

international
VIEWPOINT

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Stinging defeat for Spanish state

THE regional elections in the Basque country on Sunday May 13, 2001 saw an unexpected victory for the forces of moderate nationalism, sanctioning the policy of the Spanish state but also the assassinations carried out by ETA.

JOSÉ RAMÓN CASTAÑOS*

THE electoral arithmetic is perfectly eloquent. There was a spectacular growth of the rate of participation which reached 80% of the electorate, something completely exceptional in the Western democracies. That witnesses to the high degree of politicization of Basque society, but also the crucial issues at stake in this ballot. The changes in relation to 1998 are slight enough, taken at the level of the relationship of forces between the “pro-self-determination” bloc (those parties who had supported the declaration of Lizarra) and the “Spanish centralist” bloc (*Popular Party [PP]* and *Socialist Party [PSOE]*).

But they are very significant if one considers what happened inside each of these blocs. On the one hand there was setback for the Spanish centralist right represented by the *PP* in its attempt to overtake the the Socialists (their relative scores remain stable) and on the other a spectacular displacement of the *abertzale* (nationalist) left (*Herri Batasuna-Euskal Herritarrok*) towards democratic nationalism (*PNV, Basque Nationalist Party*).

The analysis of these results is helps us trace the political perspectives in each of the scattered pieces of the jigsaw puzzle of the Spanish state: Euskadi, Catalonia, Galicia and Spain. One can distinguish several elements.

A setback for the Spanish state

The pact concluded between the *PP* and the *PSOE* sought to profit from the moral rejection of the assassinations carried out by ETA to bring the Basque country to heel: to put an end to governmental autonomy, reverse the linguistic policy in favour of the Basque language, *Euskera*, to halt the progress of the sentiment of national identity and to reduce to nothing the regime of tax sovereignty.

It was necessary, then, to put an end

to the reign of the *PNV* and this underlay the campaign of parliamentary obstruction led by Madrid against the Basque institutions, the criminalization of democratic nationalism assimilated to violence, xenophobia, fascism, the “gulag”, or the Holocaust. The stinging defeat for this enterprise shows the impossibility of a Spanish centralist regime taking control of the Basque country and confirms the nationalist majority which, for 25 years, has oscillated between 58% and 60% of the electorate. The *PNV* came ahead in 96% of the municipalities.

A crushing victory in the small towns, scores higher than 50% in all the provincial capitals and a clear relative majority in the big urban concentrations with working class and immigrant populations, where the socialist current has been strongly rooted since the 19th century. This massive vote for the *PNV* is a reaction of national dignity against the external aggression of the state, a stinging rebuke to the Spanish centralist parties. But the importance of this vote stems also from the categorical rejection of the assassinations carried out by ETA.

A sanction against ETA

Euskal Herritarrok (EH) lost more than a third of its votes and half of its seats. We were right to analyse the breaking of the ceasefire and the resumption of assassinations by ETA as the suicide of



the *abertzale* left. What is positive is that these votes have gone to the democratic nationalist current. These are not lost votes and the *abertzale* left can recover them if it engages in a veritable political regeneration by imposing on ETA a definitive truce or by breaking politically with it. The forces of left nationalism are very active and even if a good part has gone over electorally to the *PNV*, that absolutely does not imply their neutralisation by moderate nationalism.

However the weakening of *EH* with the uncritical closing of ranks around its leadership nucleus reduces its margins of manoeuvre and its capacity of political independence in relation to ETA. Self-determination and the reform of the state are unavoidable questions posed by the *PNV* itself in its discourse in favour of self-determination (the demand for a shared sovereignty of nationalities inside Europe), but which also take on a renewed vigour in Catalonia and Galicia. The Basque employers do not hesitate to demand that the government Aznar adopt a “more flexible policy in relation to the autonomous nationalities and the model of the state”.

The *PNV* has just presented a peace proposal: “A round table involving the participation without exclusion all the political parties which, in the image of Ireland, allows the building of a national consensus to give Basques the ability to speak for themselves which is today refused to them.”

Self determination and peace. That requires a change in the leadership of the *Socialist Party* and a return to the old democratic alliance with the nationalist forces to reform the Constitution and adapt the state to the legitimate aspirations of the nationalities which make it up.

Some time will be needed for that, a time with a bitter taste marked — until when? — by ETA’s assassinations. Such is political life in our country. ★

* José Ramón Castaños is a member of the Basque organization *Zutik* and an activist in the *Carta Social* (Social Charter) movement.

A BASQUE MAJORITY DEMANDS ENGAGEMENT IN DIALOGUE AND RESPECT OF THEIR RIGHT TO DECIDE THEIR FUTURE

*(Declaration of the Confederal Coordinator of Espacio Alternativo)**

THE electoral results of May 13 in the Basque Autonomous *Comunidad* has constituted a demonstration of the majority's rejection of the political forces that sought confrontation with and the political defeat of Basque nationalism and those in favor of dialogue. The *PP* and *PSOE*, in spite of their enormous and belligerent media and judicial support, have not been able to supplant the *PNV-EA* coalition, which figures as the hegemonic force, although *EH* has suffered significant losses for not demarcating itself openly from *ETA*. *EB-IU*,¹ in spite of the constant marginalization and disqualification that it has suffered in recent years from the misnamed "constitutionalist" parties, sees finally recognized its efforts to build bridges from the defence of the respect of the free decision of the Basque people on its future and the proposal of a federalist option within that framework.

A new stage is opening in Basque society that must be presided over by a new impulse in favor of a negotiated end to the conflict without exclusions and limits, by a popular outcry that *ETA* ends its killing and by the demand that the Aznar government take measures — like the fulfillment of legality concerning the return of Basque prisoners to Euskadi — that contribute to defusing the climate of tension existing until now. Also a radical change of attitude would be necessary on the part of the judiciary that, even in the midst of an electoral campaign, has continued to contribute to the criminalization of sectors of Basque youth.

The strategy of the *PP* and the *PSOE*, who have been supported by the main representatives of the institutions of the state — including the Crown — the big mass media, the employer's association and, lamentably, the majority of trade unions in their antiterrorist pact, their obsession with criminalizing Basque

nationalism as a whole and their reinvention of an excluding Spanish nationalism, has suffered a resounding defeat, which they should take note of and act consequently, taking a political turn in favor of the dialogue that the majority of Basque society has demanded.

Something similar has happened with *EH*, who will need to have a deep internal debate that we hope leads to an explicit distancing of themselves from the activity of *ETA* and support for nonviolence and dialogue.

The recovery of *EB-IU* provides without a doubt a stimulus to an advance towards the reconstruction of a Basque left defending self-determination and an open federalist project, as well as a model of society strongly dyed in the colors red, green and violet. We are sure that its activity in the parliament will be based on a close alliance with the social movements that have supported dialogue, like *Elkarri* and *Gesto por la Paz*, as well as with the social unions, groups, organizations and professional sectors that, already as shown in their unity of action around the experience of the "Charter of Social Rights" demonstrated, aspire to link the defense of the Basque national identity to the fight against insecurity and for basic social rights.

Outside Euskadi, *IU-Federal* must assume the consistent defense not only of the basic discourse of *EB-IU* but the firm conviction that only by means of the recognition of the right of all Basque citizens to decide their future will it be possible to advance in the eradication of the violence and the solution of a conflict whose political nature has been amply corroborated in these elections. *IU-Federal* must unite that defence to the demand for recognition of the plurinational reality of the whole of the Spanish State and, therefore, to the opening of a process of dialogue and convergence in action with other national left or nationalistic forces present in other autonomous communities.

May 16, 2001

* Espacio Alternativo is a radical left current of Izquierda Unida (IU).

1. *EB-IU* - the IU's organization in the Basque country.

May 2001

Euskadi

A stinging rebuke

José Ramón Castaños plus
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Burying British farming?

FOOT and mouth disease, that first came to light on February 19, is regarded by some as the final blow to an agricultural sector still reeling from the *bovine spongiform encephalopathy* (BSE) catastrophe (better known as 'mad cow disease') of a few years ago.

Andrew O'Hagan warned, "the new epidemic was but an acceleration of a certain decline ... it is difficult to imagine British farming surviving in any of its traditional forms".¹

It also threw out of kilter *New Labour's* choreographed plan to call an early general election on May 3. The Government postponed the poll, claiming people in quarantined areas would be unable to participate in the electoral process, but really so as not to lose political capital from appearing insensitive to the state of mourning in rural areas the length and breadth of the land. The only silver lining for the Government was the cancellation of the *Countryside Alliance* demonstration planned for March 18.

This right-wing organisation "campaigning for the countryside, country sports and the rural way of life" had threatened to bring 500,000 people on the streets of London to protest against the Labour government's perceived urban bias and opposition to rural 'traditions' such as fox-hunting with dogs.

Foot and Mouth Disease

'Foot and mouth' is a highly infectious viral disease affecting pigs, sheep, cattle and goats causing blistering lesions on their hooves, mouth, tongue, and muzzle. It is not life-threatening to humans, unlike BSE, and is even not necessarily fatal to infected animals. Only a small percentage of animals, usually the very young, very old and sickly will die through weakened resistance to disease through loss of appetite.

In spite of a few scares no humans have contracted illness in this outbreak and only a handful of slaughter-men through exposure to animal blood have fallen ill complaining of short-lived flu-like symptoms. There have been outbreaks of FMD in all parts of Britain including Scotland, and in Northern Ireland too. However it has been most concentrated in the English counties of Cumbria and Devon, which are also major tourist destinations.

How do we explain the rapid spread

Since mid-March, day and night, pyres have been burning in the British countryside.

Piles (some up to 130 feet high) of animal carcasses in open fields, heaped helter-skelter on rubber tyres and railway sleepers, charred by flames that fill the air with the stench of burning flesh and smoke, choking nearby residents.

B. SKANTHAKUMAR

and dispersal of FMD? "Any epidemic is both the cause and the consequence of a precise historical moment," Ignacio Ramonet reminds us, and "Britain has been a laboratory of ultra liberalism for the past 20 years" (*Le Monde Diplomatique*, April 2001).

Intensive industrial farming means that livestock and dairy farming in Britain is dominated by the compulsion to increase productivity, reduce costs, ensure year-round supply and find markets abroad, while under the thrall of giant superstores which retail produce.

Livestock markets and abattoirs (slaughter-houses) have reduced in number and geographical distribution, as the imperative to find 'economies of scale' is increasingly difficult to resist. In a grotesque ritual live animals are subjected to the trauma of confinement in small spaces for hours on end and trucked in heavy goods vehicles that contribute to road congestion and greenhouse gas emissions. Through unclean conditions and contamination in these vehicles, as well as in abattoirs, disease is spread.

The absurdity is that these vehicles criss-cross the country transporting processed meat and dairy to the very places they originated. Meanwhile rural communities lose the employment and income from local sale, slaughter, and preparation of meat.

The major perpetrators and beneficiaries of this practice are the supermarkets who George Monbiot argues in his new book, *Captive State: The Corporate Takeover of Britain*, have producers in a stranglehold. The supermarket chains demand centralised delivery and processing of produce — a further reason why

animals are moved hundreds of miles for sale and slaughter. Adding insult to injury the former livestock markets with their prime location are often taken over by supermarkets for new branches that drive local small businesses into bankruptcy.

In its ham-handed attempts to suppress the spread of infection the Ministry of Agriculture, Fisheries and Food (Maff) only contributed to the crisis ridden atmosphere in the countryside. Maff ordered farms, even those free from FMD to be off-limits, footpaths to be cordoned off, and urban dwellers instructed to not visit. "The countryside is closed", announced the mass media, with farmers and politicians alike in solemn agreement. Movement within country areas was also discouraged. Many farmers were stranded on farms, instructed not to leave them, or to receive visitors for fear of spreading the virus.

However in many areas, especially Devon and Cumbria, the tourist trade is far more important to the local economy than farming. The ban on tourists, the negative publicity abroad and the alarmism encouraged by the Government was particularly badly timed, coming as it did at the beginning of the Easter holiday season.

Killing frenzy

As reports of FMD predictably accelerated, panic grew in Maff, unleashing a killing frenzy on its part. There are broadly two strategies against FMD: 'stamping out' or mass slaughter, and vaccination. From the onset, Maff dismissed vaccination as an option.

Instead it was resolved that not only infected animals but those within 3 km of outbreaks and therefore at risk of contracting the virus would be slaughtered. Initial estimates were 125,000, later revised upwards to 800,000 by the end of March. At last count some 2.7 million sheep, cows, pigs and goats including rare breeds and household pets have already been or will be killed. The official justification for this enormous organised massacre of healthy animals is to create a 'firebreak' protecting uninfected herds from infection. Meanwhile as of May 13, three months into the epidemic, there had been only 1,593 'confirmed' cases of foot and mouth.

Even this number is an over-estimate. It was revealed recently, after testing of

FMD cases, that something like only 70% may actually have had the virus (*Independent*, May 11, 2001). A combination of inexperienced veterinary surgeons and over-zealous Maff officials had apparently misdiagnosed hundreds of cases, thinking it better to slaughter first and conduct laboratory tests later.

Why was vaccination not considered? For the same reason it had been abandoned in the first place. In 1990 the European Union, following Maff lobbying, ended the mandatory vaccination of animals for FMD. The reason being to preserve 'disease-free' status for British meat exports, as vaccination creates suspicion that the animals may have been or were under threat of infection allowing other countries to ban those imports.

Vaccines in use create antibodies that replicate those produced by the virus and some tests cannot distinguish between immunised and infected livestock. So rather than risk loss of export markets, Maff preferred to risk infection of animals including through import of animals from abroad which might themselves be diseased. Its only 'solution' to an outbreak was to slaughter healthy animals, instead of a mass vaccination programme, so that Britain can soon after the mass cull regain 'disease-free' status.²

Indian eco-feminist, Vandana Shiva, expressed the outrage of critics of this strategy: "This war against farm animals reflects the insanity of those who promote globalised, industrialised food systems which create, promote and spread disease, but who simultaneously want a 'disease free national herd'" (*Guardian*, April 4, 2001).

Export

Indeed it is the compulsion to export that has dictated the handling of this disaster — not the welfare of the animals or even a long-term policy for farmers and the rural economy. Yet, as the contribution of agriculture to national income has fallen from £6 billion in 1995 to £1.8 billion in 2000, so has the value of meat and dairy exports to a mere £630 million last year, of which meat exports were £310 million.

Meanwhile in what Caroline Lucas, Green MEP [Member of European Parliament] calls "the great food swap": Britain imports 61,400 tonnes of poultry meat from the Netherlands in the same year that it exports 33,100 tonnes of poultry meat to the Netherlands. Britain imports 240,000 tonnes of pork and 125,000 tonnes of lamb while exporting

195,000 tonnes of pork and 102,000 tonnes of lamb.³

Our supermarket freezers have Argentine beef and New Zealand lamb when at the same time British beef and lamb is exported to other European Union countries where the public is rightly reluctant to consume it. The economic case for meat exports is increasingly difficult to make when it makes greater sense to concentrate on production for the national market.

Farmers

Where one might have expected some protest against this barbaric slaughter of animals from among farmers, the *National Farmers Union* (NFU) — the only trade union with which *New Labour* willingly associates — vociferously supported Maff, and when the Government came under pressure to begin limited vaccination, refused to co-operate.



The *Times* (May 4, 2001) editorialised, "the intimate relationship between MAFF and the *National Union of Farmers* meant that an interest group secured an influence not witnessed since the 1970s". However the NFU while its membership is mainly of small farmers has ignored greater support among them for vaccination, and selective instead of mass culling that is favoured by large farmers who dominate its structures and leadership.

One sheep farmer told the *Guardian* (April 19, 2001), "[The NFU] put forward the views of the 20% of big farmers who get 80% of the subsidies, not family farms under 200 acres ...". The problem in the farming sector is that its economy (and morality) has been corrupted by the European Union's subsidy regime and the compensation culture of the Ministry of Agriculture.

Over 46% of the EU budget is allo-

cated not to salaries and bureaucratic institutions as the xenophobic tabloid press would like us to believe, but to agricultural subsidies and price support policies in the guise of the Common Agricultural Policy. It is the subsidy regime that has restructured post-war farming which determines the livestock that is bred, the crops that are planted, and the fields that lie fallow.

Under the present system farmers had two options: once animals became infected or were vaccinated they would inevitably lose their export market and have to bear the economic loss of animals that survive but with reduced value, because livestock weight is reduced and the milk yield is less, or, they could slaughter their animals and receive 100% compensation from the Government regardless of whether those animals were infected or not.

Unsurprisingly farmers chose to grab the money on offer, by sacrificing healthy animals, and use it to restock, diversify into something else, or take early retirement. Animal welfare and a humane attitude towards animals have been "totally subordinated to an economic rationale of productivity, efficiency and export markets from which almost no one demurs ... our accommodation with the market has so numbed us that we can see no other way of viewing the world and its occupants", observed Madeleine Bunting (*Guardian*, March 31, 2001).

It is staggering to compare the ease with which governments past and present hand out money to farmers, including in the BSE crisis caused by farmers feeding livestock remains of other animals to reduce their feed costs, when Labour is utterly indifferent to the thousands of car-workers at Rover (in Birmingham), Ford (in Dagenham), Vauxhall (in Luton), steelworkers at Corus (in South Wales and Scunthorpe) and mobile telephone workers at Motorola (in Bathgate) who have lost their livelihood in recent months with only hand-wringing from Ministers.

The Government has also resisted appeals from rural hoteliers and small businesses for compensation packages similar to those extended to farmers though the former estimate the loss to them at £22.2 billion. Thus far its 'aid' package for the rural sector consists mainly of tax deferrals, EU money and loans.

Opposition

There has been no parliamentary

opposition to the Government's strategy in dealing with foot and mouth disease.

The *Conservatives*, the party of God, Queen and Country, had only one refrain: operation control of the mass culling should be removed from the Ministry of Agriculture and handed over to the Armed Forces. In fact 'New Labour', never slow to borrow as much as they can from their predecessor in government, had already introduced armed forces personnel for logistical duties and to accelerate the slaughter and disposal policy.

The notion that a civilian administration should be subordinated to the military is typical of Tory politicians, who grow up playing with toy soldiers and now want to play with real soldiers too.

The only political party taking a clear position against mass culling and for vaccination is the *Greens*, who are also critics of industrial farming and the EU's globalised agriculture and food policy. However its only campaign proposal is the astonishing suggestion that "we should take a minute to think about what is going on, stopping the country for a minute at midday every Tuesday" until the Government changes its mind. No wonder the *Green Party* has few adherents among the anti-corporate globalisation movement.

The mainstream environmental organisations have been either disinterested or conciliatory towards the Ministry of Agriculture. Some such as the *Royal Society for the Prevention of Cruelty to Animals* (RSPCA) have actually supported the 'stamping out' strategy while others such as *Friends of the Earth* and *Greenpeace* have been more preoccupied with the Bush administration's withdrawal from the Kyoto Treaty on Climate Change and trials of Genetically Modified crops than the welfare of farm animals.

The animal rights movement that has been so prominent against foxhunting and targeting research laboratories and scientists against animal testing has been invisible and silent on this issue. Only the *Small and Family Farmers Association* and the *Soil Association* [organising organic farmers] have supported vaccination and criticised the mass slaughter policy.

Populace

Among the populace there has been unease but as the *Times* (May 04 2001) noted, "the public has been willing to award the Government the benefit of the doubt on foot-and-mouth. It has treated

the disease as a form of strange natural disaster which politicians, understandably, have struggled to match".

Public passivity was unsurprising in the face of no clearly articulated opposition to the Government within or outside Parliament. The rate of mass culling peaked in the first two weeks of April leaving tens of thousands of carcasses rotting in the open and a greater health hazard than when the animals were alive.

Only with the prospect of more pyres to burn animals and bigger pits to bury the rest did local people begin asking questions on the public health implications. The Ministry of Agriculture and local government fumbled for an answer.

While neither FMD nor vaccination pose dangers to humans, the disposal phase of the mass slaughter policy does.

Burning emits dioxins and carcinogens into the atmosphere causing human birth defects and hormonal changes in wildlife, while the amateurish burial of animals in fields, releases bacterial pollution into the surface and ground water supply which humans and animals use. The contamination to farmland is so serious that it may be unsafe for cultivation for years ahead.

By mid-April the first co-ordinated actions began as some communities protested against the mass burnings and against the location of pyres as well as burial pits near their homes. Across the country, from Northumberland to Devon and Cumbria to Brecon, there were blockades of sites, roadside protests and picketing of local government offices objecting to the method and location of disposal.

Trouble

Rural communities in Britain are in deep trouble. According to the *State of the Countryside Report 1999* "42% of rural parishes had no shop, 43% had no post office, 83% had no doctor, 49% had no school and 75% had no daily bus service".⁴ Those most vulnerable to isolation and neglect are the elderly and those without private transport.

Family-run farms of around 150 acres practising mixed [arable and livestock] farming are in decline, as big monoculture industrial farms over 4,000 acres overwhelm them, displacing human labour with greater mechanisation, using land more intensively with artificial fertilisers, chemicals and GMOs.

As urban sprawl expands and rising property prices in cities and towns push people to buy homes in rural areas, locals

are unable to afford housing in their own villages. Farm labourers, many of whom are employed on a casual basis, without the working conditions and rights of organised workers, are paid wages at the derisory minimum rate but in many cases, in clear violation of the law, well below it. The rural workforce has declined by 20% over 20 years creating scarce employment for the young and increasing push-migration for work elsewhere.

A sustainable rural policy, has been outlined by John Lister, *Socialist Alliance* parliamentary candidate in Oxford East constituency:

- Shift subsidies from large farmers to small farmers to encourage organic production;

- Incentives for small farmers to form co-operatives to share and reduce costs and collectively bargain with food companies;

- Incentives not to import or transport food that can be grown locally (reducing energy use and pollution);

- Turnover tax on multinational agribusiness and supermarkets;

- Raise the national minimum wage to £7.40 an hour;

- Greater regulation and inspection of health and safety procedures at all stages of agricultural production and food processing;

- Investment in cheap and efficient publicly-owned rural transport — bus and rail;

- Investment in community facilities, youth clubs, primary schools and environmental projects.

"It is clear that we are winning the battle against foot-and-mouth", said Tony Blair, a few days before announcing that the next general election will be on June 7, 2001. However the Government admits that new cases are expected into August as fresh outbreaks occur. The last major epidemic in 1967-68 took eight months to run its course. Certainly so far as the Ministry of Agriculture and the *National Farmers Union* is concerned, the worst of the foot and mouth scourge has certainly been weathered. Nevertheless with farming in a neo-liberal vice and the scandal that is the food industry, we have reaped only a fraction of what agribusiness has sown. ★

1 "The End of British Farming", *London Review of Books*, Vol. 23 No. 6, (22 March, 2001) pp. 3 and 5.

2 Alan Thornett makes a trenchant case against vaccination in a debate with Dave Bangs, *Socialist Outlook*, April 2001 pp. 18-19.

3 *Stopping the great food swap: Relocalising Europe's food supply*, The Greens/European Free Alliance: Brussels, March 2001 p. 4.

4 Cited in *ibid.*, p. 20.

A wave of xenophobia

ANDREJ KURNIK is a young activist in the Slovenian anti-racist movement. *IV's* correspondent in Slovenia spoke to him about developments in the country.

A demonstration against xenophobia was organised in Ljubljana on February 2001. Could you explain the reasons for that demonstration?

Last year in Slovenia we faced a huge wave of xenophobia and intolerance against immigrants. This sentiment, that could be felt in general public opinion and mood, was in reality the result of state policies on immigration.

Namely, the state was, and still is, dealing with the problem of migration and illegal immigrants in an exclusively repressive manner. Illegal immigration is regarded as a state (national) security problem and not as a social and political problem that has to be seen and treated in the context of becoming part of a world economy in the process of globalisation of production and exchange.

The whole problem was left in the hands of the police, who became the exclusive interpreter of the problem. A very dangerous alliance of police and media was established that saw the illegal immigrants as criminals, disease bearers and almost a contagious danger.

The result of all this was the xenophobic mood that legitimated the police excesses (from the killing of an Iranian citizen at the border to awful mistreatment of immigrants that were apprehended) and produced fertile soil for a fascist movement and for the establishment or reinforcement of a radical neo-fascist political force.

The situation became and still is very dangerous, especially if one is familiar with the Slovene situation. First of all, in the last ten years there have been tendencies to politicise and instrumentalise the repressive apparatuses. This was the case in the army and the same is true for the police. Some political forces on the right are trying to establish their base in these institutions.

The director of the Slovene police acts in the same manner. He tries to avoid any conflict with his subordinates and tries to unify the police against the minis-

ter of interior, government and so on. At the same time he is trying to present police not as a professional institution but as the force of the nation and ally of the common Slovene people.

Secondly, we must take into consideration the socio-economic structure of Slovenia that was established in the last ten years. Slovenia more and more survives on the transfers and financial flows of the global economy.

On the ideological and political level it is seen in the aggressive emphasis on a Central European identity (*Mittel Europa*) and in the adoption as development models of states such as Switzerland, Austria, Luxembourg, Liechtenstein, Singapore and similar. Such a parasitic socio-economic structure is the real nursery for xenophobia and intolerance.

The resources are limited and static and every newcomer (foreigner) is a

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threat for the existing privileges. By the way, Slovenia's prime minister for the last eleven years (Janez Drnovšek) is a professional accountant. So Slovenia is a very good environment for the Bossi [Northern Italian right-wing separatist - ed.] or Haider [Austrian far-right leader - ed.] type of nationalism. Obviously the vacuum was too dangerous so we had to intervene.

■ What were the groups and organisations that participated in this demonstration and what were the demands that were made?

The demonstration was organised by the Office for Interventions, the body for co-ordination of different activist energies. OFI is a Slovene experiment whose aim is to co-ordinate the small leftist groups and individuals that do not find a place in the contemporary Slovene political space. That space is completely

★ Slovenia

colonised by political parties that structure and homogenise it through grand stories on which they build a false conflict and dynamics that helps them to control and divide the society. Such grand stories as about World War II, and resistance fighters and collaborationists, liberal values against conservative based in Catholic doctrine, and so forth.

What is common to both blocks is Slovene nationalism, the 'end of history' [absence of ideological contestation — ed.], attachment to the market economy, free trade and [labour market] flexibility, admission to NATO and the European Union.

OFI co-ordinates those forces that are antagonist to this fundamental consensus, on which the Slovene social and political space is organised, structured and controlled to the benefit of a new economic, social and political elite. Currents that are present in OFI are those from the 1980s (organisations and individuals that bear the new sensibility that appeared in those years and are disappointed by the way things were codified and developed. These are people and organisations from the peace movement; those who are fighting for the rights of women, homosexuals and the disabled) and the new currents that evolved from the international movement against capitalist globalisation.

There are also those who appertain to "timeless currents", such are the anarchists. So the demonstration was a mixture of different currents and different sensibilities. Their common point is their exclusion from power and the demonstration was meant to be the medium for those who, thanks to their exclusion from power, cannot express themselves otherwise. Through this we built our solidarity with immigrants that are caught and imprisoned because of the simple fact that they are dreaming of a better world.

What is, in my opinion, the most important thing was the fact that we managed to organise a demonstration that was international and that had a clear political message. There was a considerable international presence: from Austria, Croatia and especially from Italy with a contingent of 200 members of *Ya Basta!* [a direct action group — ed.].

In this way we managed to leave the terrain of philanthropy by stressing the connection between the organisation of capitalism and control over global capital flows and by declaring and experiencing the new type of citizenship — planetary citizenship.

■ What were the reactions of public

opinion and the newspapers? What has been the response of the government to these demands?

The Slovene media tried to marginalise the demonstration. Some of them were talking about 300 protesters (in reality there were about 2,500) and they sent journalists that have no skills in covering such events and such problems. So they were talking about the demonstration as if it was a kind of public festival and not a serious political event that is going to (in the long run of course) change the political landscape in Slovenia.

The fact that the media marginalised the demonstration is in line with the role and self-perception of the media in Slovenia. They understand themselves as the initiators of events (they have the impression that they decide what is going to happen and what is happening). On the other hand they are completely integrated in the power structure in Slovenia. So they did not really understand the event, because it was produced outside the existing political space in which they play a considerable role.

What has to be recalled is the fact that we claimed that the media were responsible for the xenophobic mood in the public by their non-professionalism and uncritical collaboration with the police. So the dislike is mutual. Now, after the demonstration, the media are trying to make up for what they have missed. So now they are regularly dealing with the issue of immigration. While this is a forward step, it is still only a small step because the media's treatment of this issue is to make trite observations about it.

The government responded to our demands for open borders, universal rights and planetary citizenship by even harder repression of immigrants. New police forces at the border, an even harder regime in the detention centres for immigrants and aggravation of the conditions and chances of immigrants and asylum seekers in Slovenia with a regressive change in the law on asylum. They also want to prevent such demonstrations as ours happening again by a new restrictive law on public gatherings.

■ What danger does a reinforcement of repression represent for the different social forces of Slovene society?

Immigration is the field in which the repressive police apparatus is growing and is becoming more and more brutal. Its practices are hidden from the eyes of the public. In dealing with illegal immigrants the police are developing a con-

duct that has nothing to do with the values of human rights and dignity.

On the systemic level the police have gained a huge space of discretion, so it is practically out of any political or civil control. This apparatus, brutalised in this grey zone is going to be sooner or later used against other levels of society. At the border areas (especially with Croatia) a police state is being established. Under the pretext of the control of migration flows the police develop new tactics of surveillance, denunciation, information that are going to be useful in the control of the whole society.

It is obvious that the conflict between immigrants and local inhabitants is produced artificially. The state and media manufactures a discourse on illegal immigrants as a threat to national security in order to hide the real danger. This is the anti-social neo-liberal politics that managed to dismantle the social state and to reduce individuals into commodities that can be sold for the profit of their owners. The spread of xenophobia in the Slovene public is functional for the Slovene economical-political elite.

One must know that Slovenia is in the last phase of its economic restructuring. This is the last stage in establishing the market economy. This process requires the further flexibility of work, privatisation of all those sectors that are still in public hands, and liberalisation of the agricultural market. All these correspond to the procedure for admission to the European Union. We can expect some level of social conflict in those processes.

I already mentioned the response of the government in the adoption of the new (quite repressive) law on public gatherings. This law is going to prevent any serious attempts to resist the final phase of establishing the market economy.

This law forbids any demonstration that would be held near the buildings of state and political power or would disrupt public transport and it gives discretionary powers to the police to intervene, ban, charge, and punish in the course of a demonstration.

■ Isn't it contradictory that a regime which has been installed after huge demonstrations for democracy, which resulted in the settlement of a so called democratic system of government, is building a repressive apparatus which the former regime was unable to use?

A critical assessment of the so-called democratic changes in the 1980s and in the beginning of 1990s has not yet been

made. There is a lot of mystification, a combination of national mythology and the ideology of parliamentary democracy. No analyses of social and political forces that were active in these days, and no analyses of the material transformation of society in past two decades have been done.

Well, it is obvious that the previous regime (Federal Republic of Yugoslavia) lost its capacity to mediate the social conflict. New channels to direct those conflicts were established. They were transformed into ethno-national conflict.

In other parts of former Yugoslavia these new ways to mediate conflicts and antagonisms were completely devastating. In Slovenia they proved to be functional, even successful. Slovenia was successfully transformed into a parliamentary democracy, it adjusted its economical and social space to the world market with success. I mean "successfully" in the sense that there was almost no resistance to it and that repression was not really needed.

What one can notice lately in Slovenia is that the consensus or rather hegemony that ruled in Slovenia for the last decade is slowly fading away. You cannot build hegemony on the danger of Serbian nationalism and on the need to enter the EU and NATO forever. So the state propaganda (especially pro-EU and NATO) is more and more aggressive and brutal. All this shows the erosion and emptiness of the governing consensus. The crisis of hegemony means more repression, more force.

■ What is the role of the EU?

The EU is applying enormous pressure on the states that are candidates for its membership. It wants them to stop immigration through its borders. So these countries assume the role of buffer zones. There is also a lot of blackmailing in this.

These states are supposed to apply the Schengen (pact for harmonisation of entry and movement of visa nationals – ed.) regime on their borders with third countries even before they have become members of the EU.

This leads to the situation that in Slovenia we are encircled by the Schengen wall. There is a Schengen border between Slovenia and Italy, between Slovenia and Austria, and a "self-imposed" one between Slovenia and Croatia. In the last case the situation is very painful. This was once one state and this border really cuts into relations between people on the both side of the border.

Those who live in the border area meet ever more vigorous police surveillance and harassment but for the EU, as the Italian and German interior ministers recently stated, this border is still not European.

■ Which future do you see for Slovenian society in terms of civic, social and economical rights?

As I have already said, Slovenia is now in the last phase of structural adjustment to the regime of the market economy. Through this process we expect aggravation of living conditions of those parts of society that were not yet targeted by market reforms; particularly small peasants who will not survive Slovenia entering into the European agriculture market. In the process a lot of small peasants are going to be proletarianised.

We also expect further labour market flexibility. Here the majority of the work has already been done. Considering the corporate structure of the regime (political control of unions and peasants' organisations) we do not expect any serious resistance to these processes.

The real political task in Slovenia is to organise an antagonistic (political) subject that will have to be founded in the new type of citizenship. The ideological apparatus of the state managed to construct the organic link between Slovene nation and capitalism (history began with the new state and so on), between citizenship and a democracy whose real aim is a market economy. This is a deadlock for any resistance.

The good news is that the recent events we were talking about show a gap in this construction. Of course we are still very far from the day when we could say that the regime is in crisis. But in the case of immigration its vulnerability is clear. Migration in the context of globalisation, the fact that they want to stop it regardless of the level of repression, these are the real threats to the social and political equilibrium of the system.

People that are coming from all around the world, demanding their social and political rights independently of their ethnic origin and race, represent the imminent change of citizenship, of social and political existence.

We hope that when the time comes we are going to be strong enough to resist the new reactionary mechanisms to mediate antagonisms and to live under massively new forms of economic, social and political life, which are going to be founded in respect of universal rights. The 1980s must not happen again. ★

That sinking feeling

THE current economic crisis in Turkey, which broke out in mid-February, has manifested itself in a deep financial crisis, leading to a devaluation of almost 100% and a significant recession, accompanied by numerous bankruptcies and redundancies. It is estimated that the average income per inhabitant fell from US\$3,200 to close to US\$2,000 within a few days.

ERDAL TAN

WHILE this is an IMF-generated financial and monetary crisis and classic enough in its way, it has a good number of Turkish particularities.

First, it should be noted that there is (comparatively) very much less foreign capital in Turkey than in East Asia or Latin America: less than US\$1 billion. There are then internal structural and conjunctural factors that have shaken the fragile equilibrium of the Turkish economy, subjected for more than a year to an austerity policy dictated by the IMF with the aim of reducing the rate of inflation (which had effectively fallen from 70% to 20%).

In the background of this crisis was a confrontation between two sectors of Turkish capital, which has sharpened over the last decade. In one camp, the traditional big industrial bourgeoisie, which defends a line of 'modernisation' of the economic apparatus (privatisation, deregulation, overhaul of social security, quasi-suppression of subsidies to agriculture, and so on) and structural political reforms — a certain 'democratisation' conforming to the "Copenhagen criteria" — with the aim of joining the EU. In the other, the *mafiosi*, underground economy and *rentier* sectors, who have greatly enriched themselves in the last years.

Over the last decade the public debt

★ Turkey

has come to swallow up nearly all the state budget and the debt stock has reached 70% of Gross Domestic Product (GDP — national income). Servicing the debt devours nearly 95% of state receipts (against 30% some 10 years ago). Moreover, the deficit of the public banks now amounts to 18% of GDP.

This system of permanent internal indebtedness has been financed by a foreign debt that has almost tripled in a few years (it now stands at more than US\$100 billion) and a supplementary indirect tax on workers in the form of a chronic inflation of 70%. It is this system that is now bankrupt.

Boom

During the 1980s, a period dominated by president Özal, economic restructuring and the foreign debt (connected to the commercial gains made during the Iran-Iraq war) had allowed the realisation of important infrastructural investments which accompanied a veritable boom in certain sectors (road and air transport, telecommunications, textiles, construction, banks, energy, media, audiovisual, domestic electrical appliances, big distribution, and so on).

Turkish capitalists had even begun to win some foreign contracts, above all in the Balkans, the former USSR and some Arab countries.

Some traditional sectors of “contraband” (notably tobacco, alcohol, and so on) having been liberalised, important clandestine or criminal sectors were able to take root, thus laundering ‘legally’ the capital they had unlawfully accumulated in previous years.

Those close to president Özal also profited from all this to fill their pockets (through bribes and public contracts) and corruption became generalised throughout the state apparatus, on an unprecedented scale.

With the 1990s, the era of president Demirel, indebtedness accelerated and the president’s cronies continued to enrich themselves, but with investment reduced, with several recessions and two serious monetary crises (1994 and 1997).

Clientelism

To ‘crony capitalism’ was added an unrestrained clientelism, which also served to defuse social discontent. In the course of a decade half a dozen political parties (social democrats, liberals, nationalists, Islamists) succeeded each other in power, at municipal and national level, each taking their turn at pillaging the



“Super-minister”: Kemal Dervis public purse.

The army took the lion’s share, with the financing of the war against the PKK (Kurdish Workers Party) and significant purchases of modern weaponry. New criminal sectors (linked to the police, to certain sectors of the army and to feudal Kurdish lords) have emerged with the war in the southeast (trafficking in weapons and drugs), as well as a vast parallel economic sector, encouraged by the state because of its dynamism (notably in the area of foreign trade).

Thus a very particular system has been created, which is at the origin of the current crisis. The public banks controlled by the politicians have distributed advantageous credits pell-mell to the corrupt bosses in their entourage; with this ‘capital’ these latter have pocketed public contracts, purchased enterprises and above all acquired privatised banks.

With the money from these banks, they have financed their affairs and have filled their pockets (sometimes emptying the coffers, as in the case of Demirel’s nephew!), notably by borrowing state money through buying Treasury bonds at exorbitant rates of interest (more than 50%, indeed 70%) and then profiting from the advantageous exchange rate of the dollar to change the capital accumulated into dollars and reinvesting it abroad. The money thus ‘evaporated’ is estimated at more than US\$200 billion, or the equivalent of the GDP!

These sectors pay neither taxes nor social charges: all the weight of the public receipts falls on the wage earners (deductions at source and high VAT), as well as on the holdings of the traditional big bourgeoisie.

These latter (who, it should be said, have also profited from the system) have begun to complain of “unfair competition”. Moreover, the “Susurluk scandal”, four years ago, revealed the links of the mafia, far right and police, as well as their involvement in numerous assassinations of left personalities or Kurdish nationalists, provoking in reaction an important popular mobilisation (the campaign for “a minute of darkness to obtain

clarity”).

The army have also begun to worry about the dangers of social drift, but above all about the bankruptcy of the public finances, which imperils their important and costly projects of modernisation.

The ‘system’ is, moreover, in ill health: the small private banks and the public banks have begun to crash, the politicians doing everything possible to cover up this situation, for fear of a new financial crisis.

Clientelism has also reached its limits: all the political parties have lost their electoral base, the two biggest parties gaining only 22% and 18% at the last elections (1999). Today in the polls no party nationally receives more than a 10% approval rating!

Change of approach

A change of approach had then become inevitable. The big employers have imposed on the current government a new economic programme of “struggle against inflation” and of ‘restructuring’. Moreover, a “clean hands” (anti-corruption) operation has been launched by the state higher-ups.

With the departure of Demirel from the presidency and his replacement by Sezer, the “honest, democratic little judge”, several corrupt bosses have been arrested for embezzlement (including a number of bankers, former ministers or big employers close to Demirel and even the boss of the second biggest media group in the country). Others are in the firing line, notably the pals of the leaders of the current coalition or the opposition!

However, all this happens on the basis of total political uncertainty and instability. The big bourgeoisie, which is alone in having an overall programme, does not have the means to apply it. Its own political personnel resists it: the politicians certainly have to implement it, but they do so with ill grace, fiercely resisting measures of restructuring (which would lead to the loss of their economic prerogatives) and trying to spare the bosses who are close to them (for fear that the scandals will finally drag them down too).

The military are in complete agreement with the economic policy, but very much less enthusiastic on the programme of “democratisation”, which is nonetheless an indispensable corollary to European political integration.

As for the workers, they certainly support operation “clean hands”, although with little confidence in it being

carried through to the end, but they are obviously much more lukewarm on the austerity policy, of which they will be once more the victims! Moreover, plunged into the everyday fight for survival, the most deprived layers of the population (small peasantry, unemployed and urban residents, provincial petty bourgeoisie) stopped expecting any 'rational' policy at the national scale a long time ago: the majority of them do whatever they can to eke out a living while a minority seek solace in the arms of the ideologically radical currents (Kurdish or Turkish ultra-nationalisms, fundamentalism, religious or ultra-left sects of every kind, and so on), all difficult to 'integrate' or 'domesticate' in a 'normal' bourgeois system.

Impasse

Thus, the political impasse is virtually total. It is moreover on this basis of instability that the crash of February took place, shattering the fragile financial equilibrium of the country. Alarmed speculators (both local and foreign) have massively withdrawn their capital from the country at the least signal of political crisis: a clash between president Sezer and prime minister Ecevit over delays in the "clean hands" operation was enough.

No government would have been logically able to remain in place after such an economic catastrophe. Moreover, the popular reaction was not slow to come. Apart from the big bourgeoisie, who have flayed the "incompetent politicians", the trade unions and then the small traders and artisans were on the streets.

The "Platform of Labour" (comprising all the trade union confederations and professional associations) brought 20,000 people to Istanbul for a fairly low-key demonstration. The union bureaucracy (fairly rotten and right wing) has done everything to rein in the movement, while the workers are quite dislocated and disorientated by the fear of unemployment and the slow but permanent erosion of their purchasing power over the last two decades. Certainly, their discontent is very deep, but the absence of channels for this and any political alternative stops them radicalising more seriously.

The current coalition is led by one of the two social democratic parties, while the second (which is no longer even present in Parliament) broke into three pieces in the weeks preceding the crisis! As for the radical left (ÖDP — *Freedom and Solidarity Party*), it is not only too weak



Police battle with protesters

to constitute a pole of attraction which is credible enough, but is also going through a period of fairly serious internal crisis which threatens its unity.

It is then mainly demoralisation which reigns.

Fiery reaction

On the other hand the diverse (and more or less spontaneous) demonstrations of the small traders and business people have been more massive and radical (with violent fights with the police). It represents a fiery reaction from the enraged petty bourgeoisie, which sees itself suddenly on the verge of bankruptcy with the last crisis. They are certainly more radical, but ideologically rather close to the nationalist or fundamentalist far right.

The fact that the nationalist far right (MHP) is a member of the current coalition could moreover (almost) be considered as good fortune! For if this party had been in opposition, it would have captured the discontent and radicalisation of the petty bourgeoisie and would have prospered at the next elections.

Instead, this party is fairly discredited and seen as responsible for the current crisis, whereas the fundamentalists have also been discredited by their going over to the regime two years ago. The far right radicalisation of the petty-bourgeoisie remains deprived of immediate political opening.

So, even if it has been wounded, the heterogeneous coalition (left nationalist, far right, 'liberal' right) led by a septuagenarian and doddering prime minister manages to stay in place, in the absence of a political alternative inside or outside Parliament. Similar but less important crises ended with *coup d'états* (1960, 1971 and 1980). However, this time, a direct military intervention would go against the economic interests of the big bourgeoisie, since it would be viewed badly by the European Union.

It is, then, from the outside that the provisional solution has come, through the parachuting into the government of a new 'super-minister' of the economy, Kemal Dervis, a Turkish World Bank

expert, known for his 'social-democratic liberal' positions.

He has a triple mission: formulating a new economic programme responding to the wishes of the big bourgeoisie; giving sufficient guarantees to the G-7, IMF and World Bank to guarantee new international financial aid; and finally restoring hope to the rest of the population, all through his "clean hands" and "his globally recognized abilities"!

Since his arrival at the head of the economy, this expert seems to have brought off the first stage of his gamble — to create an illusion.

He has the unfailing support of the big bourgeoisie and the foreign backers as well as the army. Moreover, in the lack of any other hope, a great part of the population seems to accord him its confidence, given his pleasant manner and promises of "social measures". The bourgeois media already wish to see in him the second "Özal", saviour of Turkey and predict a brilliant political future if his programme is successful.

However, the political class and his government colleagues only offer him lip service and attempt to throw as many spanners as possible in his wheels. To leave him to apply his programme would amount to a collective suicide for them in the medium term. On the other hand, opposing him too, ostensibly would amount to an immediate suicide (through a "popular lynching"). They have hardly any choice.

So Dervis can get on with his act and wave his magic wand. However, it is then that his problems will begin, for the social dynamics, and the class relations and conflicts, which have been unleashed by the current crisis are still at work and have hardly begun to show their gravity.

What will happen tomorrow when it becomes increasingly clear that the social measures announced are only promises for the long term, while the measures of austerity are already real and date from yesterday! And what will happen if this government ends up, in spite of everything, by falling to pieces? ★



New economic turbulences

IN recent years, the traditional vulnerability of the Latin American economy has sharpened in the face of diverse international crises. The recovery from the "lost decade" of the 1980s [the decade which began with the thunderclap of the Mexican debt crisis] has been of short duration.

CLAUDIO KATZ*

ALREADY from 1994, under the impact of the crisis of the Mexican *peso* — brutal devaluation of the *peso*, austerity, and so on — the regional upturn began to slow down and this was accentuated in 1997-1998 under the effects of the Asian crisis.

Then the panic created by Russia's cessation of payments (in August 1998), the Brazilian devaluation (in early 1999) and the surrender of the Ecuadorian economy, blocked any revival of the Latin American economy.

Latin America has undergone a regression on every terrain.

First, on the industrial terrain the regression is marked. Its participation in international trade in industrial goods has fallen. In addition, South East Asia has become the principal zone for direct investments from abroad in the periphery. The gulf that separates the South American continent from the developed countries has clearly grown.

In 1978, income per head in the countries of the 'centre' (imperialist countries) was 5 times higher than that of the most advanced countries of the continent (Argentina, Brazil etc.), and 12 times that of the most backward (Bolivia, Ecuador etc.). In 1999, the ratios were, respectively, 7 and 30.

Reform programmes

For the neo-liberals, this outcome is the consequence of the non-implementation of 'reform' programmes. However, when these neo-liberals criticise the insufficient degree of economic liberalisation of the countries of South America, or the limited flexibility of its labour market, they forget that this type of measure has been applied amply for a decade without delivering the promised results.

From the other corner, the anti neo-liberals argue that the regional crisis is

the consequence of the application of a "dualist, regressive, and exclusionary model". Nonetheless, this questioning of the dominant economic policy can neither grasp the social processes underlying the continental crisis, nor the capitalist logic of this crisis.

The same superficiality prevails when the turbulence of the Latin American economy are attributed to 'globalisation'. The neo-liberals affirm that their initiatives guarantee the participation of Latin America in the positive fallout from this process of globalisation; the anti neo-liberals, on the other hand, support the opposite view. However, these two approaches do not analyse the objective transformations of the 'globalisation of capital' and its impact on Latin America. They ignore also the changes of hegemony that are underway in the dominant bloc of classes of the region.

To transcend the limitations of these neo-liberal or simplistic anti neo-liberal positions, one must examine the four main economic transformations going on in the Latin American region, in:

1. The effects of external indebtedness;
2. The degree of industrial frag-



mentation;

3. The explosion of poverty; and
4. The deterioration of the terms of trade.

These transformations should be interpreted as disequilibria derived from the peripheral and dependent character of Latin America. To undertake such an analysis, our starting point must be the theories of imperialism, and combined and unequal development.

Indebtedness

The ultra-rapid growth of the foreign debt of the Latin American countries constitutes the most obvious manifestation of the economic contradictions at work in the region. Indebtedness, which stood at US\$79 billion in 1975 and US\$370 billion in 1982, was US\$435 billion in 1990. At the end of 1999, it was US\$750 billion, giving the lie to the idea that "the end of the statist period" would imply a reduction of this burden on the working population of Latin America.

It should above all be understood that the debt constitutes a mechanism of economic restructuring that facilitates the adaptation of the region to the new international division of labour (what the dominant economists characterise as the specialisation of a country when in fact, the international division of labour is closely linked to the nature of the relations between dominant and dominated countries).

Thus, this debt serves to finance the acquisition of manufacturing infrastructures by, and the supply of raw materials to, the countries of the centre — imperialist countries.

That leads, in the present phase, to the acceleration of a turn by diverse countries to export specialisation in fairly unsophisticated products, and this at the cost of deterioration in production for the internal market.

In some countries, this export specialisation is concentrated in the simple processing of raw materials, in others in the production of intermediary goods or in assembly - from cars to toys.

Latin American industry is no longer, in the current phase, the main motor of growth.

It is extremely exposed to competition from the exporting countries of the centre and Asia-Pacific. This industry needs a significant level of imports to function that in turn generates disequilibria in the trade balance.

New investment is concentrated in the internationally competitive sectors to

the detriment of the old national manufacturing complex that developed, in some countries, in the interwar period and the 20 years following the second world war.

Multiple consequences

The consequences are multiple: thus, for example, the development of engineering centred on the adaptation of technologies for production for the home market is breaking down. Also, activities of research and development are in decline.

An industrial model based on assembly, connected to a globalised network, has replaced the former model aspiring to an industrialisation which integrates at least the most advanced countries of Latin America: Brazil, Argentina, Mexico etc.

Export specialisation has been accelerated, by a radical opening to international trade, whose most concrete expression is the reduction of custom duties, which have lowered in a decade from an average of 45% to 13%.

Although exports from the region as a whole grew from 14% to 23% of regional GDP between 1980 and 1995, the prices of exported products have declined, and thus the additional income obtained is, finally, insignificant.

Imports grew by 127% between 1990 and 1996 as against an increase of exports by 76%. As a consequence of this reorientation, Latin American participation in world trade had fallen by 1995 to 3.6% of the total of global exchange — the lowest level in the 20th century.

This dismantling of all protectionist measures and complete opening to the world market does not imply a simple return of the continent to its old function of selling raw materials and buying manufactured goods.

The model adopted, consists of installing at a higher degree, the mechanisms of unequal exchange, based on the export of agro-industrial products and the import of capital goods (machines, and so on).

Current exports cover a wide spectrum from bananas to petrochemical products through some of the intermediary goods linked to car production. However, purchases also include the latest computers, sophisticated machine tools or new pharmaceutical products.

In reality, the examination of the composition of imports and exports indicates that the technological gap is growing; that relative prices (the difference



between prices of imports and of exports) are more unfavourable; and that the trade deficit can only grow.

Through the introduction of a new system of intra-firm and intra-industrial trade (exchange of goods between subsidiaries of a trans-national or purchase by a trans-national of particular subcontracted goods, and so on), the big trans-nationals specialise their Latin American affiliates in the basic industrial processing of raw materials and in labour intensive activities, which leads increasingly to loss making exchanges for the region.

These transformations increase unemployment, reduce wages and lead to a terrifying explosion of poverty. According to quantifications that differ on the measurement of poverty, the number of people affected by poverty in Latin America varies between 150 and 224 million.

These figures are greater than those at the beginning of the crisis in the 1980s.

This has led to a resurgence of medically easily preventable epidemics and the development of an infantile malnutrition that will leave dramatic traces.

The combination of external indebtedness, export specialisation, trade deficits and the erosion of purchasing power are explosive, leading to periodic turbulence in the Latin American economy.

Yet this diagnosis only constitutes a single point of departure towards an analysis. To interpret what happens in Latin America, we need to look at the current vulnerability of the region using a theory integrating the historically peripheral and dependent character of the region.

Imperialism

The theory of imperialism explains the relations existing between the

economies of the centre and those of the periphery (the dominated countries) at each historic stage of capitalist development. It explains how, in the course of each of these periods (nascent capitalism in the 19th century, classic imperialism in the first half of the 20th, and the 'late capitalism' which followed it), changes in the international division of labour occur - changes that determine the general restructuring of the Latin American economy.

In examining the mechanisms of appropriation of the resources of the periphery by the central powers, the theory of imperialism sheds light on the new commercial, financial and industrial forms of this 'confiscation' of wealth that has a fundamental impact on Latin America.

Contemporary imperialism is not characterised above all, as in the past, by the export of capital in addition to the export of commodities; nor by the conjunction of investment; and the relations of power as creditor (in the lender-debt holder relationship).

Imperialism today implies a qualitative advance in internationalisation of production under the command of the big trans-nationals, which leads to a specialisation of each dependent country in certain kinds of tasks within the production process.

This hierarchical and fragmented restructuring of the internationalised productive process strengthens the monopolisation of the resources of the periphery by the centre. This restructuring functions also, for the centre, as a shock absorber during its downward cycles, and as a factor extending its phases of prosperity.

And although the bulk of investment, trade, and production, take place between

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advanced capitalist or so-called Triad countries (US/Canada, Europe, Japan), the mechanism of appropriation of the resources of the periphery strategically facilitates the worldwide reproduction of capital.

Widening chasm

The data on the widening chasm separating the countries of the centre and those of the periphery is overwhelming.

Presently 20% of people living in the rich countries (where the division of incomes and wealth is also unequal), account for 86% of the private consumption of households on a world scale.

All the figures indicate that this tendency to polarisation is indisputable. The annual *Human Development Report* of the United Nations Development Programme relentlessly emphasises and illustrates this trend.

To this one can add comparisons that are nothing short of scandalous.

For example, expenditure on cosmetic products in the US alone is more than the total investment in basic education of the entire periphery.

There is no doubt that if one examines the world socio-economic map, the Latin American continent, despite the speeches about entry into the first world made by Brazilian, Mexican and even Argentine leaders, is firmly in the camp of the underdeveloped countries and its financial, commercial and industrial dependence constitutes a typical example of subjection to imperialism.

The foreign debt is the most striking proof of it.

Latin America has followed the same trajectory as all the countries of the third world who having repaid between 1982 and 2000 sums equivalent to four times the amount of their debt, end up, nearly two decades later, with liabilities three and a half times higher than was the case at the onset of the debt crisis.

The various measures to manage the debt have led to its expansion and a growth in the burden of its servicing. From a general point of view, the debt of the countries of the periphery constitutes a mechanism which perpetuates the removal of the wealth of the underdeveloped countries and, for this reason, this debt functions as a mortgage which is impossible to lift, although it only represents 5% of the total of public and private indebtedness on a world scale (as private companies, public bodies and households in the Triad make up the bulk of world indebtedness).



This indebtedness has allowed the International Monetary Fund (IMF) to play a characteristically imperialist role in relation to the economic policies of the Latin American governments.

Numerous investors who, unlike in the 1980s [when commercial banks were the largest creditors – ed.], hold the bulk of the credits on the region negotiate de facto with the indebted countries through the IMF.

Austerity

This international financial institution demands an austerity budget to guarantee the servicing of the debt and obliges the governments to refinance the debt (that is, borrow new credits to honour debts due for repayment), at extortionate rates of interest, which is damaging to those seeking to borrow for domestic investment, and prevents the adoption of reflationary policies [to increase consumption and stimulate growth – ed.].

Inward and outward flows of capital from the countries of the centre have become the determinant elements of the behaviour of the Latin American economy and this model undermines the prospect of any sustained growth.

There are various ways of dealing with the debt burden.

Some countries, like Mexico and Brazil, prioritise the achievement of positive trade balances over stable exchange rates (the relation between the dollar and their currency). Others, like Argentina, prioritise parity between their currency and the dollar. In reality, these are only two ways of making the same adjustment, one through devaluation, the other through deflation, both seeking to assure the payment of the debt service.

On the plane of trade, imperialist domination is expressed through a complete opening to imports, favouring main-

ly the US. This latter country, in the course of the last decade, has succeeded in carving out a positive balance in its exchanges with Latin America, partially compensating for the deficits it records in economic exchange with other regions of the world.

Countries like Brazil and Argentina, who had a tradition of recording trade surpluses, are today in deficit, which accentuates pressure for the devaluation of their currency.

A supplementary proof of the dependent status of Latin America is given by its completely marginal role in the reorganisation of international trade under the auspices of the World Trade Organisation (WTO).

The countries of the region do not have permanent missions in the highest spheres of this organisation and do not have influence in its Dispute Settlement Body charged with resolving trade disputes.

Hence the decisions of the WTO prejudice the access of certain Latin American products to the developed countries and, simultaneously, these dominated countries pay a range of taxes on the complex manufactured goods patented in the countries of the centre.

The explosion of poverty in Latin America is also a consequence of the transfer of income to the countries of the centre.

The “adjustments” to pay the debt, the loss of employment resulting from the destruction of “non-competitive” industries, the turn towards export specialisation as well as the complete opening to imports, all leads to a reduction of purchasing power, a contraction of solvent demand and a rapid exhaustion of all the phases of economic reactivation.

The Latin American economy is prisoner of a vicious circle provoked by pauperising measures, which reduce purchasing power so as to “give confidence” to foreign investors. As we know these same measures lead this capital to flee when the contraction of the internal market and trade deficits stimulate prolonged recessions.

Combined and unequal development

The theory of combined and unequal development constitutes the second interpretative key to the aggravation of the instability of the Latin American economy.

It completes the analysis of the relations of dependency made above, by analysing the world economy as a unify-

ing totality of advanced and backward forms of production, which determine the existence of diverse combinations of modernity and pre-capitalism in the countries of the periphery.

Some economic sectors and some countries progress, whereas all the underdeveloped countries see their distance from the centre grow.

The theory of combined and unequal development has had a great impact in the social sciences because it allows us to go beyond the positivist tradition which conceives the evolution of the third world as a progressive process (at a more or less rapid rhythm) of catching up and convergence with the first world.

Instead, the theory of combined and unequal development insists on the fact that belated industrialisation, dependent and incomplete in the periphery, aggravate the contradictions of the underdeveloped economies.

It accentuates the fact that Latin American industrialisation is not healthy, but structurally fragile given its reduced competitiveness, its systemic trade deficits, its lack of control on internal accumulation (for investment), and the absence of a domestic market with a sufficiently high purchasing power.

This approach demonstrates that the long-standing debate on the possibility or impossibility of industrial growth in the countries of the periphery leads to an impasse, because capitalism impels accumulation on a world scale.

However, in this process of development of accumulation, the industry of the countries of the periphery lags behind with all the historic disadvantages which function as structural obstacles to its development.

These barriers are the consequence of the transformations of capitalism at the beginning of the 20th century. From this period onwards, the coexistence of the accumulation of capital in the advanced countries with the specific accumulation in the backward countries has been broken. And the first process (accumulation in the advanced countries) became an obstacle for the transformation of the second (accumulation in the backward) in self-undertaken sequences of development.

Autonomous growth

The margin of autonomous growth that, in the past, allowed some initially backward countries like Germany, the US and Japan to catch up with and overtake more advanced countries like Belgium or Britain has disappeared.

This possibility was aborted from the moment that the central powers came to monopolise surplus value produced in the periphery, through a multiplicity of commercial, financial and industrial channels.

The world market was stabilised as an axis around which were articulated diverse capitalist, semi-capitalist and pre-capitalist socio-economic formations, magnifying the national, sector and regional differences in development, and juxtaposing advanced and primitive forms of development.

Globalised capitalism does not de-industrialise, but in a certain manner it congeals, relatively, the features of the advanced and backward countries. Globalised capitalism, for example, does not today block the growth of Brazil or South Korea.

However, it prevents these capitalisms reaching the levels of development of the US or Japan, as has been the case in previous stages of this mode of production. The theory of combined and unequal development explains the dualistic character of the industrial restructuring implemented in Latin America in the course of the last two decades.

It clarifies how the modernisation of industry has coexisted with the disarticulation of the overall process of accumulation. Thus, at the present stage, the same volume of manufactured products is produced in the Latin American continent but with one third of the personnel previously employed.

On the basis of investments aimed at greater exploitation of labour power, productivity rose between 1990 and 1996 at an annual rate of 3.7% in Argentina, 2.9% in Mexico and 2.8% in Brazil, compared to an annual average of 2.3% in the US.

This growth has reduced the differen-

tial in output with the countries of the centre in some reconverted sectors of Latin American industry (for example, steel and cars).

Nonetheless, this reduction of differences coexists with an enlargement of the differences in the productive sectors that have been made marginal through re-conversion for example machine tools.

A big fracture has been established between the prosperous activity of some export sectors and the collapse of sectors orientated towards the internal market.

This contrast appears at its starkest when one compares the enterprises based on assembly at the Mexican frontier and the decay of traditional industry in Mexico. Or again, when one compares the modernisation of the agro-industrial export sector in Argentina and the debacle affecting industry in the provinces of the country.

At a time when the export-oriented sector profits from the reduction of wage costs (linked to pauperisation and unemployment), this reduction threatens any process of durable growth (which requires a dynamic of internal demand).

In 13 of the 28 Latin American countries, the real minimum wage of 1998 is lower than that of 1980; and diverse studies indicate that the effective purchasing power of wage earners has fallen still more.

The purchasing power of the population has contracted under the effect of laws introducing flexibility of the labour market (already rendered fragile by the high rate of unemployment and underemployment) that have as their objective, the increase in the rate of exploitation.

The best index of this growth is the expansion of so-called informal work, or waged activities done without any element of social protection. In the last



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decade, of 100 new jobs created, 84 are so-called informal, with wages lower by 40% to 60% than those of the formal sector formal (according to studies by the ILO and CEPAL).

This fragmentation of the labour market contributes to the weakening of purchasing power and the extreme polarisation of incomes.

Polarisation

The theory of combined and unequal development also explains the indisputable polarisation of the world economy. Even some authors who proclaim "the obsolescence of the centre-periphery schema" and the "irrelevance of the phrase 'Third World'" nonetheless confirm the growth of inequalities between the countries that participate or remain at the margin of the current "epoch of the information economy".

They recognise that "qualified work linked to information" develops in the countries of the centre while 'degraded Taylorism' [the version of industrial and labour process rationalisation exported to the third world - ed.] is concentrated in the periphery. This line of cleavage consolidates a "stable architecture" of the economy affirming a dominant pole that consists of only 15% of world population, but controls 90% of high technology production and 80% of IT activities.

Inside this rigid segmentation there is underdevelopment at a variable geometry, which modifies the peripheral status of each of the countries as a function of the model of accumulation (of investment) that emanates from the (imperialist) countries of the centre. Establishing a difference between the advanced countries taken as a whole and the bloc of the backward countries constitutes the point of departure for a more precise elaboration of the insertion of each country in the world market.

This conceptualisation should take into account the existence of a diversity of intermediary situations (dependent non-peripheral countries; semi-peripheral countries; non-dominant countries of the centre). In addition, it is about operating a distinction between the superior, inferior and median peripheral situations.

These last three strata mentioned allow us, for example, to operate a differentiation in Latin America between Brazil, Chile, and Haiti. In addition, this type of classification allows us to consider the whole of the region as situated at a level of development superior to most of Africa, but inferior to South East Asia.

It is certain that the increase in poverty has projected diverse Latin American regions and countries into zones of dehumanisation, very close to those known in the African continent.

Nonetheless, taken in its totality, the Latin American region has not suffered from social regression and criminality [of the state - ed.] of a breadth comparable to that of Africa; Latin America has not been reduced to a kind of battlefield for the pillage of its natural resources. Data on the pauperisation in Latin America is shocking, but those concerning Africa are crushing. There, food consumption has fallen by 25% in the last 25 years and the number of people suffering from malnutrition rose from 103 to 215 million.

South East Asia

On the contrary, no country of Latin America has recorded in recent decades rates of growth similar to those of South East Asia.

In this region, there are countries like South Korea who have been in the forefront of this process: initially relying on manufacturing exports; then on development of their internal market.

Trying to explain why Latin America has "missed the boat" in comparison with South East Asia is a recurrent theme of the economic literature. Indeed, this question does not find a satisfying response outside of the theory of combined and unequal development.

The neo-liberals explain it by the predominance of the market rather than the strong presence of the state. The neo-structuralist current points to the importance accorded to industrial policy in some South East Asian countries.

These two interpretations both miss out on the overall context that marks the different trajectories. By essentially stressing the successes and failures of economic policies, they miss an

essential fact: economic orientation is not a matter of free choice for the countries of the periphery.

In addition, these explanations do not recognise that South Korea or Taiwan constitute exceptions to the general rule of the backwardness of the periphery and that the repetition of their performances in other countries is most improbable.

Also, it is commonplace to present Korea, Taiwan or Singapore as examples of emancipation from 'centre-periphery' relations, ignoring the fact that these countries have not emerged from their condition of dependency, as shown clearly by the [financial-economic] crisis which broke out in 1997.

Forced to directly confront the competition of the big US, European or Japanese firms, the big Korean companies (*chaebols*) had to accept the rule of the strongest and begin a process either of dismantling, opening, or merger (through bankruptcies of groups, divestment of sectors, buyouts by US, European, Japanese firms etc.).

This reorganisation does not in the least imply so far a regression comparable to that of Latin America and it has not stopped an upturn, in South Korea for example.

However, although these economies of South East Asia are situated at superior levels of the periphery, they continue to be very vulnerable to flows of capital (which leaves permanently open the possibility of a massive withdrawal) and they would remain in a subordinate role in the event of an eventual constitution of a regional bloc where Japanese influence would be strong.

In reality, the industrialisation of South East Asia has many characteristics similar to the process experienced by Argentina in the 1950s and Brazil in the 1960s.

The difference resides in the fact that the objective conditions favouring industrial development, which were initially manifested in the most advanced countries of Latin America, are reconfigured subsequently in South East Asia.

This change responds to a given: the advance of the process of internationalisation of the global capitalist economy transformed Latin America's advantages (a certain earlier growth of the internal market) into an obstacle for the new types of external direct investment centred on the export sectors and the use of cheap labour power.

Also, the long history of popular uprisings and political instability in Latin America led to a diversion of imperialist





investments to the Asian regions that were under US military occupation and had undergone land reform and urbanisation (in particular Taiwan and South Korea).

The search for a disciplined and cheap workforce led the flow of investments to other Asian countries. Faced with the growth of productivity and the escalation of wages that followed in Korea and Taiwan, trans-national companies have implanted their subsidiaries in countries like Indonesia, Malaysia and the Philippines.

But, the numerous enthusiastic partisans of this 'exploiter-exporter' mode come up against a basic fact: competitiveness founded on low wages stops the development of a "virtuous circle of growth" based on internal consumption, a circle which would allow a certain rapprochement between the economies of the periphery with those of the centre.

This obstacle is a historic limit faced by all the countries that are late arrivals in the battle for a share of the world market. This limit cannot be leaped simply by a growth of investment, particularly foreign direct investment.

Turn of the dominant class

The transformations that have taken place in Latin America do not simply reflect objective changes in the world economy.

They also stem from a strategic turn taken by the dominant classes of the Latin American countries that is rendered in the adoption and implementation of neoliberal policies. The main capitalist groupings have forged a new alliance with the transnational companies (TNCs).

This change is comparable to that made in the hegemonic bourgeois bloc between 1940 and 1970, when the alliance between the big landowners and foreign capital (US but still often British

and so on) gave way to an agreement between Latin American industrial capitalists and some big imperialist firms.

Today, these big imperialist firms have become, indisputably, the hegemonic leaders of this bloc. This leads to a process of internal transformation affecting the entire industrial bourgeoisie that, by abandoning the policy of import substitution, lost the battle for its regional leadership. Only those capitalist groups who have succeeded in adapting to new conditions of 'globalised' competition persist, albeit as subordinate partners of the transnationals.

This new alliance is the big beneficiary of the economic reorganisation of Latin America. The fashion in which the foreign debt is managed illustrates this equilibrium, because the national capitalist sectors (of the new and elegant type) have profited from the growth of the debt in the same way as the imperialist creditors.

The enterprises that obtained a decisive advantage were those who succeeded in making the state take on their debts. Having escaped their obligations as debtors, these groups can proclaim today that the debt is "an obligation of the whole nation, an obligation that must be honoured".

In the case of Argentina, the bulk of the statisation of the debt happened between 1980 and 1982. This salvaging of national (or joint-venture) firms consumed some 25% of Gross Domestic Product (GDP) [national income—ed.], that is, from 5 to 8 times more than similar operations carried out in the developed countries.

This redistribution of wealth is also considerable because it served to finance the flight of the assets of numerous indebted enterprises abroad, towards the countries of the centre. This drain of resources has not ended. Currently, capital held outside Argentina represents a

third of GDP. In the 1990s, the outflow of capital from Argentina surpassed the payment of interest on the debt.

In Mexico, another type of buyout took place in the course of the 1990s thanks to the renationalisation of the banks that had been struck hard by the financial crisis, the so-called *tequila* effect. This salvage of the banks, which had been privatised some years before, cost the public treasury a sum equivalent to 15% of GDP.

In Brazil, entrepreneurs were unceasingly aided through devaluations that had the effect of devalorising the internal debts accumulated and taken up in local money. However, these adjustments aggravated the weight of the trade deficits, which led to an increase in taxes (mainly indirect ones) and drastic reining in of state subsidies and social expenditure. All this illustrates how the most powerful sector of the dominant classes has used the debt to its own advantage.

This same dominant group has participated actively in the massive privatisation of public enterprises. This transfer of state wealth is done through an undervaluation of assets, an artificial revalorisation of bonds used as means of payment for the purchase of the privatised enterprises and, finally, the absorption by the state of the debts of the public sector, put up for auction to be privatised. The result: the public external and internal debt has increased rather than reduced.

The privatisations became a source of extraordinary profit for their new owners, who also obtain hidden subsidies and can utilise high tariffs, although the services are deficient and investment for modernisation remains low.

This dominant local bloc also draws profit from the management of new foreign loans destined to extend the process of privatisation to all sectors of social life.

Thus, one notes the important loans made for the introduction of pension systems based on individual capitalisation (Chilean style), the complete privatisation of health systems and the introduction of the profit motive into the educational system. Thus new sectors of activity for capital are opened. With this "second generation" of reforms, social expenditure is reduced and the state prioritises raising taxes to pay off old debts.

These same indigenous capitalist groups are the key actors in the turn to exports, which rests on the possibility of the pillage of natural resources and the lowering of the price of labour power. In

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this enterprise, moreover, there is extreme labour 'flexibility' and the conditions of super exploitation are intensified.

That is most apparent at the Mexican-US border, in the assembly factories (*maquiladoras*), where wages are up to 30 times lower than in the US. This explosion of increasingly poorly paid work can also be observed in Argentina, Chile and Brazil.

It is under this form that the dominant bloc reinserts itself in the competitive 'niches' of the world market, accentuating a scandalous monopolisation of the wealth created: 1% of the population takes 40% of the total income (in distribution of wealth, polarisation is still greater).

New contradictions and new disequilibria

The new advantages obtained by the hegemonic bloc of the dominant classes in Latin America are at the origin of the growing economic disequilibria that lead to the erosion of their economic power and a deterioration in their control of the political system.

The Latin American bourgeoisie is a historically weak sector rooted in an oligarchic regime, whose social base is fragile, and which has had to carry out an anti-popular policy in the process of consolidation of the nation state. This weakness has grown with the organic relations established between the dominant bloc and the transnational companies. This appears with great clarity in the current phase.

Firstly, this bloc has renounced the direct management of the nation state and agreed to share this control with the IMF and the representatives of the big foreign companies. For this reason, it possesses a weaker capacity for negotiation with the foreign enterprises that compete against the historic enterprises of national origin. Also, this bloc of dominant classes has seen a weakening of its capacity to intervene in the traditional battle between Western Europe and the US for domination in Latin America.

Secondly, the growth of the foreign debt of these states has led to a situation of insolvency that weakens the power of the entire Latin American bourgeoisie. The loss of control of the debt raises the price of borrowing and increases the number of 'risk countries' (a heavily indebted country is offered credits at higher rates of interest than a less indebted country and a premium is added for a 'risk-country', which, according to the

formula of banking institutions, is when the country runs a strong risk, at a given moment, of no longer being able to service the debt).

The price paid for new mandatory loans on the international capital market limits the process of internal accumulation (investment) in each country. Only the sectors where activity is closely linked to productive processes of subcontracting abroad, escape this difficulty of the high cost of borrowing.

Certainly, thanks to the state aid we mentioned the bulk of Latin American capitalists have never been affected directly by the debt. Still, the growth of this latter does not favour their business, if only starting from the increase of rates of interest for all loans.

Thirdly, export specialisation does not increase the base of an accumulation - of diverse investments in industry, services, and so on - under the direct control of national capital.

Thus, the Latin American industrial bourgeoisie participates in the formation of regional markets (for example, the Mercosur common market, created in



1995, comprising Argentine, Brazil, Paraguay and Uruguay, with Chile and Bolivia as associate members) under conditions of growing imperialist control of industrial ownership.

Therefore, unlike the dominant European classes, those of Latin America are not undergoing a process of integration in a bloc that would participate as protagonist in a battle for hegemony of the world market.

In fact, these classes are integrating a regional market that is itself the focus of battles between the diverse imperialist

powers. At a time when the big transnational firms take over the most profitable branches, the strongest and most concentrated Latin American groups sell their enterprises or participate as junior partner in the reorganisation of the industrial fabric.

This tendency sharpens with the loss of influence formerly held by the now privatised public sector. The subsidiaries of US and European transnationals have obtained completely dominant positions in Argentina and are very strong in Mexico and somewhat less so in Brazil. The massive bankruptcies of those small and medium enterprises that have not succeeded in reconverting themselves in the subcontracting sector are the proof of this ongoing externalisation of the Latin American economy.

Trade Deficit

Fourthly, the trade deficit resulting from the combination of export specialisation and a complete opening to imports, multiplies disequilibria to the extent that these disequilibria sharpen with the re-export, in various forms, of profits by the transnationals.

Thus, the external direct investments made in Latin America in the 1990s which prioritised modernisation of transport and communications with the strict goal of strengthening the characteristics of an export economy have surpassed the world average (while remaining clearly inferior to those directed to South East Asia); still, transfers of capital towards the parent firms - transfer of profits, licensing costs, patents, over billing for services provided by the parent firm, and so on - reached record levels. Hence a sustained growth rapidly meets the recurrent obstacle of the balance of payments deficit (the difference between total outflows and inflows).

Fifth, Latin America remains subject to a deterioration of the terms of exchange in its trade relations. The current progress of the 'globalisation of capital' penalises still more the regions with lower productivity, through a decreasing commercial remuneration of labour realised in this region. The number of hours of average social labour effected in Latin America and included in an exported commodity grows relatively less than the number of hours of social labour embodied in an imported commodity, originating from a country of the centre with a higher productivity of labour; there is then an unequal exchange of social labour expended.

This disadvantage — which has always accompanied the internationalisation of the capitalist economy — was clearly less important when capitalism still organised itself, to a great extent, around national price systems and wages.

Indeed, the present constitution of homogeneous spaces of circulation of commodities under the control of transnational enterprises that organise their investments, production and commercialisation on a world scale aggravates unequal exchange.

A more hierarchical and segmented international division of labour (national wages more differentiated and productivity more divergent between the sectors centred on the local market and those directed to the external market) has a negative impact on the Latin American continent.

Sixth, the neoliberal reforms have created a level of unemployment and poverty that severely limits accumulation (the dynamic of investments and markets, that is the sale of commodities allowing the realisation of surplus value).

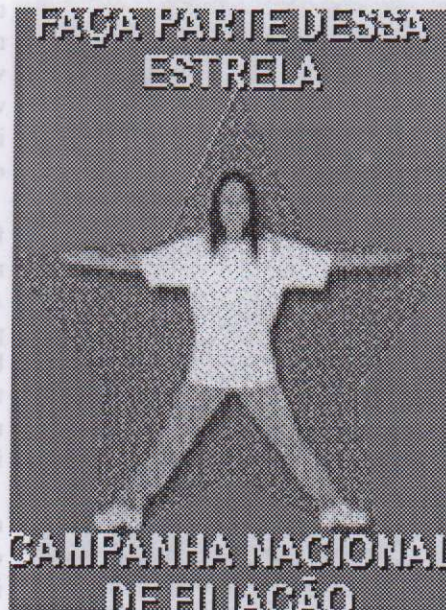
Some authors think that between 15% and 20% of the Latin American population enjoy a standard of living equal to that of the 'first world'; while 70% of the population sees its standard of living fall in the direction of the hell of the 'fourth world'.

Starting from this point, it is possible to understand why the blows against wage earners feed the crisis (blocking the markets). Unlike the advanced countries, the segment of the population with a purchasing power sufficient to support (from the side of demand) a stable process of growth is not only reduced quantitatively, but also tends to shrink.

In Argentina, for example, there is a collapse of the traditional middle classes. In no region of Latin America, are relatively homogeneous wage zones tending to form, unlike what exists in the zones of the dominant countries (for example between certain EU countries).

With the growth of exploitation in Latin America, this deterioration of purchasing power consolidates itself and the difficulty of selling commodities at the value of their production becomes more widespread.

The constitution of a "Fordist norm of consumption" (similar to that existing in the countries of the centre) has been definitively blocked from the last decade onwards. Today the mechanisms for greater sale of durable consumer goods are not discussed; on contrary the agenda concerns how to stem the regression at



the elementary educational and health levels. The delinking of social need and the demands of profitability takes on ever more dramatic forms.

The combined effect of all the contradictions mentioned is at the origin of the growing instability of the Latin American regimes. This crisis takes forms going from the sudden interruption of executive mandates (Ecuador, Peru, and so on), to the disintegration of governments and the collapse of state structures.

The struggle for the sharing of the booty between the diverse groups in power accentuates corruption and undermines the capacity of the political personnel of the dominant class to control these tensions in the framework of the classical division of powers (executive, legislative, judiciary, military).

Hence, a turn towards authoritarian forms of government is underway. This evolution undermines the cohesion of the political systems that have emerged in the 1980s and removes the legitimacy of the ruling groups in the eyes of much of the population.

Neoliberal mystifications

The neoliberals present no explanation of the transformations underway in Latin America but make a simple justification, of an apologetic type, of the changes that they have contributed to putting in place.

The doctrine of the neoliberals has served to guide government policies as a function of the needs of the dominant class which can be summed up as follows: reduce the cost of labour power; attack the unions; reduce social expenditure and increase inequality. The neoliberals have covered this orientation and practice with an ideology that glorifies

the market, deifies the consumer and pretty up private management.

Still, these mystifications have been permanently adapted to the necessity of applying economic measures that are in reality very different.

The neoliberals develop a cynical discourse, particularly on the question of the debt. On the one hand, they affirm that this problem is of such gravity that any debt moratorium would end up with terrible reprisals from the creditors.

On the other hand, these same neoliberals affirm that a debt is "no longer a problem" providing that refinancing (repayment thanks to new credits) of the interest on the debt is obtained.

Obviously, they pass over in silence the terrible cost of this payment for the majority of the population. Privatisations are presented as big advances compared to "state inefficiency". On the contrary, these neoliberals are silent on the amount of subsidies, mostly indirect, given to the new enterprises.

They praise the deregulation of the financial systems without mentioning that the new mechanisms of credit have not led to an increase in internal saving. These mechanisms have simply led to the reduction of the costs borne by the big companies and the expenses of the small and medium enterprises in decline or bankrupt.

For the admirers of Von Hayek (1899-1992), Milton Friedman (1912-) and Von Mises (1881-1973) increased poverty has demographic ("there are too many people"); educational ("they are not trained for work", employability); cultural ("they breed in an irresponsible fashion") or labour relations ("they lack a culture of work") causes. They say that the "sole way" to reduce poverty consists in increasing the rate of economic growth.

Nonetheless, in the event, they forget that this growth did not reduce poverty in the course of the intensive industrialisation of the 1950-1970 period. Moreover, they come up against an impasse on a key fact of the last decade: there is an inverse relationship between the growth of GDP and the alleviation of distress in Argentina and Mexico. Under the effect of growth, according to the most favourable scenarios, the reduction of poverty would necessitate between 100 and 400 years to have an effect. The same goes for jobs.

To suppose that through spontaneous growth at the level of economic activity unemployment would fall ignores an essential statistic: regional GDP, between 1950 and 1980, grew by 5.5% and jobs



by only 2.9%.

Neoliberalism emphasises opening up to trade. It claims that the modernising effect of this opening on companies leads to "the extension" of more qualified and better employment and an increase in purchasing power.

However, the fulfilment of this prediction is unceasingly held back year after year, because it is obvious that spontaneous growth, under the simple impulse of competition, is an illusion.

Disguise

That has not concretised in any circumstance and any country. By making use of a very fashionable disguise, neoliberalism today repeats the most antiquated theories relating to the socio-economic backwardness of Latin America.

It claims that underdevelopment corresponds to an "insufficiency of capital" and proposes to overcome this limit by increasing the potential for the 'comparative advantages' (a country is supposed to gain by specialising in the production of products whose relative costs compared to those of other countries are lower) of the area, by means of the enhancement of free trade and an increased degree of foreign investment.

However, in the historical epochs where there was indeed a "lack of capital", this weakness was not the characteristic of a local defect, but was the product of a transfer of resources towards the countries of the centre (a transfer which began in the 16th century and was accentuated later).

During other periods during which saving was more significant, the normal budgetary equilibria and the acquisition of credit and foreign investments stronger, it was not the "lack of capital"

but the use of this capital which blocked economic development. Including protectionism does not provide any explanation for economic failure because Latin America in general maintained over a long duration a degree of commercial opening much higher than that of the countries of the centre.

Neoliberal theory appears incapable of explaining any major aspect of the backwardness of this area. Indeed, insofar as it assigns to capitalism an invariably virtuous behaviour, it cannot offer any explanation of the acute imbalances at work in the South American continent.

This theory claims that this area is economically weak because of its being "suspicious of the market". But it cannot explain why, given the radical turn to privatisation since the 1980s, no increase in its international competitiveness was registered.

CEPAL

Whereas neoliberalism translates the program of the dominant class, the theoretical production of CEPAL (Economic Commission on Latin America, whose best known theorist was Raul Prebisch) reflects the contradictions produced by the application of this program.

For this reason, the theorists of this UN body question the results of the policies applied during the last decade while not criticising intrinsically their application and not proposing their removal.

By adopting a language rather close to that of neoliberalism, the new neo-structuralist vision of CEPAL replaces its old defence of an "autonomous development" and an increase in purchasing power.

CEPAL aligned itself to the option of an increase in the "international competi-

tiveness" of the area. But this turn, marked by the wave of privatisations, was not adopted with great enthusiasm. It was carried out by taking recourse to the inevitable insertion in the 'new world order' paradigm.

CEPAL affirms that globalisation forces the abandonment of all the old models, while recognising that Latin America abandons its successes of the past without obtaining any significant benefit in return. It estimates nevertheless that there is margin for manoeuvre for negotiation in order to somewhat improve the situation of the region.

The principal spokespersons of this current also accept that the turn towards exports deepened a "truncated industrialisation". However, unlike in the 1960s, they do not note "structural heterogeneity" (i.e. the existing divorce between the internationally competitive branches and the remainder of the local productive system) as being a strong feature, completely harmful, for the area.

On the contrary, they estimate that the modernisation of the exporting sector will become the engine of progress for the domestic sector, forgetting all the arguments advanced by them in the past on the disarticulation between the various sectors (internal, export, and so on). The mountain of paper written to criticise 'export orientated growth' were diplomatically filed away.

The same applies to the criticisms made of the opening to imports; in general, the proposals for a defence of local production from the devastating effects of external competition have disappeared.

CEPAL's research does not hide the extraordinary increase in poverty and promotes a 'growth with equity'. But their proposals do not suggest, as was the case in the 1960s, a redistribution of income, land reform, or the introduction of a progressive tax system.

At most, CEPAL calls for the alleviation of poverty by applying "the social plans of governments". But these proposals are accompanied by warnings against any expenditure that would induce budgetary imbalances.

As regards the debt, CEPAL repeats that there is a "joint responsibility" of the creditors for their "lack of foresight" as lenders and their "lack of control" over the entities demanding credits.

For this reason, the 'Cepalists' advocate certain cancellations of debts, a reduction of the total amount and, periodically, preach in favour of the formation of "a front of the indebted countries".

But these proposals have remained unheeded, as they do not have any more than an echo in the media. It has been shown that no banker expresses compassion for his debtors and that they will take into account only measures taken in a vigorous way, unilaterally imposed; all things which the Latin American governments would not even risk contemplating.

The adaptation of the CEPAL to its old liberal enemy translates the domination of the transnational corporations *vis-à-vis* the national firms (local, regional) within the framework of the dominant socio-political bloc today in Latin America. At the same time, CEPAL clarifies the imbalances caused by the predominant weight of these transnationals and the loss of the autonomous strategic horizon which the industrial bourgeoisie of the continent possessed for a few decades.

Anti dependency theory

The reaction against dependency theory is a characteristic of current thought in Latin America.¹ Thus, Cristobal Kay claims that the centre-periphery problem has been integrated into the (new) neo-structuralist approach.² What is certain is that it has lost any relevance for the CEPAL and moreover has been abandoned by its principal spokespersons of the 1960s and 1970s.

Dependency theory stresses that lack of control over the internal process of accumulation characterises a peripheral country and it attributes this characteristic to the prevalence of foreign capital. It highlights the fact that a long-term inequality separates the advanced countries from the backward countries and criticises the theory of convergence between these two entities.

Among supporters of dependency theory, Cardoso to some extent anticipated the turn away from it with his theory of "associated development". This approach argues that foreign investment "internationalises the internal markets" and eliminates obstacles to regional growth. It simply ignores the fact that these investments finally lead to a widening of the gap that separates the Latin American continent from the advanced countries, because they stoke up the increase in the foreign debt through the re-export of profits, payments for patent rights and trade imbalances.

Cardoso states correctly that the peripheral status of the Latin American area does not suppress endogenous (inter-



nal) processes of accumulation. But he does not take into account contradictions that prevent these underdeveloped countries emerging from their "backwardness".

At the beginning of the 1980s, other authors³ initiated a criticism of the endogenous tendency in the dependency theory school, by questioning the excessive weight placed on the role of external obstacles to economic progress in the area. This criticism placed more stress on the internal causes underlying the difficulties of development.

Other theorists centred criticism on the fact that peripheral insertion implied above all serious imbalances in the balance of payments (the balance between the total of inputs and outflows of capital).

However, more recently, dependency theory has been abandoned by its most famous figures. Thus, Dos Santos no longer regards underdevelopment as a product of domination by the countries of the centre of the countries of the periphery.⁴ He concludes that an industrial policy could put an end to backwardness. Marini, for his part, thinks today that such an objective can be achieved by constituting regional economic blocs.

As for Andre Gunder Frank, he has reached the conclusion that dependency is a myth insofar as there are no national autonomous developments.⁵ He thinks that countries disconnected from the world economy in a period of crisis (like the Latin American continent at the time of the great crisis of the 1930s and the second world war) are reinstated in the circuit of the world economy in the phases of growth.

In the "Marxist camp", some critics of dependency theory like the late Bill Warren and Nigel Harris have again reinforced their objections by affirming that the growth rate is higher in the periphery

than in the centre and that the potential for the expansion of capitalism is similar in the centre and in the periphery.⁶

In our view, this whole wave of criticism of dependency theory questions the strong points and not the weaknesses of this conception. They ignore the fact that its approach started in a correct way from an overall analysis of capitalism as a world system structured around regions that are either profit or loss making through systems of transfer of wealth.

Dependency theory highlighted the fact that the underdevelopment of Latin America corresponds historically to the subordinate position-function of the region as supplier of raw materials and as market for the manufactured goods of the countries of the centre.

In the left wing version of dependency theory, the starting point rested on an understanding of the hierarchical ordering of the world economy; what constitutes an analytical principle taken by Marxist authors who adopted an international approach: Trotsky, Rosa Luxemburg, Bukharin. That goes against the positions adopted by those who centred their vision on national processes of accumulation (Kautsky, Plekhanov, Hilferding).

These left currents of dependency theory also accepted the central thesis of the theory of imperialism (recognition of a tendency to a widening of the distance separating the advanced from the backward countries); they did it while reformulating the various insights developed by the classical Marxist theorists.

They adapted Lenin's analysis on the centrality of finance capital, Rosa Luxemburg's interpretation of the exhaustion of pre-capitalist areas (as new areas of valorisation of capital) and Bukharin's thesis dealing with competition for obtaining the control of new markets, that it is in terms of supply of primary goods or sale of commodities.

They have also integrated Marx's perception of the process of polarisation at work on a world scale when he went beyond his first exploratory work on the colonial question (texts on India, the war in Texas during the first half of the 19th century or on Simon Bolivar) by developing a more sophisticated theory applied in his analyses of Ireland, Poland and Russia.

It is moreover in this passage, or this analytical progression, that he replaces the references to the civilising role of colonialism by a sour criticism of the asphyxiating role that it has for the development of the so-called backward coun-

★ Latin America

tries.

The proximity of the dependency approach to the theory of imperialism (currently largely abandoned in academic milieu and even in broad sectors of the left) led the former to denounce the mechanisms of domination from which the Latin American continent suffers, mechanisms of domination that have also ceased to be mentioned. Indeed, the incursions of dependency theory on this ground constitute the strength of this approach. For us, the limits of dependency theory are elsewhere.

Dependency theory is mistaken on the analytical front in seeking to discover 'laws of dependent capitalism' specific to Latin America. If the economies in this area certainly possess particular traits, they do not obey "original and different laws" from the mode of production in force (capitalism in its globalised dimension).

For this reason, it is necessary to think about the dynamics of regional developments starting from the Marxist conception of the world economy as a totality rather than the centre-periphery analytic.

Anti-liberal simplifications

Many current critical analyses of the neoliberal model refer to old analytical criteria of CEPAL and dependency theory. For example, they advance objections vis-à-vis the commercial opening, disindustrialisation or the financial vulnerability of the Latin American countries by using theories which explain regional backwardness by demographic (abundance of workforce), cultural (Hispanic colonisation with its effects of stagnation), political (establishment of weak states) or economic (specialisation in agriculture and mining) reasons.

This picture is relevant only in so far as it treats destruction of the industrial fabric of certain areas as a consequence of competition related to the commercial opening to any type of imports and the reconversion of the "obsolete" activities (from the point of view of this insertion in the international division of labour).

Nevertheless, in Latin America, an absolute industrial degradation does not prevail; rather what is evolving is an industrial exporting specialisation carried out at the expense of an integrated local production. This process consolidates the fragmentary nature of the dependent semi-industrialisation initiated at the beginning of the 1950s.

From structural and functionalist bases (structural heterogeneity; dualism

of developing sectors and stagnant sectors; enclaves of development), these criticisms try to explain the juxtaposition of modernity and backwardness (modernity and archaism) in the periphery without connecting this specific combination with the operation and general 'laws' of capitalism. There are also critiques that approach underdevelopment in a restrictive way, that is, starting from the Latin American continent alone.

An example of these simplifications is found in the connection usually established between the increase in "exclusion" and the *rentier* policies of the dominant groups. By taking up the dependency analyses of "social marginality" and "pillage", some critiques try to explain the regressive processes at work in the



distribution of income as a function of a financial exhaustion of the resources of the region.

If it is true that the bankers pile up fortunes by imposing usurious interest rates and incredible commissions, it should not be forgotten that their profits represent only part of the surplus value that is also distributed between the transnational imperialist firms and the local capitalists. The Latin American entrepreneurs do not constitute a passive, strictly intermediate group; equally, they cannot be characterized as mere *rentiers*.

Such a characterisation takes into account neither the totality of the regional bourgeoisie nor its various regional components (Argentine entrepreneurs who compete with their Brazilian equivalents, or Chileans with Peruvians). No genetic culturalist or religious interpretation has succeeded in demonstrating that the Latin American capitalists adopted, basically, behaviour different from any capitalist entrepreneur, in any other part

of the world.

The image of a regional dominant class as a strictly parasitic layer completely dependent on foreign capital is in conformity with the characterisation of Latin-American capitalists as simple "satellites", manipulated in all their dimensions by "the metropolis".

Some authors like Andre Gunder Frank have developed such an approach, imputing a whole hierarchical system to commercial and financial processes and stressing the exclusively mono-export character of the economies of the periphery.

A similar reasoning inspires the current utilization of the terms "exclusion" and *rentiers*. And this way of looking at the world is an obstacle to understanding the specific process of productive insertion of Latin America in the new international division of labour.

Another error resides in the characterisation of the productive decline of the region as reduced to a process of "deindustrialisation". This image is only pertinent to the extent where it deals with the destruction of industrial fabric of certain regions as consequence of the competition linked to the commercial opening to all types of imports and to the reconversion of activities which are "obsolete" (from the point of view of this insertion in the international division of labour).

Nonetheless in Latin America there is not an absolute industrial degradation. What is happening is a change in direction towards an industrial export specialisation at the expense of an integrated local production. This process consolidates the fragmentary character of the dependent semi-industrialisation initiated in the early 1950s.

More technologically sophisticated means have enlarged the process of transformation of raw materials and that of assembly, which implies a simultaneous reorganisation and a modernisation of the productive process (one notes it in petrochemicals as in cars).

Another simplification emerges with the thesis of "reprimarisation" (return to a production of primary goods) supposedly happening in the context of a retreat across Latin America, restoring its old function as exporting agro-mining region.

Here, confusion intervenes. It consists in confusing the specialisation of the region in the lower segments of the international division of labour with the simple restoration of a productive model centred on raw materials. The thesis of "reprimarisation" amounts to supposing,

in an erroneous way, that foreign capital seeks to choke any type of industrialisation of the underdeveloped countries to ensure the primacy of metropolitan industry.

Again, a confusion is made between the limits imposed on a regional industrial development and the impossibility of any development; which amounts to forgetting that the transnational firms, far from being opposed to any form of industrialisation, are the first to promote the establishment of companies in the periphery, using intensive labour or even combining a highly modern technology of assembly with cheap labour.

The theories of imperialism and 'uneven and combined' development make it possible to go beyond these simplifications because they do not locate the problems of Latin American development in terms of simple oppositions of the type: "capitalism or feudalism", "prevalence or total absence of bourgeoisie", "possibility-feasibility or impossibility of industrialisation".

On the contrary, the theories of imperialism and 'uneven and combined' development explain what the forces are which prevent a trampling, an absolute crushing of the periphery, and which at the same time limit its development.

New categories

It is indisputable that a change of exceptional depth is underway in Latin America. The exacerbation of the debt burden, export specialisation, the explosion of poverty and the new degree reached by unequal exchange, destabilise the political regimes, erode the traditional systems of domination and impose a rearrangement of state structures.

But what is the correlated social expression of these transformations?

Some authors think that the Latin American bourgeoisie has "transnationalised" as result of the economic disarticulation of the area and its increasing integration into the process of globalisation of capital. This characterization would be adequate if the characterisation of "transnationalisation" indicated only a growing association of Latin American and foreign entrepreneurs.

Nevertheless, the term "transnationalisation" has significance other than that of "becoming foreign" or some "international entrepreneurial intertwining". The term "transnationalisation" implies that the former national bourgeoisie tends to disappear as a differentiated group, having roots in a certain territory, to consti-



tute itself in a sector simply taking part in world accumulation, without specific and even paramount interests in a country.

This qualification "transnational" undoubtedly applies to financial groups or countries that have been converted into appendices of the United States (for example, Panama).

However, this characteristic is not adequate to grasp the present reality of the bourgeoisies of Argentina, Mexico or Brazil. Resources feeding the power of these sectors reside in the surplus value extracted from the workers of their countries, whose labour power is expended in the countries of these regions. The main parts of the operations that nourish the profits of these bourgeoisies take form inside the old national and regional borders.

Admittedly, there is no doubt that these limits have changed in an accelerated way and that the differentiation operating within each bourgeoisie must be reassessed according to the insertion of its assets, of its property. But it is necessary to specify, in each case, up to what point the internationalisation of the globalised productive process affects the forms of concrete ownership of these bourgeois forces. For the moment, in Latin America, dependent modalities of integration prevail, subordinated to the transnational imperialist companies.

The regional bourgeoisie does not take part in the formation of a hegemonic bloc on a worldwide scale, not even as a minor partner. To employ an image, there is a difference on this level between the dominant classes of the "poor countries" who have joined the European Union and those of the Latin American continent who do not take part in the struggles of

bourgeoisies who dispute the positions of first rank in the world market.

It is premature to predict the course that the Latin American bourgeoisies will adopt for the simple and good reason that in the midst of economic reorganisation very different evolutionary tendencies always coexist.

Absorption

There are accelerated processes of absorption in the area of direct domination by the United States (NAFTA; assembly factories of the type of those at the Mexican border; attempts at direct dollarisation). At the same time regional markets such as Mercosur are constituted which, if they possessed their own currency, could maintain themselves in a traditional status of dependence. Lastly, there exists in Latin America epicentres marked by an absolute social regression, an erosion of the State whose extension would lead to processes of balkanisation and a still more profound and prolonged crisis. Transnationalisation is only one alternative among the range of possible options. The indiscriminate use of this term applied to the bourgeois classes (and not to firms) presents the same disadvantage as the characterisation of the regional bourgeoisie as being strictly comprador (in the sense of traders serving the interests of colonial occupants).

To formulate a precise diagnosis of the transformation of the dominant class, it is necessary to also observe the changes in property relations as well as the intervening changes in the bureaucracy that is in command of the state apparatus. As much as in the past, the characteristics of the dominant social class only condition the particular configuration of each soci-

ety.

The result also depends on the orientation fixed by the social group that controls the resources of the state, and that through the decisions which model the capitalism of each country.

On this level, attention must be drawn to one fact.

The degree of "transnationalisation" of the higher bureaucracy of the Latin-American states is usually higher than that which prevails within the bourgeoisie.

This tendency is translated directly in the constitution of a layer of civil servants co-opted by the IMF and the World Bank who occupy all the strategic positions of the apparatus of state. Career, remuneration, professional future of this state-bureaucratic personnel are related to the services they render to the international bodies rather than to the functions that they fulfil for the national entrepreneurial class.

For this reason, they are more attentive to the requirements of the banks and the imperialist companies than to the requests of the regional bourgeoisie.

This substitution of the old Latin American bureaucracies educated in the area and accustomed to managing public companies by a new cosmopolitan elite constitutes a central link of the reinforcement of commercial, financial and technological dependency which makes it possible to speak about a "recolonisation" of Latin America.

One can object that the characteristic of "colonisation" or "semi-colonisation" was used at the beginning of the 20th century to describe the total or partial absence of formal independence of some of the underdeveloped countries, therefore in a situation very different from that prevailing today. Similarly, it is certain that these categories have lost their rigour from the post-war period onwards.

This is first of all because of the disappearance of the old colonial empires and, thereafter, because of the emergence of the higher peripheral countries (the most developed) controlled by autonomous capitalist classes. Some authors used the characterisation of dependent "semi-industrialised" countries to describe this, for example Ernest Mandel.

All these precise details have their value and should contribute to finding a more adequate terminology in order to define the present situation marked by a narrower association between the capitalists of the countries of the periphery and the groups of the countries of the centre:



an association that implies an increasing political subordination to imperialism.

This submission has taken the form almost of a natural order in so far as it fits within a framework given as inevitable: that of globalisation. While not having a more exact concept, the term "recolonisation" conveys the reduced margins of political independence enjoyed by Latin American countries.

Globalised resistance and social emancipation

The association between local capitalists and transnational firms, as well as the overlapping of the civil servants of the national state apparatuses with the bureaucracies of the international organisations (IMF, WB, WTO etc.) discredit the leading role of the dominant classes in the eyes of the population of the countries of the continent.

This loss of prestige and legitimacy increases popular resistance to the questioning of social conquests that has marked the two last decades. Significant waves of resistance and protest not only run up against the unending neoliberal adjustments, but also open the road to putting on the agenda more precise demands aimed at stopping the haemorrhage caused by debt, alarming impoverishment and the increase in exploitation.

As we enter the new century, Latin America is a volcano of political crises and social rebellions. However, one of the most promising features of these resistances is that they coincide with mobilisations that have started on an international scale and question the policies of the World Bank, WTO and the IMF, this "International of Money".

The possibility exists that they can meet, to link the demands of wage earners in the countries of the centre and those of the periphery and create new networks of solidarity between peoples. The same 'globalisation of capital' that has widened the breach between the advanced and the underdeveloped countries could reconcile the demands of the oppressed and exploited in centre and periphery.

The future of the Latin-American continent is closely related to the deepening of this global mobilisation against capital, a mobilisation that must place the perspective of a coming socialism on the agenda.

No country of the periphery can claim to be transformed into a great capitalist power (as has been claimed by Menem, Cardoso or Salinas). Nonetheless all the peoples of those countries can try to play a role in history, through participating in a common project of emancipation. ★

* Claudio Katz is professor of economics at the University of Buenos Aires, Argentina.

1. For an overview of the dependency school and related debates, see among others, Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America*, Monthly Review Press, New York 1967; *On Capitalist Underdevelopment*, Oxford University Press, Bombay 1975; *Dependent Accumulation and Underdevelopment*, Macmillan Press, London 1978; as well as the work of Ruy Mauro Marini, Theotonio Dos Santos or Fernando Henrique Cardoso (now president of Brazil).
2. Cristobal Kay, "Structuralism and Dependency theory in the neoliberal epoch", *Nueva Sociedad*, December 1998 (a pluralist review financed by the social democratic Friedrich-Ebert-Stiftung).
3. See the work of Salomon Kalmanovitz, a Colombian economist who published a work entitled *Le développement tardif du capitalisme*, Ed. Siglo XXI, Bogota 1983.
4. See his article "The Theoretical Foundations of the Cardoso Government" in *Latin American Perspectives*, January 1998.
5. See his "The Underdevelopment of development", in the special issue of the *Scandinavian Journal of Development Alternatives*, No: 3, September 1991.
6. See Howard et al, *History of Marxian Economics*, Vol. 2, Princeton University Press, New Jersey 1992.

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Comunicaciones y suscripciones

Ernesto Herrera-germain@chasque.apc.org

Inprecor-100641.2324@compuserve.com

The left and the popular movement

THE first round of the Peruvian presidential elections on Sunday April 8, 2001 produced a major surprise – Wall Street's favoured candidate, Lourdes Flores, came third and was eliminated from the contest. The second round [on June 3] will now be contested between Alexander Toledo (who scored 36.46%) and Alán García, the candidate of the APRA party, who was president from 1985 to 1990, who secured 26% of the vote.

Both candidates are determined to pacify 'foreign investors' in the aftermath of the mobilisations that forced former President Fujimori from power at the end of last year.

Meanwhile, there was little sign of a Left that had been one of the strongest in South America. What has happened to it? Nobody has more authority to give his opinion on the question than HUGO BLANCO, historic peasant leader and a veteran activist on the Peruvian Left. [E. H.]



Defeated candidate Lourdes Flores

pearance of the disappeared, and for many other causes also. Some of those movements have won their demands. Parallel to this, the people are constructing embryonic forms of power. In many places, officials that according to law, should be named from above, are chosen by the people. Such is the wisdom that is emerging from the popular movement and we have more to learn from it than to teach it.

What about the Left?

Probably it accounts for 3% to 5% of all the mobilised multitudes. It has been reduced remarkably, in my opinion

MARX said a step was worth more than a thousand words. In Peru the popular movement is taking diverse ingenious steps; meanwhile the left is speaking a thousand diverse, though not so ingenious, words.

The Peruvian popular movement expelled the 'constitutional' dictator Fujimori within five months of his having been 'chosen' for five years. Of all the mobilisations against the dictatorship, the most remarkable was the 'March of the Four Suyos' called by Alexander Toledo, the candidate against whom Fujimori perpetrated his fraud.

The name of the Inca state (not empire) was *Tahuantinsuyo*, which means "the four regions" in which that state was organized; thus, the 'March of Four Suyos' was evoked by Toledo as a reference to indigenous identity.

Convergence

It was the greatest convergence in the history of Peru in which Peruvians from all over the country went to the capital. This march was preceded and continued by innumerable meetings, strikes, road-blocks, smaller marches, and so on, some of them specifically for the overthrow of the dictatorship and others raising sectoral demands, but accompanied by the slogan "down with the dictatorship!"

The dictatorship fell and its corruption has been brought to light. The mobilisation of the Peruvian people has not stopped: for punishment of the corrupt 'high society' figures who have been treated with kid gloves; against the pri-

vatizations that are planned; for the revision of privatisations carried out by the dictatorship; against centralisation of power; against the Fujimorista anti-labour legislation; against the dismissals of workers; for the rehiring of the dismissed; for wage increases; against environmental contamination; for the reap-

"There was a shift to the left"

JUAN Abugatas, a political analyst and professor at the University of Lima, analyses the results of the first round of the Peruvian elections (from *Página/12*).

What are the implications for the future of the election results?

In the first place it has been a rejection in all its dimensions of *Fujimorismo*, both the authoritarian system that he had imposed and his economic management. Secondly, this has produced a kind of shift to the left, because if we equate the right with neo-liberalism, there has been a distance from this model that has been to the benefit of the Alan García candidacy. Thirdly, there is a very clear message from the citizens to the political class saying that they do not want any longer an over-powerful government. They want policies of negotiation, conciliation, search for consensus and for that reason they have not given a first round victory to Toledo and they have not given anybody a majority in Congress.

How do you explain the success of Alan García?

If one sees the results of the regime of Fujimori, that of García has been minimised. The youngest people know the Fujimorista disaster but not the Alanista disaster. Partly also it is explained by this pendulum reaction whereby, when one model fails, people tend to return to the previous one.

What would Toledo have to do to be able to win the second round?

He needs to outline better his proposals, to present himself as somebody more reliable to get the country out of crisis. In this field he has the advantage of not having a record of catastrophic government, as is the case with García. He must avoid a personalisation of the fight, because Alan García is a more charismatic candidate. Finally, Toledo would have to put pressure on García so that the latter demonstrates that he really has changed.

And García?

Alan would have to try to individualise the fight. He is going to have to face the criticism he should make a clearer apology for his previous government. Thirdly, he needs to obtain a team, which he does not have now. I suspect that one of the surprises could be the appearance of Hernando de Soto alongside García. That would be a message that he will not be going the way of Populism. The ideas of De Soto can be presented as compatible with those of Alan, a kind of popular capitalism. ★



Alan García

because we did not know to respond to the expectations of the people. To this was added verticalism, sectarianism, dogmatism and opportunism, not to mention the consequences of the fall of the Soviet Union.

The president of the General Confederation of Peruvian Workers, a member of the *Communist Party*, was candidate for the second vice-presidency on the list of the most notable candidate of the right. Neither his party nor the union dared to help him.

The Maoist *Patria Roja* tried to register for electoral participation (under the name of *Nueva Izquierda*) but was found to be falsifying signatures in the Fujimorista style. The *Partido Unificado Mariateguista*, to which I belong, did not take a stance on the elections and its members took diverse positions.

There are Trotskyist groups and others that talk of “unifying the left” and discussing balance sheets, but their meetings are not attended by the main parties of the Left.

Panorama

We have then a panorama of, on the one hand, constant mobilisation of diverse sectors of the population, in a creative, political and very organised manner that is winning victories; on the other hand, the virtual disappearance of the left.

Faced with this panorama, some comrades, among them the *Socialist Party of the Workers*, Peruvian section of the *International Union of Workers* (LIT — Morenist) and others, have decided to form a grouping that gathers the current aspirations of the people who are fighting and to work for the unification of the struggles and the popular organisations.

We have formed *La Lucha Continúa*, we participate in the daily combats and we publish a newspaper. We are advancing and already we have obtained many enthusiastic new members.

As far as the elections go these are a legacy of *Fujimorismo*, the popular movement did not have time to form its

The Peruvian Pinochet

IF Pinochet entered an electoral competition with another neo-liberal, of course the Chilean people would prevent him coming to power.

If Videla did the same, the indignant people of Argentina also would close the way to him. Why? Naturally because our Chilean and Argentine compatriots repudiate genocide.

Nevertheless in Peru, that does not happen. The people who will vote against Alan García will do so in long queues because of the corruption of his regime. Those were not errors. They were a gangster method of government.

Nevertheless the terrible thing about Alan is the terrible thing about Pinochet and Videla: they are perpetrators of GENOCIDE. He has assassinated 3,000 Peruvians; why does that not horrify people, as is the case with the Chileans or the Argentineans?

Because the dead were mainly only Indian.

Racism is pronounced in these elections in macabre, chilling form. In fact, not only in that form: the radio, the written press and the television show no mercy in their ‘humour’ against Paulina Arcasi (an Aymara Indian who has the audacity to run for parliament).

Alvarito is moved by the plight of the alleged daughter of Toledo¹ but neither he nor the majority thinks about the hundreds of indigenous women who were brutally violated by the troops of García, because they were Indians.

Unfortunately this is not only true

own list; some of their elements were with diverse electoral lists.

The candidates for the presidency are more or less neo-liberal. They do not reflect the aspirations of the people. There are comrades of the popular movement who identify with Alexander Toledo because he mobilised the people against the dictator.

Others prefer Alan García, candidate of the *Aprista* party and ex-president, who was exiled from the country and persecuted by Fujimori and who has a less neo-liberal program. The vote for him came mainly from young people who did not undergo his previous government. Finally there were some who preferred abstention.

As we must choose whom to continue the battle against, I prefer to face Toledo, since he will face problems in opposing

for the reactionary sectors, even the progressive sectors underestimate the most terrible facet of the Aprista candidate. The fault is not theirs. The fault is ours — the indigenous by blood and/or soul.

In Mexico this could not happen because our comrades in Chiapas have shown that the men and women “of the colour of the earth” are also people.

Nor could it happen in Ecuador where the indigenous with pride have demonstrated to the world how much they are worth. In Bolivia there would not be this scorn either for the massacres of indigenous peoples.

Alan, Commander-in-Chief of the Armed Forces, acted personally to order the massacre in the prisons, ordered the assault against a peaceful meeting in Pucallpa, where I was present and saw Quechua and Shipibo comrades fall by my side. And there are many cases more, reaching or exceeding the 3,000 assassinated.

The Peruvian indigenous must learn from our Mexican, Ecuadorian, Bolivian sisters and brothers, from the Mapuches of Chile; all of them are making their compatriots understand that they are also human; in Peru we have still not achieved this.

Let us work to incorporate the indigenous force that is surging in Latin America, without showing hatred, but rather fraternity towards the non-indigenous. ★ **Hugo Blanco**

1. Alvaro Vargas Llosa, son of the writer Mario Vargas Llosa, who had collaborated with Toledo, broke with him, accusing him of not recognising a daughter fathered out of wedlock.

the demonstrations. Alan García is expert in spilling the blood of the people, especially the indigenous people.

Under his government more people disappeared than under any other, including Fujimori. We cannot forget that one of his massacres was carried out against incarcerated political prisoners, among them *Sendero Luminoso* [Shining Path] supporters and many innocents.

The comrades of *La Lucha Continúa* have not squabbled over electoral differences. What unites us is the program of popular demands, the conviction that no Presidential candidate represents them, and the view that only by means of collective struggle against the government will our demands be met. Our people do not stop their struggles for electoral reasons, we will continue fighting, against Toledo or the bloodthirsty García. ★

"We want to govern ourselves"

FELIPE Quispe Huanca was, in the early 1990s, one of the leaders of the *Ejército Guerrillero Tupak Katari* (Tupak Katari Guerilla Army), an armed organization that took the name of the legendary Aymará leader who besieged the Spanish conquistadors in the city of La Paz at the end of the 18th century. For his participation in this failed experience, Quispe, alias 'El Mallku' (the condor, in the Aymará language) spent five years in jail. There he decided that struggle on the trade union and political front would be more effective. In 1999 he became secretary general of the peasant trade union confederation, the *Central Sindical Unica de Trabajadores Campesinos de Bolivia*. In 2000, he was at the head of the two indigenous protests that shook the government of Hugo Banzer. An army of hungry peasants blocked the roads of the country in April and September of that year, putting into practice the mythological "war of the six stones", a strategy that consisted in filling the Bolivian roads with thousands of stones of every size, to be replaced again when the Bolivian military removed them. In this interview, Quispe relates the experiences of struggle of the Bolivian peasant-indigenous movement and outlines the demands of the *Pachakuti Indigenous Movement*. The interview was conducted by NATALIA VINELLI.*

“THE Bolivian leftist is very fragile, very rickety. If we placed him in a balance, he would weigh nothing”, says — with an evident desire to start a controversy — Felipe Quispe, “Mallku”, executive secretary of the *Confederación Única de Trabajadores Campesinos de Bolivia* (CUTCB) and leader of the *Movimiento Indígena Pachakuti* (MIP).

For Quispe, orthodox Marxism is incapable of explaining the Latin American indigenous reality.

“The Indian must be the social actor in politics and ideology. We cannot simply be voting masses or political supports for the bourgeois parties, the traditional parties that have betrayed us. We want to govern ourselves, we want to reconstruct the *Qullasuyu*, the communitarian socialist society of the *ayllus*”, he says.

“We have seen that there are other countries where the indigenous movement has its political arm, for example Ecuador or Mexico, where there have also been politico-military arms that have won some victories. In Peru a *Movimiento Pachamama* is developing, and so on. We have had some contacts with our brothers in Ecuador and other places and with pride they tell us that in five nations we indigenous peoples are the majority. They see that in Mexico, Ecuador, Guatemala, Peru and Bolivia the indigenous peoples must liberate themselves. And for this, or as a function of this, we have to work. This is the goal, this is the initiative from Alaska to Patagonia, from the Peruvian coasts to the Brazilian Amazon, where we are spreading...”

■ Lately there has been a whole theoretical current which questions Marxism, and which raises differences of race or gender above social inequality, or class. How can this tension be resolved?

We know Marxism like the palm of our hand, because Marx saw the communitarian form of the *ayllus*, or of the indigenous communities, and based himself on that. From the *preincanato* (the Inca period — ed.), from Tiwanaco, the *ayllu* was structured as a community without capital, and until now there has been no capital in some communities, there is barter! I give you my production and you give me your production, we

exchange as equals, in horizontal and not vertical form. This reciprocity exists, this distribution, then, still lives.

■ You are thinking of an Indoamerican reading of Marxism, like for example Mariátegui?

Something like that. Nobody is perfect. We have a great thinker, Fausto Reinaga, who gave us enough as theory. But also if we take this path we have enemies who say that we are racists, that we want to eliminate the whites, that we would be replacing a system of white racism with Indian racism. That won't happen, we don't think like that, they are very worried about the fact that *indianismo* advances and is gaining strength. The truth is that we never were racist. We always argued for equality of conditions. That's why when visitors from the city arrive in the communities, they are given the best treatment, we have to give them good food, we dance with them to our music. Never have we discriminated. Nevertheless, when we come from the country to the cities the whites discriminate against us.

■ But for example, could the indigenous movement establish an alliance with the new Aymara employers?

Look, if we found the names and the surnames, the “mamanis” and “condoris”, the “quispes”, if we look right now and they are in the *Confederation of Private Employers*, then we would be against them, but this isn't the case. If it was, then we would also have to get rid of them, because we cannot allow this inequality while our brother is in rags, while in the countryside our brothers have no electric light, no roads, no telephone or internet or fax, no roof over their heads... We do not have hospitals or sanitary places, then we cannot have this inequality. So we cannot agree with them to have a movement, no. It has to be a movement essentially of the poor.

■ Then the project of a socialist society of the *ayllus* is not compatible with capitalist society...

No, no. They are totally antagonistic systems.

■ From the theoretical point of view, the industrial working class was considered as the vanguard of the political fight for liberation. In Bolivia, for



Coca farmers march

many years, the mining working class was the vanguard of that fight. At the moment this seems to have changed, because of the combativity of the indigenous masses and farmers.

It is obvious that in Bolivia there was a mining majority here, I do not have the exact number in my head, but in 1960 it was more than 50,000 workers. Then it was a driving force that placed itself in the vanguard, but as the COB (*Bolivian Workers' Confederation*) was controlled by Juan Lechín (and Juan Lechín was an agent of the CIA then, an agent of imperialism), it could never lead the working class to power. For example, I remember that in 1964 there were miners in the street and they had paralysed the city. And one wondered where the *Partido Obrero Revolucionario* (*Revolutionary Workers Party*) was so that they could distribute, so that they could organise... and they were hidden underneath the *polleras* (skirts) of their women, because nobody appeared!

■ **What happened to the combativity of the miners then?**

Well, with the supreme decree (21060, which officially installed neoliberalism in Bolivia) they were eliminated, they stopped being a vanguard because there were no workers here. Also you have to take into account that here the roots, the ancestral-trunk is Aymara and Quechua. It's not like in Europe, where the boss is white and the worker is also. Here it is not like that, the bricklayer is indigenous here, the person cleaning the walls is indigenous and the maid is indigenous. However, with this we are not rejecting the working class. We have our flag of seven colours, the *wilpala*, and the red flag could be alongside it because we are brothers; we are people who have come from the communities and have become workers, but when they are booted out of the factories or the mines, they return to the communities. We have leaders who have been miners. This is our reality. And now there are no workers, we are obliged to play an important role and to be protagonists. ★

* Interview from *Resumen Latinoamericano*, with the collaboration of its correspondent in Bolivia, Felipe Guamán.

Ecuador: "There exists the danger of a civil war"

ANTONIO VARGAS is leader of the powerful *Confederation of Indigenous Nationalities of Ecuador* (Conaie). He was interviewed by Mercedes López *

What are the differences and the similarities between the Conaie and the Zapatista movement in Mexico?

The social and economic problems are the same. The difference lies in how one acts according to the geographical situation one encounters. For this reason the struggles have been different. The EZLN wage their struggle in one state only (Chiapas) and not at the national level. Perhaps because Ecuador is a very small country, we control nearly all the parts of the country where the indigenous problematic exists. Otherwise the Zapatistas have the same demands as us concerning indigenous poverty.

The Zapatistas have arrived at the end of their long march to Mexico City. What are you going to do with your roadblocks?

We have carried out several uprisings. The last was the toughest, and there exists the danger of a civil war if the government and the politicians do not change their attitude. It could be that a new uprising ends up in a social explosion or in a civil war. We have begun the dialogue and we hope that it works.

What are the main themes for the formal dialogue with the government?

The immediate problems are compensation for the wounded and dead, reversing the price increases [of basic commodities] and fulfilment of agreements made and others not yet signed. The long-term themes are the foreign debt, 'Plan Colombia', emigration. In short, we are asking for changes in economic and social policy.

What about 'Plan Colombia'?

We have opposed it from the beginning but lamentably Ecuador is already involved in 'Plan Colombia'. We think that this will lead to a situation such as occurred in equatorial Africa and in Vietnam, because it is a long term problem and could start a Third World War. That is, it is not only a matter for Ecuador — it also jeopardises the whole of South America.

Why do you want to engage in dia-

logue with the government at the headquarters of the United Nations (UN)? Would it amount to being recognized by the UN as a belligerent party?

Many negotiations that we have carried out at government headquarters have not been fruitful. This indicates to us that we need a sort of witness, for that we want the UN to participate in the dialogue, so that it is effective. In that way, we will verify the fulfilment of the agreements obtained.

Is there some degree of support for Conaie from medium ranking army officers?

Not on the part of the army. However 85% of the Ecuadorian population endorses the indigenous cause.

I'm talking about, for example, the case of Colonel Lucio Gutiérrez, who last year headed the assault on the state parliament, prior to the coup d'etat.

We have nothing to do with Lucio and his politics. Yes, we have the endorsement of some dissident colonels.

What is your view on dollarisation?

We have always been against it, first, because we defend monetary sovereignty, second because each year we are going to carry on paying US\$500 million for the sovereignty of the currency and third, because following dollarisation in Ecuador inflation has not fallen, on the contrary, prices have gone up! Nobody has gained through dollarisation.

What are the demands of the Conaie in relation to tax reform and the law on social security?

With respect to the tax reform, we do not agree with the raising of VAT (value-added-tax). In addition, we want the customs to be controlled by the internal services, not by private companies. As for social security, we are asking for guarantees that it is not only for a privileged group and that the government includes the majority of the population in its reforms.

What do you think will be the response of the government?

I'm not going to be pessimistic, I hope that there are results but I won't get ahead of myself, the future will have the final word.

*Página/12, Buenos Aires, 25/3/01.

A referendum on the FTAA

The Free Trade Agreement of the Americas (FTAA) is much more than a proposal to liberalise commerce, as has been formally announced.

ALOIZIO MERCADANTE*

IT'S about, of course, a strategic project of the United States to consolidate its domination over Latin America through the creation of a privileged space for the extension of its economic frontiers. The introduction of the FTAA will represent a deepening of the liberalisation and the economic and financial deregulation that will lead to political weakening of the Latin American nation-states, making their economies more precarious.

The proposed integration process has made progress and it is now on track since the first *Conference of the Americas* in Miami, in December 1994.

The conference established nine negotiating groups and three special committees who are deciding the rules and norms that will regulate the reduction of tariff barriers and subsidies and anti-dumping policies and methods of compensation, plus extremely sensitive topics such as investment (the flight of capital in the region and the protection of external investments before eventual action by the state), the purchasing policies of governments (openings to foreign capital), intellectual property rights (protection of the interests of the corporations, particularly in pharmaceuticals and biotechnology) and services (a broad opening for foreign investors).

The proposal, therefore, affects all areas, with repercussions as serious as they are predictable, given the enormous asymmetry existing between the United States (US) and the rest of the economies of the region, not only in terms of size (US Gross Domestic Product represents 71% of all the hemisphere) but also in productivity, scale of production, systemic efficiency and competitiveness.

Of course, this does not exclude the possibility that some minor economies could obtain some economic advantages, although at the same time, accentuating their status as satellites of the US economy. It is also possible a few businesses or specific sectors might even benefit from the process of integration. The greater sized economies of Latin America, however, have much more to lose than to gain as a result of the implementation of the FTAA.

Amongst them, Brazil will be the greatest loser. It has a continental economy with multi-lateral foreign trade that cannot be reduced to a platform for exporting and, even more, it is the only Latin American country with the potential conditions for counterposing itself to the US hegemony in the region.

Our productive structures and resources are not complementary to the economy of the United States. On the contrary, we are competitors in various sectors (automobiles, steel, orange juice and soya, for example). The level of integration of our productive system, our scale of production and the domestic capacity of our technological development are much lower than those of the United States, which, added to the deficiencies of our basic infrastructure, places us in an extremely inferior position relative to the productivity and competitiveness of the global economy.

In these circumstances, the liberalisation of the flood of commodities, services and capital offers a one-way route, with destructive impacts on the structure and dynamics of the nation's productive system.

Regression to neo-colonialism

The experience of recent years is illustrative of what may have to be surrendered with the coming of the FTAA. The sharp opening to outside commerce, accompanied by the overvaluation of the currency promoted by the 'Plan Real', in addition to causing a process of de-industrialisation, generated significant losses in commercial exchanges with the external economy.

During the period 1994/97, for example, our exports to the United States grew by 5.22%, whilst our imports from that country increased by 115.62%. And even though the currency crises of 1999 may have corrected some of the 'excesses' of the earlier stage, the balance of the period 1994/2000 is still extremely negative.

For Brazil, therefore, the problem is not to debate forms of integration, conditions or time limits in the FTAA. The essence of the problem is that the FTAA, apart from temporary gains for this or

that group, does not correspond to the strategic national interests. Making these concerns prevail means saying "No" to this proposal that will cause us return to a neo-colonial condition.

Brazil, mistakenly, entered the World Trade Organisation under the leadership of the then Minister, Ciro Gomes and Presidents Itamar Franco and Fernando Enrique Cardoso. And that error is now repeated with the signature on the letter from Brazil to join the FTAA, and the absence of political initiatives to prevent the removal of Mercosur [a regional economic agreement of the Southern cone countries — ed.], and other initiatives to promote the discussion of alternative proposals about integration that would preserve our identity and our sovereignty.

The agenda of the FTAA does not have any resemblance to the common market integration in Western Europe.

The European Union was planned over a great length of time with more than thirty years of negotiations inside an economic space comparatively more homogeneous than the Americas and included, in addition to the creation of continental institutions, a labour market and funds to compensate those economies most negatively impacted by the trade liberalization. In the case of the FTAA, there are none of these conditions, and the labour market will continue to be separated by the wall between the United States and Mexico. For the same reason, it is fundamental to build political resistance to this neo-colonial pact.

With this perspective, we are putting forward a proposal in Parliament for the creation of a special commission that will engage all of society in debate about questions related to the FTAA. Along with Deputy Enrique Fontana, we are introducing a project to carry out a plebiscite on the FTAA at the conclusion of the negotiations.

The FTAA is not an inevitable historical fate to which we must submit ourselves. To say "no" to the FTAA is Brazil's sovereign right. As Ambassador Samuel Pinheiro Guimaraes pointed out in a recent interview, this does not signify the adoption of a position of self-sufficiency or of a refusal to carry out commercial negotiations with the United States or any other country or commercial bloc in the world. It only signifies the establishment of a norm of intransigent defence of national interests for all negotiations. ★

* Aloizio Mercadante, an economist, is a Federal Deputy for the PT. Translation by Ernest Tate.

★ Globalization

IN mid-April, the leaders of 34 American countries met in Quebec City to discuss the pursuance of the proposed Free Trade Area of the Americas (FTAA). Meanwhile, the Second People's Summit of the Americas, sponsored by trade unions and NGOs, was also meeting and issued the following declaration. ★

NO TO THE FTAA! ANOTHER AMERICAS IS POSSIBLE!

WE, the delegates of the Second People's Summit of the Americas, declare our opposition to the Free Trade Area of the Americas (FTAA) project concocted secretly by the 34 Heads of State and government hand in hand with the American Business Forum. Who are we? We are the Hemispheric Social Alliance, the voices of the unions, popular and environmental organisations, women's groups, human rights organisations, international solidarity groups, indigenous, peasant and student associations and church groups.

We have come from every corner of the Americas to make our voices heard. We reject this project of liberalised trade and investment, deregulation and privatisation. This neo-liberal project is racist and sexist and destructive of the environment. We propose to build new ways of continental integration based on democracy, human rights, equality, solidarity, pluralism and respect for the environment.

BROKEN PROMISES: Since the 1994 Miami Summit, the Heads of State and government have committed themselves to reinforce democracy and human rights, to support education and to reduce poverty in the Americas. For seven years nothing has been done. The only issue that has moved forward, taking advantage of deficit in democracy, is the negotiation of the Free Trade Area of the Americas (FTAA).

This is not the first time that presidents and Heads of State have promised a better world. This is not the first time that the people of the Americas have been told to wait for the fruits of free trade to come. This is not the first time that we are forced to take note that the Heads of State have broken their promises. The FTAA project is a charter of investors' rights and freedoms, sanctions the primacy of

capital over labour, transforms life and the world into merchandise, negates human rights, sabotages democracy and undermines state sovereignty.

THE ASYMMETRIC AMERICAS: Indeed, we live in an Americas marked by intolerable inequalities and unjustifiable political and economic asymmetries. Half of the population of 800 million, of whom almost 500 million are Latin American, live in poverty. The south has a debt of \$792 billion US to the north, resulting in a debt servicing of \$123 billion US in 1999 alone. Capital, technologies and patents are concentrated in the North. Canada and the United States hold 80% of the economic might. Many new jobs are in the informal sector, where labour rights are constantly flouted. Free trade agreements aggravate inequalities between the rich and the poor, between men and women, between countries of the north and countries of the south, and destroy the ecological links between human beings and the environment. 20% of the world population consumes 80% of the natural resources of the planet. These free trade agreements prioritize exports at the expense of the needs of local communities.

We are witnessing the consolidation of economic and legal corporate power at the expense of popular sovereignty. Free trade agreements favour the commodification of public goods and the planet (water, genetic heritage, etc.). The neo-liberal logic reduces the citizen to a mere consumer and ultimately to a product. It favours short term gains without considering the social and environmental cost of goods and services. Under the pressure of large agribusinesses and dumping policies, free trade agreements threaten local small-scale agriculture, mostly performed by women, putting food security in danger. Free trade agreements encourage the systematic privatisation of public goods such as health, education and social programs along with of Structural Adjustment Programs in the South and budget cuts in the North.

These agreements rely on women to take up the collective tasks now abandoned by the state. Free trade agreements foster the marginalisation of indigenous people and the appropriation and subsequent marketing of their knowledge. Free trade agreements lead to an increasing feminisation of poverty and an exacerbation of existing inequalities between men and women. For example, women get paid less, work in hard and often degrading conditions without union rights,

undertake unpaid and unrecognised work for the family and community, suffer the commodification of their bodies — now the third most lucrative trafficking after drugs and arms, and are subjected to increased domestic violence and violation of their fundamental rights. Free trade agreements are accompanied by the militarisation of entire societies through schemes such as Plan Colombia and are also related to arms trafficking. There is no possible fair agreement in such a context.

WHAT WE WANT: We want to build bridges between the peoples of the Americas, draw on the pluralism of our histories and our cultures and to strengthen each other in the exercising of a representative and participatory democracy. We want to share the same passion for an absolute respect of human rights and the same commitment to have these rights respected. We want to live together a true equality between men and women, to take care of all our children and to share the wealth fairly and in solidarity.

We want complete respect for workers rights, trade union rights and collective bargaining. We want to ensure the primacy of human rights and collectives rights as defined in international instruments over commercial agreements. We want states that promote the common good and that are able to intervene actively to ensure the respect of rights. We want states to strengthen democracy, to ensure the production and distribution of wealth, to guarantee universal and free access to quality public education, and to health care particularly concerning women's reproductive rights. We want states to eliminate violence against women and children and to ensure respect for the environment on behalf of the current and future generations.

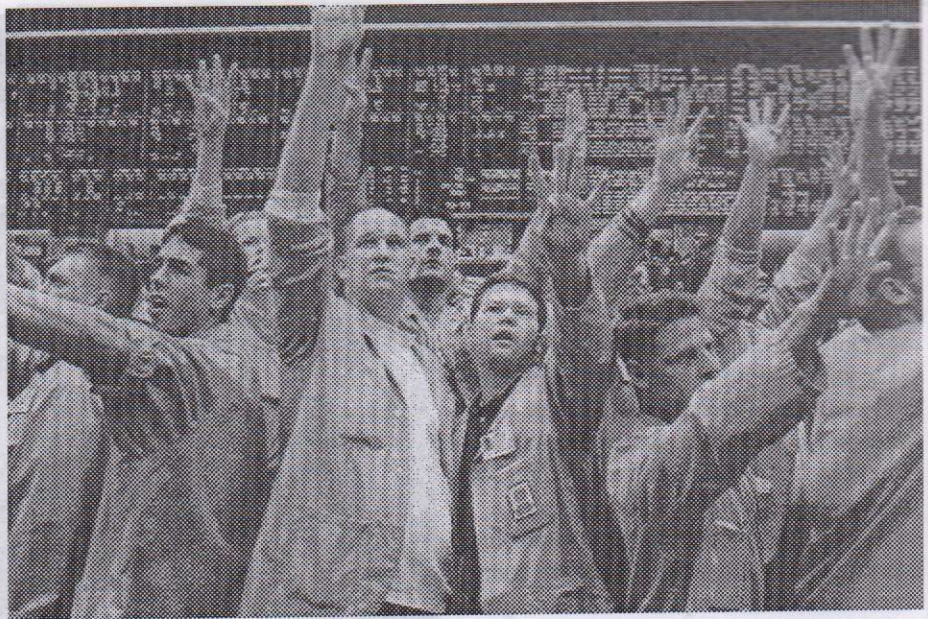
We want socially productive and ecologically responsible investment. The rules applied across the continent should encourage foreign investors who will guarantee the creation of quality jobs, sustainable production and economic stability, while blocking speculative investments. We want fair trade. We welcome the conclusions of the deliberations of the different forums in the People's Summit.

These reflections will be integrated into the Alternatives for the Americas document. We call upon the peoples of the Americas to intensify their mobilisation to fight the FTAA project and to build other integration alternatives based on democracy, social justice and sustainable development. ★ April 19, 2001

"All except weapons"

A YEAR after the end of the negotiations of the Cotonou treaty with the former colonies of Africa, the Caribbean and the Pacific (the ACP countries) the European Union adopted the "all except weapons" initiative at its Council of General Affairs on February 26, 2001.

G. BUSTER*



THEIR declared objective is to abolish all customs tariffs for the exports of less developed countries, to the EU "with the exception of weapons" and with a transitional period up to 2006 for bananas and up to 2009 for sugar and rice.

The European Union is the main market for the exports of the less developed countries (56% of their total value) but this only represents 1.3% of EU imports, to the sum of 8.7 billion Euros in 1999. Manufactured products represent 39%, textiles 17% and agricultural products 32%.

However, if the exports of the less developed countries represent 9% of their GDP, imports are 16%, producing a chronic trade deficit which reaches 1.4 billion Euros with the European Union.

Reform

The new proposal implies the reform of the Community Regulation of December 1998 which awarded preferential tariff rates to the less developed countries — without quantitative quotas — of 9,556 of the 10,500 customs classifications of the EU.

Now this broadens to include 919 more, all of which are agricultural products and only the 25 related to weapons dealing remain excluded. This is not because the European weapons industry fears particularly competition from underdeveloped countries in this area but rather in order to continue controlling its

exports to the Third World under present terms.

For the less developed countries, whose participation in world trade is only 0.4% of the total, the new access to the EU's markets could, according to the World Bank, increase their exports by 15 to 20%, to the value of 1,500 million Euros.

We say "could" because in reality, as Stephano Inala of UNCTAD has indicated, the less developed countries do not have the capacity to cover even their preferential quotas under the 1998 regulation.

The same is acknowledged in the report prepared by the director general of agriculture of the Commission on the possible impact of the proposal; the agricultural production of cereals of less developed countries is insufficient to cover their consumption needs and they must import annually some 7 million tons, 3 million of which come from the EU.

Their surplus of tropical products is only 500,000 tons, and in the case of sugar 1.1 million tons. The same occurs with animal products, meat and milk, the local production of which is insufficient to satisfy internal demand.

All these figures refer, naturally, to the demand expressed by the trade balance, not to real needs nor the concept of minimum consumption requirements. Calorie consumption in the less developed countries is at 2,200 per day, in the EU countries it is in excess of 3500.

Network

What are the poor going to export to the rich? The reply to this question reveals a network of social interests supported by the competition in the world

market between poor countries and the increasing inequality in the populations of the less developed countries.

As the World Bank predicts, exports will rise to some 15 to 20% with the result that some less developed countries snatch market quotas from countries slightly less poor than themselves (but who are equally as wretched) and limiting access for food or the means to produce it for those who can pay, increasing poverty and hunger in the Third World in order to increase European Union exports.

This view is supported by a solid economic logic, as the commission's report indicated. The difference between world and EU prices for wheat is 13%, for maize 52%, for rice 100%, for sugar 160%, for bananas 83%, for beef 57% (before the "mad cow" and foot and mouth crises), chicken 37%, lamb 126% and powdered milk 88%.

The prices of agricultural products in the Community are 2.6 times higher than world prices.

It is not the small producers who benefit from these price differences but rather the big multinational agricultural companies who recoup the gains.

And the reason?

Investment per capita in less developed countries is 41 dollars — according to UNCTAD, and export to the EU markets demands the construction of infrastructures (which at present are not sufficient to facilitate imports as is seen in every humanitarian crisis) and the introduction of sanitary controls in order to comply with EU regulations, which cost more money than the level of investment.

Aid down

However, official development aid

★ European Union

has gone down over the past decade. That of the OECD countries has diminished from 31.2% to 24.6% and aid from the European Union has dropped from 33.3% to 32.4%. The foreign investment trend follows the same tendency and has fallen by 25% since 1990. The less developed countries only attract 1.6 % of the investment of the developed countries.

Only the big multinational agricultural companies that have the necessary infrastructure for exporting will be able to rapidly cover this part of the market, in some cases without even having to increase production.

Because of the rules of origin and accumulation the less developed countries are able to import wheat and rice from South East Asia and South Africa and re-export it to the European Union. If the predictions of the World Bank are correct, keeping in mind that the potential export increase of the agricultural sector alone is 34%, it will be enough to cause a small "green revolution" in the less developed countries.

A new cycle will open; the concentration of farm land, the increase in importation of fertilizers and special seeds, an increase in commercial deficit and foreign debt and finally as a consequence the destruction of the subsistence economy, on which a large part of the less developed countries living below the bread line depend.

One of the arguments of Pascual Lamy, "European Minister for Commerce" in defence of his proposal, is the resistance that has come from the European producers of bananas, sugar and rice — namely Spain, Portugal, France and Belgium — who constitute a sufficient minority to block the community decision.

For many years, but particularly during negotiations with the ACP, they have defended free exports from the less developed countries (essentially all products) which in practice gives them the right to veto case by case all products that would compete with European production.

Compromise

Lamy proposed a compromise with a broad transition period.

For bananas, a yearly 20% decrease in tariffs from January 2002 and complete liberalisation by January 2006.

For sugar, a reduction by 20% in July 2006, by 50% in September 2007, by 80% in 2008 and full liberalisation in



July 2009.

For rice, a reduction by 20% in September 2006, by 50% in September 2007, 80% in September 2008 and complete liberalisation in September 2009.

The impact on the European Community budget, in the case of the greatest increase in the export of sugar and rice (it being impossible to calculate in the case of bananas) would be, according to the commission, 1,394 million Euros. This figure compares significantly with the amount unused of the European Development Fund: 9 billion Euros in the year 2000.

Eventually, the minority blockade dissolved. Belgium will host the 3rd United Nations conference on less developed countries in May 2001 and could not do so after having voted against Lamy's initiative.

Triumph

Spain considered the proposal by the commission a real triumph, despite the fact that it condemns the cultivation of bananas in the Canary Islands, and France, after rejecting the proposal in the interests of their overseas colonies, abstained at the last moment.

The *Financial Times*, organ of the City of London, had defended Lamy's proposal from the beginning and had demanded that the "EU prove the sincerity of their human rights declarations" (*FT*, 25/02/01). It considered the adoption of the proposal "a victory", but for whom?

The *Economist*, which is more cyni-

cal, replied immediately that "the majority of benefits will be for Lamy. He can gather the good will that the new policy will produce and cash it in later when he tries to re-launch the new round of multinational negotiations (3/3/01).

Fernando Riccardi, director of the *Bulletin Quotidien Europe*, states that "Europe's honour is safe and European civilisation has defended its values".

Without as much exaggeration and rhetoric, after the decision was adopted, Pascal Lamy declared "we have given a sign to the rest of the world and demonstrated that we are serious when we affirm that the poorest countries must share in the fruits of free trade."

Now it will be difficult for other rich countries not to follow the European example and above all, the European initiative will diminish the reservations of the developing countries in the face of the commission and in particular Pascal Lamy's fundamental objective, that is, to launch a new round of international commercial negotiations in Autumn, in the framework of the WTO. (*BCE*, 3/3/01).

Prestige

Lamy, who has accused the Clinton administration and the Al Gore presidential campaign of being responsible for the failure of the millenium round in Seattle, has exerted all his prestige as well as that of the EU in reestablishing an indispensable consensus with the developing countries so as to make possible this new leap forward in neoliberal globalization. His responsibility is twofold; when fears are spreading among the international neoliberal oligarchy that the Bush administration could suffer from protectionist pressures and adopt a unilateral policy of trade blocs, Lamy has become the main spokesperson for neoliberal multilateralism.

The designation of Robert B. Zoelick as US trade representative was welcomed as a sign that the Bush administration would continue on the same path; the strategic alliance between Washington and Brussels for a new Round would be maintained.

However, this time it will be announced at the WTO summit in Qatar in November 2001, with the hope that the movement against neoliberal globalization cannot show its opposition, and that the developing countries cannot reject the carrot offered them by Lamy. ★

*G. Buster is a member of the editorial board of the Spanish review *Viento Sur*. Article translated by T. Wongsam

Story of a comrade...

THIS Comrade was a leading member of a revolutionary Marxist organization in his country, a particularly repressive one. He was arrested many years ago and released only after 17 (yes: seventeen!) years of jail. Out of those 17 years, 7 were spent in the most inhumane conditions: 4 years in a cell so overpacked with detainees that they had to sleep on their sides head to feet like sardines in a can while in order to move they had to organize rotas during which the detainees would stand to the walls to allow a little space for everyone to get some exercise in turn.

During these years the Comrade was submitted regularly to the harshest kinds of torture, and fainted several times. His body was repeatedly covered with blood after having been whipped with electric copper cables.

Then 3 years followed in one of the worst kind of jails one can imagine: an underground inhumanly narrow cell in a desert area submitted to extremes of temperature, with no view of the outside world.

The remaining years were spent in conditions that the Comrade describes as "paradisiac" in comparison: in a prison with fellow political detainees, where at least they could have some collective prison life, although they could not get mail, nor newspapers, nor radio or TV...

Above all this nightmare, the Comrade suffers from a very painful chronic disease which required repeatedly that he be transported to a Military Hospital.

Since he has been released from jail, he has had to undergo surgery which cost him a lot of money that he had to borrow. Moreover, he is finding great difficulty in getting a job, a very understandable situation for a man with his "credentials". The fact that despite all that this terrible suffering, this Comrade is still committed to political activity against the dictatorship in his country can only be considered as admirable. ★

International Viewpoint is organizing a special appeal to raise money to support this comrade. Please send cheques to IV, PO Box 112, Manchester M12 5DW, Britain. Cheques should be made payable to "International Viewpoint" as usual but please indicate that the money is intended for our "Special Appeal".

Left Unity in Australia

John Tully*

THE newly formed *Socialist Alliance* (SA) was officially launched on April 10, 2001 at public meetings in Sydney and Melbourne, the two largest cities in Australia. Around 300 people attended the meeting at the Sydney Trades Hall. The standing-room-only Melbourne meeting attracted a similar number to the inner suburban Brunswick Town Hall. Both meetings enthusiastically backed the *Alliance* project and many of those who attended joined SA on the spot.

The meetings heard greetings from a number of prominent figures, including the legendary Jack Munday, the militant leader of the *Green Bans* movement in the late 1960s and early '70s; Ellen Kleimaker, the women's officer of the *Victorian Trades Hall Council*; and Annie Delaney, of the *Textiles, Clothing and Footwear Union*. Victorian *Metalworkers'* union leader Craig Johnston was due to speak but was absent due to serious illness.

The *Socialist Alliance* is an unprecedented development in Australian left politics. Nine socialist groups — many of which have previously been at loggerheads — have agreed to unite to field a joint slate for this year's federal election. Almost all of the socialist groups, including the two largest, the *International Socialist Organisation* and the *Democratic Socialist Party*, have joined. The larger parties have stressed that they will not seek to dominate by weight of numbers. Supporters of the *Fourth International* are also involved in the project via their membership of *Socialist Democracy*, one of the participating groups.

Both individuals and organisations are eligible to join. There is general agreement that the new *Socialist Alliance* must be more than an electoral coalition of the existing socialist groups if it is to be successful. To realise its potential, it must set about recruiting thousands of individual members and providing them with a political home they feel comfortable with.

SA will seek to become representative of the working class in all of its diversity: blue and white collar, employed and unemployed, male and female, gay and straight, white and black, immigrants and native born. As a *Socialist Democracy* statement put it: the *Alliance* needs to be able to "convince potential voters that we are seri-

ous about being elected to parliament. A left parliamentary wing would complement the developing extra-parliamentary mass movement against capitalism. It would mean that we had 'arrived' and were a force to be reckoned with. After all, recent years have seen Marxists elected to parliaments in a diverse range of countries, including France, Scotland, Germany and Ireland. In Brazil, Marxists have formed a provincial government in Rio Grande do Sul."

As David Glanz, a national leader of the *ISO*, told the Melbourne meeting, the *Alliance* was only made possible because the *Australian Labor Party* has drifted so far to the right in recent years and had wholeheartedly adopted the agenda of neo-liberalism — or economic rationalism as it is known here. It is up to the left to unite to mount a challenge to neo-liberal hegemony. SA will become, Glanz predicted, "the voice of the S11 generation". (S11 was the name given to the mass picketing and protests at last September's meeting of the World Economic Forum in Melbourne).¹ Other speakers stressed that SA would provide a genuine socialist alternative to the populist demagoguery of Pauline Hanson's racist *One Nation* party.

The *Alliance* will be launched in other cities over coming weeks, and organising has already started to build local branches in the industrial suburbs of Sydney and Melbourne. Although SA is not a new party, it is a real breakthrough towards left unity, and might be a step towards such a party.

It will allow the left to project itself as a much more credible alternative to the existing 'mainstream' parties. Participating organisations will adhere to the basic platform, but will remain free to disseminate their own material. For once, in a history overshadowed by sectarian feuding, there is a real spirit of socialist pluralism in evidence.

The nine organisations which have united to form the *Socialist Alliance* are: *Workers' Power*, *International Socialist Organisation*, *Socialist Alternative*, the *Iraq Worker Communist Party (Australia)*, the *Freedom Socialist Party*, the *Democratic Socialist Party*, *Workers' Liberty*, the *Workers' League* and *Socialist Democracy*. ★

* John Tully is a member of the *Socialist Democracy* group and a long time supporter of the *Fourth International*. He is also a member of the interim national liaison committee of the *Socialist Alliance*.

1. See John Tully, "A Stunning Success", *IV* #324 October 2000.

May Day rallies banned in Pakistan

Farooq Tariq (General secretary Labour Party Pakistan)

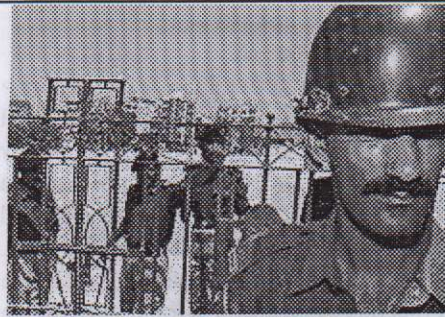
NEVER before in the history of Pakistan has any government, civil or military, banned the traditional rallies of the workers on the eve of May Day. The General Musharaf military regime has now formally warned the workers to restrain from taking our rallies on the streets. If workers want to remember the martyrs of the 1886 uprising of Chicago, they should hold the meetings indoors, general (retired) Moeen Haider, federal interior minister told the reporters on 28th April. No one including the workers will be allowed to hold rallies on May Day, the interior minister warned.

This is one of the series of warnings given by several government officials in various parts of Pakistan. The main aim of this suppressive measure was to stop the Alliance For Restoration Of Democracy (ARD) planned rally in Karachi on May Day.

This was to protest the present military regime policies of restructuring, down sizing and privatization to meet the conditionality of the IMF and World Bank. Both these imperialist institutions have hailed the present economic policies of the military regime, which is resulting in a massive wave of price-hikes and unemployment. Explaining the present government priorities to a three days Pakistan Agri-Business Conference held on 28th April at Islamabad, General Pervaiz Musharaf said that those not required will be relieved from their jobs. He was referring to the 131,000 public employees who would lose their jobs if the present military regime restructuring plans go ahead and are implemented.

Over 2,000 political activists of ARD including LPP chair Shoaib Bhatti were arrested during the last week of April in a bid to foil the ARD's planned rally in Karachi. Most of the main ARD leadership's entry into Sind province is banned by the regime. Those who were able to arrive at Karachi airport were sent back or arrested.

Why is the present military regime so worried by these rallies planned by the ARD? Earlier on 23rd



Riot police at planned rally venue

March, a similar rally of ARD was banned and several thousands were detained for a few days to suppress the rally. Qazi Hussain Ahmed, chief of Jammatt-I-Islami, the main religious fundamentalist party in Pakistan, while condemning the arrest on 28th April, declared that these arrests are part of the strategy of the military regime to make the ARD leadership popular once again.

Is that the case? This is nonsense to say that the military regime in collaboration with the ARD leadership is making these arrests. The arguments that not many will come to the rallies are contrary to the present consciousness of the masses in Pakistan. It is exactly the consciousness of the masses that has compelled the regime to take a U turn from their initial liberal attitude towards the political parties and labor organizations.

It is very clear that the military regime has become highly unpopular because of its economic policies. More taxes, reduction of the public sector, increasing the prices of oil, electricity, gas, transport and water, privatization, liberalization of economy have been the main features of the economic priorities of the military regime. During its last one and half years in power, the regime has tried to fulfill all the conditionality of IMF and World Bank. By doing so, they had to face the strikes of the traders and this year the extreme heatedness of the public and private sector employees.

This tremendous anger of the workers would have been reflected in the Mayday rallies and it is for this reason that the military regime has banned them. Unlike the past, the government cannot claim that a single trade union is supporting the present military regime. The trade union leaders and activists may not be able to defy the ban in a militant manner. This is mainly due to the

severe economic restraints that workers will face in that case. Many trade union leaders and activists have lost their jobs or have been transferred to far off place because of union activities.

The railway trade union leaders and workers have been the main victims of the railway administration because of their trade union activities. Over 100 activists were transferred to far off places as part of the victimization by the regime. Mutihida Rail Mazdoor Itihad (United Rail Workers Alliance) is holding a May Day rally at Engine Shed despite a ban on rallies. The recently formed Alliance leaders were immediately transferred in the second week of April, after they addressed a press conference to expose the corruption of the Railway minister who is an ex military general. Two of the main leaders of this Alliance, Saifu Rehman and Gul Deraz, have not been paid wages for the last 10 months despite a court order in their favor. Even during the military regime of General Zia, the May Day rallies were not banned. But the present military regime has shown no respect for this International Day of the workers. It is ironic that the military regime has planned a workers' week from May 1st-7th. This means that General Musharaf will address the recently elected labor councilors of the local bodies and will boast that he was the first to increase the labor seats in the local bodies. But he is also the first one to ban the May Day rallies.

The present regime will not go very far on the road it has adopted. Many governments internationally, who have toed the anti workers policies of the international financial institutions met with great anger of the masses and had to leave in disgrace. The present regime may be able to please the IMF and World Bank but it has displeased the masses to a level not seen in the near past. ★

*After this article was written LPP General Secretary Farooq Tariq was arrested in Lahore along with other ARD (Alliance for Restoration of Democracy) leaders as they were going to the Airport for Karachi to participate in the banned May Day rally. While Farooq Tariq was released after 16 hours imprisonment LPP chair Shoaib Bhatti remains jailed as IV goes to press.

Send your protest letters to Government of Pakistan at: ce@pak.gov.pk

Drawing the lessons

THIS year the international camp for revolutionary youth organized for the past 18 years at the initiative of the Fourth International in Europe will take place in Italy, near Rome, from Sunday July 22 to Saturday July 28, 2001.

This will be an opportunity for hundreds of militant youth to draw the lessons of the mobilizations against capitalist globalization — following the big mobilization of July 21 against the G-8 summit in Genoa — and to debate what “other world is possible” as an alternative to the barbarism of senile capitalism.

Livio Maitan, a longtime leader of the Fourth International and its Italian section, will open the camp alongside young comrades from Italy on the evening of Sunday, July 21.

A week of debates, education and fêtes will end with a big meeting on Saturday July 28. IV spoke to CINZIA

ARRUCCA, one of the organizers of the camp.

**To participate: in Italy, contact: bandierarossa@ecn.org
For other countries contact
International Viewpoint:
100641.1443@compuserve.com**

■ **The G8 summit will be one of the next central meetings of the movement against capitalist globalization. What kind of mobilization do you expect?**

The demonstration at Genoa represents a very important event for the anti-globalization movement: above all after the strong support for the demonstration against the OECD in Naples in March, it is possible to work for an enlargement of the mobilization towards broader sectors of youth and the labour movement around this meeting. Between now and July we have absolutely to seize the challenge to make Genoa a mass event, by getting the social sectors with which we work every day involved in the preparation of and participation in the demonstrations: in particular people in precarious work, high school and college students, the unemployed.

■ **The youth camp in solidarity with the Fourth International will begin in Italy the day after the big demo. How do you see the link between the two events?**

The camp this year will not be an event separated from the other discussions or international mobilizations against capitalist globalization: because the central theme of the programme of the camp is precisely that of anti-globalization struggles. The fact that the Camp is held just after the demonstrations in Genoa will give us the possibility of spending a week with a part of this radicalized youth which will have participated in the demonstrations in Genoa, to make a balance sheet of the mobilizations but above all to reflect the political and social strengthening of the movement in each country.

■ **How do youth in Italy fit into the anti-globalization mobilizations?**

The anti-globalization mobilization in Italy is strongly characterized by the participation of youth: on the themes of globalization, of environmental disasters, of the insecurity and increasing dismantling of social rights and democratic life through neoliberal policies.

We see in Italy a new radicalisation and politicization of a significant layer of youth. The organisations who work in the preparation and coordination of the struggles are many and various: the *Young Communists* from the *PRC*, the

Social Centres, the *Ya Basta* association, student collectives and rank and file associations. Certainly, there is the crucial problem of how to organize the struggle against global capital daily at a local level, in the schools, the faculties or workplaces and how to relate each particular and local struggle with the more general anti-globalization movement.

■ **You are a member of *Giovani Comunisti*, the youth organisation of the Party of Communist Refoundation and of the association *Bandiera Rossa*, linked to the Fourth International. What is the activity of the GC and *Bandiera Rossa*?**

The GC currently represents in Italy the sole political youth organisation linked to a communist party, with a national credibility and capable of representing a left alternative to neoliberal policies; from its birth the GC has had a strong intervention, above all in the universities and high schools. After Seattle the GC was actively engaged in the promotion and reinforcement of the anti-globalization mobilization in Italy, by participating in and organizing the presence of Italian youth in diverse international demonstrations. Inside the GC, while building it loyally, we want to advance a revolutionary viewpoint, that alongside the necessity of the global resistance to neoliberalism, there is the necessity of a struggle against capitalism as such, for a radically different society and an alternative to capitalism.

■ **The camp is held in Italy but is international and self-managed. How is the concrete preparation organised?**

The themes, the times of discussion, the political and leisure activities of the camp are not defined by the Italians alone: the programme of the camp is the result of a discussion and collective choices between the different youth groups linked to the Fourth International. Each country has the responsibility of organizing with the others the discussions in the forums, commissions or meetings; the camp is then not only an occasion for political discussion, but also for the exchange and coordination of experiences, relaxation and “work” in common, given that it is an initiative self-managed by youth, from the discussions, to the fêtes, to the



Circulation notes

AFTER a brave eight year experiment, it is time for International Viewpoint to revise its pricing. *International Viewpoint* is one of the few radical magazines to have successfully boosted its circulation through cutting its cover price. When the magazine went monthly in 1992, it cost £3 or \$4.50. We boosted sales after the cover price was cut to £2 in Ireland and Britain late in 1993. At the end of 1998, we were able to make the same cut in the United States – bringing the magazine down to \$3.50.

Our readers now pay just 38% of the costs of International Viewpoint. Small donations help us too – and each year a few readers help us with larger donations. However, most of the cost is met by the Fourth International, and from the extra contributions made by groups of Fourth Internationalists in Greece and Britain. Over eight years our costs have grown more quickly than our readership.

Over the next few months, *International Viewpoint* wants its readers and distributors to let us know how we can work together to sustain the magazine. There are a number of ways you can help us.

Extend your subscription now. We expect to increase our subscription prices in September 2001. You can extend your subscription now for a year – or many years – and avoid the price rise.

Become an *International Viewpoint* Supporter. For every person who buys a subscription to

International Viewpoint, another reader in a developing countries cannot afford to pay the full price of the magazine. If you become a Supporter – by paying 50% on top of the regular price – you will make sure that a comrade continues to get International Viewpoint, month after month.

Sell the magazine. Please take a few copies of the magazine to sell: pay only for the copies you sell.

Pay for bundles promptly. *International Viewpoint* uses British pounds. To avoid currency exchange charges some sellers in other countries send their sales money in every quarter or every half-year. This doesn't work very well. For every currency in which International Viewpoint is sold, there is now a single account into which payments can be made. Seller can pay into that account, and it will make payments to IV every two months: improving our cash flow and cutting the currency exchange charges paid to banks.

Let us know if you have other ideas for boosting the circulation and income of IV: do you know other publications we can exchange adverts with? Are there bookshops you can put a small bundle of magazines into? Are there libraries or institutions that should be subscribing to the magazine?

For the meantime, Circulation Notes will be a regular item in IV, reporting the advances made. Please send your ideas, news and comments to international_viewpoint@compuserve.com

D.C.

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