

Report on the International Situation

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The revolutions in Tunisia and Egypt constitute a historic turning point in the international situation. These revolutions change the rules of the game. There will be a before and after the revolutions of Tunisia and Egypt. It is too early to appreciate the depth and all the implications of this change, but we are confronted with historical upheavals. They are the first revolutions of this 21st century, more exactly - because there were also revolutions in Bolivia in 2003 and 2005 - the first revolutions in the Arab world but also the first revolutions resulting from the crisis of the world capitalist system.

They have exploded in the weak links of capitalist globalisation. They concern a double process, a political process of rejection of the dictatorships but also a social process, where millions of people can no longer stand the consequences of the food crises with the explosion of prices of basic food products or more generally a system which gives only unemployment and misery as a prospect to millions of young people. These revolutions - because they are revolutions in the sense that there has been an eruption of the mass movement on the social and political scene and an open crisis of the regime - combine democratic questions, national questions - of national sovereignty against imperialism - and social questions.

It is a major turning point in the Arab world with a shock wave, in Libya, in Bahrain, in Algeria, in Yemen, in Jordan, in Palestine, but it is also revealing of the social instability and upheavals to come. These are the first stages of a gigantic battle between dictatorships and popular mobilisations, a confrontation between forces, which under all forms, seeks to ensure the continuity of the power of the dominant classes and that of the rupture which aspires to democracy and the satisfaction of the basic social needs of the popular classes.

The massacres in Lybia also show that repression is unleashed against these revolutionary movements. This wave is felt as far as China. It will, in specific ways , have repercussions across the whole world.

In this sense, and even though we must to take into account the specific dimensions of these movements - mobilisation against dictatorships, the type of class contradictions, the fractures within these States - these movements fall under a new historical period marked by the crisis of the capitalist system.

The crisis today and its tipping point

The world crisis continues. It has entered its fourth year. Its unfolding takes the form of financial crises, crises on the food product or raw material markets and crises of the public debt, notably in Europe. Its combined character –economic, financial, social and climatic- is confirmed. The notion of “crisis of civilisation” reflects aptly the depth of this crisis. At the level of the world economy, some, like Paul Krugman (an economist identified with the left of the US Democratic Party) suggest that this Third Depression resembles both the stagnation that began in Europe and the United States in the 1870s - he calls it the Long Depression - and the stagnation of the 1930s, which he calls the Great Depression.

Current growth rates and those predicted for the long term are weak: 3% in 2011 and 3.5 % in 2012. This breaks down as follows in the various zones: 1 to 2 % in Europe, 2 to 3 % in the USA; and 6 to 7% in the so-called emergent countries. Unemployment rates in the main capitalist countries remain high, around official figures 10%, in fact much higher. Poverty is increasing, hitting in particular women, youth and immigrants.

The model of accumulation established in the late 1970s is in crisis. The generalised indebtedness which has dominated economic policy in the USA and Europe in the 1980s, 90s and 2000s can no longer compensate for the saturation of production in the key sectors of the economy and can no longer compensate for the limits of acquisitive capacities in terms of the purchasing power of the economies of the imperialist centres. On the other hand, there is no revival of production and mass consumption. All the talk of emergence from crisis or claims that the “the worst of the crisis is behind us” does not hide the slide into crisis and the absence of upturn of the world economy, notably in the USA and Europe. Crisis is establishing itself in the imperialist centres but it is also sharpening the tipping point of the world.

While the crisis hits the countries of the centre, China has for the past five years maintained growth rates of 10%. India and Brazil, to a lesser extent are undergoing similar processes of development. We could say that the crisis is above all that of the Western world and that China, India, and a series of countries in Asia and Latin America have avoided crisis or developed despite the crisis. China is already the second biggest world power. It has even conquered first place in such key sectors as computers. Its military strength and arms expenditure have increased considerably, seeking to make it a power of the first order in the coming years.

The presence of China in the world is undergoing a real expansion: big work projects in Africa and Latin America, large scale exploitation of lands for the production of raw materials and food products, purchase of the debt of countries “in difficulty” in Europe - Greece, Portugal, Spain.

Certainly, there is no “decoupling” of the emergent countries in the course of the crisis. China and the emergent countries are not in a position to relaunch the world economy. The structure of insertion of these countries in the world economy is fragile. Don't forget that 42% of China's GDP originates from its exports, and that in the medium term the solidity of Chinese growth will depend on its capacities to construct an internal market, with new infrastructures, wage increases and social security.

The economic dynamism of these countries poses the question of whether the world economy today is not a single locomotive with the USA but several, with China, India and other emergent countries. China's dynamism is such that it can draw other exporting economies, whether in raw materials like Brazil and Argentina, or capital goods like Germany. It is one question but it is key to understanding this tipping point of the world.

The US is in decline but maintains a position of strength thanks to the breadth and unified nature of its economic and financial market, due to the power of the Dollar, but above all due to its political-military hegemony, still felt despite the contradictions in the processes underway in Tunisia or Egypt. But it is no longer the US imperialism of the Bush years. It must make arrangements with others - in the area of arms with the Russians and tomorrow China or other states - Brazil in Latin America or with the pressure of the peoples.

In this new world equilibrium, the US declines but keeps its political-military power, its huge market and "its dollar", it is Europe which is falling back. Some even speak of the crisis of the Eurocentrism that has dominated the world since 1492- the date of the discovery of America. One of the striking elements of the current historic period and the crisis is the structural weakening of Europe.

A new capitalist neoliberal offensive

In this crisis, there are weak links of capitalist globalisation. We see it today with the contradictions which explode in the Arab countries but also in Europe where, for the dominant classes, in the battle between capital and labour, the crisis is a lever for the dominant classes who use it to destroy a series of social rights and gains. Since profit rates cannot be restored by production and mass consumption, world competition demands further lowering of the cost of labour in Europe and the USA. It is necessary to attack, deregulate, privatise. This capitalist offensive settles the debates and questions on the choice of a Keynesian turn for the dominant classes.

It is about attack, frontal attack, not social compromise. Little reflation, little reconstruction, no "demand" policies, no social and public redeployment of the state, loss of speed also of all the projects of "green capitalism". These Keynesian limits reduce still further the margins of manoeuvre of social democracy. After some weeks of panic, the financialisation of the economy and the power of the financial markets have been restored.

One can even speak of a second wave of the neoliberal offensive after that of the 1980s. In any case, the social destruction waged by the employers and the governments are as indeed stronger than in those days. This new offensive has a global character. Nothing escapes capitalist globalisation, its unequal exchanges, its remodelling of the labour force, the challenge to a whole series of social rights.

This has also brought pressure on the progressive experiences of recent years in Latin America. The measures by the Morales government seeking to increase oil prices being, to a certain extent, one of the conséquences of the growing pressure of the world market. It even strikes at the heart of the Cuban economy. What would be the consequences of the "privatisation" of a whole sector of the Cuban work force - nearly 10% of employees - on the relation of socio-political forces in Cuba and in Latin America? But there is no fatality. The attitude of the progressive governments of Latin America and the Cuban leadership in relation to the crisis constitute a key test of the development of these currents.

The crisis in Europe

Despite its technological, social, economic power and its accumulated wealth, Europe is the weak link in capitalist globalisation, in the sense where it is caught in the pincers between the USA and the rise of the emergent countries. The purchase of a part of the Greek, Portuguese and Spanish public debt by China is, effectively, more than symbolic. From the conjunctural point of view, the

crisis manifests itself in the form of a crisis of the "debt". It has passed from the banks to the states with a public debt crisis which results from decades of inegalitarian tax policies and the public intervention into the financial and banking crisis.

The public deficit went from 2 to 6.5% in the Euro zone and from 2.8 to 11% in the USA. The public debts between 2008 and 2009 went from 69.4 to 78.7% of GDP in the Euro zone and from 62 to 83%, from 2007 to 2009 in the USA. The states are now in the front line of the crisis and even if there are differences between the European Union and the USA - the latter having had much more significant reflationary economic policies - the dominant classes and government of the two units deploy austerity policies which in particular asphyxiate public policies.

The specificity of crisis in Europe results from the type of construction of the European Union: an entity dominated by the markets, of unfinished political content, without democracy, without popular participation, without political and economic unity. This neoliberal construction far from coordinating economic policies encourages the "divergent dynamics" of the European economy, divergences between the industrial (Germany) and financial (British) dynamics, highly developed economies - former common market - and averagely developed - south and east of Europe.

The Euro effectively covers countries at different levels of development and productivity. And far from constituting an instrument for an economic coordination of the so-called "Euro zone", it now functions as an instrument to discipline economies and peoples in the service of the strongest. Which leads to tensions between Germany or similar countries and the other, with a pressure that has become unbearable for Spain, Portugal and Greece. At this stage, the governments of the Euro zone have created mechanisms of assistance in return for radical neoliberal structural reforms, notably with the creation of a "European stabilisation fund" in 2013 for the countries in difficulties, a fund of 750 billion Euros. There is already debate on whether that will suffice. A debate which stimulates speculation.

But beyond this question of the debt, there is another central issue: in current world competition, the dominant classes in Europe are convinced that the "European social model" is a major handicap in the competition with the USA and China. It is necessary to destroy the social gains and conquests won in recent decades. There is a real "social war" in Europe today: freezing - indeed nominal lowering - of wages of public employees, drastic reduction of social and public budgets, destruction of whole layers of the social state, extension of the working day - pension reforms, challenges to the 35 hour week, destr of millions of public sector jobs, attacks and privatisations on social security, health, schools (the explosion of student fees in Britain).

The most recent example of these attacks is the referendum at the FIAT Mirafiori plant in Turin, where the results of approval of the management proposals open the road to the liquidation of collective bargaining, not only in engineering but also in all the professional branches and sectors. National collective agreements of branches or sectors are totally undermined. They collapse before the employment contract "negotiated" between the employee and the boss. The policy of the FIAT directorate also imposes a worsening of work conditions: team work, night work, crackdowns on absenteeism, wage freezes and so on.

Attacks of this type are tending to generalise across Europe. Combined with the policy of cutting deficits, they not only worsen the working and living conditions of millions of people but increasingly limits final demand, with the consequence of stifling growth and bringing about new recessions. The deficit cutting policies limit final demand and can only have consequences which will restrain growth indeed provoke new recessions. This is not yet another austerity plan, the objective is to reduce in the coming years the purchasing power of employees, by 15 to 20%. The dismantling of the welfare state or what remains of it will receive an unprecedented boost.

The right and the neoliberal offensive

The difference between this offensive, linked to the historic and systemic crisis capitalism is undergoing, and that of the 1980s, lies in the destabilising consequences for the whole of the system, its dominant classes, its parties, its institutions. All the dominant parties but also the others are destabilised by decades of neoliberal counter reforms and the crisis of the system. The crises of political representation, the historic crisis of socialism, the phenomena of popular abstention, the feeling of corruption of the political elites: all this feeds the general crisis of politics.

On the right, the neoliberal social counter reforms undermine the social bases of the traditional parties, so the latter seek this base by deploying authoritarian, racist, populist, police, attacking immigrants, Roma and Muslims. They accentuate their reactionary course like the Republican Party in the USA. Tendencies to "populist bonapartism" with Sarkozy or Berlusconi reflect a certain instability. Populist or neo fascist movements gain ground, notably in Sweden, the Netherlands, France, or Hungary. In all the recent elections in Europe, the right and far right have increased their vote.

Social Democracy and the crisis

On the left, the crisis has not led to any "Keynesian turn". The presence of a socialist president at the head of the IMF expresses the degree of integration of social democracy in the institutions of capitalist globalisation. Unlike in the 1930s, there is no turn to the left from social democracy. The social liberal choice is confirmed. The policies of Papandreou, Zapatero and Socrates show that. The broad direction of the Party of European Socialists at the European level comfort them and show that beyond the tactical positioning of each Socialist Party in the opposition against the right, social democracy has turned into social liberalism.

Even if there are differences between left and right, differences of social base, of history, of political relations with the workers', trade union, associative movement - the summits of social democracy, relayed by the trade union apparatuses, have deliberately chosen the adaptation to dominant modes of management of the crisis. We should also note the evolution of the big Green formations on orientations increasingly marked by the centre left.

The dynamic of social resistance

It is too soon to analyse and predict the consequences of the Arab revolutions on social resistance at the international scale. But these revolutions should be put in perspective with the resistance linked not only to the crisis but also the upheavals in the Arab world with the emergence of struggles and new organisations among workers and peoples, in China, Asia and Africa, but also in this configuration in Europe.

The most notable element of recent months has been the struggles of *résistance* to the austerity plans. Days of general strikes have taken place in Greece, Portugal, Spain, and France. In France, nearly 3 million people demonstrated and participated in strike movements eight times in two months... the Spanish and Portuguese strikes had a historic breadth. One of our tasks is to analyse the forms, content and dynamic of these conflicts. In Britain and Italy, the student demonstrations show the degree of explosiveness of the social struggles. In Germany there have been impressive anti-nuclear mobilisations. The crisis will continue. The attacks will redouble.

If there is a new social situation in Europe where people's resistance is being heard, we should note two major political facts:

a) the struggles, even the biggest ones, do not lead at this stage to partial defeats for the dominant classes or victories for the workers and their organisation. We have not blocked the capitalist offensive and still less sent it into reverse. What we can note is that, if the neoliberal counter-reform continues to advance, the workers who have gone on strike and demonstrated in Greece, France, Portugal, or Spain, and the students who have demonstrated in Britain, do not have the feeling of having experienced major defeats. They feel in a confused way that there will be further battles.

b) the second political fact to highlight is that in the countries where there is social struggle of a certain breadth, a gap exists between social combativeness and its political reflection. We should consider the specificities of the situation in each country. In some countries the level of social struggle is weak. But even in the countries where there is a social mobilisation, there is no equivalent at the trade union or political level: there is no organic growth of the trade unions, parties, or left currents in the social movements. How many members or supporters? There may be here and there a movement of members into trade unions and parties but there is, for example a difference between the 1930s and the current situation. In the 1930s the crisis and social resistance led, for example, to the growth by hundreds of thousands in membership of unions, socialist and communist parties, left movements within social democracy. The social liberal evolution renders these parties increasingly “impermeable” to the rises in the class struggle. `

But nor have we seen any massive qualitative growth of the trade unions. We might then have expected the development of currents or parties outside the traditional left organisations. At this stage we note no notable progress. Today in France, after an exceptional social mobilisation, we could have expected that the PS candidate for the presidential election of 2012 could be one with a more “social-democratic” profile. Well no, the SP candidate for the 2012 presidential elections is likely to be IMF president Dominique Strauss-Kahn, one of the most right-wing representatives of international social-democracy!!!

The effects of the historical crisis of the workers’ movement of the last century are still felt. The building of a revolutionary socialist consciousness needs new experiences to take shape. We have to note that the level of current struggles even if it is rising in reactions to the attacks of the ruling classes and government has not got a sufficient political dynamic to turn back the decades of neoliberal counter-reforms and lay the basis of an overall counter-offensive and a new revolutionary socialist project. The processes of building radical left or anticapitalist parties, in Europe, thus meet a series of difficulties.

First consequences of the Tunisian and Egyptian revolutions

The conséquences are first and foremost for the Arab world. These are the first revolutions for half a century: after Nasserism, the rise of Arab nationalism and the Algerian revolution. It is a démocratic and social shockwave across the Arab world, with mobilisations in Jordan, Yemen, Algeria, and growing tensions in Syria, Lebanon, and Palestine.

These are movements or mobilisations which are democratic, radical democratic and social. A knowledgeable historian of the Arab world characterises them as “post-Islamist revolutions”. The reference is no longer Iran. These are new generations, of youths and now workers with their organisations and strikes who want to find their way to self-determination. There will be, on the basis of these revolutions, a redistribution and reorganisation of forces: the émergence of new organisations linked to the radicalisation of the youth- radical social and démocratic movements, differentiations inside the Islamist movements – as in Egypt now among the Muslim Brotherhood, revival and reorganisation of the workers’ movement and the trade unions. We should stress the role

of the UGTT, and in particular of its combative sectors - in Tunisia and the importance of the movement seeking to replace the unions linked to the Mubarak regime by independent unions.

In the revolutions underway, democratic, national and social demands should be combined with self-organisation. In Libya or Bahrain we demand an end to the massacres and all repression. In Tunisia and in Egypt we support democratic demands, the liberation of all political prisoners, the dismantling of the dictatorship and all its institutions, the dissolution of the RCD and PND and all repressive apparatuses, the formation of a provisional government without any representative of the régime, representing the popular uprising and the convening of a constituent assembly.

In this context the Tunisian comrades are discussing the proposal against all “continuist” formulas, of a government of the UGTT applying a radical democratic programme and satisfying popular social needs. The key problem is to move from “getting rid of Ben Ali and Mubarak” to the rupture with the dictatorship. At the same time, the anti-capitalists should support all strikes, all democratic movements of youth and women, the embryos of self-organisation underway in the struggle against high prices and for the protection of the population.

This revolutionary upsurge in the Arab will also have medium and long term repercussions on the crisis in the Middle East, the political situation in Palestine, and relations with Israel. Beyond the manoeuvres of US imperialism, the general dynamic of this popular mobilisation weakens the imperialist grip on the region. It weakens the Zionist leadership which can no longer count on one of its main allies Mubarak. But this leadership is above all totally destabilised by the Arab democratic wave. Its representation of the Arab world as an undemocratic whole - authoritarian or Islamist regimes- has been thoroughly challenged by the dynamic of these revolutions. Finally the Tunisian, Egyptian, Libyan revolutions can encourage the emergence of radical or radical nationalist democratic currents opposed to the Palestinian Authority of Mahmoud Abbas and to Hamas.

For the peoples of the world, these revolutions will constitute examples. Of course, without mechanical effects, but they will stimulate reflection on the rejection of dictatorships, democratic aspirations, forms of struggle. The shock wave spreads as far as Beijing, even if for the moment only in symbolic form. It is necessary to see the fear of the Chinese authorities of the propagatory effects of these revolutions. In the rest of the world, these revolutions break the infernal circle which confined Arab societies-dictatorship or Islamic state-. They break the wall of all theories of the “clash of civilisations”. They create the conditions for the democratic and social alliance of the workers’ movement with the young Arab generations, in particular in the countries with large Arab immigrant populations. They are a point of support to strengthen all anti-racist mobilisations.

Elements of discussion on the tasks of revolutionaries

In these conditions what are our tasks? Does the reply depend on the diagnosis made of the crisis that broke out in 2007? Is it a financial episode analogous to all those that capitalism has known in the past, followed by temporary recessions? Or is it a systemic crisis at two levels: because the regime of financial accumulation developed over more than thirty years is exhausted, and because world capitalism has reached a limit linked to the finite nature of the planet and its natural resources. If we take the second hypothesis we cannot be content with policies of reflation through demand and more regulation in the financial system, what is needed is a radical reorganisation of the economy turned to social needs, an ecological reconversion of industry and agriculture, quality non-commodified public services, in short a rupture with capitalist logic, the private ownership of capital and the current system of distribution of wealth.

We need then a plan combining immediate demands with anti-capitalist counter-crisis demands. It is

not the workers who should pay for the crisis but the capitalists: defence of social gains, demands, rights, taxation of financial transactions, and cancellation of the public debt. This plan can be financed from the banking and financial profits and those of the big capitalist groups. This programme should be accompanied by the nationalisation or public socialisation of the entire banking system, posing the question of inroads into the ownership of capital. This question of ownership should also be posed through the struggle against privatisation and the creation of big public sectors under workers' and users' control in the key sectors of the economy.

It is also posed through the ecological question and the necessary reorganisation and ecological planning in the medium and long term. The ecological dimension has an increasingly significant place, given the natural disasters taking place around the planet, and with the increasing frequency of floods, climatic chaos, landslides, and should take an increasing place in our activity. All proposals of social and organisational reorganisation of production, reorganisation of urban space, transport, energy serving the needs of workers and peoples should be stressed in our agitation.

In Europe, this plan should have a continental dimension. In Europe, the response to the crisis is not nationalist protectionism and exit from the Euro. That would lead to an exacerbated competition between European countries and new attacks against the peoples so that the countries in most difficulties take the blows; not to mention the development of chauvinistic and xenophobic movements. A response is needed that which is European, social, democratic, and ecologist, but which breaks with the European policies and institutions. In this sense, saving the Euro or the European Union cannot serve as an alibi to redouble the attacks and austerity plans against the peoples.

Our response should start from the defence of the rights and demands of the workers and peoples in each country and at the European level. That means the rejection of any policy of austerity, even if there is the blackmail of expulsion from the EU. So what is needed is a coordination of the policies and struggles of the peoples in Europe to build a European, internationalist response which prioritises harmonisation upwards, coordination and cooperation to help the peoples hit hardest by the crisis, a policy which makes the capitalists and the bankers pay through a fiscal and social policy benefiting the people and European large scale public services, particularly banking.

In an anti-capitalist action plan, the question of democratic rights and demands takes on an important character, notably in the defence of democratic liberties and the defence of immigrants and the undocumented.

These objectives can only be attained by the social and political mobilisation of millions of workers and citizens and a confrontation with the dominant classes and governments.

More generally, our orientation should stimulate and orient this mobilisation which should combine, social, trade union and ecological struggles, unity of social, trade union and political action of all left forces, calls for and leadership of experiences of social self-organisation. Proposals for a European campaign for the cancellation of the debt or on employment through the coordination of associations and trade unions. It is necessary to relay the initiatives of the Dakar WSF.

At the political level, unitary struggles should go together with the systematic search for independence in relation to social democracy, notably through electoral policies in the big cities, regions, parliament and government. The crisis confirms the indispensable character of a global political alternative to social liberalism and the parties of the traditional left. Finally, we should encourage unity and anti-capitalist alliances encouraging all initiatives of anti-capitalist coordination at the level of sectors, struggles or parties, European or Mediterranean anti-capitalist conferences.

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P.S.

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