforms: capitalisation of pension schemes (Riester retirements), contribution increases, later retirement ages (objective of 67

years in 2017)" The authors of this paper mention in particular that "Together these reforms have contributed to an impressive rise in social inequalities. This point is often forgotten in the 'German example' which may be demonstrated by some precise figures. Germany has become a very elitist country: a parliamentary draft report on wealth and poverty [36] has recently established that the poorest half of the population possess only 1% of the assets, compared to 53% for the richest. Between 2003 and 2010, the purchasing power of the median average wage decreased by 5.6%, but the effect was very unequally spread: -12% for the lowest paid 40%, -4% for the highest paid 40% [37]. Official statistics show that the proportion of the low salaries increased from 18.6% in 2006 to 21% in 2010. It must be mentioned that 'West Germany' suffered the most".

According to the same study, the number of employees increased by 1.2 million between 1999 and 2008, reflecting an increase of 1.9 million precarious jobs corresponding to a loss of half a million full time permanent jobs. A quarter of wage earners today occupy unstable jobs and this proportion (as in the US) is 40% for women. "The majority of precarious jobs (70%) are considered women's jobs [Source: destatis.de (Federal German Office of Statistics).]. The proportion of unemployment benefit claimants dropped from 80% in 1995 to 35% in 2008 and all the people unemployed for over a year have been transferred to welfare".

As noted by Arnaud Lechevalier, this trend lies within the general framework "of a context of erosion of the collective bargaining agreements protecting employees: the percentage of employees covered decreased from 76% to 62% in ten years, and in 2008 these agreements only apply in 40% of German firms. In addition, the unions have had to make many exemptions to sector-based, and/or company-wide collective bargaining agreements" [38].

The ulterior motives of European leaders and elites

When we try to explain the current attitude taken towards the eurozone crisis by German leaders, we can express the hypothesis that one of the lessons they have learned from the absorption of East Germany at the beginning of the 1990's is that important wage disparities between employees can be greatly exploited to the advantage of employers. The massive East German privatisations, the attacks against the job security of ex-GDR workers, along with an augmentation of German public debt due to the costs of this absorption (which have been used as the pretexts for austerity programmes) have permitted the employers to greatly erode the situation of East as well as West German workers. The present German leaders see the eurozone crisis, and the brutal conditions imposed on the Greek people, as an opportunity to push further and to reproduce at the European level, the gains they have made at home. The leaders of the other strong European countries and the Presidents of their major corporations are not to be left behind; they make the most of the common European political, commercial and economic zone. The northern European economies and transnational companies are exploiting the strife in the eurozone's southern economies to improve their profitability and to take competitive advantages over their North American and Chinese competitors. Their objective at this point is not to revive growth and to reduce differences between the stronger and weaker economies of the EU. They are most interested in using the strife in the south to grab privatised sectors at give away prices, helped by the Troika and the southern governments themselves. Big Capital in the southern European countries is in favour of this prospect, hoping to get a piece of the cake it has been ogling for a long time. The grabbing of public sector companies in Greece and Portugal foreshadows what will happen in Spain and Italy where public companies are much bigger, as a percentage of their economies.

The will to push down wages

Let us return to the question of wages. According to Michel Husson, Real unit labour costs were compressed 10% in Germany between 2004 and 2008 [39]. In the rest of Europe these costs also decreased, but to a lesser extent. Since the 2008-2009 crisis, the eurozone has been severely affected by a clear drop in real wages in the most exposed countries. This is what is underlined by Patrick Artus "We remark an important reduction in real incomes in the eurozone countries having the most difficulties (Greece, Italy, Portugal, and Spain)" [40].

Patrick Artus claims that European leaders are applying a deliberate pay reduction policy, and he adds that it has neither boosted investment in the countries just mentioned nor helped their exportations to become more competitive. The favourable effects of "pay reductions are not showing in competitiveness, foreign trade, or business investments", he writes, adding that lower wages have two clear effects: on the one hand they have raised profits (in Marxist terms, a reduction in variable capital investment leaving a greater margin of absolute surplus value, see boxed article "Essential elements on absolute and relative surplus-value and its relation to wages") ; on the other hand, it has reduced consumer demand, which in turn has contracted the economy [41]. This report by Natixis confirms that the goal of the European leaders is neither to revive economic activity, nor to improve the situation of the peripheral countries in comparison with the central countries. These pay reductions aim to weaken workers resistance in the concerned countries, increase profits and to make progress in the destruction of what is left of the welfare states built up over the three and a half decades following the Second World War (the following period was that of the neoliberal turnaround of the end of the 1970s and beginning of the 1980s).

In the 'Global Wage Report 2012-2013' published by the International Labour Organisation' in December 2012, the authors reveal that "In developed economies, the crisis led to a "double dip" in

wages: real average wages fell in 2008 and again in 2011, and the current outlook suggests that in many of these countries wages are growing marginally, if at all, in 2012) [42]. This is the only part of the world along with the Middle East where wages have decreased since 2008. In China, the rest of Asia, and Latin America, wages have increased. In Eastern Europe they have recovered to a certain extent after plummeting in the 1990s. This report confirms the reorientation of capital's offensive against labour towards the developed countries.

Essential elements on absolute and relative surplus-value and their relationship to wages [43]

From the moment the worker starts a day's production, a value of raw materials (or of intermediate goods for assembly) is immediately incorporated into the process. After a certain number of hours the worker has reproduced the value of the expected wages. If the worker stops working at that precise moment, the capitalist would not make a penny in surplus value and therefore see no interest in further purchasing the worker's labour force. Like the usurer in the middle ages, he 'buys in order to sell'. He buys the labour force to obtain from it a product of higher value than that value which he has spent to purchase it. This 'left-over' is precisely his surplus value, his profit. So if the worker reproduces the wage value in say 4 hours the working day must necessarily be 6, 7, 8, or 9 hours. During these extra 2, 3, 4, or 5 hours the worker produces surplus value for the capitalist in exchange for which there is no retribution. The origin of surplus-value is therefore extra work, free work appropriated by the capitalist. Must we cry, "Thieves!?" The reply must be "yes and no". Yes! From the workers point of view; No! from the point of view of the Capitalist and the laws of the market. In fact, the capitalist has not purchased the value produced or to be produced by the worker (if that had been the case it would be a clear case of theft: he would have paid €25 for merchandise worth €50), he has purchased the worker's force of labour. Like any merchandise this labour has its own value. The value of

labour power is determined by the amount of that labour which permits its renewal, in other words, by the survival of the workers and their families. The surplus value originates in the difference between the value produced by the worker and the value of the goods necessary for the worker's survival.

The value of the force of labour has one particular characteristic that sets it apart from all other commodities: it contains not only a precisely measurable element but also a variable element. The stable element is the value of the goods that are needed to reconstitute the physiological labour force of the worker (intake of calories and vitamins sufficient to reproduce the muscular and nervous energy capable of furnishing the normal working rhythm that the capitalist foresees as necessary), the variable element is the value of the goods in a given place and at a given moment that are not part of the physiological minimum. Marx calls this part of the force of labour the historical – moral fraction. This means that it is not arbitrary. It is the result of a historical process and a given situation which determines the balance of power between Capitalists and Labour. It is at this precise point in the Marxist analysis that the past and present class struggle becomes an important determining factor in the capitalist economy.

Wages are the market price of the force of labour. As all market prices, they fluctuate around the value of the considered merchandise. Wage fluctuations are determined, notably, by the fluctuations in the number of reserve workers, that is; the unemployed.

To achieve maximum profits and accumulate as much capital as possible, the Capitalists reduce as much as possible the portion of new value created by the force of labour that must be returned to the workers as wages

The two principal means by which the Capitalists try to increase the part of surplus-value are:

- Longer working hours, reduction of real wages and the lowering of subsistence levels. What Marx

calls "growth in absolute surplus value".

- Increased work rates and competitiveness without increase in wages. What Marx calls "growth in relative surplus value".

The offensive of capital against labour in perspective

The rigours imposed on the workers and benefit claimants in Greece, Ireland, Portugal, and Spain had already been imposed on the populations in developing countries by the 1980s and 90s debt crisis. Throughout the 1980s, the offensive attacked North American workers under the Reagan presidency, in connivance with Margaret Thatcher, the Iron Lady, and their emulators in Europe quickly followed suit. The workers in the ex-Eastern European bloc were also subject to brutal policies during the 1990s, imposed by their governments and the IMF. According to the 2012-2013 global wage report previously cited: "In Russia, for example, the real value of wages collapsed to less than 40 per cent of their value in the 1990s and it took another decade before wages recovered to their initial level" [44].

Then starting in 2003-2005, certainly in a less brutal manner than in the way the people in the Third World (from the poorest countries to the emerging economies) were treated, the offensive turned its regard towards German workers. A large part of the German working population still feels the harmful effects today even if the success of German exports [45].

The ILO concentrates its analysis on a shorter period (1999–2011), and the data is clear: "Between 1999 and 2011 average labour productivity in developed economies increased more than twice as much as average wages. In the United States, real hourly labour productivity in the non-farm business sector increased by about 85 per cent since 1980, while real hourly compensation increased by only around 35 per cent. In Germany, labour productivity surged by almost a quarter over the past two decades while real monthly wages remained flat have limited unemployment and part of the

working class has not felt the effects directly. This offensive, which has accelerated since 2007 – 2008, took off worldwide at the beginning of the 1980s [46] have limited unemployment and part of the working class has not felt the effects directly. This offensive, which has accelerated since 2007 – 2008, took off worldwide at the beginning of the 1980s [47]". What Marx calls "growth in relative surplus value" (see text box).

Further on: "The global trend has resulted in a change in the distribution of national income, with the worker's share decreasing while capital income shares increase in a majority of countries. Even in China, a country where wages roughly tripled over the last decade, GDP increased at a faster rate than the total wage bill – and hence the labour share went down. [48].

This strong worldwide tendency demonstrates the increase in surplus – value extracted from labour by capital. It is important to note that during much of the 19th century the principal means of increasing surplus-value was by increasing absolute surplus-value (lower wages, longer working hours). Progressively, in the developed economies, during the second half of the 19th century and throughout the 20th century (except under Nazism, fascism, and other dictatorial regimes that imposed wage reductions) this was replaced or outstripped by increases in relative surplus-value (productivity increases without the corresponding wage increases). After several decades of neoliberal offensives, increases in absolute surplus-value have become, once again, a major element in the extraction of surplus-value and add to the relative surplus-value. The employers, using crisis based campaigns are now gaining on both surplus values, thus showing the magnitude of the current offensive.

Whereas for several decades, employers basically increased the relative surplus value, principally through gains in labour productivity, since 2009-2010, they have succeeded in increasing absolute surplus value by cutting real wages and in certain cases increasing the number of hours worked. They have been using the crisis to combine an increase in

the relative surplus value with an increase in the absolute surplus value. This tactic gives us an idea of the extent of their current offensive.

More and more oppression of workers

In a European Commission document entitled "The Second Economic Adjustment Programme for Greece" from March 2012 [49], it is clearly indicated that the wage reduction program must be continued. Table 14 on page 41 shows that the Greek minimum legal wage is five times that of Romania or Bulgaria (neighbouring countries to Greece), three times that of Hungary and the Baltic States, double that of Poland and the Czech Republic and superior to the minimum legal wage in Portugal and Spain. The objective is to line-up Greece with the more 'competitive' countries, in other words the lowest paid. Evidently, if Greek wages continue their vertiginous fall as the Troika and Capital wish, wages in Ireland, Portugal, Spain, and the stronger economies must follow this downward trend, and at an accelerating pace.

European leaders are at the service of a logic that increases the surplus-value extracted from European labour for Capital, and permits it to strike points against Asian and North American competitors.

These leaders are prepared to push the European unions to the wall by seriously reducing the negotiating options that they have enjoyed for decades

Capital scores more points against Labour

In several EU countries, the offensive of Capital, the European Commission and its leaders, against social protection systems has succeeded in radically reducing the reach of inter-professional collective bargaining. This is the case in the ex-Eastern bloc countries, and in Greece, Ireland, Italy, Portugal, and Spain among others. In several countries, they have also succeeded in lowering the national minimum wage and retirement benefits. They have succeeded in radically reducing protection against redundancies and in imposing later retirements.

The worsening of the crisis in the peripheral eurozone countries

During 2012, the crisis worsened in Greece, Ireland, Portugal, and Spain as a result of the brutal austerity policies applied by their governments in line with the requirements imposed by the Troika. In Greece, the aggregate drop of GNP since the crisis has attained 20%. The purchasing power of the great majority of the population has been reduced by 30% to 50%. Unemployment and poverty have literally exploded.

The mainstream press announced, in March 2012, the official line that Greek debt had been cut by half [50]. However, according to official estimations made public in October 2012, Greek public debt, which was at a level of 162% of GNP before these reductions, is expected to attain 189% in 2013, and 192% in 2014 [51]. This information does not often appear in mainstream press headlines.

The press mentions Ireland much less often. Since the beginning of the crisis in 2008, [52], bank welfare has sucked 40% of GNP from the economy (Close to 70 billion euros out of 156 billion euros in 2011) [53], unemployment has risen to enormous proportions, forcing 189,200 young Irish to leave the country, one in three young workers who previously had employment has lost their jobs, the economy has contracted 20%, the government in Dublin has confirmed that it will axe 37,500 public sector jobs by 2015.

In Spain, youth unemployment is up to 50%. Since the beginning of the crisis 350,000 families have been expelled from their homes because of reposessions [54]. In one year, the number of families in which everyone is unemployed has increased by

300,000, bringing the total to 1.7million (10% of all Spanish families) [55].

In Portugal, austerity measures have attained such violence, and the economic situation has become so degraded that one million people rallied spontaneously on 15 September 2012. This was the biggest demonstration since the first of May 1974, which celebrated the victory of the Carnation Revolution.

The situation in the ex-Eastern bloc countries continues to worsen, especially for those that have joined the eurozone.

In short, Capital has engaged in an offensive against Labour throughout the world. It is in Europe that this takes the most systematic nature, starting with the peripheral countries. Whereas the banks (and the capitalist system as such), which have caused the crisis are systematically protected. Public debt is the pretext used to justify the elimination of people's economic and social rights everywhere. If the social movements and, amongst them, the unions, are really serious about opposing this devastating attack and coming out on top, they must take up the question of public debt to show that the principal argument put forward by the dominant powers is false. The abolition of the illegitimate part of the public debt and expropriation of the banks, to integrate them into a public service of savings and credit are essential measures in any programme that would be considered an alternative to the capitalist management of the crisis.

The author thanks Patrick Saurin, Daniel Munevar, Damien Millet, and Virginie de Romanet for their help in writing this article.

Translation: "Snake" Arbusto, Mike Krolkowski and Charles La Via