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SYNOPSIS OF THESIS PAPERS

PREFACE

Neoliberal financial-market capitalism has dragged the world into a crisis which threatens human civilisation as such. It is characterised by an extreme form of the combination of, on the one hand, the expansion of production, transport and life-style, with, on the other, the destruction of its own foundations, and suffers from a crisis of social reproduction, societal integration, democratic identification and security. Climate destruction, resource wars, terror, the transformation of democracy into oligarchy, class divides, a new racism and fundamentalism, etc. are unavoidable. It therefore leads to a crisis of civilisation, and produces ever stronger elements of barbarism and authoritarian power, which can only be contained at ever greater expense. **(BRIE)** In the contemporary global situation, the principal focus of the working masses in the world is on the ongoing and the unabated economic crises that lay centred in the US enveloping the world, as the brunt of this phenomenon is being borne by them. Bailouts and stimulus packages have been doled out by the governments of the imperialist triad – US, Europe and Japan in a bid to pull out their economies from the quagmire of this crisis variously named as – Financial Meltdown, Financial Crisis, Recession and Economic Downturn. **(MURTHY PK)** The current crisis marks an important historical moment, as it marks the end of a capitalist phase that has been unprecedented, from its very beginning with the industrial revolution of the 19th century and its undisputed victory over what had been its unfortunate “alter ego” for half a century: the rapidly dismissed experiment of Soviet socialism. This crisis is both fortunate and pertinent, as it is a result of capitalism itself; and that is why we must seek the reasons for the catastrophe – and why not also for its «passing» – in capitalism. **(EL KENZ)**

What we have unfolding before us is not a crisis of the neoliberal variant of capitalism but the crisis of capitalism. **(BELLO)** The financial crisis is only the visible tip of the structural crisis of the globalized capitalism today. **(HABASHI)** The leading groups, both at local and international level, run today – like a closed system – a “disembedded” and globalised economy, which has become “irresponsible” of the consequences and effects that it generates and that affect both man and nature. Their failure is amplified, and will be even more so in the future, by the use of new – and largely speculative – methods of obtaining profit. On the contrary, this global, brutal and profound crisis has demonstrated that the “disembedded” capitalist economy has reached its economic, political, social and ethical limits. It poses a threat to our societies, as well as to nature; it endangers both the present and the future of our world. **(EL KENZ)** Contemporary capitalism is first and foremost a capitalism of ‘oligopoles’ in the full sense of the term (which so far capitalism was only in part). The ‘oligopoles’ alone command the production of the economic system in its entirety. They are ‘financialised’ in the sense that they alone have access to capital markets. This financialisation grants monetary and financial market – their market, on which they compete with each other – the status of dominant market, which in turn fashions and commands the labour and commodity exchange markets. **(AMIN)**

Under capitalism, crises are parts and parcels of the accumulation process. Capital needs to deconstruct and reconstruct patterns of exploitation to offset class struggles and to face inter-capitalist and inter-imperialist competition. **(BEAUDET)** The financial crisis should depreciate a logically quite gigantic amount of the parasitic fictitious capital to get to restart a new accumulation cycle of the capital. However, from today on, the contradictions of the capitalist world system will be so strong that such depreciation would risk pushing it toward a downfall, with economic, social and political consequences that cannot be predicted by experts. As usual, when there is a capitalist crisis, the bourgeoisie is forced to deny a depreciation of accumulated capital by a systemic necessity - trying not to record large losses. In this way, the capitalist dominant classes become stronger than they were before - even if a part of them turns to be middle classes. In every reorganisation of capital domination during the 20th century, the improvement of the macro-economic policies allowed the system to create institutions and more efficient instruments in order to attenuate the devastating effects of its own crises, rather than to avoid the exacerbation of its internal contradictions and a convergence toward the stagnation, or even depression. **(NAKATANI)**

What is however specific to the present crisis is not only its global dimension but the fact that it is a combination of various crises, which are all the fruit of capitalist logic – and that is what needs to be explained. The crisis is not only a financial one. It is much more than that. It is also an economic crisis, which could lead to a world depression, with all the accompanying social ramifications. In addition moreover, we are also experiencing a food crisis, an energy crisis and a climate crisis. So we are facing today four main crises: financial and food crisis are conjunctural, but are also potentially structural. Energy and ecological crisis, on the other hand, are fully structural. **(HOUTART)** The global crisis is a crisis of capitalist globalisation in its neoliberal phase. It is a structural crisis: economic and social; ecological, geopolitical; political and ideological. The current sequence of a financial, monetary, real estate, food, and economic crisis shows many facets of it. All these aspects play a decisive role in the confrontation between social and political movements and the ruling powers. **(MASSIAH)** That the crisis is essentially the crisis of capitalism as a system is an uncontestable fact. It is not merely a financial crisis – it is an economic crisis, a food crisis, a natural resources crisis, an ecological and environment crisis, a social crisis, a cultural crisis thus sowing the hollowness of the much acclaimed capitalist system. **(MURTHY PK)**

Because of the interaction and entanglement of severe crises this appears to be a structural or organic crisis. The reserves of still dominant neoliberalism as the organizing ideology in the transition to a transnational mode of production based on information technology are exhausted – neither a new accumulation stimulus nor a new consensus in society can be expected from it. Its institutions will continue to have effects (similarly to the end of Fordism), their position is now only “ruling”, still dominant, but not “leading” (Gramsci) anymore. We are facing the most far-reaching financial and economic crisis since the 1930s, closely linked to food and energy crises, and to the destruction of employment, which means further aggravating of the precarisation of working and living conditions that thrusts large parts of society into soaring insecurity and increasingly leads to revolt at the external and internal peripheries among those

most affected. Protest and resistance is forming at all levels, still fragmented and without clear direction, but periodically rising. **(CANDEIAS)** But first of all there is a crisis of natural resources and the environment. Growth without limit on a world scale is not possible. In this way, capitalism is reaching its limits. By far the most dangerous crisis is the ecological crisis of climate change and loss of biodiversity. Why should we fear it most? Because with finance, food, or even social inequality, if we make enormous political efforts, it is possible to go back and start over, we can correct our mistakes and prevent these crises from recurring. Not so with the environment – once runaway global warming has taken hold, the game is over. We are on the threshold of such an extreme event, perhaps we are already past it. But since we don't know, we must act as if we still had time and make an all-out effort, right now, to reduce the burden we place on our unfortunate planet. **(GEORGE)**

The principle of endless accumulation that defines capitalism is synonymous with exponential growth and the latter, like cancer, leads to death.¹ The current crisis is therefore neither a financial crisis nor the sum of multiple systemic crises but the crisis of imperialist late capitalism of generalized and financialized 'oligopoles'. This crisis is also at the same time a crisis of US hegemony. Taken together, the following phenomena are inextricably linked to one another: the capitalism of 'oligopoles', the political power of oligarchies, barbarous globalisation, financialisation, US leadership, the militarisation of globalisation in the service of 'oligopoles', the decline of democracy, the plundering of the planet's resources, and the abandoning of development for the South. The contemporary world is governed by oligarchies whose management of the system is in crisis. **(AMIN)**

The world's leaders and their advisors, particularly economists, largely remain in a state of denial. First they denied that the crisis would go beyond the housing sector; then they denied that it could spread beyond the borders of the United States; then, as the crisis did rapidly spread to the rest of the developed world and to the global South as well, they pretended that finance capitalism could somehow be »decoupled« from the real economy. Then they pretended that throwing more and more money at the banks will somehow jump start the world economy. They act as if modest measures regulating capitalism around the edges will suffice and that the crisis will quietly go away. **(GEORGE)** Uncertainty prevails regarding the duration of the current crisis and future prospects. Let us remember the last structural crisis, its official beginning in

¹ The industrial capitalism, which was triumphant in the nineteenth century, entered a crisis from 1873 onwards. The 'long twentieth century' – 1873-1990 – is therefore both the century of the deployment of the first systemic and profound crisis of ageing capitalism (to the point where Lenin thought that this capitalism of monopolies constitutes the 'supreme phase of capitalism') and that of the first triumphant wave of anti-capitalist revolutions (Russia, China) and the anti-imperialist movements of Asia and Africa. The second systemic crisis of capitalism began in 1971 with the abandoning of the gold convertibility of the Dollar, almost exactly a century after the commencement of the first. Investment levels and growth rates all collapsed (and never again reverted to the levels in the period 1945-75). Capital responded to the challenge not unlike in the previous crisis by a double movement of concentration and globalization. As such, capital established structures that defined the second 'belle époque' (1990-2008) of financialised globalization, allowing oligopolistic groups to levy their monopoly rent. The same discourse accompanied this process: the 'market' guarantees prosperity, democracy and peace; it's the 'end of history'. The same rallying occurred, this time by the European socialists to the new liberalism.

1929, the Great Depression in 1930, the New Deal in 1933, the new political landscape in 1945, following a world war. Several scenarios are possible. One is that of a conservative nature, a war neoliberalism. The second is that of a fundamental reform of capitalism by choosing a neo-Keynesian and ecological approach or a “Green New Deal”. The third is set in the context of the historical question of going beyond capitalism. **(MASSIAH)** One important question, of course, is how decisive and definitive the break with neoliberalism will be. Other questions, however, go to the heart of capitalism itself. Will government ownership, intervention, and control be exercised simply to stabilize capitalism, after which control will be given back to the corporate elites? Are we going to see a second round of Keynesian capitalism, where the state and corporate elites along with labour work out a partnership based on industrial policy, growth, and high wages – though with a green dimension this time around? Or will we witness the beginnings of fundamental shifts in the ownership and control of the economy in a more popular direction? There are limits to reform in the system of global capitalism, but at no other time in the last half century have those limits seemed more fluid. **(BELLO)**

The depth of the crisis and the conflict over ways to overcome it will determine the next years. It marks a historical break in capitalist development. Therefore, within the framework of revolutionary political realism, it concerns the whole societal organisation, the common disposition about the immediate conditions of life. This orientation towards the whole of the social structure is more than just a long term objective, it is an essential element to prevent the restriction or the relapse into corporatist (that is group interests in a narrow sense) or towards single reforms which regularly intensifies subalternity, what is always the case when struggles are not seen as hegemonic conflicts over the whole mode of social organisation. Then what happens is the integration of partial interests into the ruling power bloc by compromise. This is also difficult to avoid. However, conditions for at least partial steps to the left are favourable in these times, since the active consensus is eroded and splits between groups in the ruling power bloc impede or reduce their capacity to act, and the search for new social coalitions has started. – An opportunity and at the same time an especially difficult and dangerous moment for left forces. **(CANDEIAS)**

Is the reinstatement of the capitalism of financialised and globalised ‘oligopoles’ possible? Today the powers that be, those who did not foresee anything, are busy restoring the same system. Their possible success, as that of the conservatives in the 1920s – which Keynes had denounced without much of an echo at the time – will only exacerbate the scope of the contradictions which are the root cause of the 2008 financial collapse. The oligarchies of the North seek to remain in power once the crisis is over. They do not feel threatened. **(AMIN)** The power for example of the US empire to impose its economic model and its military control around the world depends on the lack of consciousness and independent political organization among the victims of the same system within the belly of the beast. As long as this growing class of poor and excluded of all races in the US remain unorganized and isolated from the global movement for “Another World” – the poor of our country will continue being used as cannon fodder and as an unconscious social, political and material base for the empire and its twin heads – neoliberalism and militarization. **(COX/HONKALA)** By contrast, the fragility of the power held by the autocracies of the South is clearly

visible. The model of globalisation that is currently in place is therefore vulnerable. Will it be questioned by the revolt in the South, as was the case in the previous century? Probably so, but that would be cause for sadness. For humanity will only commit itself on the road to socialism – the only humane alternative to chaos – once the powers of the oligarchies, their allies and their servants, will have been defeated both in the countries of the North and those in the South. **(AMIN)**

Ultimately, an analysis of the overall situation suggests that we are facing a real crisis of civilisation. It is impossible to consider solutions without a vision and an analysis of the whole, without a holistic approach. A simple regulation of the economic system would not be particularly significant if it were simply to involve beginning again anew, from where one had left off before the crisis. What is the use, indeed, of developing and regulating a financial system to finance a productive system which is as destructive of ecological and social realities as the one we now have? How can a solution to this crisis move us beyond the parameters of capitalism? **(HOUTART)** The urge for transformation poses the question, whether it will be more society-driven or more state-driven, whether they display a local, national or global reach and whether they have a short-term, medium or long term impact. In the real world the struggle for alternatives takes place within civil society as well as in the political arena of the state, sometimes within, sometimes against, and very often without the state, i.e. state subsidies. **(ALTVATER)**

Building throughout the world the widest social and political alliances is indispensable to avoid what could be another onslaught against the peoples like we have seen in the past century. **(BEAUDET)** The challenge is to define a new emancipatory project. There are already social relations foreshadowing this development, the same way capitalist social relations emerged in feudal societies. The new world, born from the old world, is beginning to take shape today, and it will experience difficulties. It is starting out from contradictions already experienced and it will create new contradictions. A new, collective emancipatory project is on the agenda. Capitalism is not eternal; the question of going beyond it is now topical. And we must start from now on to build another possible world. **(MASSIAH)**

CHAPTER I

CAUSES OF THE CRISIS OF GLOBAL CAPITALISM AND ITS MULTIPLE INTERTWINING FACES

I.1 GENERAL CAUSES

The main causes of current crisis are autonomization and disembedding of the financial markets due to liberalization and deregulation since the 1970s, a generation of high financial claims due to „financial innovations“, the „accumulation by dispossession“ as well as greed of individual managers. Moreover, in the real and productive economy, surpluses of real accumulation shrunk and profit rates of productive industrial capital fell. Economic growth rates decreased and already rich countries „saturated“. (**ALTVATER**) The fundamental crisis is overaccumulation. From the progressive perspective, what we are seeing is the intensification of one of the central crises or »contradictions« of global capitalism: the crisis of overproduction, also known as overaccumulation or overcapacity. The result is an erosion of profitability, leading to an economic downspin. (**BELLO**) Though, the economic crisis is a "normal" working way of the capitalist system, even though its causes and mechanisms can vary in every historic period. (**NAKATANI**)

I.2 THE MULTIPLE INTERTWINING FACES OF THE CRISIS

I.2.1 FINANCIAL AND MONETARY CRISIS

Since the dismantling of the Bretton Woods structure, the credit system has had considerable changes, in particular, the creation of derivatives (allowing the use of other credits or contracts on the future prices of assets). The deregulation and integration of the stock exchange and banks into globalise markets moved the centre of power gravity towards the leading finance, whose diktats imposed themselves on the economic logic. (**NAKATANI**) Financial markets have detached from the real productive economy and generate claims independent on the efficiency and power of the productive economy. Capital became fictitious capital.² The claims of financial investors must be serviced out of the surpluses produced in the productive sectors of the economy. (**ALTVATER**) We are talking here of those famous derivatives, made possible by mathematical and information science, yet uncontrollable in their use. As in physics, which made possible the generation of nuclear energy and hence also its use as atomic bomb, the "ICTs" have served to generate speculative super-profit, i.e. "bubbles" that eventually generate crises. (**EL KENZ**)

The present financial crisis is linked, as has been true of past crises, with overproduction and under-consumption. (**HOUTART**) The form of development of this financial-market capitalism is inevitably one of the continual creation of speculative bubbles, within which societal wealth is redistributed from the

² The creation place of the "fictitious capital" is the system of credit, that not only consists of the banks, but also of the stock exchange, the insurance companies, pension funds, speculative investment funds (hedge funds) and other similar institutions. State and enterprises being the two extremities of the chain. Nowadays, it is right to add the derivatives and contracts on exchange rate, interest rate, stock prices. These instruments originated from the over-accumulation of capital money in the '60s and '70s, mainly from the Eurodollars and petrodollars in the inter-banking markets. In spite of its lack of contribution to the production, this capital benefits from surplus value redistribution and nourishes the creation of fictional capital as a mean of its own remuneration. (**NAKATANI**)

bottom up and from the public to the private sector. The accumulation of approx. \$200 trillion in private cash fortunes is generating gigantic utilisation and redistribution pressure. If a real interest rate of only one per cent were to be paid on these fortunes, fully four per cent of the global gross product would be required, and would be paid exclusively and parasitically to this class of the global idle rich. When these bubbles burst, the bill is presented to the waged strata of the population, and to the public sector. **(BRIE)**

1.2.2 REAL ESTATE CRISIS

Dynamics of the current crisis stem from the collapse of the US housing market, also known as the Subprime Implosion. Some key dimensions of it was Alan Greenspan's encouraging the housing bubble by cutting the prime rate to a 45-year-low of 1 per cent in June 2003 and keeping it there for over a year to counter the recessionary effects of the bursting of the technology bubble of the early 1990's.³ How did problematic mortgages become such a massive problem? The reason is that these assets were then »securitized« – that is converted into spectral commodities called »collateralized debt obligations« (CDOs) that enabled speculation on the odds that the mortgage would not be paid. These assets were then bundled with other assets and traded by the mortgage originators working with different layers of middlemen who understated risk so as to offload them as quickly as possible to other banks and institutional investors. These institutions in turn offloaded these securities onto other banks and foreign financial institutions. The idea was to make a sale quickly, get your money upfront and make a tidy profit, while foisting the risk on the suckers down the line – the hundreds of thousands of institutions and individual investors that bought the mortgage-tied securities. When the interest rates were raised on the subprime loans, adjustable mortgage, and other housing loans, the game was up. Global capitalism's gigantic circulatory system was fatally infected. And, as with a plague, we don't know who and how many are fatally infected until they keel over because the whole financial system has become so non-transparent owing to lack of regulation. **(BELLO)**

1.2.3 ECONOMIC DOWNTURN

We all know that it is not only a financial crisis, but an economic one, affecting the fundamentals of the economy, typical of the capitalist system. **(HOUTART)** It is now causing a crisis in the actual economy, on an international level. That is, it is causing a large scale global recession. **(DIERCKXSSENS)** Instead of performing their primordial task of lending to facilitate productive activity, the banks are holding on to their cash or buying up rivals to strengthen their financial base. Not surprisingly, with global capitalism's circulatory system seizing up, it was only a matter of time before the real economy would contract. **(BELLO)** The accumulation on an expanded scale is no longer guaranteed. **(CANDEIAS)**

1.2.4 FOOD CRISIS

In the peripheries, the pauperizing dispossession manifests itself in the expropriation of the peasantry and the plundering of natural resources of the regions in question. Both these practices constitute the essential pillars of the strategies of expansion of the late capitalism of the 'oligopoles'. The

³ The subprime mortgage crisis was not a case of supply outrunning real demand. The »demand« was largely fabricated by speculative mania on the part of developers and financiers that wanted to make great profits from their access to foreign money that flooded the US in the last decade.

dispossession of the peasantry (in Asia, Africa and Latin America) is the major contemporary form the tendency towards pauperization linked to accumulation. **(AMIN)**

Although the increased cost of petroleum didn't help, the two main causes of the food crisis were the massive switch into agrifuels and financial speculation, playing on a reduction of stocks, but not so much of production. **(GEORGE)** The conjunctural aspect of the problem was seen in the explosion of food prices in 2007 and 2008 at the Chicago commodities exchange. It was conjunctural because financial capital moved out of minerals to invest in food products in order to achieve capital gains in a speculative manner. The structural aspect is the fact that for more than forty years now, peasant agriculture has been undergoing a transformation to a capitalist type of production, into monoculture agriculture. This has been called the "green revolution", but it has been very destructive of the environment, and has driven millions of peasants off their land. There is a new concentration of land property and a real counter-land reform, the agriculture becoming one of the new frontiers of accumulation.

Moreover, this food crisis has had immense social consequences. According to the UN Food and Agriculture Organisation (FAO), in each of the years 2007 and 2008, more than 50 million people were pushed below the poverty line – which, of course, meant into hunger. **(HOUTART)** It has been reinforced by growing inequalities, and reached its height in the spring of 2008 when it plunged tens of millions more people into dire hunger and poverty. **(GEORGE)** This corresponds with the two main aspects of the logic of capitalism: first, the search for new frontiers of accumulation – here, agriculture was discovered as a realm for capitalist investment; and second, the exclusion of externalities from the economic calculation of costs: the devastation of nature, and also social destruction, neither of which is subject to capitalist accountability. The problem is that the food crisis is built precisely on that kind of logic: it is the result of the contradiction between the fact that everyone in the world needs food, and the logic of capitalist accumulation. **(HOUTART)**

1.2.5 ENERGY AND CLIMATE CRISIS AND CRISIS OF NATURAL RESOURCES

Already, the ecological crisis is apparent in everyday life, not only in form of catastrophes threatening the lives of millions of people through storms, droughts, and floods but also in form of massive destruction of capital. **(CANDEIAS)** There are ecological limits of growth: limits of resources („peak oil“; „peak of everything“) and limits of the carrying capacity of the planetary spheres (greenhouse effect, „ecological footprint“). The provision of resources yields higher costs and increases of prices of agricultural and mineral commodities on the world market. **(ALTVATER)** The rising prices of minerals have led to a deformation in the economic structures of countries that possess these resources. The rate of growth in the production of agricultural products, due to increases in agro-fuels, is putting the majority of these countries in danger. **(DIERCKXSENS)**

Certainly, the energy crisis also has conjunctural dimension – the enormous increase of the price of oil and gas over a short period – but it is fundamentally structural. Since the dawn of capitalism, growth has been characterised by hyper-consumption of energy. That has accelerated during the neoliberal

period, with the expansion of the global exchange of goods and services.⁴ The climate crisis is much more severe than world public opinion is prepared to admit. It has been accelerating since the onset of the neoliberal period. The increase of CO₂ emissions and of global warming since the 1970s has taken on new dimensions. Such new emerging countries as China and India are contributing – albeit to a relatively modest degree – to this phenomenon. A second aspect is the destruction of carbon sinks, such as forests and oceans, which absorb CO₂ and other greenhouse gases.⁵ There are still some 400 million hectares of virgin forest in the world, but every year 15 million are destroyed. Not many years are left before all natural forests in the world will have been destroyed. For many reasons due to global warming, primarily growing acidity, the oceans too, are increasingly and very rapidly losing an important part of their capacity to absorb CO₂. Another effect of global warming is that of rising sea levels, which endangers low-lying countries and coastal cities.⁶ Little by little, the capacity of the earth to naturally regenerate the biosphere is diminishing. It has been calculated that this capacity for 2008 had already been exhausted by September 23rd – on a global scale; if we take a country like Belgium, however, that date was sometime in March.

The destruction of nature also means severe effects on the biosphere. Some experts of the Group of International Scientists on the Climate (GIEC) estimate that if global warming exceeds 1°C during this century – during the 20th century, the increase of the global temperature was 0.75°C – between 20 and 30 % of all species on earth will disappear. It is estimated that an increase by more than 1°C would cause more than 17% of the territory of Bangladesh to disappear. That country now has more than 150 million inhabitants in a territory four times the size of Belgium with a population of 10 million. India is already building a wall along the border between the two countries, like that between Mexico and the United States, to prevent migration. According to a report prepared for the British Government in 2007 by Nicholas Stern of the World Bank, we can, if nothing is done, expect between 150 and 200 million climate migrants by mid-century, i.e., people who will no longer be able to live where they live now. Unless urgent and costly measures are taken, the situation could become irreversible. **(HOUTART)**

1.2.6 THE DEVELOPMENT OF PRODUCTIVE FORCES AND SOCIAL CRISIS

One of the converging roads is the social crisis of inequality which has been building up over decades. Particularly since the neoliberal regimes of Ronald Reagan and Margaret Thatcher took power, the share of capital compared to the share of labour in total wealth produced has been rising. This means not only that the rich get richer but also that demand for economic goods and services is

⁴ With the global division of labour, 62% of all industrial production is transported across the oceans, which involves an enormous consumption of energy. The individualised modes of transportation and residence, which follow the same economic logic, also involve immense consumption of energy.

⁵ The Nobel Chemistry Prize winner, Paul Crutzen of the Max Planck Institute, has shown that agrifuels, if their whole cycle is taken into account, actually produce three to five times more greenhouse gases than fossil fuels. (GEORGE)

⁶ The Arctic summer ice has been reduced in the space of three years from a thickness of 2.6 meters to half that – 1.3 meters. Permafrost all around the Arctic Circle is starting to melt, releasing millions of tonnes of methane, a greenhouse gas far more powerful than CO₂. This process is advancing much faster than the Intergovernmental Panel on Climate Change thought possible when it issued its report in 2007. (GEORGE)

compressed because there is less wealth in the collective pocket of labour. **(GEORGE)**⁷

Even before the financial crisis, there had been a decades-long decline in workers' real wages, one driven by neo-liberal globalization of production, outsourcing and technological breakthroughs – especially in communications and information technology and by the doubling of the worldwide workforce available to the transnational corporations. **(CATALINOTTO)** The relentless downward pressure on working peoples' salaries has been a huge factor, with the result that inequalities have soared everywhere, both within our individual countries and also between the richer and the poorer countries. This is one part of the systemic crisis caused by neoliberal capitalism. **(GEORGE)** In the centres, monopoly rents – whose beneficiaries are the oligopolistic plutocracies – are synonymous with the dispossession of the entire productive basis of society. **(AMIN)**

Counteracting the increase of capital intensity and hence of the organic composition of capital is an increase of labour productivity. Wage increases slowing down in times of globalization. **(ALTVATER)** Increasing profits can only be achieved by constant redistribution of the surplus value at the expense of the wage-earners, the state and nationally or regionally restricted capital. Ever growing areas of socially necessary work, public infrastructure, and social services dry up. Whereas over-accumulation cannot be reduced substantially, and new areas of investment are opened up insufficiently, the crisis of social reproduction deepens in a way as to endanger the foundations of capitalist accumulation itself (lack of infrastructure, qualifications, cohesion, and prospects for profit, etc.). **(CANDEIAS)**

The privatisation of the social security systems – health, education, care, old-age support – is one of the essential sources from which financial-market capitalism draws. Wage-workers pay funds into a system which endangers their jobs, the environment and global security, and produces the “practical constraints” of pitiless competition to which all who wish to live in dignity must subordinate themselves, and thus at the same time lose that dignity. The existence for “up-scale” individuals of private exit options from the health, education, care and pension systems is one reason for the degradation of these systems to institutions for paupers' welfare. It is splitting society into classes in terms of basic rights. **(BRIE)**

The crisis is characterized by an acceleration of social distances and encouraged by the fact that it is more profitable to invest in sophisticated products (goods and services) with a high added value able to be bought by a minority than to produce for categories with low purchasing power or with no marketable income. **(HOUTART)** The first danger of the current crisis therefore relates to poverty. The usual approach is to make the poor pay for the crisis, starting with the discriminated-against and the colonised. It is also about crushing the middle classes. **(MASSIAH)**

⁷ In most European countries, capital has increased its share by ten points of GNP – some economists even put the increase in capital's share at fourteen points. According to them, at its peak, labour once received nearly three quarters of so-called »added value«; now its share is down to about 60 percent, with a corresponding increase for capital, up from about a quarter to 40 percent today.

1.2.7 CRISIS OF REPRESENTATION, DEMOCRACY AND OF THE PUBLIC SPHERE

Increasing sectors of the population in the old centres are turning away from parties and governments, some even from formal democracy itself. This has led to a constant crisis of representation that has remained unresolved for some time.⁸ Within the states, reinforcement of securitization deployments, massive policing and prisonfare (Wacquant) is proving insufficient in maintaining social order, let alone organising the consent of the subalterns. **(CANDEIAS)** Crisis management strategies based on anti-social orientations tend to rely on repressive measures, criminalisation of social movements and solidarity, instrumentalisation of terrorism, law and order ideologies, xenophobia, racist, islamophobic and nationalist agitation, exploitation of scapegoats, migrants and Roma. In some regions, this evolution may produce dictatorial and repressive regimes and even give rise to fascism and fascist populism. **(MASSIAH)** The militarization of our society (and the world) and the application of the idea of permanent war (on the domestic and international level) is meant to control this increasingly volatile situation created by a system in which not only are the majorities of peoples of the world unable to survive, but neither are millions at home. **(COX/HONKALA)**

For decades now privatisation has been a part of the everyday practice of economic and property policy. The promises of neoliberal privatisation policy in terms of de-bureaucratisation, increase in efficiency, cost savings or price reduction and decentralisation or even democratisation have not been fulfilled; instead there is a multitude of problematic consequences, such as de-democratisation or growing inequality. The powerful hegemony of the private, as the liberal market radicalism of the last three decades has built it, led to an unparalleled enclosure and crowding out of public goods and public provision of general services, of public property, of the public sector, of public service, of public spaces and of public media. **(RILLING)** The UK for instance is now in the extraordinary situation in which the crisis of the financial markets has been turned into a crisis of public spending. Public servants are going to be scrutinised down to the last paperclip, while bankers are not even questioned about their last (or any) million pounds of public money. Not only this but accompanying the pressure to cut public services, is the urge to privatize i.e. to handover to exactly the private markets which are so clearly failing. **(WAINWRIGHT)**

Even Individuality, intimacy and personal idiosyncrasies are externalised, economically valorised and, in the process, commercially processed in the media, so that the personal/private are completely processed by the media and so becomes a moment of the public and its spaces. The radical privatisation of the private makes us constantly more miserable, as it has high social costs. **(RILLING)**

1.2.8 GEOPOLITICAL CRISIS

The political management of the worldwide domination by the capital of 'oligopoles' is necessarily marked by extreme violence. For in order to maintain their status of affluent societies, the countries of the imperialist triad are henceforth obliged to limit the access to the planet's natural resources to their

⁸ In the UK the underlying crisis in the UK erupted over the question of MP's expenses which became a magnet for a deeper discontent. **(WAINWRIGHT)**

own exclusive benefit. This new requirement is at the origin of the militarisation of globalisation which I have elsewhere described as the “empire of chaos”. The new ‘belle époque’ of capitalism was from the onset accompanied by war, the war of the North versus the South, started in 1990. **(AMIN)** Since the majority of natural resources are found in the South, they are ferociously fought over by the dominant countries. This has already caused wars that are spreading to other regions of the planet. The potential use of nuclear arms should not be discounted. War generates a political crisis at the international level. It causes a crisis of governance since it cannot give capital an adequate response to the economic crisis. **(DIERCKSXSENS)**

Neoliberalism, being at the origins of the crisis of the international financial system, is a carrier of violence in various forms, including the use of militarised violence. **(EL KENZ)** In the US, the Bush administration continued and accelerated what was already in motion by the 1980s (including under Democrat administrations). It reached a dangerous plateau because ideological oversights and mismanagement led to impasses like Iraq. **(BEAUDET)** Now, the US as the global monopolist of force is so overburdened that its difficulties in carrying out its task in the interest of the transnational bloc and in its own interests, led to Bush's unilateralism, destroying the ›soft power‹ of the so-called American way of life. The defeat in Iraq is only the most obvious example for the imperial overstretch. **(CANDEIAS)**

Countries will be marginalised and ruined by the crisis. The world is already at war and that almost one billion people live in war-stricken regions. These conflicts are permanent and the destabilisation is systematic. The forms of war have changed along with the militarisation of societies, global apartheid, the war of the strong against the weak, and the trivialisation of torture. **(MASSIAH)**

1.2.9 IDEOLOGICAL CRISIS

With the collapse of globalization and the deregulated market going haywire, the neoliberal metaphysics that propped up contemporary capitalism has been thoroughly discredited, though it will undoubtedly engage in some rearguard action. **(BELLO)** The crisis has exposed the core myths of neo-liberalism as lies: A market society cannot exist; people are not primarily entrepreneurs of their own labour and their own conditions of subsistence; long-term development requires long-term owners (the economic democracy of stakeholders); an ecological revolution of production, transport and life-style is unavoidable; imperial projects lead not to any “pax americana”, but to ever more new wars, etc. **(BRIE)** Because of the threatening ›meltdown‹ of the financial system, neoliberal dogmas are abandoned by the dozens: inflation of money supply, nationalisation of banks, state and central bank credits without guarantees, anti-cyclical stimulus packages, abolishing all public borrowing limits including the ever so holy Stability Pact and the Maastricht criteria, more strict controls, ceilings for CEO payments and intervention into bonus systems, but also in investment and credit policies, sometimes partial government ownership of corporations, etc. For neoliberals of conviction, this constitutes socialism. Public confidence in markets and governments has clearly suffered, neoliberalism has been discredited and its dogmas are crumbling. Especially in the peripheries, mainly in South America, popular majorities and governments have rejected neoliberalism, and are looking for new ways of ensuring a more autonomous development. The so-called Washington Consensus and its institutions, but also

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the Good Governance approaches are openly dismissed by an increasing number of states from the global South – those who can afford it, pay their debts before they are due and break free from IMF influence. This entails global political and economical shifts in the social power relations, and new capitalist centres are developing with the so-called BRIC and Gulf States. (CANDEIAS)

CHAPTER II

THE REGIONAL IMPACTS OF THE CRISIS

INDIA

In the backdrop of the initial phase of the crisis in the US, the Prime Minister Manmohan Singh of the Congress led United Progressive Alliance, in power in India made loud pronouncements that this global phenomenon would not have much impact on the Indian economy as it was de-linked, insulated and decoupled from the imperialist economies. Just like many governments in the Third World, it parroted the theme of ‘decoupling’ from the world economy though these were the same governments that tailored their economies to the imperialists directed IMF – World Bank and WTO dictated ‘Structural Adjustment Programmes’(SAP). But as the crisis began to bite into the economies, the ruling elite was constrained to admit the fact of the severe impact it had on the economy in the country.

The last 18 years have demonstrated the adverse effect of the policies imposed by the IMF/World Bank/WTO diktats on the broad masses in India particularly the working class and the peasantry. In the industrial and the service sectors, the structure of employment was distinctly characterised by contractualisation and casualisation of the labour force. Temporary labour replaced the regular workforce in both the public and the private sectors and consequently, there had been a drastic reduction in employment on regular basis.

Liberalisation, privatisation, globalisation, deregulation et al, were hailed by the rulers as paths to the economic development of the country. Growth rates were shown as indicators of development and as vindication of their policies. Needless to say, this growth was fuelled primarily by inflows of foreign capital and that too speculative capital, resulting in the creation of bubbles in the share markets. So tied is the Indian economy to the strings of Imperialism, that when the bubble in the US burst, it had its version in the Indian bubble of growth bursting.

In India, there are 37 millions working in the organised sectors of the economy and around 370 million in the unorganised sectors. The worst affected by the crisis are the labouring classes – workers and peasants who had been victims of the long-time economic policies pursued by the Indian ruling classes at the instances of the imperialist triad. In particular, the workers in the export-oriented units had to bear the brunt of the crisis. It is estimated that around 15 million workers are employed in these units. In the textile and garments sector, some 700,000 workers lost jobs by the end of 2008 and in the last four months, another 500,000 had been added to the unemployed. The leather industry engages around 2,500,000 workers and between September and December 2008 some 500,000 were displaced from work. It was predicted by the Leather Exporters’ Association that another 500,000 would lose their job in the coming period.

The city of Surat in the state of Gujarat has a large concentration of diamond and jewellery units. There were 3,000 units before the onset of the crisis. The crisis has gobbled up some 2,000 units rendering about 100,000 workers jobless. In

the foundry industry, over 150,000 workers lost their jobs. The so-called sunrise industry, the IT sector which mainly caters to the US markets, has also been hit by the crisis. In the city of Bangalore, the main IT hub in the country, some 10,000 employees were shown the doors between September and December 2008. In Hyderabad, some 25,000 employees lost their jobs in the IT sector. Not only these export-oriented sectors but also those sectors that are dependent on these have been badly affected. It is estimated that job losses during this period both in the export units and ancillaries could well cross 5,000,000.⁹

While job losses in both the manufacturing and services sectors are on the rise, wage depression is also a serious factor affecting the lives of the workers. In the midst of job losses, the Finance Minister of the country had recently a piece of advice to the capitalists in the country – “do not retrench but cut wages”.
(MURTHY PK)

BRIC AND GULF STATES

As with all countries with a strong orientation towards export, these countries (Brazil, India, China) were massively affected by the crisis: the decline in global demand, the fall in prices for raw materials and oil, the withdrawal of capital by the old capitalist centres, etc. (CANDEIAS)

NORTH AMERICA

In North America, the long-term destruction of Keynesianism (and the class compromise it represented) was initiated in the 1970s, moved ahead in the 1980s (neoliberal onslaught) and «bubbled» out in the 1990s to temporarily push out conflicting trends.¹⁰ Mainstream economists explained for over a decade that the ‘deconnection’ between the ‘real’ economy and the ‘speculative’ economy was going to crash and indeed it did. The so-called sub-prime crisis was only the last in a series of busting bubbles. This destruction as dangerous as it is for the stability of capitalism is at the same time an ‘occasion’ or an ‘opportunity’ to accelerate neoliberal ‘reforms’. This is translated by the rapid destruction of the manufacturing sector, home of the Keynesian popular and ‘middle’ classes for the last 60 years, and rendered ‘non-competitive’ by delocalization and the rise of new industrial powerhouses like China. The result is not only the destruction of millions of jobs (with real unemployment reaching 18-20%), but a massive social displacement of an unprecedented scale. With this ‘jobless growth’, capital hopes to push down wages and benefits, download the federal deficit to state and municipal governments already highly in debt and concentrate resources on ‘competing’ sectors like finance and the military-techno-industrial complex. (BEAUDET)

⁹ Way back, the government appointed a Task Force on Employment Opportunities which declared that India would solve the unemployment problem by 2012. In 2007, gloating in the glory of high growth rates, the Economic Advisory Council declared that these would be Zero unemployment in the country by 2009. The grim reality is that the problem of unemployment has assumed serious proportions in the last one year under the impact of the global crisis.

¹⁰ Since 1945, US capitalism imposed 12 further “economic downturns” culminating in the current crash. Republicans and Democrats alternated in presiding over state interventions that never solved or prevented the sequences of capitalism’s speculative bubbles and socially disastrous crashes. (WOLFF)

For the working class, the recent so-called bailout gives little aid. Official unemployment reached nearly 10 percent in August 2009. Including “discouraged workers” and accounting for the ever-growing proportion of part-timers brings a more realistic estimate to nearly 30 million members of the 155-million member workforce seeking work. In some regions--the state of Michigan and especially the former industrial powerhouse of Detroit, for example – real unemployment is 25-30 percent. African American and Latino communities face about double the national unemployment rates. The term “jobless recovery” is now part of the economists’ vocabulary. One well-known bourgeois economic analyst, Alan Sinai, said in August that, “This is going to be the mother of all jobless recoveries.” (CATALINOTTO)

Neoliberal policies, “free trade” agreements and automation, and eventually the economic crisis has accelerated the growth of a New Class of people in the United States, a class of millions of people who are permanently excluded from the US economy and who have no future in this economic system. This class brings together historically poor and excluded segments of the population of the US – African Americans, Indigenous, immigrants, poor whites – with millions of working class families who previously formed the base of the American middle class, to form the new class made up of people of all races, cultures, languages and backgrounds in every corner of the United States, from rural, urban and suburban communities: unemployed coal miners and factory workers, immigrant farm-workers and domestic workers, African Americans in the poor urban areas; the middle-class families who have recently lost their homes, jobs or access to health care and education; members of the military who cannot feed their families or are losing their homes; both blue collar and white collar workers, as well as the newly laid-off, who are going bankrupt and losing everything; graduates from the best universities who have incurred heavy debts in order to pay for their education; landless farmers, impoverished families in the poorest reservations of the country, homeless families, thousands of families who live every day with the fear of not being able to access health care in life-and-death situations, or who lose their homes when a health care crisis bankrupts them.

There is an invisible yet deadly war occurring within the United States, which every day leaves millions without basic Economic Human Rights. Millions of families live daily the terror of homelessness, of mass eviction, of government abandonment in the face of natural disaster, of hunger, of not having heat in the coldest parts of the country in the winter, of watching families die in house fires from using unsafe means to heat homes, the terror of watching loved ones die outside of the world’s best hospitals, of having children taken away by government officials for economic reasons, of having children die or maimed in a war they went to only because of their desperation to feed their families. Every day we suffer preventable “Katrinas”, Katrinas committed by the US government and the corporate and financial sectors, Katrinas that are endemic to neoliberal capitalism. These widespread, daily violations of Articles 23, 25 and 26 of the Universal Declaration of Human Rights (UDHR) in the richest country in the world are particularly criminal because they are absolutely preventable. Every day we have more in common with the poor across the Americas, in Iraq and Afghanistan, in Africa and Asia, in Europe and in the world as a whole. (COX/HONKALA)

EUROPE

In GERMANY's public services the number of employed sank between 1991 and 2006 by over 2 million. State expenditure on personnel has sunk from 8.8 % of gross national product (1991) to 6.9 % (2007); in the EU this percentage was 10.5 % in 2007. Public gross investments as percentage of gross national product decreased from 2.8 % (1992) to 1.5 % (2007). In the EU 27, this share is 2.6 %. The quantity of state capital active in the financial system and in some areas of infrastructure (postal service, telecommunications, traffic, logistics, education and science, the social welfare services) has shrunk drastically and has in fact thrown overboard any remaining public quality that could reflect the interests of the subaltern. In addition, and importantly, the public in "public authority" is disappearing. Central moments for the quality of politics, has by now shifted massively in the direction of the private and particular. The privatisation of individual functions, sectors and apparatuses of public authority, widespread since the 1980s, has severely undermined the principle of equal treatment for each citizen, since it in many cases had to compete with the principle of treating a customer according to his purchasing power. However, the present crisis of the politics of privatisation has, for example, led in the Federal Republic to an incipient process of re-municipalisation. (**RILLING**)¹¹

In the UK, prime minister Gordon Brown led the British state to respond to the crisis in accordance with the state's classic role as the banks' guarantor of last resort, bailing out the banks in a way which assured them that the government's main interest was to see them return to 'business as usual'. The Labour government rejected proposals debated even the mainstream financial press, to turn the banks short-term into public utilities and lay down conditions for support in terms of lending policy and reorganization; it later poured scorn on a previous head of the Confederation of Industry arguing for a tax on speculation. This reluctance to seriously change the state's allegiance to the City and Labour's deference to the City powerful position in the UK's economy has allowed the Conservatives and the rightwing media to make the issue of cuts in public spending (meaning not Trident but public sector pay, pensions and provision) to pay for the deficit created by the bail-out, the central political issue in the build up to the 2010 election. (**WAINWRIGHT**)

SWITZERLAND, as a financial centre, has declared the state of siege and calls on the public to mobilise for its defence. The government is under pressure. Its "crisis management" in dealing with "attacks from abroad" (most notably from the G20, OECD, United States, EU, France, Germany, and Italy) has been described as confused and fainthearted. It is being reproved of by several parties. However, there is no political crisis – far from it! All proportions kept – official figures are traditionally low in Switzerland – the rate of unemployment has seen a sharp increase. Pressure on workers in general has considerably increased; add to this a – more or less recent, ongoing or at least planned – string of attacks against social insurance. And, most likely, the situation will continue to deteriorate in this country, which is reasonably dependent on external markets. Like in the 1970s, unemployment will probably be partly

¹¹ Though, the return to public property by no means excludes the use of market-shaped mechanisms, but in the understanding of many involved protagonists actually presupposes them in order to assert itself in a profit-oriented economic environment.

exported: maybe to a lesser extent than at that time, but all the more violent, if certain measures currently under discussion are put in place. Especially the “low-qualified” migrant workers risk to bear the brunt of it, as well as female workers in insecure jobs, young people, old people – without even mentioning about 300.000 to 500.000 so-called “illegal” workers and other “dismissed would-be refugees” who are already having a hard time with the existing laws and terrifying measures, even though they are part and parcel of the system. In a large number of companies (particularly in the largest enterprises, as well as in the banking sector), employees have to fear each day that they might receive their redundancy notice. Farmers are desperate – including those (and maybe even more than others) who have largely complied with “modernisation” and “specialisation” directives. **(ROCHAT)**

CHAPTER III

THE CURRENT STATE OF CRISIS-CAPITALISM AND THE LONG SHADOW OF NEOLIBERAL DOCTRINE

III.1 REACTIONS TO THE CRISIS

From the beginning of this international financial crisis, central banks and the governments are trying to intervene at all costs so that no large bank fails in order to avoid the collapse of the international financial system. In essence, this means that the profits of the banking system remain privatized, while society has to assume the costs of its astronomic losses. Small and medium banks are permitted to collapse in order to be absorbed by the larger banks, in this way increasing even more the concentration of wealth. **(DIERCKSXSENS)** Thanks to globalisation, the economic system has a better tool kit available to it to deal with financial crisis than was the case during the 1929-'30 period, including both a new material base, especially new technologies, but also new instruments for operating the system itself. During the thirties for example, the issue of the quasi-nationalisation of banks did not even arise. **(HOUTART)**

Measures to save and stabilize the financial system has been taken: Monetary policy of „monetary easing“ with discount rates near zero, state guarantees for banks, recapitalisation of banks, transfer of „toxic papers“ to bad banks, limits to bonus and premium payments in order to reduce the financial claims because their legitimation is jeopardized. **(ALTVATER)**. Massive stimulus spending at record breaking levels – something anathema to neoliberals – has become practice, the only difference among Northern elites being how much stimulus spending it will take to refloat the submarine. **(BELLO)**

In the US, both the Bush and Obama administrations responded to the financial crisis of September 2008 with an injection of trillions of Treasury dollars, the largest such government giveaway to the bankers in US history. For the surviving bankers and Wall Street investors, this has meant a revival of banking profits, a stock market increase of nearly 50 percent since its low point and an unrealistic mood of relief in the ruling class. **(CATALINOTTO)** In spring 2009, Citigroup was getting its third massive injection of federal funds and the international financial insurance company AIG was in line to receive another thirty billion dollars having already swallowed 80 billion. Worldwide, we were somewhere in the neighbourhood of seven thousand billion dollars – that is seven with twelve zeroes – handed over to the banks and other companies. **(GEORGE)** Nevertheless, there is a very great contrast in how the External Debt of poor countries is treated and how the tremendous debt of international financial elites is treated. When the external debt of the peripheral countries reached the point of being unpayable, there was no forgiveness whatsoever: all types of adjustment policies were imposed, causing even greater concentration of resources both within countries and between countries. The words to Our Father were even changed. Faced with the debt of the poor, the neoliberal creed is non-intervention. Nevertheless, when the international financial elites run the risk of ruining themselves because of their gigantic, irresponsible games of speculation, these same elites demand massive and immediate intervention by the State. **(DIERCKSXSENS)**

The crisis triggered other measures to boost the production of real surpluses (i.e. economic growth), to overcome the saturation and to increase competitiveness. The disappointing expectations are: The IEA proposals of investing into new energies (fossil energy, nuclear energy, renewable energies), biotechnologies and personal services (health-care, qualification etc.). Problems are still the limits of the rationality of markets and the limits of profitability. And there is a problem with an economic upswing at the limits of the carrying capacity of nature and society. The danger threatens of overcoming the economic crisis by aggravating the energy, climate and food crisis – the crisis then will seize the productive „real“ economy. (**ALTVATER**)

The deep crisis of neoliberally radicalised private orientation has in no instance removed from positions of power the representatives of this policy. Rather, the latter are trying to play the public card in restoring market radicalism: losses are socialised, mobilisations of state funds in the amount of hundred of billions are presented as ensuring the common good (“rescue”) but function as well-nigh unique redistributive mechanisms; a “neoliberal Keynesianism” (Altvater) is being implemented, whose only purpose is “consolidation” and recapitalisation. (**RILLING**)

III.2 THE LONG SHADOW OF NEOLIBERALISM

If only it were so easy to bury neoliberalism in the nearest cemetery once and for all; if only we could put worldwide capitalist financial activities under control, or at least back to where they were thirty years ago, it would be great—but can we? It looks, rather, as if the international system—the G-20 and the EU in particular, are absolutely determined to save neoliberalism at all costs.¹² And in Brussels, the European Commission is not wasting any time either while it waits for the WTO to show signs of life. The Commission is, rather, pushing hard for bilateral and regional trade agreements and so-called Economic Partnership Agreements. This concentration on trade is the strategy known as “Global Europe”. These measures will quickly wipe out struggling local industries and local banks, just as they will legally establish a kind of charter for neo-colonialism under another name. The EU wants a world where the rules are still dictated in so far as possible by the rich countries and where nothing escapes the category of merchandise. Free trade implies – in fact it requires – more, not less liberalisation, more freedom for corporations including banking and financial corporations. EU policy, like the G-20 objectives cannot make us especially optimistic for the “end of neoliberalism”. (**GEORGE**)

If you aren’t willing to talk about the power of neo-liberal financial-market capitalism, don’t bother to talk about alternatives. Neoliberal financial-market capitalism has established itself since the 1970s, against perspectives for a comprehensive economic-democratic, social and ecological alternative. It was founded in a cemetery of smashed hopes – Pinochet’s bloody coup in Chile marked its beginning. It was able to achieve its goal because it was in a position to combine violent force with a new wave of high-tech reshaping of the world’s economy, and a new, integrated global division of labour which broke down the

¹² The neoliberal doctrine, and I am using the word “doctrine” in the religious sense, has been completely discredited. Its credo is based on privatisation, deregulation, unrestricted free trade, market solutions to every problem and a corresponding absence of government intervention – except of course to save the system when it goes wrong.

constraints to development inherent in Fordistic capitalism. It was based on an upper-plus-middle-class alliance, with some opportunities for sections of the lower classes. It took up some demands of the emancipative movements against racist, sexist and bureaucratic oppression, and integrated them into the promise of the freedom of the market society in which each individual is the entrepreneur of his or her own labour power and of the provision of his or her own subsistence. It put forward realisable projects: break down the barriers to the global circulation of capital, privatise, deregulate, weaken the trade unions, obtain social mobility through education. These projects promised new opportunities for many countries and social groups. And ultimately, neo-liberal financial-market capitalism in fact became irresistible, due to the practical constraints which it installed. In the current crisis, it was primarily precisely the institutions which caused the catastrophe, which then had to be “saved” from it, as a top priority, so the message. Neo-liberalism was a hegemonistic project. It was able to expansively shape global society in its own image, and to provide new life prospects for key actors, while at the same time marginalising many social groups and regions. (BRIE)

The political neoliberal project goes far beyond the mere framework of economic politics. It cannot be reduced to the reactivation of the old economic liberalism, and even less to a withdrawal of the State or a reduction of its interventionism. It is guided by a normative logic affecting all fields of public action and all areas of social and individual life. Based on the total anthropology of the economic human being, it influences specific social and subjective spheres, competition, “responsibility”, entrepreneurship, with the aim of producing a new subject, the neoliberal human. The overall objective is to produce a certain type of man who is apt to let himself be governed by his proper interest. Hence, the object of power is not simply given; it comes into being through the mechanisms created, looked after, and stimulated by the government. Neoliberalism aims at constructing new anthropological dispositions. Neoliberal policies aim at putting into practice a universalisation of economic reasoning, with the rational, calculating subject as its normative reference. It is about actively producing an institutional reality and social relationships that are solely governed by the principles of market-oriented economic calculus.

The “neo” in “neoliberal” thus means a lot more than a capitalist acceleration of “liberal”, which is largely contained in the economic dimension; it adds an institutional and political dimension that completely alters its significance. It means the end of the democratic subject that was the ideal reference of liberal democracy. The moral and political subject is reduced to a calculating subject, enjoined to choose whatever serves his proper interests best. This transformation is illustrated by political practice, as can be observed in the United States and, more and more frequently, in Europe: the citizen is encouraged to act as if he were a mere consumer who is not willing to give more than he takes, who expects something in return for his money.

This brings us to the notion of “neoliberal governmentality” as the foundation of the neoliberal project. The relative autonomy of certain institutions (the Law, the elections, the police, the public sphere) that characterises their relationships with one another, as well as the autonomy of each of them in their relations to the market are “integrated” in various elements driven by the same logic, the

same calculus: that of interest. This ruins the foundations of liberal capitalism, for “it is owing to this independence that up to this point it has been possible to preserve an interval and a tension between the capitalist political economy and the liberal democratic political system”. (EL KENZ)

Neoliberalism has already lost its progressive and propellent social function in managing the transition to the transnational mode of production.¹³ This mode of production hardly offers sufficient possibilities for expansion and development under neoliberal conditions to meet both the needs of accumulation and social needs of the population to improve their situation. The potentials are there but their realisation seems to be blocked. The current power bloc can no longer counter the erupting signs of crises and their complex entanglement with productive solutions that could take up the interests of the subaltern and thus restore the active consensus to the neoliberal project. The contradictions within the power bloc are deepening, such that a reconfiguration is likely and possibilities for intervention by the left may appear. Of course, overcoming neoliberalism will globally be characterised by fierce social struggles. However, it would be imprudent to rely on the collapse of neoliberalism and to assume that the crisis will make things easy for the left. Projects, tendencies, scenarios are being developed from different sides in order to reconstitute and/or develop bourgeois capitalist rule. (CANDEIAS)

III.3 THE SLIGHTLY MODIFIED AGENDA

Given the fact that we are experiencing a global crisis that is consistent with the neoliberal logic, the “cost-benefit” effectiveness is the finality of every action, including the way out of this global crisis. There will be not enough space for everybody. But then, the neoliberal economic logic alone will not be enough to convince the next victims of this crisis; and, contrary to its own principles, it will therefore be constrained to solicit political action, be it ordinary or force-based. Finally the social effects of the crisis will be proportionate to the resistance that will be put up against neoliberal logic. (EL KENZ) The threat of another global depression is reanimating the discussion regarding the necessity of economic regulation. (DIERCKSXSENS)

Mainly, within the capitalist camp three solutions are proposed. The neo-liberal position in response to the financial crisis is very clear: the other aspects of the global crisis are irrelevant. The solution is to replace the actors, the incompetent or corrupt bankers, and the system will be restored and ready to continue. A second position advocates re-regulation of the system, after a long period of deregulation. A third approach is that adopted by the Commission of the United Nations for the Re-forms of the Financial and Monetary System (Stiglitz Commission). It advocates such strong regulations as the abolition of fiscal safe-havens, banks secrecy, the “odious” Third World debt, a regulatory organisation

¹³ By no means could neoliberalism be understood as a purely destructive force (Bourdieu) or “conservative restoration” (Bischoff). Even the neoliberal management of the transition to a transnational mode of production based on information technologies – neoliberalism’s main function simultaneously promoting societal change and serving as hegemonic base – productive forces were still unleashed: the withdrawal of an extreme (Taylorist) division of labour in production freed workers from monotony, new forms of production could integrate their knowledge, computerisation and automation could relieve the burden of hard physical work. The internationalisation culture, goods and consumption dissolved national narrow-mindedness, de-nationalisation dissolved state paternalism. For instance, following demands by the women’s movement, neoliberalism ›liberated‹ housewives from patriarchal family relations and forced them into the labour market.

at the international level for the banks, a reform of the World Bank and the IMF, the creation of new international bodies, etc. These are indeed strong measures, but they are no more than regulations. The question is: regulation for what? To continue the exploitation of nature as before, to prolong the inequalities in the world as before, to continue financing the auto industry, the monocultures and agro-fuel? Is that the way to solve the problem? **(HOUTART)**

Today's proposals once again leave in place, unchallenged, the internal structure of capitalist enterprises that positions boards of directors and the major shareholders who select them as the receivers and disposers of enterprise net revenues. Those opposed to state interventions continue to acquire the resources to block, thwart, and undermine them as they have always done. So long as this strategic nonsense cannot be admitted, little will change. **(WOLFF)** On the agenda of the G-20 governments are a few more regulations and a few minor changes here and there, because everyone now agrees that more financial market regulation is indispensable. But their real scenario revolves around free trade and free markets – which is to say the preservation of the basics of neoliberalism. They will advocate a conclusion to the Doha Round at the World Trade Organisation. They were also prepared to hand over several hundred billion dollars to the International Monetary Fund to dispense as it sees fit. It would be hard to find two more neoliberal institutions than the WTO and the IMF. **(GEORGE)**

Nationalization of the banks – a practice condemned by neoliberalism – is in progress, and the questions that divide the elites is how aggressively the government will exercise its control of the majority shares of the stocks and whether it will return the banks to private management once the crisis is over.¹⁴ Reprivatization is not a predetermined fact. The facts on the ground will determine the answer to these questions, for the task at hand for the state managers of capitalism is not whether or not the solutions are in line with a discredited doctrine but what it will take to save capitalism.

Beyond deficit spending and nationalization there will increasingly be a debate within the establishment on whether to go on the path of what I call »Global Social Democracy«, or GSD, in order to respond to capitalism's desperate dual needs for stabilization and legitimacy. There are, of course, differences of nuance in the positions of these people¹⁵, but the thrust of their perspectives is the same: to bring about a reformed social order and a reinvigorated ideological consensus for global capitalism. Among the key propositions advanced by partisans of GSD are the following: Globalization is essentially beneficial for the world; growth must not be accompanied by increasing inequality; trade must be promoted but subjected to social and environmental conditions; unilateralism must be avoided while fundamentally reforming the multilateral institutions

¹⁴ Whereas, the history of state intervention in response to capitalist crises teaches strategic lessons. First, state interventions that negatively impact capitalist profits are opposed by capitalists who use their profits to finance their opposition. Second, when state-interventions nonetheless succeed (especially those supported by labor and the left), capitalist profits finance legal and illegal evasions of those interventions. Third, capitalist profits finance ideological and political campaigns, legal and illegal, to weaken and, where possible, end the established state interventions they oppose. US capitalists fought the New Deal interventions that hurt profits, then evaded those regulations and laws that were enacted, and finally weakened or removed most of them. **(WOLFF)**

¹⁵ Joining British Prime Minister Gordon Brown in articulating the GSD discourse has been a diverse group consisting of, among others, the economist Jeffrey Sachs, George Soros, former UN Secretary General Kofi Annan, the sociologist David Held, Nobel laureate Joseph Stiglitz, and even Bill Gates.

and agreements; global social integration must accompany global market integration; the global debt of developing countries must be cancelled or radically reduced; a massive aid program or »Marshall Plan« from the North to the South must be mounted; a »Second Green Revolution« must be put into motion, especially in Africa, through the widespread adoption of genetically engineered seeds. Huge investments must be devoted to push the global economy along more environmentally sustainable paths, with government taking a leading role (»Green Keynesianism« or »Green Capitalism«).

A critique might begin by highlighting problems with four central elements in the GSD perspective. GSD shares neoliberalism's bias for globalization; it shares neoliberalism's preference for the market as the principal mechanism for production, distribution, and consumption; it is a technocratic project, with experts hatching and pushing reforms on society from above, instead of being a participatory project where initiatives percolate from the ground up. And, while critical of neoliberalism, GSD accepts the framework of monopoly capitalism, which rests fundamentally the concentrated private control of the means of production, deriving profit from the exploitative extraction of surplus value from labor, is driven from crisis to crisis by inherent tendencies toward overproduction, and tends to push the environment to its limits in its search for profitability.

Like traditional Keynesianism in the national arena, GSD seeks in the global arena a new class compromise that is accompanied by new methods to contain or minimize capitalism's tendency toward crisis. Just as the old Social Democracy and the New Deal stabilized national capitalism, the historical function of Global Social Democracy is to iron out the contradictions of contemporary global capitalism and to re-legitimize it after the crisis and chaos left by neoliberalism. (**BELLO**)

The effects of more than 30 years of liberalisation and redistribution from ›below‹ to ›above‹ are being countered by an intensification of this redistribution through rescuing banks and socialising debts and risks. At the same time, various tendencies within neoliberalism but reaching beyond are being developed simultaneously. New state interventionism appears to be emerging within the management of the crisis.¹⁶

Conflicts of the future are especially evident in the search for new forms of regulating the global financial system: restorative forces that wish to use the state to reinstall the previous order, and want to plunder its finances, are intertwined with reformist initiatives that clearly go beyond the status quo ante. This simultaneously reveals the attempt to re-legitimize neoliberal global financial markets and their regulative containment. Similar struggles around reinstating neoliberalism with only small concessions and minimal political changes (predominant in Germany, for instance) versus far-reaching attempts of re-regulation can be observed on the national level as well. If they succeed in re-legitimizing and restoring neoliberalism with only small adjustments and regulations (even only temporarily), and in blocking a more far-reaching new

¹⁶ The conflict is in full swing: the government – especially in Germany – is undecided on whether the more active role of the state should be applied temporarily or permanently; the forces involved are pushing in varying directions. It is questionable, for instance, whether the far-reaching nationalisations in the US banking and insurance sector can actually be reversed in mid-term. But so far, long-term concepts for state-run financial institutes do not exist yet.

construction of the global economic and financial relations, of production and consumption, then the crisis will only be made worse. A New Public Deal project is reacting to different processes of crises even beyond the financial sector. Certain groups around president Obama are trying to ameliorate the decline of the US economy with the renewal and expansion of the public sphere, especially with new investment programmes in public infrastructure, reforms in education and health systems and with the creation of new jobs in those sectors.

The general re-orientation of investment towards energy efficiency and reduction of CO₂-emissions would be the necessary technological and accumulation base to create millions of jobs and for constructing a new consensus in society – a ›Green New Deal‹ that is already being strongly advocated as an answer to the financial and economic crisis, as well as the crises of reproduction, employment and the ecological crisis – and thereby to re-legitimize the free market economy. It could mean more than an ecologically-conscious, short-term programme to contain the crisis. Moreover, it could mean a state initiated and massively state subsidised transformation to an ›ecological‹ mode of production, that opens new areas for accumulation of capital. Nature and the environment are turned into a commodity, thereby restricting the possibilities for solving the ecological crisis. Consequently, green capitalism cannot be the solution to the ecological crisis, instead, it is a procedure to restore expanded capitalist accumulation and hegemony by involving progressive oppositional groups and interests of the subaltern. Changing the whole structure of production, the practice and culture of consumerism, the economy of the car society, the structure of our cities, our societal relations to nature, without impacting on the capitalist mode of production as such, just reproduces its inherent contradictions, e.g. the dangers of a ›green‹ financial bubble. (CANDEIAS)

The Green New Deal fosters the illusion of sustainable growth. But economic surpluses necessarily consume natural resources and sinks and therefore have a negative effect on nature. Is it possible to change the energy regime without changing the pattern of consumption and production? The role of the state in a capitalist society and its interventions must critically be examined. Also green investment must be financed: the impact of the financial crisis must be taken into consideration. (ALTVATER)

Another solution the capitalist system has developed to address the need for a change in the energy cycle is the development of agro-industry, the production of bio-fuels. However, in order to constitute a real contribution to a solution, that would entail the shift of hundreds of millions of hectares of land in Asia, Africa and Latin America to monocultures for the production of such fuels, with all the associated ramifications that monoculture has: the destruction of biodiversity, the pollution of the soil and water, and most drastically, given a continuation of this project for a twenty-five year period, the expulsion of an estimated 60 million or more peasants from their land. The result would be salvage urbanisation and strong migration pressure. Thus, this proposal is neither a solution to the climate crisis nor a long term solution to the energy problem; as a short and medium term measure, however, it is a very good solution to the crisis of the rate of profit and of the accumulation of capital. (HOUTART) Furthermore, in countering the energy crisis there generally exist

tendencies of a new „energy-imperialism“, i.e. by generating power in the Sahara (“Desertec”). (ALTVATER)

As for Switzerland, the offensives against the popular classes (at all levels: social insurance, public services, employment etc.) will continue and intensify. And even though the symbiosis between the dominant political machinery and the Swiss financial and industrial conglomerates is more obvious than ever before, the picture becomes blurred by the debate, which is largely internalised and describes a “brave little hard-working country that some may even envy, but that remains isolated at the heart of Europe”. (ROCHAT)¹⁷ As for former Yugoslavia, neo-liberal socio/economic policy of the corrupted government is to a certain extent corrected in the direction of state re-regulation (stimulating measures for buying cars in exchange for old ones, infrastructural projects). However, these measures are insufficient, having no vision of structural and innovative transformations necessary to mitigate great damage made by destruction of domestic banking system and industrial production through robbery privatization of strategic enterprises and systems at the rock bottom prices with new owners failing to organize production and abolishment of protective tariffs without any advantages accruing to EU member states, fall of investment in technological renewal of old equipment, dependence on credits and rising indebtedness and trade deficit. Under the pressure of IMF the government is contemplating taxing already law salaries and pensions, instead of progressively taxing banks and new millionaires that became rich over night through shady deals. (VRATUSA)

III.4 THE ENDLESS WAR

In the new imperialist globalisation, the domination of the centres is no longer exercised by the monopoly of industrial production (as had been the case hitherto) but by other means (the control of technologies, financial markets, access to the planet’s natural resources, information and communications, weapons of mass destruction). This system which I have also described as “apartheid on a global scale” implies a permanent war against the states and the people of the recalcitrant peripheries, a war begun already in the 1990s by the deployment of military control over the world by the USA and their subordinated NATO allies.

US leadership is without doubt in crisis. The recent G20 Summit in London in April 2009 in no way marks the beginning of a ‘reconstruction of the world’. And it is perhaps no coincidence amidst the flurry that it was followed by a summit meeting of NATO, the right hand of contemporary imperialism, and by the reinforcement of NATO’s military involvement in Afghanistan. The permanent war of the North against the South must continue. (AMIN) However, the ‘endless war’, rather than finishing with Bush, is likely to be transformed. The ‘re-engineering’ of the Middle East and Central Asia remains a necessity for a

¹⁷ Though, the road has become considerably narrower for this unavowed member of the triad. The peculiarity of Swiss imperialism is becoming more and more challenged by its peers. Some of the country’s leaders are beginning to realise this. The issue of a more committed participation of the Swiss army in “peacekeeping operations” abroad is more and more frequently brought up. And in its last report on Swiss politics, the Federal Council gives a hint that the strategy of bilateralism with the EU may well be coming to its end and that accession to the Union may eventually be inevitable. If this finally happens in ten, fifteen or twenty years, it will at least have the advantage of sorting out some internal debates, whatever the EU reality may be.

declining empire, unable to compete against European and Chinese economic competitors. Controlling energy flows in the middle of Eurasia remains therefore an undeniable asset. The US and Canada are dominated by a powerful class alliance on the decline, but still able to impose its domination on a significant part of the world. The image of the 'wounded tiger' comes into mind as in its (relative) weakening, the monster becomes erratic and somehow more dangerous. This aggressiveness is likely to be changed in form, but not in substance, by a 'strategic' deployment of imperialism. All in all, the endless war remains a key factor in the development of a new 'security' and militaristic state, forced on citizens as a rampart against the 'barbarians'. Even though there is a strategic consensus on these issues within the political and economic elite in the US, there are several tactical disagreements. For those identified with Obama, there is a need for a tactical retreat, which implies some sort of a compromise with Russia, otherwise, US forces are at risk in Central Asia particularly. But many within the establishment are opposed and would lie to push back Russia to the 'brink', like what happened to the Soviet Union a decade ago. On the short term, that might mean a renewed offensive against Iran, with whom which Russia is allied, not because of any reason that an onslaught against Iran would build-up US militaristic ambitions in the region. (BEAUDET)

III.5 THE CHALLENGE FROM THE RIGHT

The choice in the coming period is not going to boil down between the Left and global social democracy. In fact, there could be a response that would be anti-neoliberal in its economics, at least rhetorically, populist in its social policy, but exclusionist in its politics, evoking tribal as opposed to people's solidarity. We can already see some of this in the approach of President Nicolas Sarkozy in France. The kind of aggressive industrial policy aimed at shoring up key sectors of the French capitalist class and winning over the country's traditional white working class can go hand-in-hand with the exclusionary anti-immigrant policies with which the French president has been associated. Sarkozy's conservative populism is relatively mild. There are more radical ones waiting in the wings, like the anti-Muslim movement of Gerd Wilders in the Netherlands, again with the same mix of communal solidarity, populist economics, and authoritarian leadership. We know of such movements everywhere in the developed and developing world, and my worry is that it maybe be in the developing crisis that they might make their breakthrough to becoming a critical mass. If Global Social Democracy fails in its effort to reinvigorate capitalism and the Left is unable to come out with a vision and program built on equality, justice, participatory democracy that appeals to people in a period of severe and prolonged crisis, then other forces will step in to fill the vacuum, as they did in the 1930's. (BELLO)

Repressive measures (violence and judicial persecution) to compel opponents to conform, as well as social policies (obligation instead of assistance, workfare) are increasingly being used: increased policing and "punishing the poor" (Wacquant) to ensure their compliance and prevent social unrest. Growing social tensions and crises increase the tendency to confront them with authoritarian measures and a national chauvinistic consensus or to contain them militarily at an international level.

In view of the difficulties in restoring neoliberalism, and also of the New Public Deal and Green New Deal, especially with regard to global competition and

unimagined consequences of the crisis, authoritarian trends may grow in significance – with a simultaneous decline in the rhetoric about clash of cultures and antiterrorism. Nevertheless, unhindered imperial appropriation of oil and resources will remain an essential objective of the old and new capitalist centres. The unequal distribution of the unavoidable consequences of the world economic crisis such as the climate crisis on the social classes and groups leads to an emphasis on security policies by the ›ruling class‹. Mike Davis assumes that a selective adaptation will occur, which will allow the first class earth inhabitants to continue to lead a comfortable way of life with permanent abundance in green oases, securely fenced off, on an otherwise barren and inhospitable planet. Authoritarianism is certainly not sufficient for a hegemonic project, since its attractiveness and economic potential remain limited, but the Left must acknowledge them to oppose them early enough and find emancipatory answers. **(CANDEIAS)**

III.6 CONSTELLATION OF INTERREGNUM

The ruling elites have achieved a temporary restabilisation by the means of an enormous expenditure of public funds. The power and property of financial-market capitalism have been secured by state intervention. If the will is there, the expropriation of banks, nationalisation, expenditure of large sums of money, global cooperation etc., are all no problem whatsoever. That has revitalised the underlying dynamics of financial-market capitalism, while at the same time, costs have been created which, as an additional burden, will intensify the so-called practical constraints of neoliberalism (reduction of public expenditures, privatisation etc.) still further. This crisis solution holds even greater crises in store. The fact that things will continue in this manner is a catastrophe (Walter Benjamin). **(BRIE)**

But there is no guarantee that the bankers' recovery will endure over a long period. The measures used to impel capitalist growth since World War II – military spending or financing on the real estate, technology or other bubbles, credit card debt—are no longer capable of propelling a capitalist economic revival. The forces that have historically driven capitalist recovery are exhausted. No consideration of the role of the US can ignore the threat of a new imperialist war—a possibility despite the risk this war might represent of creating a new disaster for the U.S. ruling class. **(CATALINOTTO)**

A constellation of interregnum will evolve from the various tendencies and projects which are developing in parallel and as a result of the blockage, de- and re-composition of the power bloc. Meanwhile the crisis can persist for a long period, perhaps even a decade, before a hegemonic direction develops out of the competition between the different projects to dissolve the crisis. This new hegemony will encompass a certain band width of different paths but the terrain and the direction of development will be largely determined.¹⁸ In view of the challenges of the tasks ahead, rapidly overcoming the world economic crisis and the even greater task of reducing greenhouse emissions of industrial states by 80 per cent or more before 2050, which means catapulting the entire

¹⁸ Therefore, "post-neoliberalism" (Ulrich Brand) does not characterise a new period of capitalist development. Instead, it is a transition period or interregnum in which numerous search processes occur and the future organisation of society is in debate. A new term must be coined as soon as a hegemonic project becomes apparent.

The World Crisis – and Beyond **Brussels, October 28 - November 1, 2009**
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Rosa Luxemburg Foundation in cooperation with World Forum for Alternatives and TNI

economy from the fossil fuel based age of more than 150 years to a solar future within three decades, this will not be possible without great disruptions and crises. This time pressure leads to decision-making problems between a thorough conversion which means destruction of old sectors and capital, the risk of economic crises, or a conversion which is too slow with aggravated environmental and socio-economical crisis effects. Furthermore, the valorization of nature and ecological measures leads to a restriction of possible solutions to the crisis by concentrating on further marketization, more growth, increased resource consumption and simultaneously to the neglect of non-profit areas. (CANDEIAS)

CHAPTER IV

THE STATE OF THE SOCIAL MOVEMENTS WORLDWIDE

A GLOBAL LOOK

The organizations of workers, parties, unions, or even, social movements, remain without structures, strategies and necessary programs to restart the struggle for socialism. The fact that poor people face most of capitalist crisis' effects brings the risk that they accept this dominant ideology and support anti-crisis but pro-system measures, causing an extraordinary rise in exploitation rate. For example, the common defence of the capital has substituted the struggle for workers' total emancipation for the one defending the employment right, within the strict capitalist system, even if this means the right to be exploited worse. (NAKATANI) For much too long, e.g., the marxist left has turned a blind eye on concerns like the ecological crisis, at times dismissing them as petit bourgeois. This vacuum has been filled by the sham alternatives proposed by most Green parties and by the surge of a so-called «green capitalism». In short, there is a widespread public consciousness of the depth and urgency of the ecological crisis, but the radical left has not provided its own answers to it. (CASSEN)

However, the alter-globalisation movement¹⁹ represents a new hope that is born from the refusal to accept the status quo as inevitability – this is the meaning of the statement “another world is possible”. The alter-globalisation movement's strategy is built around the convergence of social and citizen movements that emphasise solidarity, freedom and peace. They also build a new political culture, which is based on diversity, self-managed activities and mutualisation, and which prefers “horizontality” over hierarchy. A strategic orientation has become apparent: that of access to fundamental rights for all. This represents the development of an alternative to the predominant approach of adapting our societies to the world market through regulation by the global capital market. Current debates inside the movement highlight the strategic question. This raises the question of power, which takes us back to the discussion on the State and touches on the questions of parties, of the model of social transformation and of the nature of development.

The alter-globalisation movement does not neglect possible improvements and is committed to avoiding unbearable situations. Moreover, it is largely in favour of a radical transformation and takes the possibilities of going beyond capitalism very seriously. This is a long term objective and the outcome cannot be predetermined. (MASSIAH)

REGIONAL SPOTLIGHTS

INDIA

¹⁹ It can be defined as a movement representing both a prolongation and a renewal of its three historical predecessors: the decolonisation movement, the workers' and the social movements, and the struggles for freedoms. Decolonisation, social struggles, the democratic imperative, as well as the freedoms constitute the predominant historical culture of this movement.

Powerful movements have formed in India: movements of peasants', the landless, Dalits, and global social justice networks. However, they are not linked to a left state project, apart from very contradictory experiences in the regions controlled by Maoists groups or in communist-ruled states like Kerala. (CANDEIAS) In the backdrop of the growing job-losses, wage cuts and cuts on other social benefits, a ground for mass resistance to defend jobs, wages and to oppose closure, retrenchment and new anti labour laws, do exist. Though in the recent time, banks and insurances employees went on strike opposing privatisation and the entry of foreign Capital in the Health Insurance sector. Even in the education sector, teaching staff – professors and teachers had to go on strike. It should be said that so far such a generalised resistance by the workers has not taken place in the country. Some of the reasons for such a situation are the dominance of the major Trade Unions of the right and the government which are supportive of these policies. But as it happens every time, at the call of the All India Joint Coordination Committee of the Trade Unions, workers irrespective of their allegiance join the strike and struggle for their rights. (MURTHY PK)

LATIN AMERICA

Nowadays, perhaps only Latin American countries offer spaces for revolutionary progress and socialist transitions in the 21st century. (NAKATANI) Strong social movements in South America have toppled governments, brought centre-left governments to power, established approaches to participative policies and solidarity economies, and indigenous movements have enforced another way of dealing with representation, state and property. Initiatives that have been acknowledged in different and contradictory ways by the governments concerned: by Venezuela's Oil Socialism of the 21st century, through to the left state projects strongly supported by the indigenous populations in Bolivia and Ecuador, and the left-social democratic project of Lula and Kirchner, etc. In different ways they all rely – despite stronger orientation towards export – on shifting internal power relations, with more participation, progressive reforms and stronger social redistribution policies that partially expand the subalterns' capacity to act (Handlungsfähigkeit) – even if the problems of inequality, poverty and limited possibilities for development of the people persist. (CANDEIAS)

Examples of forms for a cooperative, solidarity economy are workers self-management in occupied plants in Argentina. Capital fled, left behind idle factories and disappeared managers and owners. Workers took over by means of factory-occupation, accompanied by self-management and the new experiences of working together and deciding collectively. Occupation and squatting is also known in the context of land occupation by the „Movimento sem terra“ in Brazil, which fight against genetically modified crops and for small scale environmentally sound agriculture and so against the mass-production of biomass for agro-fuels. The general target is the re-appropriation of dispossessed territories, in order to organize life in a manner of solidarity and autonomy. (ALTVATER)

NORTH AMERICA

In the recent past, popular movements and initiatives in North America defeated the neoconservatives as they represented a 'clear and immediate'

danger. This was done by a combination of mass struggles that brought forward ‘old’ and ‘new’ social sectors like trade unions, youth, African-Americans, immigrants (as illustrated by the mass immigrant strike on May 1 2006). It led to the creation of an unusual alliance to support Obama. This multitudinous movement took form with the US Social Forum in Atlanta in 2007. One of the biggest challenge of this coalition is to bring together various segments of the working classes, long divided by race and insider/outsider status within the ‘labor market’ and without a common perspective considering the weaknesses of national political and social leaderships. Faced with the crisis, the movement so far has been unable to oppose massive transfers to financial capital and impose on the government to rescue significant parts of the industrial sector. Trade unions have failed (in a continuation of historical defeats) to build a people’s alliance that could be sustainable. As time goes by, there is a danger of a real dislocation that could lead to some sort of a neoconservative come-back, this time much more tainted with all-out racism and fascism. **(BEAUDET)**

The central problem for labor unions and the left in the US are their further marginalization (politically and ideologically) by the capitalist crisis even as it creates vast new opportunities for them.²⁰ Public debates around the crisis are constrained to endlessly repeat arguments for relatively more versus less state intervention (and quibbles over interventions’ details). The US working class came to distrust and disengage from the Democratic Party over the last half century. Democrats seemed unable or unwilling to stop the destruction of the New Deal that labor and the left had struggled so hard to achieve. Labor and the left in the US cannot yet acknowledge or face the implications of this history of failed Keynesian state interventions. They continue, with Obama, to propose and support more of the same. **(WOLFF)**

Two dimensions of current struggles indicate new developments however.²¹ The first development is the rise, multiplication and complexification of ‘local’ movements, struggling at the micro level. Many of these struggles are around environmental issues, which are organically related to ‘really existing’ capitalist accumulation in the US and Canada, unlikely to be ‘greened’ except at a superficial level. These movements bring together new social coalitions involving poor and middle class communities, youth, and first nations whose territories are a central target of huge capitalistic projects. The second development is the internationalization of the North American movement. This has been translated in various alliances to fight free trade agreements, anti-environment and anti-labor legislations and promote mutual support and resistance. The US Social Forum, the Quebec Social Forum, various coalitions acting at the community, environmental, labor levels are all expressions of this internationalization whereas US and Canadian activists play a role in the hemispheric battles along with counterparts from Mexico, Central America, the

²⁰ Massively increased state economic interventions (a dramatically renewed Keynesianism) are largely co-opting or displacing traditional social democratic programs. The crisis-provoked closer coordination between state and large industry focuses brings vast resources (private profits plus the state’s taxes and borrowings) to (1) shape and limit public perception of the crisis and appropriate “solutions,” (2) control legislation, and (3) dominate politics.

²¹ Historically, the emancipatory movement in North American has triggered labor insurgencies from the 1930s to the 1970s. The anti-war movement of the 1960s and more importantly the struggle for civic rights by African-American communities were also democratic and anti-capitalist expressions. However, never since Eugene Debs in the 1920 was this movement able to build a political platform. Time and again it was manipulated by populism, demagoguery, racism and right-wing ideologies.

Caribbean and South America, as it was demonstrated in Seattle, Quebec City, Windsor/Detroit and many other places. In more and more instances, these local and international struggles merge, thus creating a new paradigm, 'glocal'. **(BEAUDET)**

As conditions worsen rapidly for growing millions of people, struggles are developing across the United States. At the same time, the dangers and needs have never been greater. For more than ten years, the Poor People's Economic Human Rights Campaign (PPEHRC) and its strategic allies in the labor movement and other social forces have been dedicated to organizing the beginnings of this movement. The PPEHRC is dedicated to organizing this growing class. It is building encampments of homeless families, organizing homeless families to take over abandoned government-owned houses, leading the largest poor people's marches towards the headquarters of the National Republican Conventions during the last three elections, organizing global summits and hemispheric marches of the poor, helping to organize caravans of poor people of all sectors and races, and holding local, regional and national Truth Commissions on violations of economic human rights in dozens of communities. The movement is growing in spite of the increasing dangers and repression.

But it will literally die – like so many movements before – if it does not succeed in linking up with brothers and sisters around the world. This is both strategic and practical. The state of total war – economic, political, social, psychological and military – is about keeping us disorganized, unconscious and disunited from the poor around the world. The PPEHRC is committed to organizing a strong, broad-based movement that unites with other processes and movements around the globe in the struggle for a world in which all benefit from and control the wealth, in harmony with nature, a world which prioritizes human rights and environment over private property "rights." Because we are in the United States, no one understands just how awful our reality is, and just how great the barriers we face are – from resourcelessness to repression, to name a couple. And these myths are killing us, and robbing our movement (and the global movement) of major organizing opportunities among the American people. **(COX/HONKALA)**

EUROPE

Throughout EUROPE, we can distinguish five political currents – with certain peculiarities depending on the particular countries – intending to rebuild the Left. The left of the Left, continuing to distinguish itself from the extreme left; communism, rebuilding itself after the collapse of Sovietism; the libertarians, trying to express the individual and collective refusal of alternative practices; those among the social democrats who have begun to comprehend the disaster following the subordination to neoliberalism; those among the ecologists who tie ecology directly to social issues, to the freedoms, to international solidarity. **(MASSIAH)** Who can we count on? We can count only on the "left of the left"; meaning all the forces, whether now organised or not, to the left of the social liberals. Here I could also go into detail about our weaknesses, beginning with ITALY and my own country, FRANCE, while praising GERMANY and Die Linke for showing us the way, even if we don't pay attention. We're not likely to get much help either from the social democrats or "third way" people; the ones I prefer to call "social liberals" because they have spent the past couple of

decades accompanying neoliberalism rather than combating it. In Europe, the social liberals have consistently supported privatisation of public services, deregulation and, more recently, the EU Constitutional Treaty. In spite of all the obstacles, all the handicaps, all the difficulties of our situation, we are also rich in social movements, people and organisations. We have any number of ideas and proposals which could actually pull us out of the deep pit that the crisis has dug and help us emerge into a wiser, more resilient society based on cooperation, democracy, greater equality and a green economy. For the present, however, our basic problem is this: Those who have power have no ideas, or bad ideas, while those who have good ideas for escaping the crisis have little power compared to their adversaries. **(GEORGE)**

However, the opportunities for left alternatives in the sense of a revolutionary political realism have hardly been used to date. The left in Europe and abroad has gained ground from the social crisis in recent years, but not from the financial crisis. The global social justice movements which initiated a new cycle of transnational struggles at the beginning of the 1990s and activated the search for new paths of globalisation appears to have passed its zenith or is itself in crisis at the very moment of the crisis in neoliberal rule (see for example, the stagnation or erosion of activism in Attac). In Europe, the old left socialist or communist parties in many countries could not benefit from the difficulties of the neoliberal block parties: they were pulled down into the abyss with the social democrats in FRANCE, ITALY or SPAIN, or marginalised, decomposing themselves. Some smaller countries such as the Netherlands or NORWAY are an exception, perhaps – and GERMANY: Many hopes of the European left (left parties as well as movements) refer to the success of the German Left Party (Die Linke) in Germany. The understanding of a productive relation between the party and the movements, of self-organisation, participation and representation, of civil society and state is facing unsolved and new questions. **(CANDEIAS)**

A strategy emerging in the public sector in the UK combines resistance to outsourcing and privatization with the development of an alternative model of managing the public sector, based on industrial democracy. UNISON, the major public sector union in the UK is seeking to learn from and generalize an exemplary experience of a local branch (in Newcastle council) defeating privatization and co-operating with the municipal management to secure and improve public provision. In the process, the union and management created a working model of public sector industrial democracy. At the same time the services were improved and savings were made in back office functions that were reallocated to frontline services. The co-operation with management was conditional on no outsourcing, on avoiding compulsory redundancies, on transparency and openness, including openness to management's plans and on increased investment in staff learning and development. The strategy of co-operation with management to secure public provision, is also based on maintaining wages and conditions. Moreover, this strategy to secure public provision has been as much about building the organisation of the union and strengthening members' participation in it, as it is about co-operation with management. Indeed the union's view of the nature of the co-operation – what they push for and what they accept in negotiating the terms of this co-operation (there is always more than one way of co-operating) is based in part on the

importance of constantly strengthening union participation and organization. **(WAINWRIGHT)**

In SWITZERLAND, the offensives by the elites may well meet – sometimes fierce – resistance (farmers, workers of certain companies, kick-off of unionist mobilisation); nonetheless, this resistance remains fragmented, scattered, without any political intermediary worthy of being called that. Though, several fronts are building up, unfortunately scattered and unstable; particular attention should be drawn to migrant organisations (more than 25% of the population), as well as feminist, anti-nuclear, and anti-military organisations. But up to now, the political left has not benefited from the crisis, neither from an organisational, nor from a political perspective. On the contrary – results of numerous popular votes (issues submitted to a referendum are not what is lacking in this so-called semi-direct democracy, 20 to 30 each year at the very least) give reason to fear that, in a climate of “every-man-for-himself” to save his meagre advantages before the competition gets them and of worry about the future, the sirens of “global apartheid”, to speak with the words of Samir Amin, always find more open ears in the polling booths. The idea that an alternative to capitalism is not only necessary, but also possible, remains a conviction of a minority. In some circles, especially in the petty bourgeoisie, people stick to the idea of a “green new deal”. But not at all costs: people dissociate it from any fundamental criticism regarding capitalism and are ready to accept a rampant weakening of the “welfare state”. **(ROCHAT)**

In FORMER YUGOSLAVIA, due to cooperation between bureaucratized trade unions with the government and owners in extinguishing the fire of isolated strikes, resistance is still fragmented. In the last weeks however, encouraging examples of coordination of demands for breaking of the privatization agreements with new owners who did not fulfill their obligations and returning of enterprises to the employees to manage them are appearing. There is still however no anti-capitalist breakthroughs, since even in enterprises with the majority employee ownership, some form of group private property, there are plans to search for the rescue in “strategic partners” and “better owners”. There are still no attempts at self-employment through cooperatives avoiding middlemen between producers and consumers and still less attempts at realization of integral self-management at all levels of decision making. Presently small but potentially growing left groups are advocating in the tradition of social democratic regional project the Balkan and European federation of socialist republics in the sense of the power of, for and by the working classes, social ownership of production means, democratic planning and investment in renewable energy sources locally available and in public transport, aiming at human development instead at private profit.

In conditions when government has just few parliamentarians more than the opposition and unemployment rising, new elections can be expected but with no anti-capitalist oriented political party in sight. Within broadly defined left movement there seems not to be enough radicalism to demand anti capitalist transformations – predominate demands for re-embedded, more organized, more socially responsible...capitalism. **(VRATUSA)**

CHAPTER V **POST-CRISIS OR POST-CAPITALISM? THE PATHS TO** **TRANSFORMATION**

If there is anything that Rosa Luxemburg and Gramsci and Lenin can teach us today, it is that, good will, values, and vision are not enough, that in the end, politics in the sense of a powerful vision, an effective strategy of coalition building, and wise supple tactics of building up a critical mass for winning power, with parliamentary and extra-parliamentary dimensions, is decisive. Nature abhors a vacuum, and we must be ready to fill that vacuum or we lose, decisively, and this we cannot afford to this time around. While progressives were engaged in full-scale war against neoliberalism, reformist thinking was percolating in critical establishment circles. This thinking is now becoming policy, and progressives must work double time to engage it. It is not just a matter of moving from criticism to prescription. The challenge is to overcome the limits to the progressive political imagination imposed by the aggressiveness of the neoliberal challenge in the 1980s combined with the collapse of the bureaucratic socialist regimes in the early 1990s. Progressives should boldly aspire once again to paradigms of social organization that unabashedly aim for equality and participatory democratic control of both the national economy and the global economy as prerequisites for collective and individual liberation and, one must add, ecological stabilization.

That is a perspective that we must fight for not simply in a battle for people's minds but for their hearts and souls, and here the struggle is, on the one hand, against the technocratic capitalist restabilization schemes of Global Social Democracy and, on the other, the mass-based heated capitalist restabilization schemes of nationalist and fundamentalist populism. Ideas are not enough, and what will be decisive is how one translates our ideas and our values and our vision into a winning strategy and tactics that can triumph democratically. We must move away from the economism to which the global left was reduced in the neoliberal era. Politics, in short, must once more be in command. **(BELLO)**

An anti-hegemonistic alternative must overcome not only the weaknesses of neo-liberal financial-market capitalism, but in fact prove superior to it, to overcome it in the sense of an *Aufhebung*. The present crisis must be converted into an opportunity to initiate a transformational change which can overcome neo-liberal financial-market capitalism and move towards a society of solidarity. The funds used to rescue financial-market capitalism have shown that a fundamental redirection is possible. The rulers have themselves demonstrated that alternatives to privatisation and the "invisible hand" of the markets are possible. And we should stop using them to rescue this parasitic capitalist system.

The societal forces of solidarity must develop projects of entry into fundamental transformation, and fight for their implementation. Today, the prevalent form of action against the dumping of the effects of the crisis onto the population, the waged strata, pensioners and the global South is still defensive. And these forces will remain on the defensive if they do not succeed in calling into question the

structures of financial-market capitalism itself. For this purpose, they must be incorporated into a counter-hegemonist strategy which places fundamental transformation on the agenda. Central to such a counter-hegemony would be a new social and ecological form of productivity, a new way of life in solidarity, with a new wealth of free and socially secure development, a solar revolution and the transition to a nature-preserving type of reproduction, and global development based on solidarity.

The elimination of the most important motive forces of financial-market capitalism, the overaccumulation of private fortunes would at the same time constitute an essential source for the freeing up of the funds needed for a transformation in solidarity. The crisis is an opportunity for converting dangers into potentials for development in solidarity. We should seize this opportunity, end the hegemony of financial-market capitalism and initiate a global transformation process. The crisis of the hegemony of neo-liberalism is generating elements which can be incorporated into scenarios which could lead to an authoritarian-barbarised kind of capitalism, or, in a different direction, towards a world of solidarity. This struggle will determine what kind of human civilisation we will have in the twenty-first century. **(BRIE)**

The 21st century is a period of exhaustion of the reserves of primary materials. This reality is causing a new and grave dilemma for the economy. Therefore, economic regulation also demands concurrent ecological regulation. We should try to show how the “left of the left” might just manage to save the economy, the people and the planet from our present rulers and their allies, if we are capable of a lot of hard political work, if we understand the need for unity and for alliances and if we are blessed with an enormous amount of luck. We must try to help the ordinary citizen seize the opportunity rather than give in to the danger—otherwise they may start finding scapegoats and blaming immigrants or whoever else is close to hand. The window of opportunity won’t stay open forever. We really must act fast. I do not want to know how society should or will be organised, except that it should be less centralised, more democratic and environmentally viable. The left has already lost far too much time on arguments about ideal societies. These arguments are sterile, even dangerous, because our societies are too complex for us to be able to consider all their parameters. The future will be and should be different in different places, if only because of geography, culture and a host of other factors particular to each society. The main feature is that whatever the outcome, it should come about through a democratic process. No society ever reaches a “final” state, because people and their arrangements are too various and they evolve. So our rule should be that none of us, singly or collectively, knows what is best for everyone and none of us should try to dictate the common good. **(GEORGE)**

The world economy crisis and neoliberal deligitamtion promotes the turning away from blind adherence to liberalisation, privatisation and extreme export orientation as well as the search for alternative paths for development. The Washington Consensus had already been delegitimized before the crisis, and will have disappeared after the crisis. Neither the US or Europe can determine the rules any longer, nor is there a visible transnational consensus. The South American countries as well as the BRIC states have too obviously been looking for different ›post-neoliberal‹ forms of integration into the world market and of economic and social policies. The US, as main originator of the crisis, but also

the G7/G8, have lost the legitimacy to create a new global financial structure. Consequently, the group of those involved needs to be expanded to the G20. The transnational fractions of capital feel challenged and have founded the B20 in an attempt to reclaim a leading role in solving the crisis and forming the post-crisis order. Increasingly, it will be decisive for BRIC and Gulf States to promote social justice by refocussing on the domestic economy, unleashing its productive potentials, in developing them as self-supporting economic factors and in using – where available – their wealth in resources and oil for this purpose. This also requires strengthening the elements of self-organisation, civil society and democracy – especially in China and Venezuela (or the Gulf States). The BRIC states and the countries on the peripheries must link this to policies of food sovereignty, consistent land reforms and ecological re-orientation. If not, there is a risk of escalating severe social unrest, whether it be in China, India, South Africa or Bolivia. At the same time, this re-orientation in government viewpoints has to occur without confrontation with the world market-oriented capitalist groups and investors – the chances for this are not at all bad, considering the growth prospects of the BRIC states.

China's state capitalism or the Gulf States with their public investment policies – practically top down – are even more clearly trying to bring capitalist dynamics and state-controlled development with selective market access into a different relation, and thus determine the future of the country (more) autonomously. Even in Scandinavia, different approaches of another type of capitalism have developed despite neoliberal hegemony. This kind of capitalism has not rejected the trend towards liberalisation, is extraordinarily successful on the world market and has simultaneously achieved higher labour and social standards. There is a stronger focus on public and social infrastructure, education and state interventions than elsewhere and this guarantees a still higher standard of living for large sectors of the population. The Scandinavian experiences should be considered – even critically – in view of ›post-neoliberal‹ reforms that can be generalized in the industrialized countries.

Internationally, another G20+ was already formed within the WTO framework some years ago, as a loose cooperation of countries of the ›global South‹, as a countermeasure to the bargaining power of Europe, the USA and Japan and thus strengthening the position of the ›global South‹. After the collapse of the WTO negotiations in Cancun/Mexico in 2003, Brazil, China or South Africa relied more strongly on so-called South-South co-operations. They do not want to uncouple themselves from the world market, but want to autonomously codetermine the conditions and forms of further integration of their economies into the world market and at the same time reduce their dependence on the old capitalist centres. This strategy is a shining example for smaller countries, for instance in Africa, that want to free themselves from a one-sided dependence on the EU, the USA or the IMF, by co-operating with China or Brazil. Furthermore, regional integration projects such as Mercosur or ALBA in Latin America are being promoted as a counterweight to transnational institutions such as the IMF, World Bank or the WTO. And co-operations between China, Japan and South Korea or the Asean states are being strengthened. Regional development banks such as the Banco del Sur are being founded. The transregional institutions are not already functioning in every case; especially in Africa the

integration projects practically face insurmountable obstacles. Nevertheless, successful projects will lead to further projects. (CANDEIAS)

In fact, we need not only regulation. To find alternatives and new parameters is the only real postcapitalist position. How can we redesign an utopia? The new parameters will have to meet four major criteria: The first is to affirm that we have to develop a sustainable and responsible mode of using natural resources. That means a new philosophy of the relationship between human beings and the earth, away from the concept of exploitation of nature as a commodity and towards a respect for nature as the source of life. The second main parameter involves establishing the priority of use value over exchange value. We need a new definition of economy, a different philosophy of economic activity: from production of added value for private interest to activity that produces the basis for life – physical, cultural and spiritual – for all human beings in the world. The market can no longer be merely a forum for making a profit for the few, but must rather be a place of mediation between supply and demand. We can no longer accept the mercantilisation of what is indispensable for human life: water, seeds, health and education. Such logic implies also the suppression of fiscal havens, of bank secrecy, and of the “odi-ous” debts of the Third World. Giving priority to use value would mean that agro-exports would become secondary to food sovereignty. The solution is to assure, first, food security for each country or region. It also means the regionalisation of economies, not only to promote common markets, but also with a new philosophy, like that of ALBA in Latin America. Here, the basis for regionalisation is not competition between markets, but complementarity and solidarity. And it means the prohibition of any kind of speculation with food products. It implies restoration of public services, not only in the material, but also in the cultural sphere.

The third parameter is the generalisation of democracy, not only in the political field through participatory elements, but also in all other societal relationships. In economics, nothing could be less democratic than the capitalist system. It means a new approach of individuals to society, but also a new conception of the state. The final parameter is multiculturalism, a new philosophy of life – with the acceptance, for example, of the contributions of the indigenous peoples of Latin America and other parts of the world. They present the idea of “bien vivir” (living well) rather than having more. It would require a new definition of GNP. Qualitative elements of human progress should be introduced. That would mean, too, an end to the monopoly on information in the hands of big capital, and finally the abolition of the patent system for scientific knowledge.

The problem today is to envisage a means to ensure participation in the construction of the future for all knowledge systems and philosophies, of all religions and ethical instances, in order to build not only the vision – the reading of reality – but also the ethics of a new political and economic construct. Utopias can take real shape. One utopia in the history of humankind was human rights. True enough, it has taken two centuries to get a Universal Declaration of Human Rights, and it is imperfect – too western, and also subject to manipulation by political forces seeking to establish their hegemony. But it exists, and it is possible to use it, as a moving force. So why not promote the idea of a Universal Declaration on Humankind’s Common Goods, which would be based on the four principles described. (HOUTART)

The global scope of the financial – but also social and ecological – catastrophe makes it today possible and legitimate to subject the capitalist civilisation, which has reached its limits with globalisation, to radical criticism. Beyond “reformist” illusions of “re-regulation” and “refoundation of capitalism” on a “healthy” basis we must now think of alternative hypotheses that had been deemed “insignificant” after the failure of the socialist Soviet-type experiments. Considering the economic sphere as a – certainly important – element of the social ensemble allows us to go beyond the notion of “social effects of the crisis of the international financial system”. In fact, these effects in reality make up an ensemble of dynamic and diversified reactions, depending on the individual social groups and national situations faced with the actions taken by the leading groups of the respective economies. The role of containing the drifts of this dynamism will lie with the social and political struggle in all countries, and the “social effects” of the crisis will be exactly inversely proportionate to the strength and the resistance they are going to meet.

The very mechanical principle of cause and effect that links the IFS crisis to its social effects, the way the media like to present it, is not attributable to physics but to history and social dynamics. For “these effects” do not exist before any action is being taken, and they act in a way that is more or less intense, depending on the reactions that take place in return. Such a relationship is called conflict and, in this case, social conflict, which is increased through the concerned sectors and hence the affected groups and countries. The said “effects” of this crisis thus do not represent an unavoidability, they do not have a destiny, but a story still to be told that will be made up of the clashes of two power groups that are present: the leaders of an economy who are not accountable for their actions vs. the dominated who will either submit to the former or resist them. This resistance, in turn, will depend on organisational capabilities and hence on forms of mobilisation that will be put into practice to transform “the effects” anticipated by the former into successes achieved by the latter. Beyond containing the crisis in order to mitigate its social effects and reconsidering regulatory theories, which are by the way made ineffective by globalisation, it might be the right moment to replace the economy within society, to re-embed it. We have to rethink and reorganise its laws by subjecting them to the laws of society, i.e. to “civilise” it somehow. **(EL KENZ)**

We must strengthen the opposition movements and expand the alliances and coalitions for freedom, democracy and peace. Europe is one of the principal actors bringing about all of these dangers – for the other regions of the world and for the working classes in Europe. We can identify the opportunities by analysing the deadlocks of the neoliberal period, of the failures of Sovietism, of the limits of Keynesianism of the post-World War II economic boom (“Trente glorieuses” in France), of the crisis of decolonisation.

Let us remember six opportunities inherent in the crisis. First of all, the ideological defeat of neoliberalism favours the strengthening of public regulation. Secondly, the redistribution of wealth and the return of the domestic market offer new chances of stabilising and guaranteeing wages and social protection and of reorganising the public services. Likewise, the ecological emergency requires a transformation of the mode of social development. Similarly, the crisis of the political model of representation reinforces the need for social democracy and participative democracy, as well as for reflection on

power. Moreover, creating a new balance between the Northern and the Southern hemisphere opens up a new phase of decolonisation and a new perspective on global geopolitics. Regarding all these aspects working class movements are bringing forward fascinating proposals characterised by the realisation that improvements for the working classes should not be sought by reasserting European hegemony.

None of these opportunities is going to impose itself; they can only result in better situations if the opposition movements grow stronger and if the social and ecological struggle for the freedoms and against war intensifies. Two questions have already been raised: How to avoid an alliance between neoliberal and conservative forces and reformers that is based on minimal reforms and green, authoritarian regimes? How to radicalise a potential reform movement for the benefit of the working classes? **(MASSIAH)**

The democratic forces can define an agenda for the very short term (2-4 months) at the planetary level in order to block the deployment of the speculative-warmonger mafia's agenda that is controlling the events thus far and targeting, from the viable initiatives, the construction of the moral direction of this process. The pedagogically consistent follow up for the middle (next six months, one year) and the long term (next years) should address directly the most principled aims for the post-crisis world in the horizon of a wide spectrum political accumulation that do not start nor end with electoral alliances, but that proves itself in the effectiveness of its demands. In that sense, it's crucial to plan the priorities for small but early victories. The generalized weakness of the democratic values in the global and national ideological arenas could be overcome in foreseeing the deployment of the crisis and the inexorable affectation of the fundamental needs of the working peoples. The continuous proposition of "politically sensible" solutions to the life threatening troubles and fears of the working classes and peoples could build up political and social relevance in the conjuncture, in the articulation of already ongoing struggles and demands. For example, it seems strategically necessary to install in the society's basic values the citizen's rights to a decent job and a healthy environment (and the consequent state's responsibilities) as key foundations for further political action. With the strategic perspective (indispensably present in each of the time horizon's agenda) of building an environmentally sustainable, culturally and scientifically sensitive planetary program of decent full employment, my contribution to an immediate programmatic platform focuses on the danger of increasing constraints that the crisis' unfolding imposes upon the reaction capacity of classes and nations. All the proposed initiatives should be rooted in long term democratic struggles and do not exclude further advances towards more radical targets. The idea is to create the empowerment and social insertion for deeper structural changes. **(PAEZ)**

If we do not succeed in holding up a publicly effective counter-concept to the "private" and to "privatisation", and in so doing create a conceptual-political contrasting point of identification to the rhetoric and politics of the private, opposition to the politics of privatisation will lack precision, vision and the power of political persuasion and mobilisation. It is especially necessary to develop a precise conception of how to shape reality, that is a conception which is able to introduce concrete political changes in the institutional and regulatory orders of the economy, which represent a real and differentiated alternative to

the world of the private, which has arisen almost everywhere in the last three decades. The societal confrontation over the private has shifted and now occurs almost in the space of its formal antipode, that is in the state. In this struggle different conceptions of the state are put forward and fought out. In the end not only the economic order but also the structure and space of the political has been altered. The development and political presentation of a left state project is therefore of central importance for the left. Furthermore, we propose examining whether the concept of the public cannot play a political-discourse role going beyond the rhetoric of the state and nationalisation, a role that can create connections between state and society, through which a social-political project can be organised as an alternative to the politics of privatisation – also incidentally through the concretising of a new, left understanding of the state. What is involved is a non-subaltern project of a political change of direction toward, and a transformation of, the public, which is to be opposed to a political-crisis mobilisation of the still remaining public resources – especially its state resources – by the power protagonists of neoliberal capitalism. It is a genuine alternative and in the middle-term a possible second pillar of societal reproduction. For one thing, the public can, in the most diverse life-worlds, become an effective medium of solidarity if it makes possible and offers participatory equity and the common appropriation of elementary conditions of life.

Looking at it in this light, four issues can be identified: Such an alternative project of the public would have to distinguish and aim at achieving: the democratisation of domination, the promotion of political, economic and social equality, a prioritisation of a common-good orientation, an opening up of paths to individuality through participatory equitableness in the elementary conditions of life, by being a medium of the solidaristic and providing a material basis for the symbolic control of time. A central criterion of a left politics of public goods in this sense would have to be that goods are so produced and distributed that everyone can in a socially equal way participate in their use, and that through such a common-good orientation the existing social inequalities can be minimised. Thus a threefold sleight of hand is demanded of a left transformational politics: (a) using, and at the same time changing, “hard” state instruments in a pragmatic, practical way; (b) with a complex project of the public, going back to the political culture of memory of a multitude of alternative developmental moments and trajectories of bourgeois-capitalist societies, developing these moments and inventing a politics of their co-action – (c) and, finally, enabling such a politics to use the visionary power of the idea of the commons and of common, in order to reveal paths to a fundamental transformation of capitalism. **(RILLING)**

Some potential initiatives: Reconcile city and countryside on the issue of food sovereignty and food quality; struggle for tax equity and fairness (regional and global, taking into consideration the fact that in the current debate, those in favour of “less taxes” have the wind at their backs; develop networks of a social and solidary economy, with the aim of re-democratising the debate on production goals, taking into account the ecological, cultural and social crisis; reinvigorate a unionism that is ready to confront and to struggle; defend and promote principles of equal opportunities and solidarity in the social struggle (especially with regard to men-women and nationals-immigrants relationship);

refuse imperialist armed interventions; reaffirm an antisystemic culture (arts, history, etc.); put forward specific proposals for alternative “global governance” institutions that create a space for the struggle for liberation where it is developing and asserting itself. **(ROCHAT)**

It is crucial imperative that transnational organization of capital is matched by transnational organization of hired laborers and unemployed, addressing precisely differences purposively exacerbated by transnational capital implementing divide at imperial rule and practicing anti-capitalist globalization from below. In such situation It is the challenge for the most class conscious activists to keep reminding that private property is just the legal expression of the class division of labor and that as long as it exists there will persist as well exploitation and oppression. **(VRATUSA)**

The focus on industrial democracy in the public sector as central to thinking and effective practice around alternatives, is interesting and important for several reasons: First, it is a necessary complement to the kind of citizens’ participation and attempt to exert popular control over local state institutions that was experimented with in Porto Alegre, in Seville and many other smaller towns and cities across the world, with varying degrees of success. One of the limits of these experiences has been the absence of a parallel process of workers and union participation in a process of internal democratization of the municipality. The UNISON experience introduced in chapter IV provides a useful model from which to think how these two strategies for transforming state institutions could be combined and generalised (beyond the locality). Both these internal and external movements for democratic control have important implications we need to discuss for rethinking electoral political institutions, including political parties.

Secondly, alternative models of public service reform are of central strategic importance in a context where the advocates of privatization (e. g. all the mainstream political parties in the UK), have managed to pose as the service users’ champion by claiming the mantle of reform and choice. As the failures – indeed disasters – of privatization are increasingly well known, public led strategies of reform are beginning to have a wider public impact. Thirdly, these alternatives are of central importance to re-legitimising the kind of public led – as opposed to market led – economic strategy necessary to lead out of both economic and climate crisis. Fourthly, these union-led alternatives forged out of the struggle against privatization are leading the public sector unions on to a relatively new strategic terrain in which public sector managers are seen as potential allies of public sector staff. The strategy of co-operation with management to secure public provision moves public sector trade unionism beyond the traditional model based on replicating the struggle with management in the private, profit-driven, sector. This convergence of interests is not automatic – it has to be struggled for. Indeed the present postal workers strike in the UK shows a public sector management to be as vicious as the worst private sector managers. This recognition underpins the union’s emphasis on constantly developing the union’s organisation, including the capacity and participation of the members and the maintenance of its autonomy and capacity to challenge management even while committed to a strategic co-operation.

The wider significance of this experience for the question of alliances points to the importance of alliances with sections of the trade unions who are taking an

increasingly strategic and political role. And this trend, though not the dominant trend in the unions in the UK, is an increasingly important one. One reason for this is that as the Labour Party vacates its traditional role as political representative of working class interests and as the nature of these interests at the same time becomes increasingly political – in the face of the multiple crises – sections of the unions are open to working with allies on developing political responses from a base outside the political system, as a new bargaining base for having an influence within.

This can be seen in the UK over green issues as well as privatization. There is a growing alliance between sections of the unions and the green movement over green employment, both defending existing green jobs hit by the crisis and demanding government action around a green industrial strategy. These kinds of political – but non-party – and hybrid alliances often between ‘old’ labour movement organization and newly radicalized social groups – young people around the environment and also international issues such as Palestine, public service managers around the destruction of public services are most developed at a local level. How they will gain national expression is unclear. Indeed in many cases they have stronger international networks than they have alliances in national political institutions. **(WAINWRIGHT)**

There is no simple exit from the multiple crisis of finance, of the economy, of energy, the climate and food. There is an ecological necessity to decentralise energy-production, distribution and consumption. Instead of petro- and climate conflicts a strategy of sustainability in a solidarity society is needed instead of fossil combustion and financial repression, e.g. by opening the closed fossil energy regime for renewable, foremost solar energies. Is it suitable to change only the energy source without changing economic and social forms? No! The social formation matching a post-fossil solar energy system is some kind of cooperative socialism. Required are adequate economic and social structures – smaller units, non-profit based, participatory –, and more generally a transformation of the social relation of men to nature, not only technical solution in combination with market incentives. Also a “de-growth”-and “de-globalisation”-strategy is only possible in the social framework of a cooperative, solidarity economy on the basis of renewable energies. However, without success cooperatives survive only on a low and precarious level, they are not competitive enough without self-exploitation and they are not attractive enough as to be overtaken by competitors. Successful cooperatives transform into “normal” and competitive capitalist firms on the market place – an example of the “transformation paradox” (Oppenheimer). The “third” and “non-profit”-sector, too, is another example. It is oscillating between informalization, precarity, and solidarity. The third sectors is only “second best” after the dismantling of the welfare state – precarious jobs are created instead of job security.

For all this, material and immaterial public goods on all level from the local to the global are crucially important, and therefore re-appropriation of land, of closed factories, of dispossessed resources. The social movements pushing e.g. the fossil to a renewable energy system are socio-territorial movements and trade unions. But also a green new deal-strategy is a comprehensive project of social change – although it is rather state-driven. **(ALTVATER)**

The most important medium and long term issue for mankind and, simultaneously, a unique opportunity for demolishing capitalist assumptions and promoting alternative policies is climate change, the coming limitations on the availability of natural resources and the lethal threats to the ecosystems. What we first need to explain and make clear in people's minds is the fundamental contradiction between, on the one hand, the finiteness of earth's space and non-renewable resources and, on the other hand, the limitless accumulation process of capitalism. From then on, it is not too difficult to demonstrate that free trade, the free flow of capital and, more generally "market forces" are totally unable to guarantee fair access to common goods such as, among many others, water. But once the ground is cleared, difficulties begin: what do we call "growth" and "development"? Inhabitants of the North and of the South, regardless of social classes, are in the same boat, on the one Earth, but how is the price of adjustment to be shared between them? Never before have we had a tour disposal such an amount of arguments to expose the intrinsic suicidal logic of capitalism and to promote equality, cooperation and a 21st century socialism as the only safe option. (CASSEN)

Indeed, during the next fifty years, humankind will have to transform its energy cycle, moving out of fossil fuels towards a new cycle of energy production. We are now facing the ultimate limits. Thus, the problem of changing the source of energy really raises enormous questions, the first being the need for a significant contraction of demand. We will have to restrict our use of energy; this is the fundamental solution in the long term. Second, major financial investments will be needed to develop new technologies in the field of energy, which necessity of course constitutes a contradiction with the enormous public expenses needed to solve the financial crisis. (HOUTART)

Alternatives to crisis-prone capitalism can be conceived and implemented at the local, national, regional and/or global levels. In the context of the global food crisis there are urgent needs for more self-sufficient and self-sustaining, and thus region-based, food production, and for mutually supportive agro-industrial development. Furthermore, under conditions of global economic crisis and emerging climate change crises, equally vital importance attaches to direct regional cooperation over shared water resources (rivers, lakes and underground aquifers), forests and biodiversities, fisheries and wild-life and other natural resources. Such cooperation is also essential on shared but unevenly distributed renewable energy sources and for the innovation of appropriate energy generation systems and technologies.

The long-standing rationale for these crucial regional arrangements for more effective cooperation/coordination between neighbouring countries is made even stronger and more pressing within the context of the imperatives imposed by looming climate change instabilities and insecurities and in view of the creative initiatives and transformative counter-measures so essential for peoples' security, and human survival. The programs to emerge from such practical - and often pragmatic - cooperation and coordination will have to be collectively and democratically negotiated and based on principles of mutual support and solidarity, but with differentiated responsibilities and roles according to resources and capacities. Within such 'give-and-take' and 'mutual benefit' modalities, such regional cooperation programs would presage entirely

different systems and relations to those that drive competitive, mercantilist and exploitative globalised capitalism.

Most broadly and strategically, regional alliances – whether at the ‘sub-regional’, continental or inter-regional (south-south) levels – can be conceived and aimed at ensuring more effective engagements by such united groupings within the global economy and political system or at enabling a more self-determined re/positioning in relation to the global economy and system or against the system or even, partially or totally, outside of the system. It is in the light of these possibilities that such regional strategies carry broader global significance and hold out possibilities for alternatives to globalised capitalism, through de-globalisation. If such regional groupings of countries are able to negotiate and implement amongst themselves alternative socio-economic strategies, they could not only be advancing alternatives within and for the countries and peoples within their own regional groupings, but also from their putative regional economic and political power bases for and towards alternatives to globalised capitalism, and for the whole of humanity. (KEET)

Today we have reached this crucial moment which announces the probability of a new wave of ‘wars and revolutions’. This is even more so since the ruling powers do not envisage anything other than the restoration of the system as it was before the financial meltdown. Pauperisation expresses itself mainly by the growing contrast between the affluence of the societies in the centre of the world system who benefit from the imperialist rent and the misery of the societies at the dominated peripheries. This conflict becomes therefore the central axis of the alternative between “socialism and barbarism”.

All the “advantages” of the imperialist triad can now be annihilated by unilateral policies conducted by countries of the periphery. In this spirit, I situate the ‘new agrarian question’ at the heart of the challenge for the twenty-first century. The plundering of the South’s natural resources, which is demanded by the pursuit of the model of wasteful consumption to the exclusive benefit of the North’s affluent societies, destroys any prospect of development worthy of this name for the peoples in question. The real challenge is therefore as follows: will these struggles manage to converge in order to pave the way – or ways – for the long route towards the transition to world socialism? Or will these struggles remain separate from one another, or will they even clash with each other and therefore become ineffective, leaving the initiative to the capital of the ‘oligopoles’? In this situation, the possible radicalisation of the struggles is not an improbably hypothesis, even if the obstacles remain formidable. However, pursuing attempts to identify the components of a “progressive global consensus” is not realistic and therefore perpetuate “wishful thinking” and dangerous illusions. The real battles are developing on other grounds. A radical left must dare envision nationalisation as the first inescapable stage of the socialisation of the ‘oligopoles’ by deepening democratic practice.

The current crisis enables the conception of a possible crystallisation of a common front of the social and political forces bringing together all the victims of the exclusive power of the ruling oligarchies. As long as this strategic target is excluded the stability of the societies of the triad will not be questioned. There is therefore a serious risk of a ‘remake’ of the wave of struggles of emancipation as happened in the twentieth century, that is to say, a questioning of the system exclusively by some of its peripheries.

In the countries of the periphery, the battle of the States and the nations for a negotiated globalisation without hegemonies – the contemporary form of de-linking – eventually supported by the organisation of the demands of the popular classes can circumscribe and limit the powers of the ‘oligopoles’ of the imperialist triad. Initiatives which are independent of the policies that the imperialist coalition tries to enforce are already initiated (Group of Shanghai, Banco Sur etc). The democratic forces in the countries of the North must support these initiatives. The ‘democratic’ discourse that is proposed and the ‘humanitarian’ interventions conducted in its name, just like the miserable practices of giving ‘aid’, eschew real engagement with this challenge.

A second stage of “the South’s awakening” is now on the agenda. In the best possible scenario, the advances produced in these conditions could force imperialism to retreat, to renounce its demented and criminal project of controlling the world militarily. And if this were the case, then the democratic movement of the countries at the centre of the system could make a positive contribution to the success of this strategy of neutralisation. Moreover, the decline of the imperialist rent which benefits the societies in question, itself caused by the re-organisation of the international equilibria to the advantage of the South could help the awakening of a socialist consciousness. But on the other hand, the societies of the South could still confront the same challenges as in the past, a situation that would produce the same limits on their progress. A new internationalism of the workers and the peoples is necessary and possible. (AMIN)

It is necessary to work on developing left positions that could intervene effectively, and at the same time to develop a radical political realism (radikale oder “revolutionäre Realpolitik”), as Luxemburg demanded, towards socialist transformation. Currently, we are still in a relatively open historical situation where no hegemonic direction has yet been taken. Consequently, it is no longer sufficient to only demand an important and indispensable re-regulation of the financial markets. More far-reaching projects are necessary to confront the problem of over-accumulation and the numerous social crises.

Considering the intertwined crises processes, as well as the numerous initiatives pursued by those in charge to deal with the crisis, we cannot proceed with the old demands. The demand for more money or simple nationalization will not succeed unless it is given greater content, for example by a demand for linking bailouts and economic stimulus packages to ecological conversion, extended participation, expansion of public services, a ban on dismissals, etc. The connection between the multiple crises must be emphasised, the connection between ecologic and economic crises, between all these crises and the capitalist mode of production and our way of life. The ruling bloc always tries to separate these correlations, to deny social problems and changes, to isolate problems and social groups. In addition to this, the left must find a new strategic position with regard to the changed situation. This requires far-reaching proposals and imagination and at the same time to detect practical initial projects – that can be initiated from a minority position. Otherwise, the demands of the left are taken over by the ruling elite, as has already happened. An intervention in public debate must draw on concepts and perspectives. (CANDEIAS)

Marxist economists, philosophers, intellectuals who consider themselves revolutionaries should have as their main task analyzing the current dominant world capitalist system and the forces behind it, with the goal of aiding those who are directly organizing for a mass struggle to fundamentally change the system. In the imperialist countries, of which the United States is center, this does not mean prescribing programs to extend the life of capitalism by softening its contradictions. It means explaining the contradictions within the system that condemn those oppressed and exploited by it to ever more onerous conditions of life. It means showing how capitalism drives toward war and ecological destruction that threaten the very existence of life on the planet. It also means indicating the path to a revolutionary struggle for socialism, even if that struggle seems remote given the current balance of class forces and the left's ideological retreat since the USSR's collapse. The conditions create an objective need for reawakening class struggle in the United States. **(CATALINOTTO)**

Yet while the situation of poverty, war, repression and rampant human rights violations worsens both in the United States and around the world, we know that the only answer is to organize a massive social movement in our country and to unite it with peoples and movements worldwide. The struggle of the poor of the United States is the struggle of the poor internationally against neoliberalism and militarization. As our government attempts to keep us apart, we recognize that our interests are one and the same with the poor and with workers in every corner of the world. Whether we live in shantytowns, homeless shelters, impoverished farms, on the streets or in abandoned factory towns in the United States, Brazil, Iraq, South Africa, France or India, our common enemy is this system which has sentenced billions of us to hunger, homelessness, war and death by preventable disease.

The global crisis and the concurrent rapid growth of this class of new poor who have no future in this economy (and resulting outbursts of struggles in response across the US) provides unprecedented opportunities for organizing millions of people across the country into a national movement and into the global struggle, for another economic model. But as long as the people – and especially the poor and workers of all races - of the United States are invisible and unorganized, a global movement will not be able to really confront the US empire and the socioeconomic model which is killing all of us. **(COX/HONKALA)**

This great crisis could be the opportunity to place the economy within the context of other social relationships based on principles of solidarity, democracy, social justice and, today we can add, ecological sustainability. This is permitting the resurgence of a post-capitalist utopia. We find ourselves, contradictorily and simultaneously in an era of much hope and much insecurity. Nevertheless, the extreme concentration of wealth in a world that is teetering on the brink can also function as political dynamite that has the potential to vindicate another civilization.

Beginning with earlier crises, there has been a growth in the debate about how to ensure that the general interest prevails over particular interests. This demands intervention and regulation on the planetary level. The search for an alternative to neoliberalism is giving rise to the possibility and necessity of another economic model which will bring new forms of socialism to the debate. Globalization did not just create this possibility in the abstract its growing

contradictions are making this more possible and more necessary. Increased planning of the market, by itself, nevertheless, does not guarantee post-capitalism.²²

We are left with the question of whether political action is still capable of intervening in the economy. Global crisis might guide us to an economy that reaffirms life and not capital. An alternative economic regulation is necessary, which starts precisely from the concrete life of people with concrete necessities, and not of an abstract consumer. It has to start from local and specific social demands. This means a democratic bottom-up definition of priorities. Regulation demands to integrate economics within the complexity of other social regulations based on the principles of solidarity, democracy, social justice, and ecological sustainability. With this approach, we can guarantee the right to life for all living beings (whether human or not) on our planet and whether or not this is “useful” for the market. **(DIERCKSXSENS)**

This crisis is the call to the exploited classes of the countries of the Center, as well as to the exploited peoples of the countries of the periphery, to rise to put an end to the exploitation to which they are subjected, and start on the long road to socialism and classless society. Such a goal cannot be achieved without the close collaboration of the popular working classes of the North and the peoples of the South, since the struggle of each of these parties alone cannot achieve the dislocation of the dominant neo liberal policies of the transnational corporations pursued by the governments of the North and their comprador agents and lackeys in the South.

Class struggle battles take place always on the local level but the project must be therefore on the global level. It is obvious that the global Left as the defender of the interests of the popular classes in general, and the Peoples of the South in particular, has little or no possibility to interfere with the monopolies of modern technology, dominance of financial markets, free access to the significant resources of the planet and weapons of mass destruction or to break, let alone to put an end to them within the immediate future. However, communication and mass media is the field where the left can hope to have a significant impact on politics by raising the consciousness of the popular masses in the North and the exploited peoples of the South. Our target group should not be mainly the left intellectuals and activists but those masses who don't even read. **(HABASHI)**

In terms of class struggle, a systemic crisis gives theoretically the opportunity to start the revolution and to take political and economic power off the bourgeoisie. The crises occur when it is possible to worsen the contradictions up to the limit, just until the end of classes' and capital domination – that means until the destruction of capitalist production relations rather than the means of production. In these conditions, it is urgent to rebuild processes of thought and

²² It is possible to image a new economic order at the international level with a planned economy which reorients investments towards the productive realm with the goal of guaranteeing sustained economic growth and in this way, the expansion of the current economy. This implies a global assignment of finite natural resources and diversified industrial planning, managing not just natural uses, but the most effective use of capital and labor. Such economic regulation could be transformed into a centralized bureaucratic apparatus in order to create and put into place a plan to perpetrate the accumulation of capital, without any structural role for citizens. This would just substitute the voice of the free market for the voice of worldwide top-down regulation.

The World Crisis - and Beyond Brussels, October 28 - November 1, 2009
Conference on Alternatives and Transformation Paths to Overcome the Regime of Crisis-Capitalism
Rosa Luxemburg Foundation in cooperation with World Forum for Alternatives and TNI

action on socialist transitions, against the work exploitation and for the end of capitalism. (NAKATANI)

CHAPTER VI

ALTERNATIVES TO CRISIS-CAPITALISM – CONCRETE DEMANDS AND PROPOSALS

This concluding chapter gives an overview of proposals and demands for overcoming the regime of crisis-capitalism. They are grouped under keywords, and for a better reading we have done so, with few exceptions, without reference to the author.

TAXATION

- Introduction of a financial transaction tax/Tobin tax including currency transactions,
- an annual global tax on these global fortunes,
- taxation of the highest incomes, graduated income taxes and reinstatement of inheritance taxes,
- a “unitary profits tax” on transnationals²³;
- a tax on any manufactured product which has been transported for a distance of more than one thousand kilometers.

REGULATION

- Prohibition of „toxic“ businesses,
- regulating investment-banking in order to disincentive speculation,
- control and re-regulation of global financial markets,
- prohibition of certain transactions on financial markets,
- fight against criminal capitalism, of money laundering,
- „fair trade“
- closing down of tax havens, i.e. also british ones like Jersey,
- place of banks under social control and treated like public utilities whose job is to serve society,
- considering of financial credit as a common good,
- public and citizen control of the management of common goods, e.g. water, at world level,
- getting transnational corporations under control,²⁴
- a guarantee of at least five years on all industrial products
- put central banks, where they are organised as private institutions, out of business and replace them by sovereign central national banks under the control of parliaments.

ECONOMIC, LABOR AND SOCIAL POLICY

- Active fiscal policy of the nation state,

²³ It would require that transnational corporations publish their sales, profits, number of staff, and taxes paid in each jurisdiction and would show at a glance if they were cheating.

²⁴ TNCs are masters of transfer pricing in order to reduce their taxes to the absolute minimum. A simple mobile telephone may involve—truly or fictitiously—more than two dozen countries, and each transaction whether material, like the purchase of components, or immaterial like the purchase of advertising or banking services offers an opportunity to manipulate prices and thereby taxes as well.

- reorganisation of the labour process,
- concept of decent work,
- legal regulation of minimum wages,
- decent labour instead of precarious labour,
- regulation of informal work,
- reduction of working hours,
- citizen income,
- overcoming exclusion by active social policy and by activating civil society,
- orientation towards the domestic market, regionalisation and a partial trend to de-globalisation.

LOAN GRANTING POLICY

- uses for credit money to be determined by social and ecological needs,
- support of micro-and cooperative finance, priority to small and medium enterprises (SMEs) organised along cooperative lines with worker participation,
- precedence at granting loans of SMEs over transnational corporations,
- granting loans to SMEs with environmentally sound projects (alternative energy, construction, lightweight materials, organic food),
- granting loans to individuals who want to buy energy neutral houses or homeowners who want to fit their existing houses with alternative energy solutions as in Germany with attractive financial incentives,
- loans for buying electric or other alternative energy automobiles.

CURRENCY SYSTEM, DEBT AND WORLD TRADE

- Reduction of global imbalances,
- establishment of a new currency-system because of the intolerable indebtedness of the US and the danger of an uncontrollable devaluation of the USD,
- target zones for exchange rates,
- interest caps,
- structural adjustment for deficit-and surplus-countries,
- new role of the SDR,
- reconsidering Keynes' proposal for an International Trade Organisation, replacing WTO,
- reconsidering international currency – the bancor,
- cancel the debt of the South but
- also to insist that the countries receiving cancellation participate in the environmental effort through reforestation, biodiversity conservation and other environmental programmes.

ECONOMIC STABILISATION

Global stimuli packages within two to four month

- to address the global system of reserves and to open new possibilities for further struggles in the construction of global public goods,

- to impulse donation of the North's quota of SDR as a partial compensation of the largely promised 0.7% of GDP for South's development,
- initial flow of 150-200 billion dollars each year for the most urgent tasks to avoid a humanitarian catastrophe and a world economy chaos and the construction of alternatives in issues like famine danger, food sovereignty, building of regional grain reserves, extreme poverty, financing of alternative development projects, recycling and mobilizing local resources and developing local circuits of payments and credit, technological paradigm in production, consumption and trade, reducing the ecological impact and prefiguring a new mode of life, recovery of regional productive and infrastructure coherence,
- strengthening of the New Regional Financial Architecture to support block regional monetary accords for regional parity stability that could be the basis for macroeconomic convergence and the transition towards a fixed but adjustable exchange rate system,
- development banking of a new type (like the Banco del Sur initiative) with new priorities –regional sovereignty in food, energy, health care, science and technology, physical connectivity, financing of the heterogeneous popular economy, and new practices including domestic and regional currencies,
- alternative central banking, starting for their direct connection in regional networks, with payments compensation systems, swaps mechanisms and a Regional Monetary Fund (as part of a global network) backed by the global SDR, and related to the
- development of a common monetary space including the issue of regional SDR (like ALBA's initiative SUCRE).

To immediately block the restoration of the blackmailing powers on behalf of the Old Financial Architecture we need to channel all the new resources that have been already promised or given to the IMF through a new window. The new window would

- operate in emergency terms (cheap and agile),
- without the neoliberal adjustment conditionalities and
- with an alternative directory that would reflect a more democratic representation of the regions.

As precedent, there is already a similar format with the Global Environmental Fund within the World Bank, and administratively can be done in a couple of months, with the adequate political pressure. This do not imply to renounce the needed reform of the Bretton Woods Institutions' governance or even its further dissolution into a completely new institutionality and would be developed as part of the long term denunciation against the IMF and the WB. Moreover, the mere existence of the new window is a practical criticism for the former ones and will effectively push the New Financial Architecture.

To allow the periphery's real capabilities for deploying counter-cyclical policies, it's urgent to create fiscal policy space. UNCTAD has suggested an immediate external debt moratoria and that could be combined with the generalization of

debt auditing processes that could critically learn from the Ecuadorian and the introduction of an International Debt Arbitrage Tribunal that could purge a good chunk of fictitious capital and transparent at least part of the abuses and corruption of the most reputed actors in the globalized financial arena, both public and private. This could summon all the forces and organizations link to the debt struggle and Jubilee campaign, including the churches and part of the establishment.

To block the speculators blitzkrieg offensive against any type of financial re-regulation and to link that fight with famine prevention: universal ban of short-selling and other speculative mechanisms, especially in the global food provision chain (seeds, products, inputs, etc. both in the spot and future markets). Further regulations in other speculative markets can follow, including the write down of all financial derivatives, already claimed by their godfathers, beneficiaries and creators, Nobel laureates Robert Merton and Maryon Scholes.

In the same venue and to prevent geopolitical retaliations and economic sabotage of democratic processes, it's necessary to impulse a universal definition of efficient and transparent capital controls and a global Tobin Tax, which has already had an important echo among representative personalities of the establishment. **(PAEZ)**

ENERGY, CLIMATE AND NATURAL RESOURCES

- Form a solar and solidarity economy and society,
- change the whole energy chain and the „social relation of man to nature“,
- go from fossil to renewable energy sources in the order of their technical-economic realization: Biomass, Eolic Energy, Waterpower, Photovoltaic, solarthermal devices, geothermal devices;
- regulation of minimum prices and guarantee of acceptance of delivered energy.
- decentralised production and consumption in small cooperative units,
- no heat retainment In the atmosphere,
- a „green new deal“?
- start a structurally transformative development of a free local public transport system,
- radical ecologisation of the mode of production and the way of life,
- preservation of the general and public character of the natural commons and other basic reproductive conditions as well as the expansion of collective free or low priced public services (for example, expansion of free public transport systems instead of subsidising the car companies),
- restoring public sovereignty over natural resources as being done now in Venezuela and Ecuador,
- an end to monocultures, the destruction of nature due to the widespread use of fertilisers and pesticides,
- applying the Kyoto Protocol and the “further commitments” arrived at in Bali and, shortly, in Copenhagen and measures to ensure that the global warming not increase by more that 1°C during the 21st century,
- introduction of ecological externalities into the calculation of the cost of production, for example those for bio-fuels,

- start a massive economic programme led by the rich countries to undertake the conversion to a fossil-fuel-free economy.

PUBLIC SECTOR AND BASIC GOODS

- reorientation towards the expansion of the public sector with regard to health, education and training, research, social services, care, environmental protection, etc. This also counters the crises in employment and reproduction, de-commodifying these and pushing back market forces. And this contributes to the emancipative rearrangement of gender relations by focussing on reproductive functions,
- general implementation of public systems for subsistence in basic goods, and their financing from current income, rather than from accumulated private fortunes,
- increase public employment to contribute to the de-precarisation of the workers and the unemployed.
- rescue package with a new solidarity public social insurance for all instead of private individual provisions, with a comprehensive concept of a Social Europe and transnational social right beyond the national framework,
- issuing European bonds for public works, particularly public transport,
- controlled non-inflationary emission by central banks to long-term and low interest rates investment in public infrastructural, educational and health projects.
- shaping property and social relations, enterprises, goods, spaces or measures for services of general interest (especially food, housing and health), communication, public authority or political decisions in such a way that, through their orientation to the general interest (common-good orientation), they reduce the inequality of distribution of resources, and similarly reduce the inequality of distribution of political goods (participation, access) and democratise, in other words generalise, its arrangements and hence create possibilities for the development of individuality.
- understand public service and basic public social services as a social right underlying a claim,
- free access to specific public service provisions of general interest, gratis for the users or specific groups of users,
- stop privatization of remaining public enterprises and services and attempt to pull through legislature forbidding privatization of natural monopolies like water and stimulating participation of citizens in decision making including through information technology mediated frequent referendums and participation of employed in decision making, profits and ownership,
- massive expansion of public investment or private investments in “the public”,
- provide medicine and the technologies that make access to the basic goods needed for a dignified life possible (water, energy, education etc.) free of cost to those countries with a below-average human development index, effective immediately. All CO2-cutting measures in those countries should be subsidised by those countries which emit above-average

quantities of CO₂. This would create a corridor for dropping CO₂ emissions.

ECONOMIC DEMOCRATISATION

- Socialization of the investment function, which must become a public duty,
- democratization of the economy that goes further than classical workers' co-determination towards genuine participation by workers, unions, public consumers and other stakeholders in company decision making (concerning the whole transnational production chain),
- promote the democratic constitutedness of public undertakings, clearly prioritises a common-good orientation, carries out internal enterprise arrangements sensitive to the reduction of income differentiation spread and social differences, produces a culture of transparency, publicity and the reinforcement of public opinion within a worksite and practices all this taking into account other protagonists and fields of action of the public that are influenced by its activities,
- democratic participation of the workers as well as of the users of the public service provisions in their shaping and the evaluation of their results (quality control), and it involves transparency and control of the technical and financial results; complete transparency of fees and of contract conditions; control mechanisms for municipal representatives; creation of independent regulatory authorities as well as legal remedies and mediation mechanisms.
- aim to transform the internal structure of each enterprise: to replace shareholder-selected boards of directors with collectives of the enterprise's workers. This basic change in the organization of production offers labor and the left a way to articulate an anti-capitalist strategy that differs profoundly from the traditional emphases on state versus private property ownership and free markets versus state regulation and planning. Workers would process technical change and worker-retraining differently. Having to live with the ecological consequences of production, they would be much more attentive to sustainability issues. Demands for gender equality would be differently evaluated and treated. Relocation of production would be handled altogether differently. In sum, the transformed internal structure of enterprise would produce new criteria for investment alongside newly emerging social needs and priorities.

DEMOCRATISATION OF THE STATE

- accompany expansion of the public sector by a participative transformation of state structures,
- expand participation and transparency,
- participative budgets,
- participatory development,
- expanding collective and cooperative as well as publicly financed employment,
- interventions into public authority in the matter of primary distribution, investment, structural and regional policies, social legislation,

standardisation, environmental legislation, consumer protection, de-concentration of enterprise structures, co-determination of forms of bank control,

- strict and radical-democracy approach on all level.

DEMOCRATISATION OF SOCIETY

Democratic logic should be introduced into all institutions, such as

- trade unions,
- churches,
- educational institutions and also
- between men and women.

COALITION BUILDING AND ORGANIZING

- Movement of cooperatives shall be part of trade union activities,
- counter-pose a bottom-middle alliance of all forces committed to solidarity; it would unite trade unions and environmental movements, social movements against terror, supervision, racism, sexism, destructive mega-technologies for global social rights, as well as left forces in politics, culture and society,

In the US

- involve not only the interests of the industrial working class and the organized workers of all kinds, but with unorganized workers and unemployed. It must be explicitly anti-racist and in solidarity with immigrant workers to succeed, express solidarity with women workers, with the Black, Latino and Asian communities and others facing national oppression and with all those who face special oppressions, such as lesbian/gay/bi/trans people,
- replaced union leadership by new forces, with leaders from the most oppressed and exploited sectors of the working class – including women workers and workers of color, that is capable of reaching out to the broader community. Organizing at this level requires the initiative of the most progressive thinkers in the U.S. and worldwide in close cooperation with grass-roots organizers. Any responsible workers' or people's movement in the U.S. must also be in solidarity with those who are resisting U.S. attempts to re-colonize the world in the wake of the collapse of the USSR, in Iraq and Afghanistan and in Pakistan. It must also oppose any attack on Iran and demand that Washington end its backing for the Israeli settler state, and of course fight the growing threat of U.S. military intervention in Latin America through the Fourth Fleet and military bases in Puerto Rico, Honduras and now Colombia (**CATALINOTTO**),
- build a multi-racial movement.

For former Yugoslavia, actors and necessary coalitions are the

- unemployed,
- employed who for months did not receive salaries or are receiving too low salaries,

- peasants brought to ruin by import of subsidised EU agricultural products,
- young made to pay high scholarships in commercialized higher education along the lines of corporate oriented Bologna reform,
- unemployed and low paid specialists. (**VRATUSA**)

REGIONAL ALLIANCES

Through their own negotiation/creation of appropriate, more self-sustaining models, and more diverse modes and modalities, regional entities can – by design and through deliberate intent, or as a de facto outcome of their autonomous decisions – effect an incremental erosion of the ‘single integrated/liberalised global economy’ that has been created by and in the interests of global/transnational corporations and international capital. Regional terrains for distinctive and diverse socio-economic-environmental programs, within the geo-political ‘spaces’ secured for innovative experimentations, could on the one hand constitute a gradual narrowing of the literal physical and economic scope for the operation of capitalism and capitalists; and, at the same time, provide demonstrations of real workable alternatives that are feasible within sizeable, viable and effective regional blocks. ‘Living alternatives’ at community/local levels are also useful for their demonstration effect, but are probably too ‘small’ and ‘slow’. In the face of increasingly threatening global crises, such localised (or even independent ‘national’) solutions could be too piecemeal and gradual, too scattered and – compared to regional(ised) strategies – too lacking in strategic concertation and simply insufficiently powerful politically and economically to change the international balance of economic and political power.

However, even as such alternative ‘regional’ South-South alliances and strategies hold out the most promising possibilities for shifting the global balance of power and creating living anti-globalist and anti-capitalist alternatives, there remain vitally important spheres and levels of common concern for the whole of humanity and for the very survival of the entire planet, and these have to be negotiated/agreed globally, implemented universally and monitored internationally. In sum, what is therefore needed at both the conceptual and practical levels are

- simultaneous ‘bottom-up’ (local, national and regional) and ‘top-down’ (global) approaches
- specific diverse and viable regional alternatives... as well as convergent and common global alternatives to the current globalised capitalist system; and
- both political ‘south’ and ‘south-south’ alliances against northern-dominated global capitalism, as well as ‘north-south’ alliances of the international left. (**KEET**)

INSTITUTIONAL CHANGE

- reform of the United Nations, with the abolition of veto rights in the Security Council.

MEDIA

Creation of a media Center for the diffusion and popularization of all the militant platforms, as well as the news of the struggles of the oppressed peoples and classes all over the World. The main and central activity of this media center has to be a TV satellite broadcasting covering the entire globe in as much languages as possible. Such a project must be global in its extent and coverage, and be capable to put an end to the monopoly of mass media by the oligopolies that dominate the world. Its success can only be secured if the majority of the world Left supports it in one way or another. To embark on such an ambitious project an entity embracing the majority of the forces of the Left should be created to study the idea and put it into practical implementation. **(HABASHI)**

FOOD SECURITY

In China, a country that has 0.1 hectare of agrarian land per capita and where 60% of the population are peasants living in relatively isolated rural areas, food security is of immense importance. Among Asian developing countries with populations of over 100 million such as India, Bangladesh, China was the only one to set up a system of family tenant management, a system known as “families’ land rights of equal distribution inside the villages”. However, as agricultural economies of scale lost importance and the landlord tenure system was abandoned, China developed a shortage of grain. Even though small farmers’ average production increased per capita in the 1950s and rural agricultural production was sufficient in terms of subsistence during this period, it was not enough in the face of urbanisation and industrialisation that pushed up demand immensely. The Chinese process of industrialisation was under the leadership of the secondary reformed state as Russian model. The necessary capital accumulation was made possible as collectivized productions in the agricultural sector resulted in surplus creation. This significant internal capital accumulation process made China’s trajectory of industrialisation unique compared to that of western countries. And, 3 years’ serious crisis of food shortage since 1960 also mainly caused by heavy foreign debts transited into large amount agricultural export.

Currently, rural China is characterised by small-scale farming. Over the last 10 years, food output has been increasing along with the rapid macro-economic growth and a steadily increasing population. The internal inflation always be the pre factor of food price increment, before China excess WTO. Since 1949, food output has been fluctuating every year, which is normal for a country as vast as China. The above graph indicates that fluctuations in food output arise after unusually large macro-economic fluctuations, such as in 1994 when China experienced extremely high inflation rates. Following the foundation of the People’s Republic of China, an increase in the population was coupled with rising food output. However, faster urbanisation and farmer income enhancement complicated the monitoring of changes in patterns of food stockpiling in farmer households, which represents 20% of commercialised food. The lack of exact data on the amount of stockpiled food can subsequently impact the food market when prices change.

During times of rapid economic development or inflation, the government is likely to launch macro-control policies which often result in decreasing prices and insufficient supply. Discrepancy between the agricultural production period

and subsequent output supply is a result of the effects of macro-economic policies and the macro-economic period. Therefore, soaring food prices are the consequence of abnormal macro-economic fluctuations and inflation, not the other way around.

After the system of family tenant management was implemented, agricultural production and distribution started to take place in more than 200 million small farmer households. This led to a constant average food output of about 350 kg per capita, or 450 kg per farmer, which constitutes 60% of total food production in China. Only 40% of this output reaches the market, which is the part that will respond to price policies and macro-economic fluctuations.

As China is still in the process of urbanisation, around 60% of the population is still living in the rural areas with self-sustaining grain consumption. Hence, when considering China's food security system, it is important to note that it concerns only 40% of the population; those living in urban areas. Also, it is the annual food commercialisation ratio that should be taken into account, not the annual food output. Thus, the country's food security system is very different from the West and China should promote national stockpiling as a complement to market-driven food supply. (WEN)

Text compiled by Henning Heine

Elmar Altvater The Crisis and Green Ways out

The Causes of the Crisis

The Financial Aspect

The „Real“ Aspect



- Autonomization (Disembedding) of financial markets
 - Due to liberalization and deregulation since the 1970s
 - Generation of High financial claims due to „financial Innovations“
 - „Accumulation by dispossession“
- Greed (of Individual Managers)
- Shrinking surpluses of real Accumulation
 - Fall of Profit rates of productive industrial capital
 - Decreasing economic growth rates
- „Saturation“ (in already rich countries)

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2

Money and Finance

Financial Markets detach from the real productive economy. They generate claims independent on the efficiency and power of the productive economy

Creation of the Business Model: „Originate marketable and securitized assets and distribute them on global markets

Capital becomes *Fictitious CAPITAL*

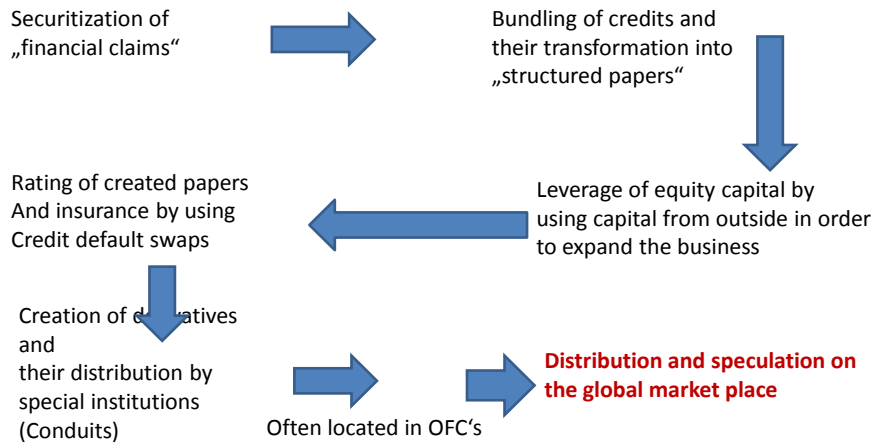
However, the Claims must be Serviced out of the Surpluses Produced in the Productive Sectors of the Economy

Finance remains dependent on Labour although the actors of the financial casino think that money creates money – an illusion which already Aristotle criticized

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3

Financial Innovations or the Business Model of „originate and distribute“



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4

The real and productive Economy: Decreasing surpluses Three discourses

Because of an increasing level the same absolute increment results in lower relative increases. There are economic hindrances for an ever increasing absolute surplus

Moreover, there are ecological limits of growth: limits of resources („Peakoil“; „peak of everything“) and limits of the carrying capacity of the planetary spheres (Greenhouse effect, „ecological footprint“)

The double character of capitalist accumulation: The material limits and the limits of value production and of exploitation: The tendency of the profit rate to fall

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5

The Tendency of the Profit rate to fall and the counteracting forces

Counteracting the increase of capital intensity and hence of the organic composition of capital by means of an **increase of labour productivity**

+
+

The slowing down of wage increases in times of globalization

Externalisation of the costs of environmental degradation However, social movements which enforces their internalisation

= „accumulation by dispossession“

Higher costs of the provision of resources; increases of prices of agricultural and mineral commodities on the world market; **The economic crisis, however, dampens the demand and hence the prices of raw materials**

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6

The financial crisis beaks out...

... and measures to save and stabilize the financial system

- ❖ Monetary policy of „monetary easing“: discount rates near 0
- ❖ State guarantees for banks USA: 700 bn \$; D: 480 bn €
- ❖ Re-capitalisation of banks (equity)
- ❖ Transfer of „toxic papers“ to bad banks
- ❖ Limits to bonus and premium payments in order **to reduce the financial claims** (because their legitimation is jeopardized)

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...the crisis seizes the productive „real“ economy

... and triggers measures to fight the crisis, to **boost the production of real surpluses, i.e. economic growth, to overcome the saturation and to increase competitiveness**

The disappointing expectations into a new Kondratieff-cycle

- ❖ The IEA proposals of investing into new energies: fossil energy, nuclear energy, renewable energies
- ❖ Biotechnologies and the limits of the rationality of markets
- ❖ Personal services (health-care, qualification etc.) and the limits of profitability

The problem of an economic upswing at the limits of the carrying capacity of nature and society. The danger of overcoming the economic crisis by aggravating the energy-, climate- and food- crisis

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Summary: Economic Policy-Alternatives

1st Regulation of the financial system

- Financial transaction tax
- Prohibition of „toxic“ businesses
- Closing of tax havens etc.
- Support of micro- and cooperative finance
- Regulation of investment-banking in order to disincentive speculation

2nd Reduction of global imbalances

- The establishment of a new currency-system because of the intolerable indebtedness of the USA and the danger of an uncontrollable devaluation of the USD
- Structural adjustment for deficit- and surplus-countries?
- The new role of the SDR

3rd Alternative economic policy

- Legal regulation of minimum wages
- Decent labour instead of precarious labour; regulation of informal work
- Reduction of working hours
- Citizen-income
- A „green new deal“?

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Aspects of a „Green New Deal“

- The historical reference to the New Deal of the 1930s is of a dubious nature
- The idea of a „global and green social contract “ (e.g. Lisbon-Group) makes reference to early bourgeois virtues
- In contrast to the ideas of a social contract are the expectations of market-based instruments in climate policy etc. (emissions trade or REDD)
- The contradicting interests of powerful lobbies and the illusions of CSR
- The illusion of sustainable growth. Economic surpluses necessarily consume natural resources and sinks and therefore have a negative effect on nature
- Is it possible to change the energy regime without changing the pattern of consumption and production?

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Conclusion

- There is no simple exit from the multiple crisis of finance, of the economy, of energy, the climate and food
- A new investment-cycle, even when massively green, hits limits of nature: peakoil, the climate-system, the evolution of the biosphere, the provision of food etc.
- A “de-growth”- and “de-globalisation”-strategy is only possible in the social framework of a cooperative, solidarity economy on the basis of renewable energies
- **A green new deal-strategy is a comprehensive project of social change**

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11

Samir Amin

Exiting the Crisis of Capitalism or Capitalism in Crisis?

1. Capitalism, a Parenthesis in History, Accumulation by dispossession

The principle of endless accumulation that defines capitalism is synonymous with exponential growth and the latter, like cancer, leads to death.

Accumulation, which is synonymous with pauperisation, provides the objective framework of the struggles against capitalism. But pauperisation expresses itself mainly by the growing contrast between the affluence of the societies in the centre [of the world system] who benefit from the imperialist rent and the misery of the societies at the dominated peripheries. This conflict becomes therefore the central axis of the alternative between “socialism and barbarism”.

Accumulation by dispossession continues in the late capitalism of generalized and financialized ‘oligopoles’. In the centres, monopoly rents – whose beneficiaries are the oligopolistic plutocracies – are synonymous with the dispossession of the entire productive basis of society. In the peripheries, this pauperising dispossession manifests itself in the expropriation of the peasantry and the plundering of natural resources of the regions in question. Both these practices constitute the essential pillars of the strategies of expansion of the late capitalism of the ‘oligopoles’.

In this spirit, I situate the ‘new agrarian question’ at the heart of

the challenge for the twenty-first century. The dispossession of the peasantry (in Asia, Africa and Latin America) is the major contemporary form the tendency towards pauperisation linked to accumulation. The plundering of the South's natural resources, which is demanded by the pursuit of the model of wasteful consumption to the exclusive benefit of the North's affluent societies, destroys any prospect of development worthy of this name for the peoples in question.

The current crisis is therefore neither a financial crisis nor the sum of multiple systemic crises but the crisis of imperialist late capitalism of generalized and financialized 'oligopoles'. This crisis is also at the same time a crisis of US hegemony. Taken together, the following phenomena are inextricably linked to one another: the capitalism of 'oligopoles', the political power of oligarchies, barbarous globalisation, financialisation, US leadership, the militarisation of globalisation in the service of 'oligopoles', the decline of democracy, the plundering of the planet's resources, and the abandoning of development for the South.

The real challenge is therefore as follows: will these struggles manage to converge in order to pave the way – or ways – for the long route towards the transition to world socialism? Or will these struggles remain separate from one another, or will they even clash with each other and therefore become ineffective, leaving the initiative to the capital of the 'oligopoles'?

2. From One Long Crisis to Another

The industrial capitalism, which was triumphant in the nineteenth century, entered a crisis from 1873 onwards. The 'long twentieth century' – 1873-1990 – is therefore both the century of the deployment of the first systemic and profound crisis of ageing capitalism (to the point where Lenin thought that this capitalism of monopolies constitutes the 'supreme phase of capitalism') and that of the first triumphant wave of anti-capitalist revolutions (Russia, China) and the anti-imperialist movements of Asia and Africa.

The second systemic crisis of capitalism began in 1971 with the abandoning of the gold convertibility of the Dollar, almost exactly a century after the commencement of the first. Investment levels and growth rates all collapsed (and never again reverted to the levels in the period 1945-75). Capital responded to the challenge not unlike in the previous crisis by a double movement of concentration and globalisation. As such, capital established structures that defined the second 'belle époque' (1990-2008) of financialised globalisation, allowing oligopolistic groups to levy their monopoly rent. The same discourse accompanied this process: the 'market' guarantees prosperity, democracy and peace; it's the 'end of history'. The same rallying occurred, this time by the European socialists to the new liberalism. However, this new 'belle époque' was from the onset accompanied by war, the war of the North versus the South, started in 1990. Just as the first financialised globalisation had led to 1929, so the second produced 2008. Today we have reached this crucial moment which announces the probability of a new wave of 'wars and revolutions'. This is even more so since the ruling powers do not envisage anything other than the restoration of the system as it was before the financial meltdown.

The analogy between the unfolding of these long, systemic crises of ageing capitalism is striking. There are nonetheless differences whose political significance is important.

3. Exiting the Crisis of Capitalism or Capitalism in Crisis?

Contemporary capitalism is first and foremost a capitalism of 'oligopoles' in the full sense of the term (which so far capitalism was only in part). What I mean by this is that the 'oligopoles' alone command the production of the economic system in its entirety. They are 'financialised' in the sense that they alone have access to capital markets. This financialisation grants monetary and financial market – their market, on which they compete with each other – the status of dominant market, which in turn fashions and commands the labour and commodity exchange markets.

In this new imperialist globalisation, the domination of the centres is no longer exercised by the monopoly of industrial production (as had been the case hitherto) but by other means (the control of technologies, financial markets, access to the planet's natural resources, information and communications, weapons of mass destruction). This system which I have also described as "apartheid on a global scale" implies a permanent war against the states and the people of the recalcitrant peripheries, a war begun already in the 1990s by the deployment of military control over the world by the USA and their subordinated NATO allies. All these "advantages" of the imperialist triad can now be annihilated by unilateral policies conducted by countries of the periphery.

4. The Second Wave of Emancipation by the People: a 'Remake' of the Twentieth Century or Better?

The contemporary world is governed by oligarchies whose management of the system is in crisis.

The oligarchies of the North seek to remain in power once the crisis is over. They do not feel threatened. By contrast, the fragility of the power held by the autocracies of the South is clearly visible. The model of globalisation that is currently in place is therefore vulnerable. Will it be questioned by the revolt in the South, as was the case in the previous century? Probably so, but that would be cause for sadness. For humanity will only commit itself on the road to socialism – the only humane alternative to chaos – once the powers of the oligarchies, their allies and their servants, will have been defeated both in the countries of the North and those in the South.

Is the reinstatement of the capitalism of financialised and globalised 'oligopoles' possible?

Today the powers that be, those who did not foresee anything, are busy restoring the same system. Their possible success, as that of the conservatives in the 1920s – which Keynes had denounced without much of an echo at the

time – will only exacerbate the scope of the contradictions which are the root cause of the 2008 financial collapse.

US leadership in crisis

The political management of the worldwide domination by the capital of ‘oligopoles’ is necessarily marked by extreme violence. For in order to maintain their status of affluent societies, the countries of the imperialist triad are henceforth obliged to limit the access to the planet’s natural resources to their own exclusive benefit. This new requirement is at the origin of the militarisation of globalisation which I have elsewhere described as the “empire of chaos”. The recent G20 Summit in London in April 2009 in no way marks the beginning of a ‘reconstruction of the world’. And it is perhaps no coincidence amidst the flurry that it was followed by a summit meeting of NATO, the right hand of contemporary imperialism, and by the reinforcement of NATO’s military involvement in Afghanistan. The permanent war of the North against the South must continue.

5. Towards a Second Wave of Victorious Struggles for the Emancipation of Workers and Peoples

The deepening of the crisis will not be avoided, even if reinstating the system of the domination by the capital of the ‘oligopoles’ were potentially successful, which is not impossible. In this situation, the possible radicalisation of the struggles is not an improbably hypothesis, even if the obstacles remain formidable.

Agenda for major questions to be discussed :

One : Pursuing attempts to identify the components of a “progressive global consensus” is not realistic and therefore perpetuate “wishful thinking” and dangerous illusions. The real battles are developing on other grounds.

Two : In the countries of the North, the ‘oligopoles’ are already clearly forms of the ‘common good’ whose management cannot be left to sectional private interests alone (the crisis has highlighted the catastrophic results of such an approach). A radical left must dare envision nationalisation as the first inescapable stage of the socialisation of the ‘oligopoles’ by deepening democratic practice. The current crisis enables the conception of a possible crystallisation of a common front of the social and political forces bringing together all the victims of the exclusive power of the ruling oligarchies. As long as this strategic target is excluded the stability of the societies of the triad will not be questioned despite the turmoil caused by the crisis. There is therefore a serious risk of a ‘remake’ of the wave of struggles of emancipation as happened in the twentieth century, that is to say, a questioning of the system exclusively by some of its peripheries.

Three : In the countries of the periphery, the battle of the States and the nations for a negotiated globalisation without hegemonies – the contemporary form of de-linking – eventually supported by the organisation of the demands of the popular classes can circumscribe and limit the powers of the ‘oligopoles’ of the imperialist triad. Initiatives which are independent of the policies that the imperialist coalition tries to enforce are already initiated (Group of Shanghai, Banco Sur etc). . The democratic forces in the countries of the North must support these initiatives. The ‘democratic’ discourse that is proposed and the ‘humanitarian’ interventions conducted in its name, just like the miserable practices of giving ‘aid’, eschew real engagement with this challenge. A second stage of “the South’s awakening” is now on the agenda. In the best possible scenario, the advances produced in these conditions could force imperialism to retreat, to renounce its demented and criminal project of controlling the world militarily. And if this were the case, then the democratic movement of the countries at the centre of the system could make a positive contribution to the success of this strategy of neutralisation. Moreover, the decline of the imperialist rent which benefits the societies in question, itself caused by the re-organisation of the international equilibria to the advantage of the South could help the awakening of a socialist consciousness. But on the other hand, the

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Rosa Luxemburg Foundation in cooperation with World Forum for Alternatives and TNI

societies of the South could still confront the same challenges as in the past, a situation that would produce the same limits on their progress.

A new internationalism of the workers and the peoples is necessary and possible

Pierre Beaudet

Beyond the crisis: North American Perspectives.

Crisis as destruction and opportunity

Moments of crisis are always points of bifurcation for societies where 'objective' and 'subjective' factors meet to express the necessity and the will for change. Under capitalism, crises are parts and parcels of the accumulation process. Capital needs to deconstruct and reconstruct patterns of exploitation to offset class struggles and to face inter-capitalist and inter-imperialist competition.

Deconstruction/reconstruction (the bourgeois perspective)

In North America, the long-term destruction of Keynesianism (and the class compromise it represented) was initiated in the 1970s, moved ahead in the 1980s (neoliberal onslaught) and «bubbled» out in the 1990s to temporarily push out conflicting trends. Mainstream economists explained for over a decade that the 'disconnection' between the 'real' economy and the 'speculative' economy was going to crash and indeed it did. The so-called sub-prime crisis was only the last in a series of busting bubbles. This destruction as dangerous as it is for the stability of capitalism is at the same time an 'occasion' or an 'opportunity' to accelerate neoliberal 'reforms'. This is translated by the rapid destruction of the manufacturing sector, home of the Keynesian popular and 'middle' classes for the last 60 years, and rendered 'non-competitive' by delocalization and the rise of new industrial powerhouses like China. The result is not only the destruction of millions of jobs (with real unemployment reaching 18-20%), but a massive social displacement of an unprecedented scale. With this 'jobless growth', capital hopes to push down wages and benefits, download the federal deficit to state and municipal governments already highly in debt and concentrate resources on 'competing' sectors like finance and the military-techno-industrial complex.

The 'endless war'

The Bush administration continued and accelerated what was already in motion by the 1980s (including under Democrat administrations). It reached a dangerous plateau because ideological oversights and mismanagement led to impasses like Iraq. However, the 'endless war', rather than finishing with Bush, is likely to be transformed. The 're-engineering' of the Middle East and Central Asia remains a necessity for a declining empire, unable to compete against European and Chinese economic competitors. Controlling energy flows in the middle of Eurasia remains therefore an undeniable asset. However, after the Iraqi debacle, the forms of engagement are likely to change, with more 'realistic' assessments and the necessity to concentrate forces while relying more on 'regional allies' if not 'surrogates'. All in all, the endless war remains a key factor in the development of a new 'security' and militaristic state, forced on citizens as a rampart against the 'barbarians'. Even though there is a strategic consensus on these issues within the political and economic elite in the US, there are several tactical disagreements. For those identified with Obama, there is a need for a tactical retreat, which implies some sort of a compromise with Russia, otherwise, US forces are at risk in Central Asia particularly. But many within the establishment are opposed and would lie to push back Russia to the 'brink', like what happened to the Soviet Union a decade ago. On the short term, that might mean a renewed offensive against Iran, with whom which Russia is allied, not because of any reason that an onslaught against Iran would build-up US militaristic ambitions in the region.

Deconstruction/reconstruction (the popular perspective)

In the recent past, popular movements and initiatives in North America defeated the neoconservatives as they represented a 'clear and immediate' danger. This was done by a combination of mass struggles that brought forward 'old' and 'new' social sectors like trade unions, youth, African-Americans, immigrants (as illustrated by the mass immigrant strike on May 1 2006). It led to the creation of an unusual alliance to support Obama, the first African-American to win the presidency. This multitudinous movement took form with

the US Social Forum in Atlanta in 2007. One of the biggest challenge of this coalition is to bring together various segments of the working classes, long divided by race and insider/outsider status within the 'labor market' and without a common perspective considering the weaknesses of national political and social leaderships. Faced with the crisis, the movement so far has been unable to oppose massive transfers to financial capital and impose on the government to rescue significant parts of the industrial sector. Trade unions have failed (in a continuation of historical defeats) to build a people's alliance that could be sustainable. As time goes by, there is a danger of a real dislocation that could lead to some sort of a neoconservative come-back, this time much more tainted with all-out racism and fascism.

'Glocal' struggles

Historically, the emancipatory movement in North American has triggered labor insurgencies from the 1930s to the 1970s. The anti-war movement of the 1960s and more importantly the struggle for civic rights by African-American communities were also democratic and anti-capitalist expressions. However, never since Eugene Debs in the 1920 was this movement able to build a political platform. Time and again it was manipulated by populism, demagoguery, racism and right-wing ideologies. Two dimensions of current struggles indicate new developments however. The first development is the rise, multiplication and complexification of 'local' movements, struggling at the micro level. Many of these struggles are around environmental issues, which are organically related to 'really existing' capitalist accumulation in the US and Canada, unlikely to be 'greened' except at a superficial level. These movements bring together new social coalitions involving poor and middle class communities, youth, and first nations whose territories are a central target of huge capitalistic projects. The second development is the internationalization of the North American movement. This has been translated in various alliances to fight free trade agreements, anti-environment and anti-labor legislations and promote mutual support and resistance. The US Social Forum, the Quebec Social Forum, various coalitions acting at the community, environmental, labor levels are all expressions of this internationalization whereas US and Canadian activists play

a role in the hemispheric battles along with counterparts from Mexico, Central America, the Caribbean and South America, as it was demonstrated in Seattle, Quebec City, Windsor/Detroit and many other places. In more and more instances, these local and international struggles merge, thus creating a new paradigm, 'glocal'.

'Wounded tiger'

The US and Canada are dominated by a powerful class alliance on the decline, but still able to impose its domination on a significant part of the world. The image of the 'wounded tiger' comes into mind as in its (relative) weakening, the monster becomes erratic and somehow more dangerous. This aggressiveness is likely to be changed in form, but not in substance, by a 'strategic' deployment of imperialism. So far, US imperialism is not opposed strongly outside the 'arc of crisis' (covering important regions of Asia and Africa). In others parts of the world, many social movements, social-liberal parties and mainstream intellectuals have come to identify anti US imperialism with some sort of devious 'anti Americanism' in their repulsion of old-style 'really existing socialism'. For sure, opposing the 'wounded tiger' is not enough. It has to be part and parcel of a progressive and transformative project. It has to oppose any manipulative attempt from other 'aspiring' empires that are opposed to US hegemony because they want to build their own. In the meantime, building in North America and throughout the world the widest social and political alliances is indispensable to avoid what could be another onslaught against the peoples like we have seen in the past century.

Michael Brie

Five Theses for the Conference on Alternatives and Transformation Paths to Overcome the Regime of Crisis Capitalism

1. If you aren't willing to talk about the power of neo-liberal financial-market capitalism, don't bother to talk about alternatives.

Neo-liberal financial-market capitalism has established itself since the 1970s, against perspectives for a comprehensive economic-democratic, social and ecological alternative. It was founded in a cemetery of smashed hopes – Pinochet's bloody coup in Chile marked its beginning. It was able to achieve its goal because it was in a position to combine violent force with a new wave of high-tech re-shaping of the world's economy, and a new, integrated global division of labour which broke down the constraints to development inherent in Fordistic capitalism. It was based on an upper-plus-middle-class alliance, with some opportunities for sections of the lower classes. It took up some demands of the emancipative movements against racist, sexist and bureaucratic oppression, and integrated them into the promise of the freedom of the market society in which each individual is the entrepreneur of his or her own labour power and of the provision of his or her own subsistence. It put forward realisable projects: break down the barriers to the global circulation of capital, privatise, deregulate, weaken the trade unions, obtain social mobility through education. These projects promised new opportunities for many countries and social groups. And ultimately, neo-liberal financial-market capitalism in fact became irresistible, due to the practical constraints which it installed. In the current crisis, it was primarily precisely the institutions which caused the catastrophe, which then had to be "saved" from it, as a top priority, so the message. Neo-liberalism was a hegemonistic project. It was able to expansively shape global society in its own image, and to provide new life prospects for key actors, while at the same time marginalising many social groups and regions. An

anti-hegemonistic alternative must overcome not only the weak-nesses of neo-liberal financial-market capitalism, but in fact prove superior to it, to overcome it in the sense of an *Aufhebung*.

2. Neo-liberal financial-market capitalism has dragged the world into a crisis which threatens human civilisation as such.

Neo-liberal financial-market capitalism is characterised by an extreme form of the combination of, on the one hand, the expansion of production, transport and life-style, with, on the other, the destruction of its own foundations. Central to financial-market capitalism is the possibility of the unhampered accumulation of financial-market capital. The principal owners of this capital are financial funds interested in short-term investments. The competition between them for maximum returns drives them to strategies which destroy the productive foundations of societies. They usually own only small shares in companies, and withdraw their investments again within an average of twenty months. Their interest in the development of the productive potential of these companies is therefore slight; the pressure on them to pillage them, all the greater. Their interest in social cohesion, or the long-term development of societies is even less. Rather, they force these societies into a destructive competition over who can provide the best locations for business. The form of development of this financial-market capitalism is inevitably one of the continual creation of speculative bubbles, within which societal wealth is redistributed from the bottom up and from the public to the private sector. When these bubbles burst, the bill is presented to the waged strata of the population, and to the public sector. As a result, neo-liberal financial-market capitalism therefore suffers from a crisis of social reproduction, societal integration, democratic identification and security. Climate destruction, resource wars, terror, the transformation of democracy into oligarchy, class divides, a new racism and fundamentalism, etc. are unavoidable. It therefore leads to a crisis of civilisation, and produces ever stronger elements of barbarism and authoritarian power, which can only be contained at ever greater expense.

3. The present crisis must be converted into an opportunity to initiate a transformational change which can overcome neo-liberal financial-market capitalism and move towards a society of solidarity.

In the present crisis, the ruling elites have achieved a temporary re-stabilisation by means of an enormous expenditure of public funds. The power and property of financial-market capitalism have been secured by state intervention. That has revitalised the underlying dynamics of financial-market capitalism, while at the same time, costs have been created which, as an additional burden, will intensify the so-called practical constraints of neo-liberalism (reduction of public expenditures, privatisation etc.) still further. This crisis solution holds even greater crises in store. The fact that things will continue in this manner is a catastrophe (Walter Benjamin). However, the crisis has also exposed the core myths of neo-liberalism as lies: A market society cannot exist; people are not primarily entrepreneurs of their own labour and their own conditions of subsistence; long-term development requires long-term owners (the economic democracy of stakeholders); an ecological revolution of production, transport and life-style is unavoidable; imperial projects lead not to any “pax americana”, but to ever more new wars, etc.

The funds used to rescue financial-market capitalism have at the same time shown that a fundamental re-direction is possible. If the will is there, the expropriation of banks, nationalisation, expenditure of large sums of money, global cooperation etc., are all no problem whatsoever. The rulers have themselves demonstrated that alternatives to privatisation and the “invisible hand” of the markets are possible. And we should stop using them to rescue this parasitic capitalist system.

4. The societal forces of solidarity must develop projects of entry into fundamental transformation, and fight for their implementation

Today, the prevalent form of action against the dumping of the effects of the crisis onto the population, the waged strata, pensioners and the global South is

still defensive. And these forces will remain on the defensive if they do not succeed in calling into question the structures of financial-market capitalism itself. For this purpose, they must be incorporated into a counter-hegemonist strategy which places fundamental transformation on the agenda. Central to such a counter-hegemony would be a new social and ecological form of productivity, a new way of life in solidarity, with a new wealth of free and socially secure development, a solar revolution and the transition to a nature-preserving type of reproduction, and global development based on solidarity. To neoliberal the top-middle alliance, we should counterpose a bottom-middle alliance of all forces committed to solidarity; it would unite trade unions and environmental movements, social movements against terror, supervision, racism, sexism, destructive mega-technologies for global social rights, as well as left forces in politics, culture and society.

The elimination of the most important motive forces of financial-market capitalism, the over-accumulation of private fortunes would at the same time constitute an essential source for the freeing up of the funds needed for a transformation in solidarity. The accumulation of approx. \$200 trillion in private cash fortunes is generating gigantic utilisation and redistribution pressure. If a real interest rate of only one per cent were to be paid on these fortunes, fully four per cent of the global gross product would be required, and would be paid exclusively and parasitically to this class of the global idle rich. This cannot continue. An annual global tax on these global fortunes would yield \$2 trillion. The Left Party in Germany demands that private fortunes which exceed one million euros be taxed at a rate of five per cent.

Let us look at three examples of such entry projects, from the view of a German leftist:

Firstly: We should counterpose a structurally transformative development of a free local public transport system to the structurally conservative modernisation model of today's private automotive mobility through e-cars, etc. That would ensure equal mobility at half the economic cost, lower CO2 emissions to one tenth, reduce the area consumed to one third, transform

urban space from one of the threatening traffic of atomised drivers into one of the civil encounter of the demos (in the agora), and thus re-open the city to democratic participation. Instead of doubling the number of cars from approx 600 million worldwide to 1.2 billion over the next two decades, a free local public transport system would at the same time constitute a development model which, unlike the private motor-car-based traffic system, could be generalised globally, and would thus provide unhampered access to one of the most important assets that makes a free life possible, especially for the lower strata of society; thus, it would constitute an implementation of global social rights. People's ecological footprint would then become compatible with their mobility. Battles for the resources which would be required to produce e-cars would disappear.

Secondly: The privatisation of the social security systems – health, education, care, old-age support – is one of the essential sources from which financial-market capitalism draws. Wage-workers pay funds into a system which endangers their jobs, the environment and global security, and produces the “practical constraints” of pitiless competition to which all who wish to live in dignity must subordinate themselves, and thus at the same time lose that dignity. Social rights can only be safeguarded in the long term through publicly-based solidarity. That is also a condition for the democratisation of these systems. The existence for “up-scale” individuals of private exit options from the health, education, care and pension systems is one reason for the degradation of these systems to institutions for paupers' welfare. It is splitting society into classes in terms of basic rights. The general implementation of public systems for subsistence in basic goods, and their financing from current income, rather than from accumulated private fortunes, is the precondition, in Europe, for the drying up of financial-market capitalism, and for making a new way of life possible.

Thirdly: Medicine and the technologies that make access to the basic goods needed for a dignified life possible (water, energy, education etc.), must be provided free of cost to those countries with a below-average human development index, effective immediately. All CO2-cutting measures in those

countries should be subsidised by those countries which emit above-average quantities of CO₂. This would create a corridor for dropping CO₂ emissions.

5. The crisis is an opportunity for converting dangers into potentials for development in solidarity. We should seize this opportunity, end the hegemony of financial-market capitalism and initiate a global transformation process.

The crisis of the hegemony of neo-liberalism is generating elements which can be incorporated into scenarios which could lead to an authoritarian-barbarised kind of capitalism, or, in a different direction, towards a world of solidarity. This struggle will determine what kind of human civilisation we will have in the twenty-first century.

Bernard Cassen

Short Thesis

In my view, our conference must address what I believe to be both the most important medium and long term issue for mankind and, simultaneously, a unique opportunity for demolishing capitalist assumptions and promoting alternative policies: climate change, the coming limitations on the availability of natural resources and the lethal threats to the ecosystems.

For much too long, the marxist left has turned a blind eye on these concerns, at times dismissing them as petit bourgeois. This vacuum has been filled by the sham alternatives proposed by most Green parties and by the surge of a so-called “green capitalism”. In short, there is a widespread public consciousness of the depth and urgency of the ecological crisis, but the radical left has not provided its own answers to it.

What we first need to explain and make clear in people’s minds is the fundamental contradiction between, on the one hand, the finiteness of earth’s space and non renewable resources and, on the other hand, the limitless accumulation process of capitalism. This is mere formal logic.

From then on, it is not too difficult to demonstrate that free trade, the free flow of capital and, more generally, “market forces” are totally unable to guarantee fair access to common goods such as, among many others, water. Without public and citizen control of the management of these goods at world level, we are in for all types of wars, within and between nations. People are likely to understand this pretty well.

Once the ground is cleared, difficulties begin, in particular: what do we call “growth” and “development”? Inhabitants of the North and of the South, regardless of social classes, are in the same boat, on the one Earth, but how is the price of adjustment to be shared between them? Never before have we had a

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tour disposal such an amount of arguments to expose the intrinsic suicidal logic of capitalism and to promote equality, cooperation and a 21st century socialism as the only safe option.

Sandeep Chachra

Socialising a Socialist Vision:

The current economic crisis raises the possibility of forward steps towards renewing autonomous development trajectories in the south, while affording the possibilities of socialising capital in north. The prospect of forging an alliance of progressive democratic forces in south with those in the north for an eventual transition to socialism, is on a new ground now.

In a historical sense, the conditions in which 2008 crisis set in are different from the ones at the onset of the first major crisis in 1873 (where it was the question of industrial capitalism) and led in turn to Russian and Chinese revolutions and of the second major crisis on the global scale in 1920s which led to decolonisation across Africa and Asia and incomplete democratic revolutions in several countries in the south, which were hijacked in course of time.

This crisis comes after national democratic revolutions in the south, and their historical contributions in advancing, at least in certain peripheral boundaries, autonomous bases in social, economic and political spheres. Opportunities to challenge the domination exercised by countries at the centre through control their over knowledge, technology, finance, natural resources are objectively different at this stage. In the south, the direction taken by states in the last three decades has demonstrated, with force, to the popular classes the extent to which the project of national autonomy and socialisation has been hijacked by the internationally aligned national bourgeois and has been completely subsumed to their class interests. Incomplete projects of agrarian, industrial and democratic transformation – and the resulting dispossession and pauperisation are grim reminders to peasants and labour of the tyranny of conspiracy meted out to them. The mask of benevolence has been forcefully removed from the face of oligopolies which drive the current stage of capitalism. The uneven and socially fragmentative impacts produced by the globalisation could therefore be engines for a reconsolidation of social blocks and eventual transformation in the

south. Such lived realities therefore encourage progressive struggles in south to converge in a broad platform and programme of action to promote a base for socialism of 21st century.

In the north, the question is more complex. While the financial crisis, and increasingly the crisis of ecology clearly brings home among the working classes a spectre of generational pauperisation, and a critical understanding, of how a few groups have held the “common” to ransom, such a consciousness is likely to be subjugated by the elements rising chauvinistic nationalism, protectionism and perhaps even a greater possibility of a social compromise between the capitalists and reformists. This is precisely what the stimulus packages (80% of the overall volume of stimulus is in the north), designed to refuel the drying engines of oligopolies are attempting to promote. While there is no doubt that counter cyclical measures would have originated in capitalist centres, given their historic accumulation and ability to invite resources, the issue is how these stimulus and bailout packages further pauperise the developing south and a possibility of democratisation and socialisation in the north. The victims who will bear the eventual cost for stimulus are known in the south. There will be inflation, reduction in public spending, fall in real wages, disappearance of pension funds and health insurance, and a further erosion of economic and social rights – and a further restriction in any democratic progress. Such a project must be contested, for it is possible that this revisionist project will succeed in the short term and rebalance the system till the next crisis, enabling a push for newer forms of fragmentation and further militarism.

For this reason, a historic alliance of democratic forces in north and progressive forces in south is critical – it must overcome long a held distrust among the two- among progressives in the north which saw in the south distortions of socialism and deviations from it, assuming change as monopoly of north, without a necessary recognition that better conditions in north were on account of history of exploitation of south by the north; and in the south to recognize that strategies for challenging imperialism would gain strength through participation of democratic forces in the north.

The current crisis provides a fulcrum around which struggles in the south and north which have operated in silos or have even worked at cross purposes could converge together in a broad platform and programme of action to promote the base for socialism of the 21st century

Progress of states in the south: Where do we come from?

Post their liberation from colonialism, States in the south had sought to build foundations for an autonomous progress to be able to assert their national sovereignty, regionally and internationally. Democratic struggles against imperialism had brought together diverse forces into a nationalist ideology oriented towards popular national building ends; history had painfully taught them that imperialism could only be defeated by elaborating a programme of action built on a commitment and force of popular classes.

Several in Asia and Africa, embarked on “nation building projects”. The first Afro-Asian meeting of liberated states in Bandung in 1955 and consolidation of political block was a promise of advancing and socialising the gains of liberation. Some from among these nations like China, or for that matter India, progressed substantially in this regard, in the first three decades of their liberation. Efforts at authentic democratisation and social progress in several others were defeated in the infancy; through of constellation of internal forces and their collusion with external ones. Even in a handful of instances, where national autonomy was maintained, it is a version negotiated on a road to capitalism, built on the so called comparative advantage of labour and moderated through relations with monopoly capital. No doubt that it presents an opportunity for radicalisation, different in terms of the opportunities it presents in other states, but such opportunities would need a new synthesis of political expression.

We can argue whether romancing neo-liberalism, and opening up was a “choice” or a “no choice”, when made in the last decades of the 20th century. We can also debate whether socialist and mixed states needed to enter a more aggressive phase of accumulation. But, the fact remains that long before such a choice was made, the political instrument had come to be controlled by the national bourgeois. Popular classes had been hegemonised by a bourgeois propagated

ideology of national culture and future. A dynamic and educated bourgeois had fully succeeded, in the intervening years, in not only consolidating its own hold on power, but also elaborating and propagating an ideology of national culture and development for future. It was not a choice determined by the masses and therefore in itself it does not constitute a route for popular development in southern states. It was made in states where nationalist ideology and determination was captured by the elites and subsumed to their class interests; in states where left presented a fragmented oppositional force, and progressive forces in north continued to work at cross purposes with socialist resistance in the south, and where incomplete projects of agrarian, industrial and democratic transformation necessitated “catching up” and nurturing political external solidarities, at the cost of reversing many of the social and economic gains. The problem lies in further advance on this path, which would mean catapulting whatever little gains the democratic revolutions had consolidated. Further steps in this direction can only be through another cycle of dis-possession and pauperisation of the popular classes of the south; surely it will not be the servile and internationally aligned bourgeois that have either the intention or the historic ability to lead this transformation.

What can we do: Projects of Emancipatory Transformation and Alternative Development

Local, national and global resistance need both reinvigorating and convergence of forces within socialist fold – who have since dissipated their energies in different parallel formations, as well as bringing to the platform new blocks and numbers. Today, the left is in need of gathering and consolidating new forces. Re-crafting of formation will give it a much greater intervention in the issues of local and national determination (in the sphere of daily making and unmaking of policy, in the sphere of peoples local action and in building organisation for future) and solidarity with the democratic forces in south (south south) and with the north. Reconstructing means development of a new form of political expression for channelling popular control and promoting transformation of power.

Progressive Parties and Relationship with Masses

In many countries of the world, organised left in shape of communist parties has weakened. In the South, from the time of national democratic revolutions – they have become pale shadows of a hopeful promise, whose numbers, and outreach to people has considerably eroded. In Asia communist parties have survived in several countries and have been a considerable force in some like Nepal, Philippines and partly India, but in each case they face fragmentation among their ranks, with now double digit numbers of left parties in several of the Asian countries.

Weakening of left in a major part has been a reflection of the party's relationship with the masses- both the question of who are the party cadres, whether they devote to building social bases, and the issues of whose voices find amplification. For instance, the last Political- Organisational report of the largest left party in India (CPI-M) adopted at the 19th Congress in 2007, reveals that nearly three fourth of parties membership comes from just three Indian states of Kerala, West Bengal and Tripura and its presence in the others states grew only marginally in the others over the past half a decade. While membership numbers may not fully define the extent and nature of relationship with the masses, they are indicative of the trouble the left party and other progressive forces face in their progression for building popular bases, especially when such a base is fragmented, nurtured and led to chauvinistic pathways by right wing parties, who have used every conceivable instrument and media in an attempt to reach out to the masses using school curriculum, schools, temples and other bases for social gatherings.

Therefore, a critical aspect in promoting emancipation is to renew the relationship with the masses, through strengthening the eroded social and educational bases (eg the study circles, peasant schools and workers circles) using new forms of communication (as the Nepal example shows us) and promoting political action locally. It cannot be reduced to pamphleteering, slogans and speeches.

Parties and Instrument of Social Movements and progressive NGOs: New forms of political expression

The opportunity of social progress and authentic democratisation lies also in the agency of social movements and civil society and their radicalisation of the agenda of social development (some would say on account of spaces created in the creative chaos of democratic progression). The resurgence of a number of peoples movements and social struggles in south through campaigns on forest, water and land rights, indigenous and dalit rights, agricultural workers rights, labour rights, rights of women etc, in the last decade provide one type of social basis for fundamental advance.

The emergence of the above movements in south, raise several issues on the nature of development of new solidarities of struggle. Several of these movements are based on identity and other sectoral silos in contrast to “older” class movements of working classes, peasants. The critical issue for the transformation of state is whether these solidarities constitute sufficient consolidation of social forces at a time when state retreats and achievements on social progress front leave a lot to be desired or whether these promote further fragmentation through politics of identity. Speaking at the seminar on political parties and social movements, the leader of communist party in India, had laid out the issue thus:

“A phenomenon of imperialist globalisation is that its impact produces uneven effects and it is socially fragmentative. It promotes identities which atomise rather than fostering collective identities. In such a situation the left parties and their primacy of political goals are not equipped nor necessarily the best vehicles to take up the social and cultural struggles in a sustained manner. The left or the Marxist parties would be weakening themselves by embracing identity politics... this can be attempted by radical social movements who have the vision of linking up the issue, the local to a wider democratic and political movement”

In this regard, the experience of fragmentation of the left and of distrust between the left parties and new (albeit progressive) social movements in South

opens up lessons on the need for renewal of the prime political expression ie the political parties and at their interface with social movements. One of the challenges for radicalisation of state is therefore a challenge of renewal of the political instrument and of building solidarities of fragmented social forces – of a fragmented left, of siloised social movements, economised trade unions, and of fundamentalism and co-option of various parts of civil society to the neoliberal project, as a key mechanism for bringing together various emancipatory forces and their unified will, into one platform which is therefore able to formulate proposals and work in a non hegemonist way to craft solidarities in struggles.

The current economic crisis offers to the progressive forces in south and in the north a big opportunity to elaborate a full platform for action. Its role needs to be to unite all those affected historically and those marginalised further now. Even sections of the middle class radicalized by this crisis, for whom the crisis has removed the mask of benevolence from the face of capitalism, are allies in progress. This kind of broad platform would allow the building of new alliances and the formation of a large oppositional social bloc, committed to building authentic democracy on the long road to socialism.

Progressive Parties and state power

While it is clear that parliamentary politics offers only a small fraction of what needs to be the full programme for development of authentic democracy, electoral politics can provide a critical but a small base in fuelling a new energy of peoples struggles to carry them forward to further social progress and democratisation. Many parts of the left have been deeply suspicious in the past about using this instrument, and there are enough experiences also where parliamentary politics has been at the cost of relationship with masses. But staying out of state power and waiting for revolutionary situation is not an answer given the uneven development when in the fact that elections are an important arena of furthering struggle. Wherever the left forces have gained control over local, provincial and national spaces, they have managed to put in place a number of progressive policies and processes to their credit, even if they have not been able to continue their power. From Nepal to China and Vietnam at the national level, to India or Philippines at the provincial and local levels there

are several examples in the arena of agrarian reforms, socialisation of economic gains as well as other development programmes which the left has undertaken in complete difference with other political parties. Aside from staying in power, their role in building a larger left movement needs to be understood as a strategic advance.

Local Action, Building local democratisation and Local Governments

A socialist economy cannot arise *de novo* and must arise from the existing capitalist forms. In this regard, the local and provincial as well as other left governments constitute the frontiers of the struggle which make it happen step by step. The sphere of peoples local action, of community life, of schools, of workplaces, of local governments is where the unmaking and remaking happens, what Marx called revolutionary practice- on the making of change through activities in various spheres of life. Experience of left governments at the local level in these years has been largely limited to providing relief, though progressive, but still located within the framework of the liberal paradigm.

But at the local level, there is need to go beyond relief to develop the role of local governments in the context of a socialist vision, and in creating and therefore promoting a socialist vision. The work of progressive local governments and their efforts at consolidation of advance through participatory planning and budgeting practices, illustrates the possibility as well as the necessity to fight for an authentic democracy, through local governments and other fronts of workers unions and peasants formations. The democratic practice, built from below and rooted in solidarity is the best way to attract new social actors in the struggle for an alternative society. In this regard the key opportunity for building a participatory democracy exists in nurturing the cradles of democracy – or the local governments in urban and rural spheres. These provide not only a local base for reinventing and expanding the social base, through continuous struggle but for laying the foundations for building the bases for real democratisation together with social progress.

There is considerable debate about whether these first steps of controlling the local governments should be in the rural and urban spheres. Emerging lessons

from Asia point to the need to take the first steps in cities, where capital is trapped; for it is in the cities grid where capital is located. Southern cities have been feeding into the key grid of cities in the north and workers and urban poor need to take the cities and city governments first.

The struggle for socialism needs local governments, and the spheres of peoples action locally not only to propagate but rather develop an alternate vision to new forms of organisation and production. Making history was never easy, and the current challenge is but one opportunity to advance a tectonic shift in which the promise of socialism made with the people.

Information and Media

The struggle is rooted in a belief that people can participate effectively in democratic processes only when they have access to sufficient and truthful information.

Information allows for full participation of people in society; enabling development and transformation of social actors into conscious and empowered human beings. Truthful information is therefore a necessary foundation for transformation of power. Hegemonic control lives on control of information. Groups in power control the content and dissemination of information, making it more difficult for working classes to question, challenge and change power relationships. In order to retain its power over the governance apparatus, bureaucracy scuttles any attempts of make truthful and sufficient information freely accessible to people. In the hands of large transnational corporations and elite interests, the mass media, for instance, propels mis-information and cementing hegemonic control.

Experience from several countries in south demonstrates the struggle for freedom of information and therefore a Right to Information is another facet of democratic progress which offers further prospects of expanding the social base for authentic democratisation and socialisation. It does so by creating spaces for substantive participation and empowerment of people - at their work places

and in the geographical spaces where people live, by creating a necessary foundation for transformation of power.

Technology and Knowledge

South South Solidarity, supporting new political alliances in south

For the peripheries proposing to embark on auto-centric paths, it is not only enough that the popular classes are wedded to goals of socialist progress. Alongside of internal nationalisation, democratisation and socialisation, “projects” to secure external solidarities assume criticality in the overall progress of national autonomy in its popular elaboration. The experience of Chile under Allende, India and Indonesia under Nehru and Soekarno, Zimbabwe with ZanuPF , and the current struggle of Maoists in Nepal illustrates the difficulties of redirecting the state to radical ends, without external solidarity and internal politicisation and consolidation. In fact, modern history of states in Asia, Africa and Latin America, which embarked on national reconstruction along autonomous routes, resonate Marx’s comments that “islands of socialism cannot exist in a sea of capitalism” , Trotsky’s later assertion on Stalin’s Soviet Russia, that socialism in one country can lead to hideous distortions and a recent comment by a chief minister from the communist led Indian State of West Bengal that “you cannot practice socialism by insulating yourself from this environment (we are surrounded on all sides by capitalism)”.

With enclave socialism an impossibility to sustain, the task of peripheries moving forward to undertake fundamental transformation of economy and society becomes two-fold. To develop the popular bases for promoting autonomy internally, while defending such progress externally – through supporting other peripheries and obtaining alliances of other states in this collective task. The lessons for Bandung resonate the need for locating the task of forming alliances and collectives on the axis of people, for it not to be jettisoned. Therefore the South South Peoples Solidarity, unlike the processes of state driven Bandung, must grow out of people’s resistance as driven by progressive states, social movements and organizations. South-South Solidarity must be forged in order to advance the struggles, even as humanity enters the

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21st century facing bigger challenges, where new dimensions of violations have emerged for countries and peoples of the South. Many peoples and societies in the South today are in a much better of position to face the challenges, and build alternatives, than they were a few decades ago. With popular mobilization at the time of economic crisis, the opportunity to reorient the policies of states towards social progress and progression are real.

Jennifer Cox and Cheri Honkala
Building the “Unsettling Force”:
To make another U.S. and another World Possible
The Economic Crisis, the New Class and History
Opportunities for Organizing in the U.S.

“There are millions of poor people in this country who have very little, or even nothing to lose. If they can be helped to take action together, they will do so with a freedom and a power that will be a new and unsettling force in our complacent national life.” -Rev. Dr. Martin Luther King

Introduction

The economic crisis has accelerated the growth of a New Class of people in the United States, a class of millions of people of all races, rural and urban, who are permanently excluded from the US economy and who have no future in this economic system. This class brings together historically poor and excluded segments of the population of the US – African Americans, Indigenous, immigrants, poor whites – with millions of working class families who previously formed the base of the American middle class.

As conditions worsen rapidly for growing millions of people of all races of the US – from Katrina victims, to farmworkers, to indigenous communities, to farmers who are losing their lands, to previously middle class (predominantly white) families who have been impoverished overnight as they lose their jobs, their houses, their health care and their ability to provide for their children – struggles are developing across the United States.

If organized and united, this new class and these growing struggles for survival can form the base of a massive independent movement for “Another US”, led by those whose survival depends on building another socioeconomic model. For more than ten years, the Poor People’s Economic Human Rights Campaign (PPEHRC) and our strategic allies in the labor movement (and other social forces) in the US, have been dedicated to organizing the beginnings of this movement.

The global crisis and the concurrent rapid growth of this class of new poor who have no future in this economy (and resulting outbursts of struggles in response across the US) provides unprecedented opportunities for organizing millions of people across the country into a national movement and into the global struggle, for another economic model.

At the same time, the dangers and needs have never been greater. The violence and repression of peaceful protest during the Republican National Convention was just a harbinger of the preparation by the US government (no matter their political party) to face down a population that increasingly has no way to survive but to organize for another kind of society.

Equally dangerous, if this growing movement to unite and organize this new class of poor does not have the resources (human and financial, political, technical, organizational) to develop to the next level and take advantage of the many opportunities to build that this time in history offers, this process will die.

A Daily Katrina: Millions of Preventable Economic Human Rights Violations

As the United States wages war in Iraq and Afghanistan, and threatens more war around the world as part of the so-called “War on Terror”, there is also an invisible yet deadly war occurring within the United States, which every day leaves millions of poor and working families of all races in the US without basic

Economic Human Rights to food, housing, healthcare, education, water, heat, communication and living wage jobs.

As the US government spends billions of dollars on wars abroad and stimulus money for banks, tens of thousands die every year in the United States because these basic rights and needs go unfulfilled. In a “National Truth Commission” in July 2006, organized by the Poor People's Economic Human Rights Campaign, stories of these violations were heard and documented by human rights leaders, by UN officials, and by other notable people from around the US and the world.

Millions of families of all races, ethnic backgrounds and ages, from both rural and urban areas, in the United States live daily the terror of homelessness, of mass eviction, of government abandonment in the face of natural disaster, of hunger, of not having heat in the coldest parts of the country in the winter, of watching families die in house fires from using unsafe means to heat homes, the terror of watching loved ones die outside of the world’s best hospitals, of having children taken away by government officials for economic reasons, of having children die or maimed in a war they went to only because of their desperation to feed their families.

Every day across the United States, we suffer preventable “Katrinas”, Katrinas committed by the US government and the corporate and financial sectors, Katrinas that are endemic to neoliberal capitalism.

Among these:

The mass evictions of thousands of families from government housing in New Orleans, Ohio, California, Florida, rural Pennsylvania, Maine, Chicago, Philadelphia and all over the country.

The elimination of minimum health services for hundreds of thousands of people with terminal and chronic illnesses in states across the country.

The water shut-offs suffered by more than 40,000 families in the city of Detroit.

The loss of land and the debts faced by hundreds of thousands of farmers and their families who have lived on the same land for generations. (This situation is causing some desperate heads of families to commit suicide, as in India.)

The soaring rate of foreclosures, evictions and homelessness, which is resulting in rapidly growing shantytowns across the US, where families are living in tents and shacks beside rivers or railway tracks and under bridges in some of the coldest parts of the country.

House fires caused by a lack of proper heating in which whole families die because they cannot afford to pay for safe heating. This occurs every day during the winter across the US, in both rural and urban areas.

The deaths of more than 100,000 people every year who die because they cannot afford medical care.

The millions of cases in which children are taken from their parents by the government and placed in institutions or in more well-off families, simply because their families are homeless or cannot their afford water, heat, food and access to health care.

These widespread, daily violations of Articles 23, 25 and 26 of the Universal Declaration of Human Rights (UDHR) in the richest country in the world are particularly criminal because they are absolutely preventable.

A New Class of Poor Grows in the United States

Neoliberal policies, “free trade” agreements and automation have created a new class made up of millions of families of all races, cultures, languages and backgrounds, in every corner of the United States, from rural, urban and suburban communities. Millions of people who have lost everything: their jobs or their land, their access to health care and education, and their food, water

and heating. This new class, which is growing every day, is permanently excluded from the economy and has no future within this economic model.

For the first time in generations, this new class of poor unites millions of people of all races and backgrounds across the United States: from unemployed coal miners and factory workers (mostly white) to immigrant farmworkers and domestic workers; to unemployed African Americans in the poor urban areas; to middle-class families who have recently lost their homes, jobs or access to health care and education; to members of the military who cannot feed their families or are losing their homes; to both blue collar and white collar workers, as well as the newly laid-off, who are going bankrupt and losing everything; to graduates from the best universities who have incurred heavy debts in order to pay for their education only to find themselves without work or health care; to landless farmers; to impoverished families in the poorest reservations of the country; to homeless families of all races; to the thousands of families who live every day with the fear of not being able to access health care in life-and-death situations, or who lose their homes when a health care crisis bankrupts them.

Abandoned by industry and by the government, or robbed of their land, without work or opportunities for education, the only way to survive for millions of families in thousands of communities, both rural and urban, is by selling drugs, participating the sex industry, joining the army, working in the prisons or in the informal economy, or engaging in crime.

And it is the poor, the victims of downsizing and massive layoffs in rural and urban areas, who are fighting and dying in the largest numbers in Iraq and Afghanistan, as the denial of the rights to education, health care and living wage jobs in the US lure masses of poor youths and poor parents into the military, simply for economic reasons.

Every day this new class of poor people, excluded people and families without a future, represents a larger segment of the US population and reflects more closely the wide range of sectors, races, cultures and ethnic groups in the population of the United States. Every day we have more in common with the

poor across the Americas, in Iraq and Afghanistan, in Africa and Asia, in Europe and in the world as a whole.

PPEHRC: Building the Unsettling Force: A Movement of the New Class

The Poor People's Economic Human Rights Campaign (PPEHRC) is dedicated to organizing this growing class. We have been active since the beginning of 1998: building encampments of homeless families all over the country; organizing homeless families to take over abandoned government-owned houses; leading the largest poor people's marches towards the headquarters of the National Republican Conventions during the last three elections; organizing global summits and hemispheric marches of the poor in the heart of the US empire, helping to organize caravans of poor people of all sectors and races all over the United States; and holding local, regional and national Truth Commissions on violations of economic human rights in dozens of communities across the country.

Our fledgling movement of the poor for economic human rights in the USA is growing, and in spite of the increasing dangers and repression we confront, we are committed to waking up this "sleeping giant" that is the people of the United States. For we are convinced that when the American people are organized to struggle for their own interests in unity with the peoples of the world, not in the interests of any particular Administration against the peoples of the world, that it is then that "Another World" truly will be "Possible".

But every day, it gets more and more dangerous to organize the poor in the United States, as the US government seeks to stop the growing human rights movement in our country. For organizing in our country, we, members of the Poor People's Economic Human Rights Campaign, have had our loved ones imprisoned under false criminal charges (one of our leaders is serving six years), we have watched as our children have been taken away by the government and put into institutions or given to more well-off families, we have faced threats of imprisonment for up to 22 years on fabricated charges, we have

had our marches surrounded by tanks, riot cops, and helicopters with men with machine guns, and we have been victims of constant surveillance, infiltration, sabotage and harassment by the US government.

Yet while the situation of poverty, war, repression and rampant human rights violations worsens both in the United States and around the world, we know that the only answer is to organize a massive social movement in our country and to unite it with peoples and movements worldwide.

If Another World is Possible, Another US is Necessary: Linking the New Class of the US to the Global Struggle

The struggle of the poor of the United States is the struggle of the poor internationally against neoliberalism and militarization. As our government attempts to keep us apart, we recognize that our interests are one and the same with the poor and with workers in every corner of the world. Whether we live in shantytowns, homeless shelters, impoverished farms, on the streets or in abandoned factory towns in the United States, Brazil, Iraq, South Africa, France or India, our common enemy is this system which has sentenced billions of us to hunger, homelessness, war and death by preventable disease.

To truly confront this empire and bring about a different kind of world, we must build a multi-racial movement based in those who have less and less stake in this system – the millions of people within the belly of the beast who have more in common with the poor in Iraq, Quebec, Palestine, Afghanistan, France, Honduras, Haiti, Iran, Senegal and India than with any bank president, corporate CEO or politician anywhere in the world.

The strategy of the Poor Peoples' Economic Human Rights Campaign (PPEHRC) is to organize the American people, and especially the growing new class of people with no future in this economy, and to unite our growing movement with the global movement for "Another World", that we believe is both possible and urgent.

Our movement of the poor in the US will literally die – like so many movements before us in our country and around the world – if we do not succeed in linking up with our brothers and sisters around the world. This is both strategic and practical.

Too long, the reality of widespread poverty and repression of the poor and our organizing efforts WITHIN the US have been hidden, and the multi-racial poor of the US kept isolated from global efforts to bring about a different world. This is dangerous to both us and to movements worldwide. For as long as the myth about the “American Dream” is perpetuated, they can keep forcing this deadly model on people worldwide.

And as long as the people – and especially the poor and workers of all races - of the United States are invisible and unorganized, we as a global movement will not be able to really confront the US empire and the socioeconomic model which is killing all of us.

The power of the US empire to impose its economic model and its military control around the world depends on the lack of consciousness and independent political organization among the victims of the same system within the belly of the beast. As long as this growing class of poor and excluded of all races in the US remains unorganized and isolated from the global movement for “Another World” – the poor of our country will continue being used as cannon fodder and as an unconscious social, political and material base for the empire and its twin heads – neoliberalism and militarization.

The militarization of our society (and the world) and the application of the idea of permanent war (on the domestic and international level) is meant to control this increasingly volatile situation created by a system in which not only are the majorities of peoples of the world unable to survive, but neither are millions at home. This state of total war – economic, political, social, psychological and military – is about keeping us disorganized, unconscious and disunited from the poor around the world.

And because we are in the United States, no one understands just how awful our reality is, and just how great the barriers we face are – from resourcelessness to repression, to name a couple. And these myths are killing us, and robbing our movement (and the global movement) of major organizing opportunities among the American people.

In spite of all the efforts made to keep the poor of the USA isolated from our brothers and sisters around the world, the PPEHRC is committed to organizing a strong, broad-based movement that unites with other processes and movements around the world in order to create another world that is possible and necessary. We are fighting for a world in which we all benefit from and control the wealth of this planet, in harmony with nature, a world which prioritizes human rights and our environment over private property “rights”.

Our fledgling movement is growing and, in spite of increasing dangers and repression, we are committed to waking up the “sleeping giant” that is the people of the United States. We are convinced that once the people of the United States are organized to struggle in their own interests (not in the interests of the empire or the elites), in unity with the peoples of the world, that is then that: ANOTHER WORLD TRULY WILL BE POSSIBLE!

Wim Dierckxsens

Requiem for the Free Market: Towards a Post-capitalist Utopia

Faced with the global economic crisis, which can be compared to the Great Depression of the 1930s, we are beginning to ask whether the reign of the free market has brought the world to a terminal crisis of the capitalist system, a crisis which might allow another civilization to be glimpsed. Each crisis is an opportunity, and someone will take advantage of it. This great crisis could be the opportunity to place the economy within the context of other social relationships based on principles of solidarity, democracy, social justice and, today we can add, ecological sustainability. The question is the following: Will capitalism win again? Or will this last crisis of unregulated markets be the necessary catalyst for the world to vindicate another civilization.

This is permitting the resurgence of a post-capitalist utopia. We find ourselves, contradictorily and simultaneously in an era of much hope and much insecurity. From the beginning of this international financial crisis, central banks and the governments have intervened with billions and billions of dollars so that the capitalist system itself does not collapse. They are trying to intervene at all costs so that no large bank fails in order to avoid the collapse of the international financial system. In essence, this means that the profits of the banking system remain privatized, while society has to assume the costs of its astronomic loses. Small and medium banks are permitted to collapse in order to be absorbed by the larger banks, in this way increasing even more the concentration of wealth. Nevertheless, the extreme concentration of wealth in a world that is teetering on the brink can also function as political dynamite that has the potential to vindicate another civilization.

There is a very great contrast in how the External Debt of poor countries is treated and how the tremendous debt of international financial elites is treated.

When the external debt of the peripheral countries reached the point of being unpayable, there was no forgiveness whatsoever: all types of adjustment policies were imposed, causing even greater concentration of resources both within countries and between countries. The words to Our Father were even changed. Faced with the debt of the poor, the neoliberal creed is non-intervention. Nevertheless, when the international financial elites run the risk of ruining themselves because of their gigantic, irresponsible games of speculation, these same elites demand massive and immediate intervention by the State.

The financial crisis has endangered the international financial system and it is now causing a crisis in the actual economy, on an international level. That is, it is causing a large-scale global recession. This threat of another global depression is reanimating the discussion regarding the necessity of economic regulation. The current economic crisis is accompanied by a crisis of ecology and natural resources. The 21st century is a period of exhaustion of the reserves of primary materials. This reality is causing a new and grave dilemma for the economy. Therefore, economic regulation also demands concurrent ecological regulation.

Our natural resources are insufficient to meet the needs of the current lifestyle in the West. Today, 20% of the world population, concentrated in the North, consumes more than 80% of all natural resources. With the free reign of the market and a consumer class responsible for ecological disequilibrium and global warming, the cost of living has become higher for the vast majority. This unsustainable lifestyle has caused the over-exploitation of natural resources (fossil fuels in particular), which are concentrated in the South. This has affected all the regions of the world, but the effect has been felt more intensely in the peripheral zones. The rising prices of minerals have led to a deformation in the economic structures of countries that possess these resources. The rate of growth in the production of agricultural products, due to increases in agro-fuels, is putting the majority of these countries in danger.

Since the majority of natural resources are found in the South, they are ferociously fought over by the dominant countries. This has already caused wars that are spreading to other regions of the planet. War has historically been

the instrument that the capitalist system does not hesitate to use in order to appropriate natural resources, particularly energy resources. Its potential use of nuclear arms should not be discounted. War generates a political crisis at the international level. It causes a crisis of governance since it cannot give capital an adequate response to the economic crisis. Citizens question why their governments are inept at solving these problems.

Beginning with earlier crises, there has been a growth in the debate about how to ensure that the general interest prevails over particular interests. This demands intervention and regulation on the planetary level. The search for an alternative to neoliberalism is giving rise to the possibility and necessity of another economic model which will bring new forms of socialism to the debate. Globalization did not just create this possibility in the abstract its growing contradictions are making this more possible and more necessary.

Increased planning of the market, by itself, nevertheless, does not guarantee post-capitalism. It is possible to image a new economic order at the international level with a planned economy which reorients investments towards the productive realm with the goal of guaranteeing sustained economic growth and in this way, the expansion of the current economy. This implies a global assignment of finite natural resources and diversified industrial planning, managing not just natural uses, but the most effective use of capital and labor. Such economic regulation could be transformed into a centralized bureaucratic apparatus in order to create and put into place a plan to perpetrate the accumulation of capital, without any structural role for citizens. This would just substitute the voice of the free market for the voice of worldwide top-down regulation. Nevertheless, we are left with the question of whether political action is still capable of intervening in the economy. First of all there is a crisis of natural resources and the environment. Growth without limit on a world scale is not possible. In this way, capitalism is reaching its limits.

Global crisis might guide us to an economy that reaffirms life and not capital. Giving life to all we produce means giving life to nature. It means liberating natural resources so that those who are excluded today can leave their

privations behind. Determining what these needs are cannot be done by gigantic companies designing for the abstract consumer. An alternative economic regulation is necessary, which starts precisely from the concrete life of people with concrete necessities, and not of an abstract consumer. It has to start from local and specific social demands. This means a democratic bottom-up definition of priorities. In the words regulation demands to integrate economics within the complexity of other social regulations based on the principles of solidarity, democracy, social justice, and we may add, ecological sustainability. With this approach, we can guarantee the right to life for all living beings (whether human or not) on our planet and whether or not this is “useful” for the market.

Bernard Founou

Prerequisites for an Effective Struggle Against Imperialism in sub-Saharan Africa

A detour via the Bandung era

The complexity of societies and often fortuitous interactions between important events makes it difficult to define the effectiveness of struggles aimed at changing a social system, especially as advances, throwbacks and even definitive failures are all part of the story. Nevertheless, we can assert that a struggle for socialism is effective if it is aimed at establishing a global system that is genuinely multipolar, where each component is committed to the progress towards social equality, democracy and the guarantee of individual freedoms. In such a system, the balance of power is conducive to socialism, for the mechanisms responsible for the polarisation between “centre” and “periphery” disappear. What are social movements and progressive States doing, and what else could they do, in Africa? In my paper, I am going to refer especially to the so-called Bandung era to examine which lessons social movements and progressive African States can learn from this period, particularly in terms of managing development and dealing with religion and ethnicity in political culture.

It seems to me that, amongst others, one characteristic of the Bandung era is the realisation of the fact that imperialism proposes and sometimes imposes an extroverted, incomplete, and incoherent modernisation; and that it is, due to its resorting to violence, often opposed to self-centred modernisation, which can only succeed if it is general and coherent. For instance, if modernism were achieved in the Third World, it would call into question the uneven, excessive exploitation of nature and the African workforce that is part of the unorganised

segment of global collective workers generating added value. The strategies²⁵ implemented to impede self-modernisation are worked out by mega-networks of think tanks uniting social sciences research institute networks, government agencies, research departments of transnational companies, private religious and non-religious foundations; coherence is guaranteed rather by the global objective than by a method that would allow and even encourage competition within these networks.

At the Bandung Conference, Africa was first and foremost represented by national liberation movements, as in 1955 only Ethiopia, a highly conservative feudal society, was a sovereign State²⁶; and yet, it was the solidarity among peoples and anti-imperialist Asian States that eventually encouraged the radicalisation of liberation movements in Algeria, Ghana, Nigeria, Namibia, South Africa, Cameroon, Angola, Mozambique and Guinea Bissau-Cape Verde. This solidarity also played a decisive role in the neutralisation of private pro-imperialist forces in cultural and economic politics.

A modern policy of cultural renewal must be reflected at the level of individual conscience and have a social dimension. It is based on the principle, and this is essential, that Man is the master of the universe; it is Man, and not external forces such as God, who makes societies evolve. The first consequence thereof is to assert a right for all to live their lives the way they want to, provided they respect the laws, without any obligation to comply with traditions at family, community, or even national level. The second consequence is the secularism of the State, whose duty is to protect the freedom of thought, also of those who declare themselves to be atheists. The cultural renewal thus defined was part of the Bandung project and the African countries in their majority had adhered to

²⁵ (i) The establishment and the development of worldwide trade in human beings coincides exactly with the Enlightenment and the establishment of human rights in Western Europe ; (ii) colonisation, by its use of violence, is the negation of the right of non-European peoples to self-modernisation; (iii) the transfer of political attributes to transnational oligopolies through the privatisation of international economic law, so that they use their economic and financial power to the massive corruption of States; (iv) the creation of common institutions for the management of economic, political and geostrategic interests of the collective imperialism of the triad (v) the overstatement regarding differences between the countries of the South, by inventing categories such as HIPCs, emerging countries, middle income countries, LDCs.

²⁶ Liberia was only sovereign on paper.

it. The constitutions of almost all independent States, even of those that were in their majority Muslim, asserted the secularism of the State; ethnicity was acknowledged only via the language community in those countries where African languages were taught. Altogether, it can be said that the predominant idea regarding religious and ethnic differences was that this cross-fertilisation, induced by economic and social development, as well as the nationalist ideologies of school curricula would eliminate the risk of a politicisation of differences. The majority of States set themselves the task to create a republican school system, where primary education for all at a good quality would be compulsory (and thus free of charge) and where higher and technical education as well as research would generate competences and encourage the exercise of a critical mind. In terms of quantity, the results of this educational approach are impressive, reaching from mass schooling to overcrowded universities that have been created by independent States.

This impetus was broken by structural adjustment, which has the effect of a cultural counter-revolution insofar as it is conducive to obscurantism. The islamisation of political and social life is becoming a source of concern in a number of countries. Besides, the debate on the application of the Sharia is largely foreign-financed. A political Islam that calls into question the secularism of the State is developing in a context where terrorism may easily weaken the foundations of societies and of States. Ethnocentrism, on the other hand, poses a threat to the concept of citizens who are not subjected to so-called traditional authorities; it represents the negation of equality, as it advocates a return to old values, among which the re-institution of the principle of women and girls being inferior is a core element. Generally speaking, the difference between Sharia and tradition can be boiled down to the former being in written form and sacred.

The liberal virus does not contend itself merely with attacking secularism and republicanism. It is also attacking the goals and the funding modalities of the educational system. The global objective is no longer to teach the universality of Reason. Compulsory education is no longer on the agenda and where it formally is, its quality is deteriorating – to the detriment of the working classes.

The coming into power of collective imperialism through assistance and indebtedness policies is reflected in the privatisation that is taking place in all areas of education. Private business schools are replacing universities. Consequence: not only does technical knowledge take precedence, but the shaping of a critical mind is demonised as being the source of unemployment²⁷. In the new system, the concept of market economy has replaced capitalism; the teaching of techniques designed to reduce poverty has replaced the imparting of knowledge about its origins and the reflection on the socialist – and necessarily anti-imperialist – alternative.

From the economic point of view, Bandung was a period marked by the confrontation between the sovereignist project and the imperialist or neo-colonial project. The proponents of the first had the intention of turning Africa within a few decades into a continent of industry-based societies that would resemble those of the triad in terms of work productivity, technological innovation capacity, and production of mass consumer goods, capital goods and arms for deterrence. This was a particularly ambitious, albeit legitimate vision as long as capitalism was dominating the world. The promotion of a nationalised economic sector and State participation in the capital of transnational oligopolies reflected the intention to adopt modern management techniques and to provide job opportunities for young people, regardless of whether they had attended school and received higher education or not. The results show of course that certain countries had come further along that road than others in 1980. Whereas in some countries industrialisation efforts were centred on Green Revolution politics (e.g. India) or rural development (People's Communes in China), there was no African experiment that reached the crucial watershed where the two sectors would actually start to mutually support each other. Thus, Nigeria experienced the emergence of projects in the steel industry and a policy to support agricultural development in which tariff and quota protection was instrumentalised in order to achieve food self-sufficiency; however, the Green Revolution was never put into practice systematically.

²⁷ 'Critical mind', in this context, means the search for knowledge to understand the logics and functions of capitalism and imperialism.

The aim of structural adjustment is not merely the destruction of existing industries; with a certain success, it is also attacking the concept of industrialisation itself. The objective is to reinstitute the old colonial project, i.e. to turn Africa into a continent specialised in supplying the leading economies with primary, mining, energy, or agricultural products. Thus, Obama in his Accra declaration last July urged Ghana to diversify its exports by supplying oil and not only cacao; yet, what this country really needs is an industrialisation supported by an exchange between the different industries and sectors inside the country and in the sub-region. Why not advise this country to produce more cacao derivatives and to build a powerful chemical industry based on its oil, and this within the framework of development of ECOWAS member states? So, this declaration can be put down to the American ambition to control the oil production in the Guinean Gulf.

In summary, both in Africa and elsewhere in the Third World, capitalist imperialism does not only impede the instauration of socialism, but of any global modernist and self-centred policy by inventing a whole arsenal of techniques. Due to the fact that the Bandung era was by far the period of the major victories of the peoples of the South and the most important phase in African history since the 16th century, we thought it useful to make this detour. If we had, instead of focusing mainly on the analysis of the struggles in the cultural and economic field, also included the state-building attempts, we would have realised that secularisation and de-ethnicisation do not suffice in order to democratise societies and political life. Some countries have actually adopted barbarous dictatorial regimes that stifled the development of forces of the communist Left and hindered their organisation; and this has eventually facilitated the counter-offensive led by the strategy that we call structural adjustment. The struggle for democracy is hence one of the key prerequisites for any effective struggle for socialism.

Mamdouh Habashi

I have a Dream

In September 2009 broke out the financial crisis that is the visible tip of the structural crisis of the globalized capitalism today. This crisis is the latest phase of the long capitalist crisis that began in the seventies of last century.

This crisis is the call to the exploited classes of the countries of the Center, as well as to the exploited peoples of the countries of the periphery, to rise to put an end to the exploitation to which they are subjected, and start on the long road to socialism and classless society.

Following the situation analysis of Samir Amin with which I 100% agree I want to propose a long term project which should and can only be tackled by the left forces in the North and the South together... “And the two dimensions of the challenge are inseparable. There will be no way out of capitalism by virtue of the struggle of the people of the North alone, or of the oppressed people of the South alone. There will only be a way out of capitalism when, and to the extent that, these two dimensions of the same challenge align with one another.” . Class struggle battles take place always on the local level but this project must be therefore on the global level.

“The really challenge is, therefore, as follows: will these struggles succeed in converging to open up the path – or the paths – on the long road to the transition to global socialism? Or will they remain separate from each other, or even come into conflict rendering them ineffective and leaving the initiative to oligopolistic capitalism?” ...

Such a goal cannot be achieved without the close collaboration of the popular working classes of the North and the peoples of the South, since the struggle of each of these parties alone cannot achieve the dislocation of the dominant neo liberal policies of the transnational corporations pursued by the governments of the North and their comprador agents and lackeys in the South.

The dominance of the financialized capital today is no more due to their monopoly of industrial production as it was a hundred years ago at the time of Lenin, but is manifested by the collective monopoly by the oligopolies of the Triad (the USA, Europe and Japan) of:

1. Modern Technology;
2. Dominance of the Financial Markets;
3. Free access to all the significant Resources of the Planet;
4. Weapons of Mass Destruction;
5. Communication and Information Technologies.

It is obvious that the global Left as the defender of the interests of the popular classes in general, and the Peoples of the South in particular, has little or no possibility to interfere with the first above four monopolies or to break, let alone to put an end to them within the immediate future. However, communication and Mass Media is the field where the left can hope to have a significant impact on politics by raising the consciousness of the popular masses in the North and the exploited Peoples of the South. Our target group should not be mainly the left intellectuals and activists but those masses who don't even read. Their main source of information and culture and consciousness building medium is the TV.

Hence the relevance of the ambitious project of creating a media Center for the diffusion and popularization of all the militant platforms, as well as the news of the struggles of the oppressed peoples and classes all over the World. The main and central activity of this media center has to be a TV satellite broadcasting covering the entire globe in as much languages as possible. Such a project must be global in its extent and coverage, and be capable to put an end to the monopoly of mass media by the oligopolies that dominate the world. Its success

can only be secured if the majority of the world Left supports it in one way or another.

To embark on such an ambitious project an entity embracing the majority of the forces of the Left should be created to study the idea and put it into practical implementation. A preliminary committee should be convened as soon as possible including a membership as widely representative of the Left in both North and South as possible.

This committee will have to consider the following issues:

- The quest of diversity of the parties participating in the project as a means of securing the richest possible formation;
- The criteria and the methods to be adopted to recruit the widest possible representation of the forces of the Left;
- The guiding principles and practical steps adopted to start and run the Project. This should include Laying down the general policies to get as near as possible to a consensus on the content of the material diffused, as well as solving all technical difficulties facing its implementation;
- Last but not least finding the financial means to support the Project and ensuring their continuity.

François Houtart

The Multiple Aspects of the Crises and the Way Out

The financial crisis has concentrated the attention in most of the countries, because of its immediate effects. We all know that it is not only a financial crisis, but an economic one, affecting the fundamentals of the economy, typical of the capitalist system. However what characterizes the present day is not only its global dimension, but the coincidence between various crises having the same logical origin.

The food crisis of the years 2007 and 2008 have been strongly related to speculative forces playing on a reduction of stocks, but not so much of production. This has been a conjectural dimension of the question. Structurally it is due to gradual destruction of peasant's agriculture to be replaced by productivist capitalist agriculture (monoculture). There is a new concentration of land property and a real counter-land reform, the agriculture becoming one of the new frontiers of accumulation. A double logic is at stake: rapid profits and ignorance of externalities.

The energy crisis is related with the fact that within 50 years, mankind will have to change completely of energy cycle (from fossil to other sources). This means the necessity of strong contraction of the demand and considerable investments in new technology. Already the financial crisis has retarded this last process. One immediate solution is proposed by the capital: agrofuel, which means to devote hundred of millions of hectares (mostly in the South) to monocultures of sugar canes, palm oil trees, soya, jatropha... and the expulsion of millions of peasants and communities from their land. It is clearly not a solution for the climate, because the general balance of emission of gases is not positive. It is marginal for the use of energy. But it is highly profitable on short and middle term. Again the capitalist logic is playing the dominating role: rapid accumulation and disregard of externalities.

Finally the climatic crisis, with both ever more emission of greenhouse effects and the destruction of the carbon wells (forests and oceans) is bringing about very damaging phenomena: higher temperature, with drought and famines and increasing levels of the seas. If strong measures are not taken the middle of the century could count between 150 and 200 million climatic migrants. Again this is the fruit of capitalist logic, ignoring ecological externalities (less now because it affects the rate of profit) and it has been accelerated with the neoliberal phase of capitalism (Washington's Consensus), because of overexploitation of natural resources, more goods circulation and individualization of behavior (transport and habitat).

All this is associated with a deep social and humanitarian crisis, characterized by an acceleration of social distances and encouraged by the fact that it is more profitable to invest in sophisticated products (goods and services) with a high added value able to be bought by a minority than to produce for categories with low purchasing power or with no marketable income.

Three solutions are proposed. First, to change the actors (weak or incapable) and continue like before. Second, to regulate the system, more or less definitely of strongly according to the proposals and third, to find alternatives and new parameters. This is the only real postcapitalist position. The question is to redefine such parameters, according to practical experiences existing partially in the whole world and to a theoretical reflexion. The parameters should envisage the fundamentals of mankind's existence on the planet: relation with nature, production of life (physical and cultural), social and political organization and world vision, including ethics.

Dot Keet

Emancipatory Transformation and Alternative Development Paths within and From Regions of the South

Alternatives to crisis-prone capitalism can be conceived and implemented at the local, national, regional and/or global levels. This present analysis deliberately chooses to highlight processes at the regional level and within actual and potential regional initiatives. This concept is used to denote politico-economic groupings of contiguous countries in what are sometimes referred to as 'sub-regions' [such as the Southern African Development Community, or MERCOSUR – the Common Market of South America]; as well as being used to refer to much larger more fully inclusive continental 'regions' [such as the putative African Union, or UNASUR – the Union of the Nations of South America]. The term regional is also used to describe alliances of countries that are physically dispersed but inter/linked through politico-economic and other agreements [such as ALBA – the 'Bolivarian' alliance of nations in South America and the Caribbean]. In the broadest sense, the terms 'regional' and 'inter-regional' are used to denote the countries of 'the South' in general, within the global system and in relation to 'the North', which is thus also conceived as a global 'region' in geo-economic and geo-political terms.

The more narrowly defined regional groupings of countries in the South, and regional strategies are, on the one hand, conceived primarily to deal with direct cross-border relations between neighbouring and intricately inter-linked countries. For example, cooperation and coordination is essential for existing/future cross-border transport and communications systems, and many other technical and social services (especially regarding public health and safety). These direct and dense cross-border interactions also include intra-regional, formal and 'informal', trade flows and other cross-border human migrations and (literal) relations. In the context of the global food crisis there

are urgent needs for more self-sufficient and self-sustaining, and thus region-based, food production, and for mutually supportive agro-industrial development. Furthermore, under conditions of global economic crisis and emerging climate change crises, equally vital importance attaches to direct regional cooperation over shared water resources (rivers, lakes and underground aquifers), forests and biodiversities, fisheries and wild-life and other natural resources. These are, by their very nature, not confined within political borders and cannot be effectively managed, protected and developed within essentially artificial (and often arbitrarily created) political boundaries. Such cooperation is also essential on shared but unevenly distributed renewable energy sources and for the innovation of appropriate energy generation systems and technologies.

Thus, the long-standing rationale for all these crucial regional arrangements for more effective cooperation/coordination between neighbouring countries is made even stronger and more pressing within the context of the imperatives imposed by looming climate change instabilities and insecurities and in view of the creative initiatives and transformative counter-measures so essential for peoples' security, and human survival. However, the challenges of such essential measures are rendered even more complex in view of the different levels of development and resource endowments of such interlinked countries, their differing sizes and economic/financial and technological capacities; and thus the potentially uneven inputs and benefits from their joint programs. It is in the light of such asymmetries that the programs to emerge from such practical - and often pragmatic - cooperation and coordination will have to be collectively and democratically negotiated and based on principles of mutual support and solidarity, but with differentiated responsibilities and roles according to resources and capacities. Within such 'give-and-take' and 'mutual benefit' modalities, such regional cooperation programs – motivated by the recognition of directly shared immediate problems and longer-term threats - would presage entirely different systems and relations to those that drive competitive, mercantilist and exploitative globalised capitalism.

At the same time - in addition to quintessentially intra-regional issues and the socio-economic and environmental/ecological concerns of specific groupings of countries - the creation of regional alliances are also perceived to serve political purposes and in relation to external forces and international relations. These extra-regional dynamics have long posed the necessity for the creation of coherent political frameworks for closely interdependent countries as political bases from which to engage more strongly and effectively in an extremely difficult political and economic global environment. Such political alliances are premised on the adage that 'unity is strength' and that the 'united whole is greater than the sum of its parts'. However, such joint socio-economic and concerted political strategies by groupings of otherwise weaker, lesser 'developed' and/or smaller countries - but even including some that are large(r) and/or 'emerging' - are not straightforward to devise/negotiate. Such strategic alliances require a level of political far-sightedness that focuses on identifying - and consciously prioritising - the interests they hold in common and in relation to hostile/negative outside forces. Even if not entirely motivated by 'higher principles', such closely interdependent neighbouring countries have immediate and powerful pragmatic incentives to work together. Hard experience shows that if one country descends into crisis all the immediate neighbouring countries and peoples will suffer negative consequences as well. The same, of course, applies globally ... but at that level the dangerous illusion is easier to cling onto that distance provides some buffer and protection against crises elsewhere.

Most broadly and strategically, regional alliances - whether at the 'sub-regional', continental or inter-regional (south-south) levels - can be conceived and aimed at ensuring more effective engagements by such united groupings within the global economy and political system ... or at enabling a more self-determined re/positioning in relation to the global economy and system or against the system or even, partially or totally, outside of the system. It is in the light of these possibilities that such regional strategies carry broader global significance and hold out possibilities for alternatives to globalised capitalism, through (what Walden Belo calls) de-globalisation. If such regional groupings of countries are able to negotiate and implement amongst themselves alternative

socio-economic strategies, they could not only be advancing alternatives within and for the countries and peoples within their own regional groupings, but also from their putative regional economic and political power bases for and towards alternatives to globalised capitalism, and for the whole of humanity.

Through their own negotiation/creation of appropriate, more self-sustaining models, and more diverse modes and modalities, such regional entities can – by design and through deliberate intent, or as a de facto outcome of their autonomous decisions – effect an incremental erosion of the ‘single integrated/liberalised global economy’ that has been created by and in the interests of global/transnational corporations and international capital. Regional terrains for distinctive and diverse socio-economic-environmental programs, within the geo-political ‘spaces’ secured for innovative experimentations, could on the one hand constitute a gradual narrowing of the literal physical and economic scope for the operation of capitalism and capitalists; and, at the same time, provide demonstrations of real workable alternatives that are feasible within sizeable, viable and effective regional blocks. ‘Living alternatives’ at community/local levels are also useful for their demonstration effect, but are probably too ‘small’ and ‘slow’. In the face of increasingly threatening global crises, such localised (or even independent ‘national’) solutions could be too piecemeal and gradual, too scattered and – compared to regional(ised) strategies – too lacking in strategic concertation and simply insufficiently powerful politically and economically to change the international balance of economic and political power.

However, even as such alternative ‘regional’ South-South alliances and strategies hold out the most promising possibilities for shifting the global balance of power and creating living anti-globalist and anti-capitalist alternatives, there remain vitally important spheres and levels of common concern for the whole of humanity and for the very survival of the entire planet, and these have to be negotiated/agreed globally, implemented universally and monitored internationally. In sum, what is therefore needed at both the conceptual and practical levels are

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- * simultaneous ‘bottom-up’ (local, national and regional) and ‘top-down’ (global) approaches towards countering the processes and forces of globalised capitalism;
- * specific diverse and viable regional alternatives... as well as convergent and common global alternatives to the current globalised capitalist system; and
- * both political ‘south’ and ‘south-south’ alliances against northern-dominated global capitalism, as well as ‘north-south’ alliances of the international left .

Ali El Kenz

An anthropological view on the crisis

In his major work *The Great Transformation*, the great Austrian anthropologist Karl Polanyi overthrows the analytical prospects of capitalism, as well as the conditions that gave rise to both its genesis and its evolution. We place our contribution to the analysis of the current financial crisis largely into the perspective opened by this approach.

In short, the modernity of the capitalist production mode consisted in freeing its internal functional logic from numerous social ties (be they ancient or modern, of customary, legal, religious or political nature) that somehow blocked its “natural” evolution; it was prompted by the pursuit of “interest” and supported by this primary force driving man, which is his egotism, as has been presented by English philosophers and economists following Stuart Mill. Progressively, this new production mode became “disembedded” from society and the diverse and manifold organisational forms created to “regulate” it. The current crisis marks an important historical moment, as it marks the end of a capitalist phase that has been unprecedented, from its very beginning with the industrial revolution of the 19th century and its undisputed victory over what had been its unfortunate “alter ego” for half a century: the rapidly dismissed experiment of Soviet socialism. This crisis is both fortunate and pertinent, as it is a result of capitalism itself; and that is why we must seek the reasons for the catastrophe – and why not also for its “passing” – in capitalism; in any way: through reflection.

To go back along the way, i.e. to “re-embed” the economy in society in order to free ourselves from the illusion of modern times, from the beginning of the 18th century, i.e. the emergence of capitalism, which turned one single form of the economy – the economy with a view to the sole value of exchange and profit – into a universal model. At this point, the central place occupied by the economic sphere in society, and particularly the mechanisms that make it the place where the hierarchies and dominations of the modern world (rationality of the subject, growth, technological and scientific progress etc.) are established and legitimised, replacing those of the old world (aristocratic, traditional, charismatic, religious etc.), finally succeeded in subjecting every form of social logic to the logic of economic action. Disembedded from its social environment, the economy does no longer obey the rules, norms and values set by society – on the contrary, it imposes its own rules on society through uninterrupted violence (class conflicts and international wars).

Does the capitalist utopia underlying the WTO, for example, not consist in evaluating all social and “natural” actions and objects by submitting them to the norms and objectives of the economy in the capitalist sense of the term, which has become its synonym? The world, man and nature considered as economic goods – that is today the ultimate finality of this logic.

This economic model, disembedded from society and dominating it all the same, has become “a system” that, as its name suggests, with regard to its functional rules, is independent (or at least autonomous) from the dynamics of society. Accordingly, we speak of its crises and we believe that it is by means of these crises that we are able to study “its effects” or, which might be better or worse, “its impact” on society.

This has become glaringly obvious today, also among those who have adopted a “critical” stance towards capitalism and who try to evaluate the social effects of the crisis of the “International Financial System” and to

mitigate its rigour. Hence the endless discussions on Keynes here in Algeria – and his return to this country.

Adopting Karl Polanyi's position, it is however possible to start from scratch: the global scope of the financial – but also social and ecological – catastrophe makes it today possible and legitimate to subject the capitalist civilisation, which has reached its limits with globalisation, to radical criticism. Beyond “reformist” illusions of “re-regulation” and “refoundation of capitalism” on a “healthy” basis – to add a little bit of ethics – we must now think (and this no longer represents a “utopia”, but a firm intention that is founded on experience) of alternative hypotheses that had been deemed “insignificant” after the failure of the socialist Soviet-type experiments.

To begin with, and this perfectly fits with the theme of our meeting, we need to reconsider the notions that are being used in this context. Considering the economic sphere as a – certainly important – element of the social ensemble allows us to go beyond the notion of “social effects of the crisis of the international financial system”. In fact, these effects in reality make up an ensemble of dynamic and diversified reactions, depending on the individual social groups and national situations faced with the actions taken by the leading groups of the respective economies. These leading groups, both at local and international level, run today – like a closed system – a “disembedded” and globalised economy, which has become “irresponsible” of the consequences and effects that it generates and that affect both man and nature. Their failure is amplified, and will be even more so in the future, by the use of new – and largely speculative – methods of obtaining profit; we are talking here of those famous derivatives, made possible by mathematical and information science, yet uncontrollable in their use. As in physics, which made possible the generation of nuclear energy and hence also its use as atomic bomb, the “ICTs” have served to generate speculative super-profit, i.e. “bubbles” that eventually generate crises. However, there is no International Criminal Tribunal to punish those who are responsible of these catastrophes! It is

true indeed that there was no such tribunal to judge those responsible of the use of the atomic bomb either.

The current crisis of the “IFS” certainly has a different scope, but it is down to the same mechanisms of “irresponsibility” and may have dramatic effects that weigh even more heavily on the most vulnerable, both in the Western hemisphere and elsewhere. The role of containing the drifts of this dynamism will lie with the social and political struggle in all countries, and the “social effects” of the crisis will be exactly inversely proportionate to the strength and the resistance they are going to meet on their way. The very mechanical principle of cause and effect that links the IFS crisis to its social effects, the way the media like to present it, is not attributable to physics but to history and social dynamics. For “these effects” do not exist before any action is being taken, and they act in a way that is more or less intense, depending on the reactions that take place in return. Such a relationship is called conflict and, in this case, social conflict, which is increased through the concerned sectors and hence the affected groups and countries.

The said “effects” of this crisis thus do not represent an unavoidability, they do not have a destiny, but a story still to be told that will be made up of the clashes of two power groups that are present: the leaders of an economy who are not accountable for their actions vs. the dominated who will either submit to the former or resist them. This resistance, in turn, will depend on organisational capabilities and hence on forms of mobilisation that will be put into practice to transform “the effects” anticipated by the former into successes achieved by the latter.

Nothing has been decided yet! On the contrary, this global, brutal and profound crisis has demonstrated that the “disembedded” capitalist economy has reached its economic, political, social and ethical limits. It poses a threat to our societies, as well as to nature; it endangers both the present and the future of our world.

Thus, beyond containing the crisis in order to mitigate its social effects and reconsidering regulatory theories, which are by the way made ineffective by globalisation, it might be the right moment to replace the economy within society, to re-embed it. This means we have to rethink and reorganise its laws by subjecting them to the laws of society, i.e. to “civilise” it somehow.

1 – Liberalism

Of course, neoliberalism is a phase in the logical continuity of what we call – following the English theories of the 18th and 19th century – “liberalism”. However, this logical continuity does not necessarily entail a historical continuity between the first and the second, between the liberal roots of the one and the “monstrous” excrescences of the other.

The liberal period of capitalism is rich in periods with alternating phases of neoliberal exacerbations and phases where the State regained control over the functional rules of the economy, which we will call its liberal and its democratic phases, in the English sense of the term, or „social“ phases, in the French sense.

The indispensable political institution which is the State has always accompanied capitalism, sometimes keeping its influence to a minimum, sometimes intervening more vigorously in its evolution; for example, in the case of wars between nations or class conflicts within a country that could lead to civil wars with grave consequences. Nazism, fascism or Franquism led the bourgeoisie to call for strong – sometimes even “totalitarian” – State intervention to protect their interests and hence to bridle capitalism, in order to eventually save it. Interests in this case prevailed over democracy and this example, even though unique, may be reproduced in other forms and in other circumstances, such as today.

In this first and long phase of its cycle, capitalism was contained by the

“nation-state” and hence more or less rigorously controlled by the Law and the State and, through these institutions, by the pressure of the subordinate classes, which progressively organised themselves in trade unions and political parties. Besides, in all European and Western countries, one can observe a parallel between this cyclical evolution of the role the State and politics play in regulating capitalism on the one hand and strong internal crises on the other hand. The Liberal Right, Christian Democrats, Social Democrats, Socialists and Communists are solicited in the form of governments, inter-partisan coalitions and even dictatorships to manage the different phases of the cycle. The left/right “pendulum” marks the cyclical oscillations of the capital, with its enthusiasms for “more profit” on the one hand and its concessions in favour of “more wages” on the other hand. Tocqueville had noticed this regular balance, linking it to the structure of classes of two societies, i.e. the United States and France, through the mobile pair of “equality-liberty”, which singled out the differences in the respective situations by means of various combinations and dosages of these two elements.

Before we close this chapter on the original embedding of capitalism into the form “nation-state”, let us take into consideration that it is after the crisis of 1929 that the USA proceed to a strong State regulation of capitalism (i.e. the Welfare State); a few years later, following World War II, Keynesianism and its “welfare state” become established in Western Europe to act as political counterpart to the socialist influence. Conversely, it is after the weakening and finally the collapse of the Soviet block that the victorious capitalism settles in with the new neoliberal logic, firmly determined to globalise it.

In addition to these historical and political considerations, we have to go further and examine the anthropological foundations of liberalism in order to define more precisely how it is to be distinguished from neoliberalism. The “classical” liberal philosophies grant the morally and politically democratic concept of social ties an important place; this is made obvious by progressive currents of utilitarianism, which sometimes border on

socialism. The social tie is thus considered as a means of emancipation, linked to the idea of human progress. The dominating political and moral normativity in capitalist “liberal democracy” presupposed, in spite of everything, a democratic subject that would be the ideal reference of a citizen: the image of a citizen who, together with other citizens with equal rights, demonstrated a shared will and made collective choices through voting, a citizen representing a public good. In order to be functional, liberal or classical capitalism required this democratic functional model and a citizen who was a free and aware subject. The complete works of Habermas, for instance, represent an undisrupted attempt to construct this model citizen based on notions such as “public space” and “communicational action”.

2 – Neoliberalism

What is the “neo” in neoliberalism, an American essayist once asked. Its principal theoreticians wish to mark a rupture with the “illusions of laissez-faire”, which, following the liberalist Adam Smith, had taken on the legal and political characteristics of market organisation, leaving things to the so-called “invisible hand”. “Naturally”, it returned to this organisational order what is being pursued separately through individual egotism. In classical liberalism, there is a presupposition that in every man there is a natural “Homo oeconomicus”.

The neoliberal rupture does not content itself with this “naturalness” of the individual and its thinkers as demonstrated by Foucault; neoliberal ideologists want to go beyond the natural disposition. They want to form, to build the neoliberal individual, through institutions, culture, politics. Neoliberalism represents a reflection on the methods of government, on “governmentality”. It is in the straight grain of the schools of “constructivism” that flourished in the wake of American postmodernism in the Seventies, which considers that the reality we imagine and base our actions upon is in fact a human construction.

The political neoliberal project goes far beyond the mere framework of economic politics. It cannot be reduced to the reactivation of the old economic liberalism, and even less to a withdrawal of the State or a reduction of its interventionism. It is guided by a normative logic affecting all fields of public action and all areas of social and individual life. Based on the total anthropology of the economic human being, it influences specific social and subjective spheres, competition, “responsibility”, entrepreneurship, with the aim of producing a new subject, the neoliberal human. The overall objective is to produce a certain type of man who is apt to let himself be governed by his proper interest. Hence, the object of power is not simply given; it comes into being through the mechanisms created, looked after, and stimulated by the government. The English philosophers believed that liberalism followed man’s natural dispositions – neoliberalism aims at constructing new anthropological dispositions: it is “constructivist”.

In her incisive essay *Neoliberalism and the End of Liberal Democracy*, Wendy Brown reminds us that “active” neoliberal policies confront the State with “calculating”, “responsible” subjects who are “entrepreneurs in every aspect of life” and apply a universal economic rationality to every area of existence and to every sphere: health, education, justice, politics. The definition she gives deserves credit for its clarity: “neoliberalism is a constructivist project: it does not presume that the strict application of economic rationality to all domains of society is an ontological, and hence natural, givenness; *it rather has as its task the development of such rationality*, Brown continues. *Neoliberal rationality is not in the first place defined by the pressure of the economic world on the private sphere, not even by the intrusion of market-oriented interest into the public sector. It cannot be reduced to the systematic implementation of policies that are always in favour of the richest and that destroy the institutions and the mechanisms of solidarity and redistribution established in the aftermath of World War II. Far from being insignificant, these aspects are however subordinate to a more fundamental goal. Neoliberal policies aim at putting*

into practice a universalisation of economic reasoning, with the rational, calculating subject as its normative reference.

That is why we cannot simply consider neoliberalism as a mere sequel to Adam Smith's liberalism. It is not simply about granting more space to a supposedly natural market by reducing the space that is occupied by the State and governed through legal artifices; it is about actively producing an institutional reality and social relationships that are solely governed by the principles of market-oriented economic calculus.

The “neo” in “neoliberal” thus means a lot more than a capitalist acceleration of “liberal”, which is largely contained in the economic dimension; it adds an institutional and political dimension that completely alters its significance. For this political project supplants the political and moral normativity that has so far dominated “liberal democracies” and considerably destroys normative forms that predated it; moreover, it means the end of the democratic subject that was the ideal reference of liberal democracy.

The tension that existed between the merchant and the citizen is reunified in the construction of the economic subject, encouraged from now on to think of him-/herself as an enterprise on the lookout for profit opportunities in a context of total and permanent competition. Political life and morale, the educational link, everyday relationships, even the idea that the individual makes himself what he is – all these aspects are thoroughly affected by this generalisation of the entrepreneurial form. Effectiveness and profitability criteria, as well as evaluation techniques are imposed everywhere as undisputable evidence. The moral and political subject is reduced to a calculating subject, enjoined to choose whatever serves his proper interests best. This transformation is illustrated by political practice, as can be observed in the United States and, more and more frequently, in Europe: the citizen is encouraged to act as if he were a mere consumer who is not willing to give more than he takes, who expects something in return for his money.

These long quotes of Wendy Browns reflections bring us back to the notion of “neoliberal governmentality” as the foundation of the neoliberal project. The relative autonomy of certain institutions (the Law, the elections, the police, the public sphere) that characterises their relationships with one another, as well as the autonomy of each of them in their relations to the market are “integrated” in various elements driven by the same logic, the same calculus: that of interest. This ruins the foundations of liberal capitalism, for “it is owing to this independence that up to this point it has been possible to preserve an interval and a tension between the capitalist political economy and the liberal democratic political system”.

3 - An example of neoliberal reasoning

The person. Lawrence Summers, professor of economy at Harvard University, held the office of World Bank Chief Economist from 1991 to 1993. He contributed to the design of macro-economic reforms that were imposed on numerous indebted emerging countries. Within the structural adjustment programme (SAP), supported by the IMF and the World Bank, the social and economic impact of those reforms was devastating, entailing extreme poverty.

The period of Larry Summers at the World Bank coincided with the collapse of the Soviet Union and the administration of the IMF’s and the World Bank’s deadly “economic medicine” to Eastern Europe, the former Soviet Republics and the Balkans.

In 1993, Summers started working for the United States Treasury Department. He was first appointed Undersecretary for International Affairs and was later promoted to Deputy Secretary of the Treasury. Together with his former colleagues from the IMF and the World Bank, he played a key role in the elaboration of the economic “shock treatment” in

the context of the reforms imposed on South Korea, Thailand and Indonesia at the peak of the Asian crisis in 1997.

He became Secretary of the Treasury in July 1999 and is today a consultant at Goldman Sachs and general manager of the D.E. Shaw Group, a hedge fund organisation. Under his direction and as a direct consequence of the financial crisis, the D.E. Shaw Group made record profits. At the end of October 2008, at the height of the financial crisis, the D.E. Shaw Group announced 7 billion dollars in revenues, i.e. an increase by 22% compared to the previous year, “with three times as much money at hand as last year”.

Summers is known among ecologists for having suggested to dump toxic waste in Third World countries, as, *over there, people have shorter lives and labour costs are extremely low, which essentially means that the market value of people in the Third World is very inferior.*” According to him, that makes the export of dangerous material to poor countries a lot more “profitable”.

His reasoning. In 1991, a controversial internal memo of the World Bank, signed by Chief Economist Larry Summers, read as follows (extracts):

“Dirty” industries

“Just between you and me, shouldn't the World Bank be encouraging MORE migration of the dirty industries to the least developed countries? I can think of three reasons:

1) The measurement of the costs of health impairing pollution depends on the foregone earnings from increased morbidity and mortality. From this point of view a given amount of health impairing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages. I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that.

2) *The costs of pollution are likely to be non-linear as the initial increments of pollution probably have very low costs. I've always thought that under-populated countries in Africa are vastly under-polluted, their air quality is probably vastly inefficiently low compared to Los Angeles or Mexico City. Only the lamentable facts that so much pollution is generated by non-tradable industries (transport, electrical generation) and that the unit transport costs of solid waste are so high prevent world welfare enhancing trade in air pollution and waste.*

3) *The demand for a clean environment for aesthetic and health reasons is likely to have very high income elasticity. [The demand increases with the income level]. The concern over an agent that causes a one in a million change in the odds of prostrate cancer is obviously going to be much higher in a country where people survive to get prostrate cancer than in a country where under 5 mortality is 200 per thousand."*

4 - Some conclusions

The reasoning brought forward by Mr. Summers is a perfect example of neoliberal reasoning. Today, in the Western hemisphere and elsewhere, this model is applied everywhere: in civil law, as well as in commercial law, in genetic research, in drug production, in the "knowledge economy", the relocation of industries, evaluation criteria of universities, and even in warfare and in the establishment of new norms governing the "sovereignty of nation-states". Everything can be reduced to the calculation of "economic costs", everything is "business". Humanist principles, such as responsibility (millions of people are concerned) or even precaution (because this is about pollution and hence about "sustainable development") – nothing can resist its logic. Nothing, and therefore neither social protection nor war. Moral criteria themselves, which separated virtue from vice, decent behaviour from offence, have been devaluated; every decision and even every law has become tactical, operative, subjected to a rule of immediate effectiveness in a game of

balance of power and of maximisation of results. Everything is slowly disintegrating in a cost-benefit calculation.

However, if in this calculation – and given the fact that we are experiencing a global crisis that is consistent with that logic – the “cost-benefit” effectiveness is the finality of every action, including the way out of this global crisis, there will be not enough space for everybody! But then, the neoliberal economic logic alone will not be enough to convince the next victims of this crisis; and, contrary to its own principles, it will therefore be constrained to solicit political action, be it ordinary or force-based. Neoliberalism, being at the origins of the crisis of the IFS, is a carrier of violence in various forms, including the use of militarised violence.

Finally, to get back to the theme of our seminar, the social effects of the crisis will be proportionate to the resistance that will be put up against neoliberal logic.

Lau Kin Chi

Transformation of politics: the new role of the state and the social movements

Re-articulating the political

The deep crises of the world make it obvious that capitalism is entering a new phase in reaction to the mounting resistances as effects of its relentless expansion. Not only is nature being excessively exploited beyond its power of recuperation in the name of trade and development, aggravated by capitalism's addiction to oil, but life itself, rather than simply labour, has become the object of exploitation. In order to resist this monstrous process, new moves, both from states and movements, are called for, building on the experiences of both victories and defeats of our struggles so far.

I think theoretical debates on the dominant class nature of the state should be furthered, but practically, the state should continue to be seen as a site of contestations where particular forces are hegemonic, but struggles bring a certain degree of fluidity for the balance of power to shift in given periods. For example, the turn towards the left in electoral politics in most Latin American countries in the last decade, especially in Venezuela and Bolivia, or recently in the USA and Japan, is outcome of, and further impetus for, broad social mobilizations.

With crisis-capitalism, the state should be pressurized to respect customs of the common, hence the social welfare and security of the people, including access to food, housing, education, health care, commutation, and resources for livelihood and labour. For example, in China, in the last three decades, the state has facilitated legislations and concessions for privatization of state capital and public assets, and more often than not defends the interests of corporate capital; still, popular pressure should be mobilized to oblige the state to respect the

collective ownership of farmland by village communities, monitor the amount and use of arable land to ensure food security, abide by its promise of just social distribution, or combat ever aggravating pollution. Confronted with the encroachments of global capital backed by global institutions of power such as IMF and WB, the state need also be obliged to defend “national” interests to thwart the aggressions of global capitalism. Thus, the state should be held responsible for the people’s livelihood defined as national interest (for example, to keep agriculture out of WTO).

Strategically, the danger is not whether or not social movements or civil society should negotiate with the state or fight for constitutional reforms, but increasing, rather than decreasing, dependence on the state as actor, protector and provider, with the effect of leaving the people little role to play except being relegated to inertia and passivity. This is a major effect of political democracy, when electoral politics becomes the end, rather than a means, among others, for fighting for the agenda set by the people. I feel the core agenda for society and movements should be to reduce dependence on the state and on the capitalist economy; actions for advancing people’s power and autonomy should not be predicated on capturing state power or winning elections; rather, they should be predicated on the cumulative effects of steps, however small or invisible, that promote and consolidate community control over the commons: the means and resources for a decent life, physical and spiritual.

If self-sufficiency is the keyword, “the political” may be re-articulated in terms of distancing from the sphere of influence of the state, big business, capital, and institutions of power such as the mass media or formal education; in terms of efforts for localization instead of globalization; and in terms of alternative cultural values and logic – reciprocity, sharing, giving – that are not empty gestures, but supporting and supported by alternative ways of organizing economic, social and political life by regenerated communities. This means on a personal level, the “modern self” that is chained to commodified labour and consumption also requires transformation, and this cultural struggle in subjectivity change is no less important than the economic struggle.

Some indigenous thoughts may inspire the re-articulation of the “political”. For example, some indigenous elders in Oaxaca, when asked what they want from the mayor candidate, instead of giving a wish-list for roads, houses, hospitals, jobs, etc., said, we want the government to be like a tree; we will go to it for the shade if necessary, but we can well manage our own lives most of the time. I think here lies the wisdom challenging the state to ponder over the transformation of its centralizing, if not authoritarian, role, and its relation to the advancement of political and cultural autonomy in self-management for diverse collective elements of the society, as well as the promotion of experimentations in cooperation and solidarity, based on values other than those of prevailing mentalities that regard the state as some transcendental unifying power, hierarchically situated at the top. The elders in Oaxaca, in recognizing a positive role for the state, is also admitting its belonging to a common fabric and at the same time articulating an alternative understanding of the common, that is, an understanding not based on the sharing of some common, transcendental identity, but rather is an acknowledgement of the historical constitution of the common in and through diversity.

There is much to learn from marginalized communities that have not been ensnared by the logic of capitalism. It would take a different way of seeing to appreciate the practices and philosophies of rural or indigenous communities, which are often vulgarly branded as “backward” by developmentalist or modernist positions.

Connecting ecology and livelihood

Liberation from the exploitation of life (not just labour) by capital must concur with a radical change in the way nature is exploited. Integrating livelihood and ecological concerns means attending to both short term and medium term

crises. (There is no need to speak of the “long term” if, within 50 years, global warming causes the collapse of major ecosystems. That this century will produce tens of millions of ecological refugees is no false alarm.) In the medium term, all will be affected: the north, the south, the rich, the poor, the urban, the rural, the humans, all living things. While there seems to be a common agenda for all stakeholders in surviving the ecological crisis, there are major obstacles: “economic development” concerns are prioritized, big business goes on as usual, energy crisis is business opportunity, more technology is used to address problems caused by technology, and commodity consumption patterns are ever expanding. Before the Titanic totally sinks, third class passengers will expire before first class passengers. Thus, in the short term, the majority, the third class passengers, need to fight exploitation and deprivation by corporate and vested interests. The local and specific struggles would, thanks to globalization, immediately touch upon global structures of power over-determining the conditions of exploitation. There is need to go beyond an empirical perception of the ecological crisis, and to understand its relationship to the capitalist mode of production and consumption, so as to inform an effective fight against the vested interests that continue and expand existing patterns of economic development, investment, profit making, and consumption.

There is no lack of experimental work on the ground that goes for relative autonomy from the existing systems of dominant control by capital or by the state. The Zapatista caracole of good governance, the Cuban community agriculture after peak oil, the MST seizure of land and development of cooperatives, the Venezuelan use of oil money for community projects in health and education, community currency projects in Mexico, local trade systems in Uruguay, all these are examples from Latin America, apparently from a distance, but found inspiring for the alternative movements in China. In Asia, the people’s science movement in India is also a source of inspiration for the rural reconstruction movements as to how appropriate technology is vital for sustaining community livelihood and ecology.

The question usually addressed to such experimental work on the ground is: how can they, usually locally situated, connect to each other and constitute a dynamic force of resistance? I would like to quote one example of a project I have been involved in: PeaceWomen Across the Globe. This project articulates the diverse efforts by women and their communities – in health, education, livelihood, culture, etc. – as the practice of “peace”. The process of redefining what peace means is a process of scrutinizing the effects of violence on the everyday lives of the communities, as well as giving articulation to practical innovations and experiments for change. A programme to connect ecology and livelihood seeks to make visible and to reinterpret the actual practices of women and their communities in asserting control over resources (such as water, land, seeds) and in developing alternative economic and social life. These experiences are not examples of mass movements, and they are often too specific and locally framed to be turned into models for transposition to other places. However, they can be inspiring not only in their persistent efforts to articulate different values and ways of relating to one another than those dominated by the growing hegemony of capitalist development. More importantly, their examples invite us to read through them the potentials for building collectivity, actualizing a common fabric that is not to be predicated on any conception of unified oneness organized hierarchically.

Instead, their minority status – small scale activities to those who are primarily concerned with quantity – shows us the potential for the constitution of common concerns as regards striving for alternatives beyond the present dominant capitalist mode of development. At the same time, the plentiful examples of innovative practices towards the autonomy of self-organization within seemingly impossible situations they manage to come up with shows us, most importantly, the importance of diversity for the vitality of the common fabric that we are assigned by history to build as part and parcel of our resistance to the political, economic and cultural domination of the capitalist order.

Gustave Massiah

Opposition Movements Foreshadow Ways Out Of The Crisis

What Left do we take as a starting point?

I will start with the alter-globalisation movement, which can be defined as a movement representing both a prolongation and a renewal of its three historical predecessors: the decolonisation movement, the workers' and the social movements, and the struggles for freedoms. Decolonisation, social struggles, the democratic imperative, as well as the freedoms constitute the predominant historical culture of this movement. The challenge is to define a new emancipatory project.

This movement represents a new hope that is born from the refusal to accept the status quo as inevitability – this is the meaning of the statement “another world is possible”. The alter-globalisation movement’s strategy is built around the convergence of social and citizen movements that emphasise solidarity, freedom and peace. They also build a new political culture, which is based on diversity, self-managed activities and mutualisation, and which prefers “horizontality” over hierarchy. A strategic orientation has become apparent: that of access to fundamental rights for all. This represents the development of an alternative to the predominant approach of adapting our societies to the world market through regulation by the global capital market. Current debates inside the movement highlight the strategic question. This raises the question of power, which takes us back to the discussion on the State and touches on the questions of parties, of the model of social transformation and of the nature of development.

In Europe, we can distinguish five political currents – with certain peculiarities depending on the particular countries – intending to rebuild the Left. The left of

the Left, continuing to distinguish itself from the extreme left; communism, rebuilding itself after the collapse of Sovietism; the libertarians, trying to express the individual and collective refusal of alternative practices; those among the social democrats who have begun to comprehend the disaster following the subordination to neoliberalism; those among the ecologists who tie ecology directly to social issues, to the freedoms, to international solidarity.

Confronting the dangers of the crisis is a matter of urgency

The global crisis is a crisis of capitalist globalisation in its neoliberal phase. It is a structural crisis: economic and social; ecological, geopolitical; political and ideological. The current sequence of a financial, monetary, real estate, food, and economic crisis shows many facets of it. All these aspects play a decisive role in the confrontation between social and political movements and the ruling powers.

The first danger relates to poverty. The usual approach is to make the poor pay for the crisis, starting with the discriminated-against and the colonised. It is also about crushing the middle classes. The second danger concerns the restriction of freedoms and democracy. Crisis management strategies based on anti-social orientations tend to rely on repressive measures, criminalisation of social movements and solidarity, instrumentalisation of terrorism, law and order ideologies, xenophobia, racist, islamophobic and nationalist agitation, exploitation of scapegoats, migrants and Roma. In some regions, this evolution may produce dictatorial and repressive regimes and even give rise to fascism and fascistic populism. The third danger concerns countries that will be marginalised and ruined. The risk of war is another typical outcome of major crises. Let us not forget that the world is already at war and that almost one billion people live in war-stricken regions. These conflicts are permanent and the destabilisation is systematic. The forms of war have changed along with the

militarisation of societies, global apartheid, the war of the strong against the weak, and the trivialisation of torture.

To fight against these dangers, we must strengthen the opposition movements and expand the alliances and coalitions for freedom, democracy and peace. From this point of view, Europe is one of the principal actors bringing about all of these dangers – for the other regions of the world and for the working classes in Europe.

The ways out of the crisis are not predetermined

There are opportunities. We can identify them by analysing the deadlocks of the neoliberal period, of the failures of Sovietism, of the limits of Keynesianism of the post-World War II economic boom (“Trente glorieuses” in France), of the crisis of decolonisation.

Let us remember six opportunities inherent in the crisis. First of all, the ideological defeat of neoliberalism favours the strengthening of public regulation. Secondly, the redistribution of wealth and the return of the domestic market offer new chances of stabilising and guaranteeing wages and social protection and of reorganising the public services. Likewise, the ecological emergency requires a transformation of the mode of social development. Similarly, the crisis of the political model of representation reinforces the need for social democracy and participative democracy, as well as for reflection on power. Moreover, creating a new balance between the Northern and the Southern hemisphere opens up a new phase of decolonisation and a new perspective on global geopolitics. Regarding all these aspects working class movements are bringing forward fascinating proposals characterised by the realisation that improvements for the working classes should not be sought by reasserting European hegemony.

None of these opportunities is going to impose itself; they can only result in better situations if the opposition movements grow stronger and if the social and ecological struggle for the freedoms and against war intensifies. Two questions have already been raised: How to avoid an alliance between neoliberal and conservative forces and reformers that is based on minimal reforms and green, authoritarian regimes? How to radicalise a potential reform movement for the benefit of the working classes?

Uncertainty prevails regarding the duration of the current crisis and future prospects. Let us remember the last structural crisis, its official beginning in 1929, the Great Depression in 1930, the New Deal in 1933, the new political landscape in 1945, following a world war. Several scenarios are possible. One is that of a conservative nature, a war neoliberalism. The second is that of a fundamental reform of capitalism by choosing a neo-Keynesian and ecological approach or a “Green New Deal”. The third is set in the context of the historical question of going beyond capitalism.

The alter-globalisation movement does not neglect possible improvements and is committed to avoiding unbearable situations. Moreover, it is largely in favour of a radical transformation and takes the possibilities of going beyond capitalism very seriously. This is a long term objective and the outcome cannot be predetermined. There are already social relations foreshadowing this development, the same way capitalist social relations emerged in feudal societies. The new world, born from the old world, is beginning to take shape today, and it will experience difficulties. It is starting out from contradictions already experienced and it will create new contradictions. A new, collective emancipatory project is on the agenda. Capitalism is not eternal; the question of going beyond it is now topical. And we must start from now on to build another possible world.

P. K. Murthy

India in the Midst of the Global Economic Crisis

In the contemporary global situation, the principal focus of the working masses in the world is on the ongoing and the unabated economic crises that lay centred in the US enveloping the world, as the brunt of this phenomenon is being borne by them. Bailouts and stimulus packages are being doled out by the governments of the imperialist triad – US, Europe and Japan in a bid to pull out their economies from the quagmire of this crisis variously named as – Financial Meltdown, Financial Crisis, Recession and Economic Downturn.

That the crisis is essentially the crisis of Capitalism as a system is an uncontested fact. It is not merely a financial crisis - it is an economic crisis, a food crisis, a natural resources crisis, an ecological and environment crisis, a social crisis, a cultural crisis thus sowing the hollowness of the much acclaimed capitalist system.

In the backdrop of the initial phase of the crisis in the US, the Prime Minister Manmohan Singh of the Congress led United Progressive Alliance, in power in India made loud pronouncements that this global phenomenon would not have much impact on the Indian economy as it was de-linked, insulated and decoupled from the imperialist economies. Just like many governments in the Third World, it parroted the theme of ‘decoupling’ from the world economy though these were the same governments that tailored their economies to the imperialists directed IMF – World Bank and WTO dictated ‘Structural Adjustment Programmes’(SAP). But as the crisis began to bite into the economies, the ruling elite was constrained to admit the fact of the severe impact it had on the economy in the Country.

Never was the Indian Economy totally free from the influence of imperialist capital and in the race to capture the markets and resources of the country, contention of the various imperialists’ capital was discernible. The Indian ruling

classes have been adopting the IMF/WB's diktats since the '80s and this process culminated with the now infamous New Economic Policies in the '90-92. All the features of the SAP came into play with reduction of government subsidies, cut in welfare spending, particularly for education and health, privatisation of public sector undertakings and removal of restrictions on inflow of foreign capital, allowing it to flow freely into the country.

Capital should have full freedom to "hire and fire" labour was what the World Bank was insisting on since the late '80s. In line with this understanding, the New Economic Policies contained an important element and that was "Labour Market Flexibility" This " Flexibility" meant replacement of permanent labour by contract labour, laws to allow capitalists for easy retrenchment and closure. Due to protests and struggles led by various trade unions such changes in labour laws have not been made but "Labour Flexibility" is already introduced. Privatisation in the public sector undertakings led to job losses as well as contractualisation of labour.

The last 18 years have demonstrated the adverse effect of these policies imposed by the IMF/WB/WTO diktats on the broad masses in India particularly the working class and the peasantry. It was in this period that the country witnessed a spate of suicides by farmers in some provinces and the agrarian economy being badly mauled up.

In the industrial and the service sectors, the structure of employment was distinctly characterised by contractualisation and casualisation of the labour force. In the last 18 years, temporary labour replaced the regular workforce in both the public and the private sectors and consequently, there had been a drastic reduction in employment on regular basis. It could be noted that such a structure enables the owners to depress wages of , and to disorganise, the workers. Due to lack of any security of employment, organising the contract or casual workers becomes a difficult task. 'Outsourcing' is another feature that has emerged under the New Economic Policies, wherein works generally performed by the workers of a company are handed over to a contractor who employs

labour on contract with the least wages. This is one form of reducing costs of production, the burden of which falls on the wages of the workers.

In India, there are 37 millions working in the organised sectors of the economy and around 370 million in the unorganised sectors. Out of this entire workforce only 40 million have the benefit of social security in the form of Provident and Pension Funds. Even on this, the interest rate was cut to 8.5% from 12%. Not only this, the only savings of the workers were put in danger when the government decided to put these funds in the hands of private corporate players to invest them in the stock market.

Liberalisation, privatisation, globalisation, deregulation et al, were hailed by the rulers as paths to the economic development of the country. Growth rates were shown as indicators of development and as vindication of their policies. Needless to say, this growth was fuelled primarily by inflows of foreign capital and that too speculative capital, resulting in the creation of bubbles in the share markets. So tied is the Indian economy to the strings of Imperialism, that when the bubble in the US burst, it had its version in the Indian bubble of growth bursting.

The worst affected by the crisis are the labouring classes – workers and peasants who had been victims of the long-time economic policies pursued by the Indian ruling classes at the instances of the imperialist triad. In particular, the workers in the export-oriented units had to bear the brunt of the crisis.

- It is estimated that around 15 million workers are employed in these units. In the textile and garments sector, some 700,000 workers lost jobs by the end of 2008 and in the last four months, another 500,000 had been added to the unemployed.
- The leather industry engages around 2,500,000 workers and between September and December 2008 some 500,000 were displaced from work. It was predicted by the Leather Exporters' Association that another 500,000 would lose their job in the coming period

- The city of Surat in the state of Gujarat has a large concentration of diamond and jewellery units. There were 3,000 units before the onset of the crisis. The crisis has gobbled up some 2,000 units rendering about 100,000 workers jobless.
- In the foundry industry, over 150,000 workers lost their jobs.
- The so-called sunrise industry, the IT sector which mainly caters to the US markets, has also been hit by the crisis. In the city of Bangalore, the main IT hub in the country, some 10,000 employees were shown the doors between September and December 2008. In Hyderabad, some 25,000 employees lost their jobs in the IT sector.
- Not only these export-oriented sectors but also those sectors that are dependent on these have been badly affected. It is estimated that job losses during this period both in the export units and ancillaries could well cross 5,000,000.

Way back, the government appointed a Task Force on Employment Opportunities which declared that India would solve the unemployment problem by 2012. In 2007, gloating in the glory of high growth rates, the Economic Advisory Council declared that these would be Zero unemployment in the country by 2009. The grim reality is that the problem of unemployment has assumed serious proportions in the last one year under the impact of the global crisis. While job losses in both the manufacturing and services sectors are on the rise, wage depression is also a serious factor affecting the lives of the workers. In the midst of job losses, the Finance Minister of the country had recently a piece of advice to the capitalists in the country – “do not retrench but cut wages”.

In the backdrop of the growing job-losses, wage cuts and cuts on other social benefits, a ground for mass resistance to defend jobs, wages and to oppose closure, retrenchment and new anti labour laws, do exist. Though in the recent time, Banks and Insurances employees went on strike opposing privatisation and the entry of foreign Capital in the Health Insurance sector. Even in the education sector, teaching staff – professors and teachers had to go on strike. It should be said that so far such a generalised resistance by the workers has not

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taken place in the country. Some of the reasons for such a situation are the dominance of the major Trade Unions of the right and the government which are supportive of these policies. But as it happens every time, at the call of the All India Joint Coordination Committee of the Trade Unions, workers irrespective of their allegiance join the strike and struggle for their rights.

Paulo Nakatani

The World Financial Crisis

The present financial crisis was announced a long time ago by many Marxist economists and many other experts when the conditions showed up with the accelerating deregulation of the stock exchange. It is not possible to accurately determine when it started, however it first touched Mexico in 1994-when it became member of the North-American Free Trade Agreement (NAFTA)-then the "emerging" Asian countries (South Korea, Thailand, Malaysia...), Russia and Brazil in 1997-98, and finally Argentina in 2001. The disruptions currently observed in the real estate sector in the United States had their own auto-kept bubble dynamics. They must also be interpreted as the continuous unresolved problems caused by the implosion of the bubble of the "new economy", in 2000, which had multiple consequences at a world scale.

The economic crisis is a "normal" working way of the capitalist system, even though its causes and mechanisms can vary in every historic period. Since the dismantling of the Bretton Woods structure, the credit system has had considerable changes, in particular, the creation of derivatives (allowing the use of other credits or contracts on the future prices of assets). The deregulation and integration of the stock exchange and banks into globalise markets moved the centre of power gravity towards the leading finance, whose diktats imposed themselves on the economic logic.

The creation place of the "fictitious capital" is the system of credit, that not only consists of the banks, but also of the stock exchange, the insurance companies, pension funds, speculative investment funds (hedge funds) and other similar institutions- State and enterprises being the two extremities of the chain. Marx, in Volume III of "The Capital", identified the main forms of the fictional capital in the stock actions, public debts and the banking capital. Nowadays, it is right to add the derivatives and contracts on exchange rate, interest rate, stock prices...

These instruments originated from the over-accumulation of capital money in the '60s and '70s, mainly from the Eurodollars and petrodollars in the inter-banking markets.

We must then notice that an increasing part of the speculative capital becomes parasitic, because it is much larger than the one for the industrial capital reproduction. In spite of its lack of contribution to the production, this capital benefits from surplus value redistribution and nourishes the creation of fictional capital as a mean of its own remuneration. Therefore, the financial crisis should depreciate a logically quite gigantic amount of this parasitic fictitious capital to get to restart a new accumulation cycle of the capital. However, from today on, the contradictions of the capitalist world system will be so strong that such depreciation would risk pushing it toward a downfall, with economic, social and political consequences that can not be predicted by experts.

As usual, when there is a capitalist crisis, the bourgeoisie is forced to deny a depreciation of accumulated capital by a systemic necessity - trying not to record large losses. Therefore the crises are moments during which capital fractions, generally less productive and/or innovating and presenting the riskiest credits, get into bankruptcy, to be incorporated in a capitalist property structure more concentrated. In this way, the capitalist dominant classes become stronger than they were before - even if a part of them turns to be middle classes. In every reorganization of capital domination during the 20th century, the improvement of the macro-economic policies allowed the system to create institutions and more efficient instruments in order to attenuate the devastating effects of its own crises, rather than to avoid the exacerbation of its internal contradictions and a convergence toward the stagnation, or even depression.

In terms of class struggle, a systemic crisis gives theoretically the opportunity to start the revolution and to take political and economic power off the bourgeoisie. In fact, the organizations of workers, parties, unions, or even, social movements, remain without structures, strategies and necessary programs to

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restart the struggle for socialism. Nowadays, perhaps only Latin American countries offer spaces for revolutionary progress and socialist transitions in the 21st century. The fact that poor people face most of capitalist crisis' effects brings the risk that they accept this dominant ideology and support anti-crisis but pro-system measures, causing an extraordinary rise in exploitation rate. For example, the common defense of the capital has substituted the struggle for workers' total emancipation for the one defending the employment right, within the strict capitalist system, even if this means the right to be exploited worse. The crises occur when it is possible to worsen the contradictions up to the limit, just until the end of classes' and capital domination - that means until the destruction of capitalist production relations rather than the means of production. In these conditions, it is urgent to rebuild processes of thought and action on socialist transitions, against the work exploitation and for the end of capitalism.

Pedro Páez

Towards an Environmentally Sustainable, Culturally and Scientifically Sensitive Planetary Program of Decent Full Employment

The democratic forces can define an agenda for the very short term (2-4 months) at the planetary level in order to block the deployment of the speculative-warmonger mafia's agenda that is controlling the events thus far and targeting, from the viable initiatives, the construction of the moral direction of this process. The pedagogically consistent follow up for the middle (next six months, one year) and the long term (next years) should address directly the most principled aims for the post-crisis world in the horizon of a wide spectrum political accumulation that do not start nor end with electoral alliances, but that proves itself in the effectiveness of its demands. In that sense, it's crucial to plan the priorities for small but early victories.

The generalized weakness of the democratic values in the global and national ideological arenas could be overcome in foreseeing the deployment of the crisis and the inexorable affectation of the fundamental needs of the working peoples. The continuous proposition of "politically sensible" solutions to the life threatening troubles and fears of the working classes and peoples could build up political and social relevance in the conjuncture, in the articulation of already ongoing struggles and demands. For example, it seems strategically necessary to install in the society's basic values the citizen's rights to a decent job and a healthy environment (and the consequent state's responsibilities) as key foundations for further political action. In that sense, the UN has developed at different instances very interesting points of departure that are already part of international commitments and consensual notions of a kind of *raison d'état* among the most important systemic actors, like the Stiglitz Report and the June's General Assembly Outcome Document signed by the 192 nations, the ILO's Global Pact for Jobs, the UNEP's Global Green New Deal, the FAO's, UNDP's,

UNICEF's and WFP's claims for emergent measures facing the human catastrophe potential of this crisis.

I will not address here the medium and long term agendas, but with the strategic perspective (indispensably present in each of the time horizon's agenda) of building an environmentally sustainable, culturally and scientifically sensitive planetary program of decent full employment, my contribution to an immediate programmatic platform focuses on the danger of increasing constraints that the crisis' unfolding imposes upon the reaction capacity of classes and nations. All the proposed initiatives should be rooted in long term democratic struggles and do not exclude further advances towards more radical targets. The idea is to create the empowerment and social insertion for deeper structural changes.

In order to have operational capacity to engage in every country in a real Global Stimuli Package (whose final content would depend on the domestic political struggle), we need to include in the very short term agenda (I insist, 2-4 months) these priorities:

1. To address the global system of reserves and to open new possibilities for further struggles in the construction of global public goods, to impulse the donation of the North's quota of SDR as a partial compensation of the largely promised 0.7% of GDP for South's development (few technical and normative changes are required). That implies an initial flow of 150-200 billion dollars each year for the most urgent tasks to avoid a humanitarian catastrophe and a world economy chaos and the construction of alternatives in issues like:
 - a. Famine danger, food sovereignty (supranational, regional one), including the building of regional grain reserves that could prevent calamities and modulate prices in defense of the most vulnerable producers and consumers. At the same time, these mechanism would gradually overcome the national and regional disarticulation of the food provision chain that corporatist globalization has provoked.

- b. Extreme poverty and delays in the Millennium Development Goals, including the financing of alternative development projects from the territories and the communities with culturally sensitive technological enhancements, recycling and mobilizing local resources and developing local circuits of payments and credit.
- c. Environmental crisis, installing at the core of the discussion issues far from been at the center of the Copenhagen Summit preparation: the technological paradigm in production, consumption and trade, reducing the ecological impact and prefiguring a new mode of life. These dimensions could combine with the others in the recovery of regional productive and infrastructure coherence, as opposite to the globalized organization of the spaces.
- d. Strengthening of the New Regional Financial Architecture according to the economic, political and institutional circumstances in each zone of the globe. These institutions would support block regional monetary accords for regional parity stability that could be the basis for macroeconomic convergence and the transition towards a fixed but adjustable exchange rate system. The basic pillars of this New Regional Financial Architecture should include:
 - i. Development banking of a new type (like the *Banco del Sur* initiative, with new priorities –regional sovereignty in food, energy, health care, science and technology, physical connectivity, financing of the heterogeneous popular economy, etc- and new practices, including domestic and regional currencies)
 - ii. Alternative central banking, starting for their direct connection in regional networks, with payments compensation systems, swaps mechanisms and a Regional Monetary Fund (as part of a global network) backed by the global SDR, and related to the...
 - iii. Development of a common monetary space including the issue of regional SDR (like *ALBA*'s initiative: *SUCRE*)

These resources would open new doors for the panoply of forces working in each of these issues.

2. To immediately block the restoration of the blackmailing powers on behalf of the Old Financial Architecture (the IMF has given much more credit since the Fall 2008 than all the previous decade), we need to channel all the new resources that have been already promised or given to the IMF through a new window. The new window would operate in emergency terms (cheap and agile), without the neoliberal adjustment conditionalities and with an alternative directory that would reflect a more democratic representation of the regions. As precedent, there is already a similar format with the Global Environmental Fund within the World Bank, and administratively can be done in a couple of months, with the adequate political pressure. This do not imply to renounce the needed reform of the Bretton Woods Institutions' governance or even its further dissolution into a completely new institutionality and would be developed as part of the long term denunciation against the IMF and the WB. Moreover, the mere existence of the new window is a practical criticism for the former ones and will effectively push the New Financial Architecture.
3. To allow the periphery's real capabilities for deploying counter-cyclical policies, it's urgent to create fiscal policy space. UNCTAD has suggested an immediate external debt moratoria and that could be combined with the generalization of debt auditing processes that could critically learn from the Ecuadorian and the introduction of an International Debt Arbitrage Tribunal that could purge a good chunk of fictitious capital and transparent at least part of the abuses and corruption of the most reputed actors in the globalized financial arena, both public and private. This could summon all the forces and organizations link to the debt struggle and Jubilee campaign, including the churches and part of the establishment.
4. To block the speculators *blitzkrieg* offensive against any type of financial re-regulation and to link that fight with famine prevention: universal ban of short-selling and other speculative mechanisms, especially in the global food provision chain (seeds, products, inputs, etc. both in the spot

and future markets). Further regulations in other speculative markets can follow, including the write down of all financial derivatives, already claimed by their godfathers, beneficiaries and creators, Nobel laureates Robert Merton and Maryon Scholes.

5. In the same venue and to prevent geopolitical retaliations and economic sabotage of democratic processes, it's necessary to impulse a universal definition of efficient and transparent capital controls and a global Tobin Tax, which has already had an important echo among representative personalities of the establishment.

(Of course, this is a non-exhaustive list, but for political pedagogy, it'll be important to keep it relatively short)

Florian Rochat

A Note on Switzerland

1. Forty years ago, one of my friends once referred to Switzerland as “the louse of imperialism”. Although this image may still be up-to-date, the parasite has lost some of its teeth. Switzerland, as a financial centre, declares the state of siege and calls on the public to mobilise for its defence. The government is under pressure. Its “crisis management” in dealing with “attacks from abroad” (most notably from the G20, OECD, United States, EU, France, Germany, and Italy) has been described as confused and fainthearted. It is being reprovved of by several parties.

However, there is no political crisis – far from it! The offensives against the popular classes (at all levels: social insurance, public services, employment etc.) will continue and intensify. They may well meet – sometimes fierce – resistance (farmers, workers of certain companies, kick-off of unionist mobilisation); nonetheless, this resistance remains fragmented, scattered, without any political intermediary worthy of being called that. And even though the symbiosis between the dominant political machinery and the Swiss financial and industrial conglomerates is more obvious than ever before, the picture becomes blurred by the debate, which is largely internalised and describes a “brave little hard-working country that some may even envy, but that remains isolated at the heart of Europe”.

This being the case, the road has become considerably narrower for this unavowed member of the triad. The peculiarity of Swiss imperialism is becoming more and more challenged by its peers. Some of the country’s leaders are beginning to realise this. The issue of a more committed participation of the Swiss army in “peacekeeping operations” abroad is more and more frequently brought up. And in its last report on Swiss politics, the Federal Council gives a hint that the strategy of bilateralism with the EU may well be coming to its end

and that accession to the Union may eventually be inevitable. If this finally happens in ten, fifteen or twenty years, it will at least have the advantage of sorting out some internal debates, whatever the EU reality may be!

2. All proportions kept – official figures are traditionally low in Switzerland – the rate of unemployment has seen a sharp increase. Pressure on workers in general has considerably increased; add to this a – more or less recent, ongoing or at least planned – string of attacks against social insurance. And, most likely, the situation will continue to deteriorate in this country, which is reasonably dependent on external markets. Like in the 1970s, unemployment will probably be partly exported: maybe to a lesser extent than at that time, but all the more violent, if certain measures currently under discussion are put in place. Especially the “low-qualified” migrant workers risk to bear the brunt of it, as well as female workers in insecure jobs, young people, old people – without even mentioning about 300.000 to 500.000 so-called “illegal” workers and other “dismissed would-be refugees” who are already having a hard time with the existing laws and terrifying measures, even though they are part and parcel of the system. In a large number of companies (particularly in the largest enterprises, as well as in the banking sector), employees have to fear each day that they might receive their redundancy notice. Farmers are desperate – including those (and maybe even more than others) who have largely complied with “modernisation” and “specialisation” directives. According to many, the neoliberal project has been discredited. The idea that an alternative to capitalism is not only necessary, but also possible, remains however a conviction of a minority. In some circles, especially in the petty bourgeoisie, people stick to the idea of a “green new deal”. But not at all costs: people dissociate it from any fundamental criticism regarding capitalism and are ready to accept a rampant weakening of the «welfare state». Up to now, the political left has not benefited from the crisis, neither from an organisational, nor from a political perspective. On the contrary – results of numerous popular votes (issues submitted to a referendum are not what is lacking in this so-called semi-direct democracy, 20 to 30 each year at the very least) give reason to fear that, in a climate of “every-man-for-himself” to save his meagre advantages before the competition gets them and of worry about the future, the sirens of “global

apartheid”, to speak with the words of Samir Amin, always find more open ears in the polling booths.

3. Given these circumstances, can we really speak of “important projects of emancipatory transformation and alternative development in [our] region”? Certainly, otherwise we could also go to bed. However, this puts the topic into perspective and forces us to think in steps and to consider these projects in comparison to potential progress in other regions; maybe even more so in Switzerland than in the rest of Europe. On this note – some potential initiatives:

- reconcile city and countryside on the issue of food sovereignty and food quality;
- struggle for tax equity and fairness (regional and global, taking into consideration the fact that in the current debate, those in favour of “less taxes” have the wind at their backs);
- develop networks of a social and solidary economy, with the aim of re-democratising the debate on production goals, taking into account the ecological, cultural and social crisis;
- reinvigorate a unionism that is ready to confront and to struggle;
- defend and promote principles of equal opportunities and solidarity in the social struggle (especially with regard to men-women and Swiss nationals-immigrants relationship);
- refuse imperialist armed interventions;
- reaffirm an antisystemic culture (arts, history, etc.)

4. Several fronts are building up, unfortunately scattered and unstable; particular attention should be drawn to migrant organisations (more than 25% of the population), as well as feminist, anti-nuclear, and anti-military organisations.

5. Put forward specific proposals for alternative “global governance” institutions that create a space for the struggle for liberation where it is developing and asserting itself.

Vera Vratusa

Short Theses

1. Describe the situation of the capitalist state in your region:

Neo-liberal socio/economic policy of the corrupted government instituted in Serbia after 1999 NATO bombing, building of military base Bond still and putting fire to the building of the Parliament in which the election materials were stored of the September 2000 elections, is to a certain extent corrected in the direction of state re-regulation (stimulating measures for buying cars in exchange for old ones, infrastructural projects). These measures are insufficient, having no vision of structural and innovative transformations necessary to mitigate great damage made by destruction of domestic banking system and industrial production through robbery privatization of strategic enterprises and systems at the rock bottom prices with new owners failing to organize production and abolishment of protective tariffs without any advantages accruing to EU member states, fall of investment in technological renewal of old equipment, dependence on credits and rising indebtedness and trade deficit. Under the pressure of IMF the government is contemplating taxing already law salaries and pensions, instead of progressively taxing banks and new millionaires that became rich over night through shady deals. In conditions when government has just few parliamentarians more than the opposition and unemployment rising, new elections can be expected but with no anti-capitalist oriented political party in sight. Since the aim of imperialists is still not fully realized, they are still paying separatists and terrorists to keep up tension and pressure for further territorial fragmentation of Serbia.

2. What is the impact of the present international capitalist and imperialist policies in your region?

Instigation and exacerbation of civil wars in former Yugoslavia when it was no more needed as the buffer zone by the imperialist powers, left the region fragmented in colonies like Bosnia and Herzegovina and Kosovo and Metohija

and the rest semi-colonies suffering from aging population and brain drain, including the most developed and seemingly most independent and only EU member state, Slovenia.

3. What are important projects of emancipatory transformation and alternative development in your region?

Are there concrete examples already successfully working? Due to cooperation between bureaucratized trade unions with the government and owners in extinguishing the fire of isolated strikes, resistance is still fragmented. In the last weeks however, encouraging examples of coordination of demands for breaking of the privatization agreements with new owners who did not fulfill their obligations and returning of enterprises to the employees to manage them are appearing. There is still however no anti-capitalist breakthroughs, since even in enterprises with the majority employee ownership, some form of group private property, there are plans to search for the rescue in “strategic partners” and “better owners”. There are still no attempts at self-employment through cooperatives avoiding middlemen between producers and consumers and still less attempts at realization of integral self-management at all levels of decision making of freely associated producers and consumers.

4. Who are the possible actors and necessary coalitions for change in your region? Unemployed, employed who for months did not receive salaries or are receiving too low salaries, peasants brought to ruin by import of subsidized EU agricultural products, young made to pay high scholarships in commercialized higher education along the lines of corporate oriented Bologna reform, unemployed and low paid specialists. Notwithstanding regional differences, how can a strong collective force of left activists and movements developed worldwide? It is crucial imperative that transnational organization of capital is matched by transnational organization of hired laborers and unemployed, addressing precisely differences purposively exacerbated by transnational capital implementing divide at imperial rule and practicing anti-capitalist globalization from below. Presently small but potentially growing left groups are advocating in the tradition of social democratic regional project the Balkan and European federation of socialist republics in the sense of the power of, for

and by the working classes, social ownership of production means, democratic planning and investment in renewable energy sources locally available and in public transport, aiming at human development instead at private profit.

5. Please give a global outlook on the upcoming decade. What is the most urgent issue the left movement must raise and how can it be realized?

Within broadly defined left movement there seems not to be enough radicalism to demand anti capitalist transformations – predominate demands for re-embedded, more organized, more socially responsible...capitalism. In such situation the most urgent issue is to stop privatization of remaining public enterprises and services and attempt to pull through legislature forbidding privatization of natural monopolies like water and stimulating participation of citizens in decision making including through information technology mediated frequent referendums and participation of employed in decision making, profits and ownership. In the financial sphere, wherever exist central banks as private institutions they should be put out of business and replaced by sovereign central national banks under the control of parliaments, contributing through controlled non-inflationary emission to long-term and low interest rates investment in public infrastructural, educational and health projects. It is the challenge for the most class conscious activists to keep reminding that private property is just the legal expression of the class division of labor and that as long as it exists there will persist as well exploitation and oppression.

Hilary Wainwright

From the heartlands of a persistent neo-liberalism: a union led alternative

(attempts to answer to question 1 and 3!)

1. We are now in the extraordinary situation in the UK in which the crisis of the financial markets has been turned into a crisis of public spending. Public servants are going to be scrutinised down to the last paperclip, while bankers are not even questioned about their last (or any) million pounds of public money. Not only this but accompanying the pressure to cut public services, is the urge to privatize i.e. to handover to exactly the private markets which are so clearly failing!

In other words, to directly answer question 1, Gordon Brown led the British state to respond to the crisis in accordance with the state's classic role as the banks' guarantor of last resort, bailing out the banks in a way which assured them that the government's main interest was to see them return to 'business as usual'. The Labour government rejected proposals debated even the mainstream financial press, to turn the banks short-term into public utilities and lay down conditions for support in terms of lending policy and reorganization; it later poured scorn on a previous head of the Confederation of Industry arguing for a tax on speculation.

This reluctance to seriously change the state's allegiance to the City and Labour's deference to the City powerful position in the UK's economy has allowed the Conservatives and the rightwing media to make the issue of cuts in public spending (meaning not Trident but public sector pay, pensions and provision) to pay for the deficit created by the bail-out, the central political issue in the build up to the 2010 election.

As to the crisis in the political system: the underlying crisis erupted over the question of MP's expenses which became a magnet for a deeper discontent.

Nothing was resolved beyond the sacking of some ministers and MPs and David Cameron's populist promise cut down the number of MP's. The depth of the political disaffection has no sustained outlet. The Conservatives might win the next election but not because of any enthusiasm for their politics; more to do with Labour losing its traditional support to abstentions, Scottish and Welsh nationalist parties and to a lesser extent the greens (sometimes, it has to be said to the racist far right BNP).

3. Moving to the question of alternatives: I will focus on one kind of transformative initiative that is relatively new and maybe adds a new dimension to the conference's wider analysis. It is a strategy emerging in the public sector in the UK, which combines resistance to outsourcing and privatization with the development of an alternative model of managing the public sector, based on industrial democracy.

UNISON, the major public sector union in the UK is seeking to learn from and generalize an exemplary experience of a local branch (in Newcastle council) defeating privatization and co-operating with the municipal management to secure and improve public provision. In the process, the union and management created a working model of public sector industrial democracy. At the same time the services were improved and savings were made in back office functions that were reallocated to frontline services. The co-operation with management was conditional on no outsourcing, on avoiding compulsory redundancies, on transparency and openness, including openness to management's plans and on increased investment in staff learning and development. The strategy of co-operation with management to secure public provision, is also based on maintaining wages and conditions.

Moreover, this strategy to secure public provision has been as much about building the organisation of the union and strengthening members' participation in it, as it is about co-operation with management. Indeed the union's view of the *nature* of the co-operation – what they push for and what they accept in negotiating the terms of this co-operation (there is always more

than one way of co-operating) is based in part on the importance of constantly strengthening union participation and organization.

This focus on industrial democracy in the public sector as central to thinking and effective practice around alternatives, is interesting and important for several reasons:

First, it is a necessary complement to the kind of citizens' participation and attempt to exert popular control over local state institutions that was experimented with in Porto Alegre (until recently) in Seville and many other smaller towns and cities across the world, with varying degrees of success. One of the limits of these experiences has been the absence of a parallel process of workers and union participation in a process of internal democratization of the municipality.

The UNISON experience provides a useful model from which to think how these two strategies for transforming state institutions could be combined and generalised (beyond the locality). Both these internal and external movements for democratic control have important implications we need to discuss for rethinking electoral political institutions, including political parties.

Secondly, alternative models of public service reform are of central strategic importance in a context where the advocates of privatization (all the mainstream political parties in the UK), have managed to pose as the service users' champion by claiming by claiming the mantle of reform and choice. As the failures – indeed disasters – of privatization are increasingly well known, public led strategies of reform are beginning to have a wider public impact.

Thirdly, these alternatives are of central importance to re-legitimising the kind of public led – as opposed to market led – economic strategy necessary to lead out of both economic and climate crisis.

Fourthly, these union-led alternatives forged out of the struggle against privatization are leading the public sector unions on to a relatively new strategic terrain in which public sector managers are seen as potential allies of public sector staff. The strategy of co-operation with management to secure

public provision moves public sector trade unionism beyond the traditional model based on replicating the struggle with management in the private, profit-driven, sector. UNISON recognizes that this convergence of interests is not automatic – it has to be struggled for. Indeed the present postal workers strike in the UK shows a public sector management (in this instance, quasi marketised, though not yet privatised) to be as vicious as the worst private sector managers. This recognition underpins the union’s emphasis on constantly developing the union's organisation, including the capacity and participation of the members and the maintenance of its autonomy and capacity to challenge management even while committed to a strategic co-operation.

The wider significance of this experience for the question of alliances points to the importance of alliances with sections of the trade unions who are taking an increasingly strategic and political role. And this trend, though not the dominant trend in the unions in the UK, is an increasingly important one. One reason for this is that as the Labour Party vacates its traditional role as political representative of working class interests and as the nature of these interests at the same time becomes increasingly political – in the face of the multiple crises that the conference invitation describes – sections of the unions are open to working with allies on developing political responses from a base outside the political system, as a new bargaining base for having an influence within.

This can be seen in the UK over green issues as well as privatization. There is a growing alliance between sections of the unions and the green movement over green employment, both defending existing green jobs hit by the crisis and demanding government action around a green industrial strategy. These kinds of political – but non-party – and hybrid alliances often between ‘old’ labour movement organization and newly radicalized social groups – young people around the environment and also international issues such as Palestine, public service managers around the destruction of public services are most developed at a local level. How they will gain national expression is unclear. Indeed in many cases they have stronger international networks than they have alliances in national political institutions.

Wen Tiejun, Liu Huaiyu, Li Chenjie

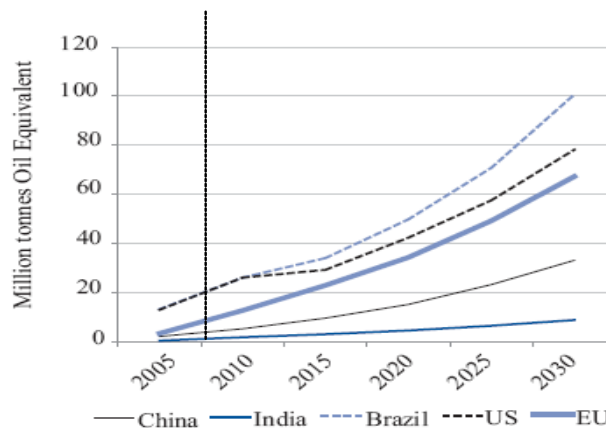
Global Crisis and Grain Security in China¹

2008 has thus far brought a mounting global food crisis as well as global inflation. This has given rise to extensive research worldwide on issues of food security and global economic development, especially the large amount of hot money seeking profit in Eco-energy market and made grain price increased.

Prediction of Largest Oil Consumption Countries

现在和未来全球生物燃料发展预测

发达国家投机资本导致能源价格高位运行将使全球生物能源发展进一步加速



Source: Msangi, et al., 2007

摘自国务院发展研究中心汤敏研究员2008年3月8日的报告

In China, a country that has 0.1 hectare of agrarian land per capita and where 60% of the population are peasants living in relatively isolated rural areas, food security is of immense importance.

Food security issues during the state industrialisation period

Among Asian developing countries with populations of over 100 million such as India, Bangladesh, China was the only one to set up a system of family tenant management. The system, known as “families’ land rights of equal distribution inside the villages”, came about originally in the first half of the 20th century, similarity with Japan, Korea after 2nd WW, not only for agronomy, but also for “State Rebuilding”.

However, as agricultural economies of scale lost importance and the landlord tenure system was abandoned, China developed a shortage of grain. Even though small farmers’ average production increased per capita in the 1950s and

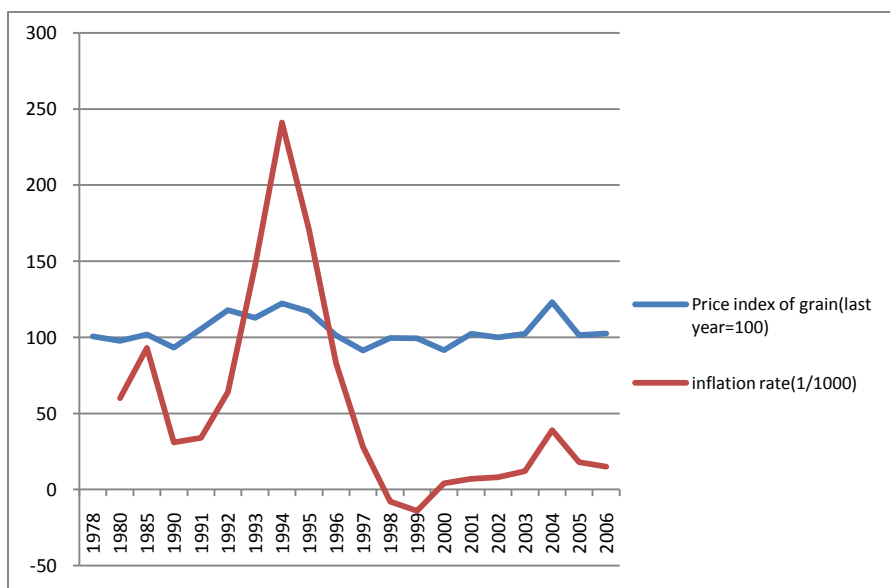
rural agricultural production was sufficient in terms of subsistence during this period, it was not enough in the face of urbanisation and industrialisation that pushed up demand immensely.

The Chinese process of industrialisation was under the leadership of the secondary reformed state as Russian model. The necessary capital accumulation was made possible as collectivized productions in the agricultural sector resulted in surplus creation. This significant internal capital accumulation process made China's trajectory of industrialisation unique compared to that of western countries. And, 3 years' serious crisis of food shortage since 1960 also mainly caused by heavy foreign debts transited into large amount agricultural export...

The macro-economic impact on food supply

In the 1980s, after a series of rural economic reforms of the family tenant management system, rural agricultural issues lost priority as the Chinese government increasingly focused on industrialisation and urbanization. Currently, rural China is characterised by small-scale farming. Over the last 10 years, food output has been increasing along with the rapid macro-economic growth and a steadily increasing population. The internal inflation always be the pre factor of food price increment, before China excess WTO.

Since 1949, food output has been fluctuating every year, which is normal for a country as vast as China.



Year	Price index of grain(1978=100)	inflation rate(1/1000)
1978	100.6	
1980	97.6	60
1985	101.9	93
1990	93.2	31
1991	105.5	34
1992	117.9	64
1993	112.8	147
1994 ²⁸	122.2	241
1995	117.1	171
1996	101.3	83
1997	91.4	28
1998	99.5	-8
1999	99.4	-14
2000	91.5	4
2001	102.3	7
2002	99.9	8
2003	102.3	12
2004	123.1	39
2005	101.5	18
2006	102.4	15

The above graph indicates that fluctuations in food output arise after unusually large macro-economic fluctuations, such as in 1994 when China experienced extremely high inflation rates. Following the foundation of the People's Republic of China, an increase in the population was coupled with rising food output. However, faster urbanisation and farmer income enhancement complicated the monitoring of changes in patterns of food stockpiling in farmer households, which represents 20% of commercialised food. The lack of exact data on the

²⁸ In 1994, China merged the official exchange rate with the adjustment price at swap center together, which was the most important factor to lead the abnormal inflation rate. On Jan 01 1994, the Chinese currency devalued to US\$1=RMB8.71, which was US\$1=RMB5.8 on Dec 31, 1993.

amount of stockpiled food can subsequently impact the food market when prices change.

During times of rapid economic development or inflation, the government is likely to launch macro-control policies which often result in decreasing prices and insufficient supply. Discrepancy between the agricultural production period and subsequent output supply is a result of the effects of macro-economic policies and the macro-economic period. Therefore, soaring food prices are the consequence of abnormal macro-economic fluctuations and inflation, not the other way around.

Special features of food supply and consumption in China

After the system of family tenant management was implemented, agricultural production and distribution started to take place in more than 200 million small farmer households. This led to a constant average food output of about 350 kg per capita, or 450 kg per farmer, which constitutes 60% of total food production in China. Only 40% of this output reaches the market, which is the part that will respond to price policies and macro-economic fluctuations.

As China is still in the process of urbanisation, around 60% of the population is still living in the rural areas with self-sustaining grain consumption. Hence, when considering China's food security system, it is important to note that it concerns only 40% of the population; those living in urban areas. Also, it is the annual food commercialisation ratio that should be taken into account, not the annual food output. Thus, the country's food security system is very different from the West and China should promote national stockpiling as a complement to market-driven food supply.

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Rick Wolff

Short Thesis (addressing especially the crisis in the US and a proposed new strategy to mobilize workers)

The central problem for labor unions and the left in the US are their *further marginalization* (politically and ideologically) by the capitalist crisis even as it creates vast new opportunities for them. Massively increased state economic interventions (a dramatically renewed Keynesianism) are largely co-opting or displacing traditional social democratic programs. The crisis-provoked closer coordination between state and large industry focuses brings vast resources (private profits plus the state's taxes and borrowings) to (1) shape and limit public perception of the crisis and appropriate "solutions," (2) control legislation, and (3) dominate politics.

Therefore, public debates around the crisis are constrained to endlessly repeat arguments for relatively more versus less state intervention (and quibbles over interventions' details). The debates proceed *as if history had not already shown the futility of state-interventions to solve capitalist crises*. The debates proceed *as if no basic change in or alternative to capitalism might provide a better solution*.

The history of state intervention in response to capitalist crises teaches strategic lessons. First, state interventions that negatively impact capitalist profits are opposed by capitalists who use their profits to finance their opposition. Second, when state-interventions nonetheless succeed (especially those supported by labor and the left), capitalist profits finance legal and illegal *evasions* of those interventions. Third, capitalist profits finance ideological and political campaigns, legal and illegal, to weaken and, where possible, end the established state interventions they oppose. US capitalists fought the New Deal interventions that hurt profits, then evaded those regulations and laws that were enacted, and finally weakened or removed most of them.

The US working class came to distrust and disengage from the Democratic Party over the last half century. Democrats seemed unable or unwilling to stop the destruction of the New Deal that labor and the left had struggled so hard to achieve. FDR had promised – and labor and the left had accepted – that state economic intervention could overcome the Great Depression and prevent future capitalist crises. History proved otherwise. World War 2, not state economic policies, pulled the US out of the Great Depression. Since 1945, US capitalism imposed 12 further “economic downturns” culminating in the current crash. Republicans and Democrats alternated in presiding over state interventions that never solved or prevented the sequences of capitalism’s speculative bubbles and socially disastrous crashes.

Labor and the left in the US cannot yet acknowledge or face the implications of this history of failed Keynesian state interventions. They continue, with Obama, to propose and support more of the same. *Thus, today’s proposals once again leave in place, unchallenged, the internal structure of capitalist enterprises* that positions boards of directors and the major shareholders who select them as the receivers and disposers of enterprise net revenues. Those opposed to state interventions continue to acquire the resources to block, thwart, and undermine them *as they have always done*. So long as this strategic nonsense cannot be admitted, little will change.

A changed strategy would aim to transform the internal structure of each enterprise: to replace shareholder-selected boards of directors with collectives of the enterprise’s workers. Workers who need, depend on, and support social democratic state interventions would henceforth receive and dispose of enterprises’ net revenues. No longer would they provide profits and hence resources to the enemies of those interventions.

In each transformed enterprise, workers would receive new job-descriptions. Beside one’s particular tasks within the enterprise’s division of labor, each worker would have to participate in the collective receipt and disposition of enterprise net revenues. The economic autocracy of directors and major shareholders would thus end in a major move towards economic democracy.

This basic change in the organization of production describes a system alternative to capitalism. It offers labor and the left a way to articulate an anti-capitalist strategy that differs profoundly from the traditional emphases on state versus private property ownership and free markets versus state regulation and planning. Those emphases were complicit with and compromised by the failures of past state economic interventions. By themselves, they no longer appeal to nor mobilize workers, but supplemented by this new strategic proposal, they might.

Enterprises where workers were their own boards of directors would deploy their net revenues differently from the typical deployments in traditionally organized enterprises. They would process technical change and worker-retraining differently. Having to live with the ecological consequences of production, they would be much more attentive to sustainability issues. Demands for gender equality would be differently evaluated and treated. Relocation of production would be handled altogether differently. In sum, the transformed internal structure of enterprise would produce new criteria for investment alongside newly emerging social needs and priorities.

As capitalism once substituted its modalities and preferences for those of the feudalism it supplanted, the proposed strategic movement can substitute for capitalism.

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