

international
VIEWPOINT

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**THE EU AFTER THE LISBON SUMMIT: A
NEW CONSENSUS EMERGES**
plus
ECONOMIC DOSSIER: THE NEW ECONOMY

**FRANCE: SHAMEFACED
NEOLIBERALISM**

**ANGOLA: A HUMANITARIAN
CATASTROPHE**

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“A tremendous victory”

TIKVA Honig-Parnass and Toufic Haddad of *News from Within*, the monthly publication of the Alternative Information Center in Jerusalem, spoke to Salah Jaber — a Lebanese activist now living in Paris, where he for some years edited the Arabic Marxist review, *Al-Mitraqa*, and a frequent contributor to *International Viewpoint*.

INTERVIEW

THE Hezbollah victory gives a broad blueprint of a comprehensive strategy (military, political) for defeating Israeli occupation. Can you evaluate the possibility of its reproduction elsewhere?

In order to do so, one has to separate the various elements of this “broad blueprint” as you call it. Let us start with the military aspect, since you mention it: I would say that the peculiarities of the Lebanese terrain should be as obvious to anyone in the Arab world, as the peculiarities of the Iraqi terrain are now for anyone in Washington who could have taken the 1991 Gulf War as a “broad blueprint” for further US interventions.

I mean that, just as the desert is the ideal terrain for taking full advantage of superiority in air power (as proven by the great contrast between the six weeks of carpet-bombing of the Iraqi troops in 1991 and the poor results of Nato’s air campaign against the Federal Republic of Yugoslavia in 1999), the mountainous and populous character of southern Lebanon should be taken into consideration before generalizing its experience into a “broad blueprint”.

This being said, what should be emphasized in the first place is that the victory in southern Lebanon was not a “military” victory. The Israeli army has not been defeated militarily: it was much less exhausted than the US forces in Vietnam, and even in the latter case it would be quite improper to talk of a “military defeat”. In both cases, the defeat is primarily a political defeat of the governments, against a background of an increasingly reluctant population in the invader country.

In that regard, the military action finds its value in its political impact, and not primarily in its direct military impact. The

guerrilla actions of the Lebanese Resistance against the occupation — which was very far, even proportionally, from matching the scale of the Vietnamese Resistance — were mainly effective through their impact on the Israeli population, just as the coffins of GI’s landing back in the US were during the Vietnam War. In both cases, the population of the invader country became more and more opposed to a war effort which was clearly devoid of any moral justification.

This had already been experienced by Israel since the beginning of its full-scale invasion of Lebanon in 1982. The withdrawal from Beirut in 1982, and later from most of the occupied Lebanese territory in 1985, were mainly motivated by the fact that the Israeli population could not endorse a situation in which Israeli soldiers were facing death every day for the sake of an occupation which could hardly be justified, even from a mainstream Zionist view. So the key issue is that of the balance between the cost and benefits of an occupation: whereas in the Golan the benefits for Israel exceed the present costs, in southern Lebanon the reverse was very obviously true.

Let us now extrapolate to the Palestinian occupied territories: during twenty years the benefits clearly exceeded the costs from the viewpoint of Israeli “security”. The desperate “guerrilla” operations of the Palestinian Resistance could not counterbalance the feeling of enhanced security stemming from the extension of the border to the Jordan River. The situation began to change dramatically with the mass mobilization of the *Intifada*. This made the cost nearly intolerable for the morale of the Israeli army and for the reputation of Israel in its backer countries.

The pressure mounted within the Israeli army, up to its highest ranks, in favour of a withdrawal of the troops from the populated areas, and their redeployment in those strategic parts of the West Bank where no Palestinians are concentrated.

It is precisely to this pressure from the military that Rabin was responding when he entered the Oslo negotiations. He tried to get the highest possible price for the implementation of this withdrawal from a PLO leadership which had been accumulating concessions and capitulations for many years. And he got what he wanted, to a degree that he could not have even imagined when he started the talks with the Arafat leadership! Instead of building on the impetus of the *Intifada*, and doing everything possible to sustain it until they got the withdrawal of the Israeli army from the populated areas — without betraying anything of what they stood for previously and with very minimal accommodations, negotiated not by the PLO but by the leadership of the *Intifada* within the territories — the Arafat leadership went into what even some Zionist commentators described as an ignominious surrender, leading to the execrable situation prevailing now.

The Hezbollah acted differently: they kept up the pressure uncompromisingly. And they forced the unconditional and total withdrawal of the Israeli army from the Lebanese territories occupied since 1978 (the remnant goes back to the 1967 War). A tremendous victory, indeed! And surely a feat that the Palestinian population will meditate on and from which they will draw some inspiration.

■ **To what extent is the Hezbollah victory a slap in the face for the imperialist agenda in the region? What might we expect from it in the future?**

The Lebanese victory is certainly a defeat for the US agenda which, like that of its Israeli ally, foresaw the insertion of this withdrawal into an overall peace agreement with Syria which would include all sorts of conditions, concessions and guarantees obtained for Israel. Besides, Israel is the “most brilliant” proxy of the US armed forces, the one always quoted as an example to follow. And here is a withdrawal, taking the shape of a debacle, evoking irresistibly the images of the US debacle in Vietnam in 1975 — incidentally just at the time of the 25th anniversary of the latter! This is a new vindication of



Israeli Prime Minister Ehud Barak

the famous “dare to struggle, dare to win” that inspired so bravely the Vietnamese Resistance. And it can be expected that it will contribute to reversing the winds of defeatism that have swept through such a big part of those who once used to fight imperialist domination.

However with regard to the US agenda in the Middle East, I think that the main change in the Israeli agenda — which will certainly be integrated in the agenda of the next US administration — is that the prospect of a peace treaty with Syria is pushed back indefinitely. The Zionist establishment is definitely not eager to relinquish the Golan for the sake of just establishing relations with Syria, relations which will never be “normal” anyhow. And they are all the less eager to do so in that the Syrian dictator Hafez El-Assad is on the verge of death and that the political future of the country is highly uncertain.

■ **Why has the Lebanese victory been claimed by Hezbollah alone? Were not other forces — Palestinians, Lebanese Left — involved in the resistance movement? If not, why not?**

The reason the Hezbollah appeared as the only father of victory (as the saying goes, victory usually has several fathers, whereas defeat is an orphan) is that they did everything they could to monopolize the prestige of the resistance movement. After the 1982 Israeli invasion, you had an uneasy coexistence and competition between two tendencies in the fight against the occupier: the Lebanese National Resistance, dominated by the Lebanese Communist Party, and the Islamic Resistance, dominated by the Hezbollah.

The Palestinian forces had been wiped out from southern Lebanon by the invaders, and those remaining in the refugee camps were not really a match, especially since some Lebanese forces like the Shiah communalist militias of Amal

are still there — they are among those who recovered the stretch of land abandoned by Israel and its local proxy. But they were never a key force in the Resistance movement: they lost their impetus long ago to the benefit of the Hezbollah, and turned into a purely conservative and clientelist party.

The Hezbollah conducted all sorts of operations to establish their monopoly of the resistance movement, up to repeated onslaughts against the Communists, murdering some of their key Shiah cadres in particular. The CP behaved in a most servile manner, not daring to retaliate and instead calling on the “brothers” in the Islamic Resistance to behave in a brotherly manner — a call which has no real chance of being heard if it is not backed by decisive action to show the damage that could result, precisely, from the alternative behaviour! Such an attitude contributed greatly to the progressive shift in the balance of forces to the advantage of the Hezbollah. Many of the most militant members of the Lebanese left among the Shiah were attracted to the Hezbollah.

We should recall that at the beginning of the Lebanese civil war in 1975 there was no Hezbollah and the CP was the major militant force among the Shiah population in southern Lebanon. The party started losing ground to the advantage of Amal first, and Hezbollah later, after 1982. In both cases the lesson was the same: all these movements were appealing to the same constituency, i.e. the traditionally very militant Shiah population of southern Lebanon. In such a competition, the shyest is doomed to lose inevitably, all the more so when you don't even dare to put forward your own radical program and you end up tail-ending the dominant communalist forces. Here again you need to dare to struggle and dare to win!

The Hezbollah have been very effective on that score. They were definitely

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very "daring" in their actions, inspired by their quasi-mystical views of martyrdom. And they knew also how to win the souls and minds of the population, by making a very clever use of the significant funding they got from Iran, thus organizing all kinds of social services to the benefit of the impoverished population. To be sure, they also took advantage of the ideological winds which blew much more in their direction than in the direction of a left which became utterly demoralized by the collapse of the Soviet Union.

■ **What are the implications of the Hezbollah victory for the relation of the political forces in Lebanon? For the Palestinian refugees there? And for the entire region?**

One thing is sure. This victory will greatly enhance the appeal of the Hezbollah in Lebanon, and of the Islamic fundamentalists in the whole region. In Lebanon, the Hezbollah faces an objective limitation due to the religiously very composite character of the population. The Hezbollah are inherently unable to win over Christians, Druzes, or even Sunni Muslims, in any significant numbers.

They are no threat to the Palestinian refugees, since their Islamic universalism make them champions of the Palestinian cause. In that sense, they are actually competitors to the Palestinian political forces in Lebanon, whether Arafat loyalists or left dissidents; at best they can contribute to strengthen the Palestinian Islamic fundamentalist tendencies.

In that sense too, their victory is a bad omen to Arafat, obviously, as I have already explained. Among Palestinians in the West Bank and Gaza, Hamas are the only ones likely to be boosted by Hezbollah triumphalism. More generally, we can say that this victory will be precious for the whole Islamic fundamentalist movement in countering the negative impact of the recent events in Iran. Those who thought they could already bury Islamic fundamentalism (a French "orientalist" recently produced a book heralding the terminal decline of this phenomenon) are blatantly refuted. As long as they have no real competitor for the embodiment of the aspirations of the downtrodden masses, and as long as the social effects of "globalization" are with us, the fundamentalists will also be part of the picture, with ups and downs naturally. ★

A rebirth of student activism

THE protest against the International Monetary Fund and the World Bank highlighted a significant and well-needed rebirth of student activism on college and university campuses in the United States.

CHRIS CLEMENT

In good part, students who turned out for the protests on April 16th and 17th busied themselves prior to that event by revitalizing campus activism in such struggles as the anti-sweatshop campaign, environmental movements against corporate polluters, and international labor solidarity. Earlier this year students at several universities, including the University of Michigan, Purdue, and Duke, held sit-ins in their respective administration buildings to demand that their universities discontinue purchasing school t-shirts and sportswear from companies which contract with sweatshops overseas.

About two years ago, students initiated United Students Against Sweatshops (USAS) to coordinate and strengthen their efforts on their campuses and to reach out to other activists in the labor unions and neighborhoods. There has also been some activity on other areas, such as defending indigenous peoples in Columbia and Nigeria against destructive practices by oil corporations.

Renewed activism

But this renewed activism has not been simply limited to international issues. More students are becoming involved in domestic affairs, especially those concerning poverty, racism, and the alarming boom in the prison population. In New York City, many students protested against police brutality in the deaths of Amadou Diallo and Patrick Dorismond. In Washington DC metropolitan police arrested college and high school students for practicing civil disobedience during a rally to defend the life of political prisoner and death-row inmate Mumia Abu-Jamal.

What is behind this somewhat sudden and very visible upsurge in activism on campuses? One would be hard-pressed to find answers in the mainstream news

media which have largely dismissed student activists as spoiled Ivy League brats who have nothing better to do. This depiction does not even come close to describing the average student in the US, many of whom are activists.

While the media portrays college activists as "brats" or as young "hippie wanna-be's" looking for an issue, activism on university campuses is, in fact, a product of troubling trends that force students to work and study and, ironically, leave them uncertain about their future. In the past ten years, the cost of college tuition has increased by 145% whereas federal financial assistance for education has increased by only 40%; loans from private lenders are becoming the primary source of aid for college students. As a result, more and more college students are forced to hold down jobs where they work between 25-40 hours a week and attend classes full-time.

Too many classes

Students are also enrolling in far too many classes per semester in an attempt to graduate as soon as possible, hoping that gainful employment awaits them after college. However, the reality is that even college-educated people are having difficulty finding work; if they do, the chances are that the salary and benefits (if there are any) will not be enough to survive and pay off the student loans that many students accrue. Indeed, the leading source of employment in the US are temporary agencies that, although pay above minimum wage, do not offer health benefits or job security to their employees. There is no doubt that these conditions have driven some students to activism.

Furthermore, students searching for answers to why their futures are so bleak have an increasingly tough time finding

them in the classrooms. A growing corporatization of the universities has yielded greater and greater emphasis on vocational programs and courses designed to suit the needs of corporate America at the expense of critical inquiry and broad-based knowledge. The Michigan Virtual Automotive College, for example, was created using resources and faculty from the University of Michigan and Michigan State University for the exclusive purpose of training employees of car manufacturers in the state.

Corporate penetration

Corporations such as Nike have also penetrated the universities with paid internships; university administrations have eagerly allowed them on campus hoping they will pick up the slack left by the lack of adequate financial assistance. Meanwhile, the average courses in the humanities and social sciences praise books proclaiming the triumph of capitalism and the purported failure of alternatives whereas any literature even slightly critical of the system is dismissed as part of crusade for "political correctness."

Many departments in the discipline have attempted to acclimate by tailoring their programs to correspond with national security agencies belonging to either the government or private firms doing political consultation for corporations. Hence, many students have turned to activism because the universities have done a lousy job of doing anything other than turn out bodies for a workforce without job security or a living wage that celebrates the free market's golden age — an image that simply does not mesh with reality.

The protests last November in Seattle and April in Washington, DC, as well as smaller activities throughout the country, demonstrate that students are not satisfied with the trajectory of college programs and the accompanying ideology that have been foisted upon them. Students have capitalized on all the attention these demonstrations have received to expand their base on campus.

The mainstream news media have also focused obsessively on, what could be characterized as, the [presumed] "Unbearable Whiteness of Activism" and the small numbers of students of color at the April 16 and 17 protest. (One wonders why reporters have not balked at the very real and "unbearable whiteness" of IMF

and World Bank representatives!)

A productive starting point for analyzing participation by students of color is recognizing that, in fact, they were present. Most of the students who represented Howard University and American University at the protests were students of color who came together to form the Kwame Ture Memorial Affinity Group. On April 16, they participated in direct action by blocking several delegates attempting to attend the IMF/World Bank meeting. Later that day, they joined with other people of color and other allied groups for an impromptu march down Pennsylvania Avenue. Participants danced and sang the lyrics of Bob Marley and hip-hop star DMX!

Street party

Perhaps this may have seemed as if people of color were just having a party in the streets; in some ways they were! The understanding was that they were protesting the destructiveness and morbidity of IMF/World Bank policies by celebrating life. Their contribution to the protest was intended to create a space in student activism where other people of color would feel familiar and welcomed enough to join.

However, a significant number of students of color have different interests and areas of activism than their white counterparts — among them, police brutality and the disproportionate number of Blacks and Hispanics in prison. Those who want to diversify the make up of activists involved



in struggles such as the anti-sweatshop campaign, international environmental protections, and the reform/abolition of the IMF, World Bank, and the World Trade Organization have the hard but promising task of developing connections between those issues and the ones that concern students of color.

Several activities are underway to do so. USAS' current plans to develop a movement to protest corporations' use of well-below minimum wage prison labor holds some promise for reaching out to people of color who have been working on similar efforts. Students may also do well to build upon the recent AFL-CIO denunciation of workplace raids against undocumented immigrant workers by the Immigration and Naturalization Services.

The IMF/World Bank protests showed that students, for the first time in almost three decades, want to organize and fight back. A major limitation of the series of demonstrations and protests has been that participants have relied mostly on disruptions — civil disobedience, shutting down meetings by corporations or complicit institutions — as the key to winning struggles.

Need for organization

Granted, disruptions are essential and indispensable tools for success; however, there is a fundamental need for organization and the development of solid dedicated leaderships who can build between demonstrations. Just a few weeks after the protest, students held a meeting at George Washington University to discuss what they learned and what ought to be done now; emphasis was placed on the desire to do more than wait for the next round of demonstrations and the need to organize by having clear lines of responsibility and accountability.

In this context, socialists have several principles for organizing; the three most important are self-empowerment of all activists in the movements, the building of a cadre of conscious and tactful student leaders, and the development of a revolutionary vanguard that can help win reforms and also build a project to create a society in which hard-won demands will have optimal results. In the current environment, socialists will find that if they are serious about working to build and win movements, students will not only welcome but also seek out their assistance. ★

Workers reject austerity

ON May 3rd, 82,000 workers in Norway's private sector went on strike for improved pay and conditions in the biggest action since 1921. Now negotiations in the public sector have broken down, and there could be major strike action there too.

ANDERS EKLAND

NORWAY is a rich nation, especially thanks to its oil. But the Norwegian capitalists have used the defensive position of the working class in Europe to attack the established rights of the workers. They have tried to build a national consensus on low wage growth, or more precisely a wage growth that "is in line with our main trading partners" as the official mantra goes.

After a good agreement from the workers' point of view in 1998, the state set up a tripartite commission to look at wage-policy. The result was, not surprisingly, that the union leaderships accepted a very low ceiling for wage growth. They claimed that part of the wage increase in 1998 had to be considered as an "up-front" part of the 2000 agreement. Historically the differences between average industrial wages and the wages of senior executives in Norway has been relatively low compared to the US and continental Europe. In the nineties, the bourgeoisie has tried to change that, giving themselves generous wage increases, bonuses, and stock-options of all kinds. Recently there has been a spate of "golden parachute" scandals.

Culture of greed

This new culture of greed has also influenced the wages of the top union bureaucrats. The trade union negotiating delegation on average earned twice as much as the workers they represented! Profits have also shown a huge increase since the early nineties, with dividends almost tripling. In addition the tax system was changed in 1992, taxing capital gains less than before. So it was no surprise that the overwhelmingly majority of union members in the private sector voted no to

the very meagre deal that was negotiated in the beginning of April.

Normally wage negotiations happen every second year, but this was to be prolonged to three years! There was increased flexibility. The hourly wage rate was increased by a tiny amount, about 0.1 Euro! Holidays would remain the same this year, one day would be added in 2001 and three more days in 2003! That sounds OK unless you understand that the fight for a fifth week's holiday started 18 years ago. The union bureaucrats tried to sell this deal to the rank and file but with no success. There was over 60% participation in the ballot with an impressive 64% against the deal. This was the largest no-vote on a national level since WWII. Of 17 individual unions taking part, 16 had a no-majority. The no-vote was a political victory for the trade union left based in the two parties to the left of the Labour party, the Socialist Left Party (its left-wing) and the Red Electoral Alliance.

Left runs strike

It was very much the left that ran the strike — there was quite a consolidated layer of left trade unionists to the forefront. There was also important European solidarity especially from transport unions across Scandinavia and from IG Metal in Germany who boycotted the companies where there was action. The union leadership and the employers organisation did not want a drawn out strike in which they might lose more, so the strike was ended in eight days, with most of the left's demands won.

The period before the next negotiations was to be two years as usual (not three). The wage increase was nearly four times higher than previously offered. This wage

increase was somewhat above the ceiling fixed by the state commission — an important political break-through. There were also additional increases for those below the average wage. The fifth holiday week will be introduced one year earlier. On the question of flexibility there was no change, so here the employers won. But it is a general formulation; the concrete implementation is a question of local negotiations, so how this turns out depend to a large degree on the strength of the local unions.

Out of touch

The fact that the trade union leadership was out of touch with the rank and file became very clear. When the no-vote happened, they explained it as a reaction to the golden parachutes and the "greed culture". But their moral indignation was not taken seriously as the press showed that union representatives on the boards almost without exception had kept silent when the golden parachutes were handed out.

What happened during this strike was a chain of positive events with important lessons for the future

- the political/trade union left has substantial support for its ideas and demands and could achieve more if it was better organised

- there are strong egalitarian sentiments among trade unionists,

- to work for active, democratic unions is of paramount importance.

In the public sector the teachers' and nurses' unions have had a high profile and demanded substantial increases, as much as 20% over a two-year period. This had an impact in the September parliamentary elections, in which the Socialist Left vote increased significantly — much of it from women in the public sector. These women are generally more left-wing than males of the same age and income.

Student nurses have refused to work in the hospitals, because they will not accept the low wages and bad working conditions. Given the high oil-prices, the level of wage increases for nurses and teachers is a political question for the Norwegian bourgeoisie. They have to decide whether a tough line or concessions are the best strategy for them in the long run. The no-vote in the private sector showed that there are limits as to how far they can sell their austerity policies so they may feel the need to make concessions to head off public sector action. ★

A shame-faced neoliberalism

IT'S already three years since Lionel Jospin and the parties in his coalition came to power in France, defeating the supporters of ultra-liberalism. It was June 1997 and Jospin's success came as a surprise — it followed French president Jacques Chirac's decision to dissolve the National Assembly, in the hope of relegitimising his government and deepening its policies of austerity, deregulation and the destruction of the great social conquests of the post-war period. A big mistake. In believing it would win the parliamentary elections the right showed an extreme form of blindness.

CHRISTIAN PIQUET*

EIGHTEEN months previously, in November and December 1995, it had had to face an uprising by wage earners of the public sector and the paralysis of the country by a general strike in transport — a movement which expressed the anger of all workers at Chirac's attempts to change the pensions system and attack public services. This social movement, unprecedented since May 1968, opened a new cycle of struggles in France, encouraging a massive rejection of neoliberalism and generating a new social and political radicalism. In ignoring all this and attempting to push through his project of an overall remodeling of French society, Chirac created the conditions for a defeat from which his own camp has to this day not yet recovered.

Surprise

In France and in Europe generally the left's return to power appeared as something of a surprise. Four years before, totally discredited after ten years in power under François Mitterrand, the Parti socialiste (PS) had suffered a historic defeat, which seemed likely to condemn it to opposition for many long years. In the absence of a credible anti-capitalist alternative, the relationship of political forces swung dangerously in favour of reaction, as the Front national profited fully from the desperation that crisis, unemployment and the economic restructuring engendered among the masses. This fascist party even became the biggest electoral force among the workers

and unemployed.

This was where Jospin stepped in. Symbol of the “sabras” who took control of French social-democracy with Mitterrand in the early 1970s, first secretary of the party after the 1981 electoral victory, sedulous defender of the government's conversion to monetary and financial orthodoxy from 1983, minister of national education following the reelection of the outgoing president in 1988, he had nonetheless finally broken with his mentor at a time when the PS was sunk in scandal and internal conflict.

Break with orthodoxy

In September 1993 Jospin stated in *Libération*: “The time has come to break with the economic orthodoxy which has dominated the western world and France for 15 years, and which has shown its inefficacy. The arguments founded on competitive deflation or according to which the profits of today are the investments of tomorrow and the jobs of the day after do not work. The jobs of the day after never arrive”. The following year he added: “Reform has conquered revolution but the reformists give the impression of no longer believing in reforms.”¹ By successive touches, he finally appeared to promise a return to more classically Keynesian line, of which he gave the following definition: “This should first be a real policy, that is the affirmation of the responsibility of the political power in the economic area and thus the obligation for it to fix priorities,

objectives, means, for getting results. Liberalism, on the other hand, as the name indicates, leaves everything to the rules of the market. It reduces decision-making and thus responsibility to a limited area, as if the economy was an autonomous domain. It operates a neutralization of the role of politics and the state”.²

Reasonable

As the advocate of a “reasonable” alternative to the total submission to Maastrichtian liberalism characteristic of the Mitterrand years, Jospin launched the “Conference for Social Transformation” together with others of Communist, ecologist or trade union origin. The disarray of the socialist apparatus following its defeat in the parliamentary elections of 1993 then gave him the occasion of imposing himself as the challenger to Jacques Chirac at the presidential election of 1995.

Against all expectations, he came first of all candidates in the first round and was only beaten by a few points in the second, bringing the left-right balance of forces to nearly 50-50. He carved out for himself the leadership of the progressive camp and retook the reins of a PS which rediscovered its hegemonic ambitions. The idea of an “organic party of the left”, of a “Congrès de Tours in reverse” with the idea that the Communist Party could turn back to the old social-democratic house, now acquired a certain credibility. Responsible for the PS's relations with the rest of the left, Jean-Christophe Cambadélis became an audacious theorist: “We can see a sphere of social transformation emerging, made up of parties, currents, associations, a convergence around the Parti socialiste or with it, the network of democratic convergence.”³ Before the anticipated parliamentary elections of 1997, the ingredients of the “plural left” currently in power came together. Jospin's skill consisted in bringing together, around a social democracy proclaiming its “left-wing anchoring”, currents that had indisputable links with the radicalized or politicized sectors of the wage earners and the popular electorate, in the event the PCF and the Greens.

Even if its coherence was fragile and if no concrete programme was ever put to the citizens,⁴ this alliance would have allowed the government to benefit from a undeniable tolerance on the part of the “people of the left”. A tolerance reinforced by the



1995 upheavals transformed French politics

contrast between the discourse of Blair or Schröder and that of the French PS leaders. Cambadélis stressed the differences with New Labour: "I dare to say that the managerial centrism of Blair is not fully conciliable, or reconcilable, with the essence of a left wing political engagement: the primacy of politics over managerial "neutrality", of liberty (and equality inasmuch as it conditions the implementation of liberty) over financial "efficiency".⁵

Real strategy expressed

The real strategy was also expressed however: "All the components of the plural left evolve today in the same framework of thought, inside which there are more or less significant nuances on objectives and strategy." Since Guy Mollet, not to mention Jules Guesde, a double language has always been part of the French socialist tradition. The Jospinian practice was no exception.

If the effects of governmental announcements were to lead the public to think that the PS was returning to a Keynesian line and rejecting the neoliberalism sweeping the rest of Europe, the Prime minister had himself renounced the fight against big financial capitalism: "One of the lessons of this century for social democracy is that it is undoubtedly no longer possible to define it as a system among other systems. More than a system, it is a way of regulating society and putting the market economy to the service of humanity. (...) I no longer know what socialism as a system would be. But I know what socialism can be as an ensemble of values, as a social movement, as a political practice."⁶

In other words, the Jospin of 1999 has not foresworn what he said 14 years previously at the time of his adhesion to the "turn towards rigor" which came to underwrite the PS-PCF alliance of the time: "We have taken our distance from a certain Keynesianism: belief in the effectiveness of economic reflation, a short term vision of state intervention. We know that we should argue in terms of the slow evolution of structures, notably for productivity. The weight of international constraints makes itself felt heavily. (...) But to rediscover classical economy is to be closer to Marx. There is the paradox."⁷

The ideological basis of the French version of social-liberalism is brought out perfectly here. Why then the anxiety of the PS to distinguish itself from the Blairite "Third Way" or Schröder's "new center"? It stems from the "shame-faced neoliberalism" which all governments, both right and left, have practiced these last few years. The attachment of a great majority of the population to its public services, its refusal to see its health system and social protection destroyed, the persistence of the aspiration to the social Republic will systematically block any neoliberal counter-reform on some essential points. Up to bringing a million people on the streets of Paris in 1994, when public education was threatened; and double that when the Juppé plan to "reform" pensions was proposed the following year.

Curious paradox

Economist Hoang Ngoc Liêm sums up this social resistance as follows: "Everything starts, in France, from a curious paradox. Neoliberal thought, which tri-

umphed after 1983, has never wished to admit its instincts or its "vices". Unlike Anglo-Saxon neoliberalism, long thought through by the economic advisers of the conservative candidates, French neoliberalism installed itself progressively, on the sly, without announcing itself, in a singularly perverse fashion, by arguing that there was no other road possible. This shame-faced neoliberalism, repudiated by the fiercest partisans of the real thing, found then few natural defenders among those who rallied to the line chosen in 1983. In truth this "masked" neoliberalism attacked a fortress, that of the "the French exception", which continues to resist tooth and claw, despite the innumerable political, ideological and media attempts at its demolition."⁸

This review of the framework of the Jospinian strategy helps us appreciate more clearly the reality of government action over the last 3 years. It claims to be a "point of equilibrium" between the social devastation induced by the globalization of capital and the supposedly dangerous dynamic of an open break with neoliberalism. Since this middle only exists in speechifying, the governing union of the left was soon concerning itself with the profitability of the productive apparatus and the insertion of French capitalism on the international market.

Acceptance

Only a few days after the new team came to power, two events made this clear. First, there was the acceptance of the closure of the Renault factory at Vilvoorde, when the French state was still the principal shareholder in this firm. Then came the signature of the Pact of Stability at the European summit at Amsterdam. In opposition Jospin had gone in person to tell the Belgian employees at the car factory that if he came to power he would reverse this closure. And he also promised that he would not ratify the treaty of Amsterdam, denouncing it as a "super-Maastricht".

In office, echoing the offensive of the big employers, the government encouraged the acceleration of the processes of capitalist concentration in the industrial and banking sectors, accepted the wildcat deregulation accompanying liberal globalization and the dismantling of what remained of the regulatory functions of the state, and pursued the liquidation of the remnants of the "social pact" that the dom-

inant class had struck with the employees after the Second World War.

In this logic, generally hiding behind the directives of the European Union, the "plural left" has privatized more than the governments of right, which had preceded it since 1993. A process which began with the opening of the capital of France Télécom and which was then applied in energy, transport, health and even national education. This is accompanied by the deepening of attacks against the regulation of labour, carried out in the name of flexibility, in the public as in the private sector. Presented as the symbol of a determination to fight unemployment, the law on the reduction of the working time, introduced by employment minister Martine Aubry, systematized this regressive approach.

Far from encouraging the creation of hundreds of thousands of jobs promised, it authorized the intensification of the exploitation of the workers, the generalization of flexibility, the withdrawal of the guarantees written into the Labour Code. Moreover, it favored the holding back of wages through "wage moderation" clauses whose effect will eventually be the stagnation of purchasing power. It also involved a multiplication "aid to companies", under the form of lowering or exonerations of employers' charges.

Health rights questioned

Parallel to this, the right to health is also being put in question. Budgetary restrictions affect the hospitals and a system of rationing of care is being introduced under the cover of control over health expenditure. The evidence is that, even if the government says it is opposed to substituting pension funds for the current system of pensions by allocation, these latter are in the line of fire.

Any projects for tax reform which might have had a certain redistributive logic, from the lowering of value added tax to an increase in taxes on the wealthy, were quickly abandoned in favour of tax cuts for the higher paid. Even the refusal to regularize a majority of the *sans-papiers* was not motivated simply by a desire to satisfy the more reactionary sectors of society, but reflected the deep tendencies of the government's approach: this attitude encourages an ultraneoliberal management of the labour force, plunging the most exploited fraction of the employees into a situation of illegitimacy and extreme precarious-

ness.

In sum, this policy fits in perfectly with the offensive of the employers' organization, the Medef, which now calls for a "social refoundation". In other words, a real attempt at demolition of the social conquests and rights which workers have enjoyed until now.⁹

It is not then astonishing that three years of "plural majority" have produced a new configuration of French society, a new social and political model inspired by the Anglo-Saxon system. If the average level of consumption of households is increasing, so is poverty. More than six million people depend on the social minimum, the number dependent on the *revenu minimum d'insertion* (RMI – a payment made to those who do not qualify for unemployment benefit) is growing, the rate of unemployment remains one of the highest on the continent and precariousness has become generalized.¹⁰

In other words, the neoliberal restructuring of the French social formation has led to its growing segmentation: the existence of a qualified sector of the workforce benefiting from the changes underway, at the price it is true of an increasingly unlimited availability, goes hand in hand with industrial restructuring, flexibility, wage moderation and large scale poverty, phenomena with which a majority of workers are now faced.

Two economic journalists, one for *Le Monde* and the other for *Libération*, sum up perfectly this sinister new reality: "French society is being overturned. One world is going, another is arriving. It is not just the big industrial and financial groups who are governed by the new laws, which flow from the concept of "value for the shareholder". It is, in reality, the whole of society which, in parallel, is suffering the repercussions. A society where exclusion gains ground, where the precariousness of labour becomes irresistibly the rule. A society where violence grows, along with ghettos."¹¹

Adaptation

For all its adaptation to the demands of liberal-capitalist globalization, the government retains the support of a majority of the popular electorate. Firstly this is because of growth. For 1999, this was at 2.7% and predictions for the current year are around 2.8 %. Inflation remains down

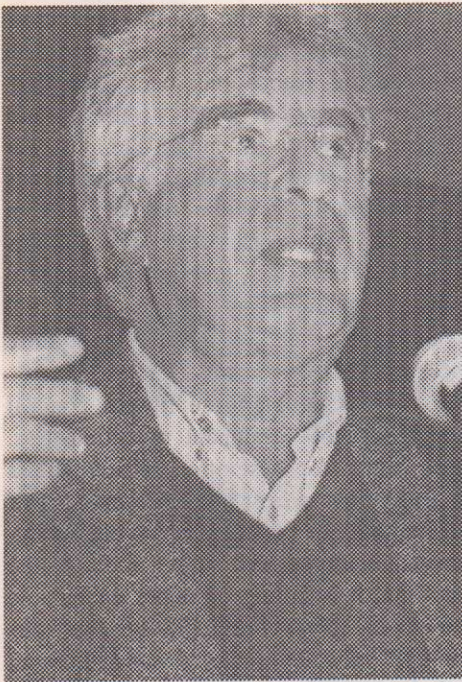
to 1%, while for the fourth consecutive year a foreign trade surplus of more than 100 billion francs has been recorded. Although we are in no way seeing a return to the full employment of the post-war period, the new economic context tends nonetheless to generate regular falls in unemployment — it is down by 2.6 points from the time the government came to power, placing France first among EU countries for the fall in the number of those seeking work.

Without doubt, these figures conceal the reality of a rampant precariousness. But results like these offer the ruling class and the government authentic margins of manoeuvre. In a country where unemployment has represented such a scourge, the fact that it is falling produces undeniable effects on social consciousness. The "plural left" draws from it an obvious, although relative, stability. Its components, in particular the PS, have not suffered an electoral backlash similar to those which have shaken the social democratic governments of Great Britain, Germany or Italy.

The government also benefits from the non-existence of a credible alternative. To its left, although organizations like the Ligue communiste révolutionnaire or Lutte ouvrière benefit from a growing audience, and although they succeeded in June 1999 in gaining the 5% vote necessary to gain access to representation in the European Parliament, they do not dispose of the relationship of forces which would allow them to overthrow the political chessboard. To the government's right no true parliamentary opposition currently exists.

The conservative parties have found it difficult to oppose a government which has not broken with the heritage of the preceding teams and has managed to avoid provoking major social tensions. They have suffered repeated electoral defeats and are prey to a balkanization which sees the various apparatuses or cliques tearing each other apart. Which explains why the Medef now plays the dual role of defender of the interests of the employers and a substitute for a political opposition in crisis.

The Prime Minister and the PS can be all the more serene in that they have managed to contain any trouble their partners might have caused. In the case of the CP, its founding references and doctrinal fidelities have vanished, as the conditions of its participation on the government force it to back laws and decrees in fla-



Alain Krivine: one of 2 LCR members of the European Parliament

grant contradiction with its professions of faith. Under pain of being thrown out of the governmental team, it drew back from voting against the finance law, while its deputies have just approved the Aubry law on the 35-hour week in spite of its manifest defects.

Green conversion

As for the Greens, their very recent conversion to managerial realism contradicts their original principles also. During the recent oil slick on the coasts of Brittany, their minister of the Environment, Dominique Voynet, adopted such a complacent attitude towards the oil group responsible for the catastrophe, TotalFina, that it opened a real crisis of identity inside the ecologist movement.

Lionel Jospin has however not yet won. The strikes of winter 1995 opened a new social and political era in France. For sure, the movement didn't spread to the private sector, whose workers remain paralyzed by the fear of unemployment, nor did it alter fundamentally a trade union movement one of whose essential components, the CFDT, has collaborated actively with the offensive of the right on the question of pension schemes. But the rejection of neoliberalism expressed in 1995 has not been reversed since.

It has even deepened, as shown by the dizzying rise of an association like Attac, which fights for the introduction of the Tobin tax and now has nearly 20,000

members searching for a global political response to the neoliberal model and the financialisation of the economy. The benevolent tolerance which the government has enjoyed for nearly three years stems above all from an image based on two messages: political voluntarism and honesty.

Trouble

If the behaviour of ministers and parties in power appears out of line with these messages, it finds itself in trouble. This was the case in autumn 1999, when Michelin, the big tyre group, announced a plan for the suppression of jobs in spite of its soaring profits, and the PM claimed that the government was powerless before the functioning of the markets.¹² It was again the case when the government was faced with politico-financial scandals originating in the diversion of funds from the Mutuelle nationale des étudiants de France (Mnef) to the benefit of leading personalities in the PS: the minister for the economy and finances, Dominique Strauss-Kahn, had to be fired, even though she had been a key ally of Jospin because of her links with business circles.

Real as they were, the margins of maneuver of the "plural left" have progressively reached their limits. The government is now forced to show prudence in announcing measures clashing with the aspirations of their own electoral base. They can no longer hide from broad social confrontations since the massive movements in the first quarter of this year which led to a government reshuffle and the departure of several top ministers, among them those for education, economy and finances, and the civil service.

In the post offices, in the public sector hospitals, in the administration of finances, in national education, strikes and demonstrations have broken out, with their targets being essential aspects of social-liberal management: the dogma of a public jobs freeze as demanded by the Pact of Stability, the challenge to the quality and financing of the public service, the degradation of working conditions for those in the public sector, a tax system which could meet social needs if organized around wealth redistribution. Education minister Claude Allègre has attempted to submit the educational system to criteria essentially based on the "employability" of pupils. Inscribed in the most classic neoliberal

perspective, this approach is not only heavy with consequences in the teaching area, but will lead inexorably to the dismantling of national education as a unified public institution built on the principles of republican equality.

Hoping to get the reforms through by appealing to public opinion, the minister eventually roused the anger of tens of thousands of teachers and parents in the course of a virtually uninterrupted month of strikes and street rallies. Meanwhile tax officials mobilized against a reform attacking the public service aspect of their administration, as did hospital staff objecting to the closure of beds and a constant reduction of their capacity to meet the needs of the people.

Social upheaval

Finally, in the postal service, local bosses tried to use the reduction of working hours so as to in reality increase the workload of their employees which led to a wave of strikes lasting as long as several weeks. This social upheaval, the first of such breadth since June 1997, reflected the change of mood among working people. Resumed economic growth allows the government to maintain a largely positive image, but simultaneously shatters its alibi for budgetary and wage austerity.

At the same time, the Aubry law, by confronting workers with the dismantling of essential gains, has created sharpened conditions of resistance which are acquiring a new breadth and determination. The negotiations which this new legislative framework will engender in branches and companies, as well as public administrations, will be translated into a multiplication of conflicts about wages, employment and working conditions.

Finally the repeated attacks on public services, launched under the pretext of "reforming the public sector", appear increasingly as the expression of a will to generalize deregulation, with a consequent unbearable deepening of inequalities. To the extent that the conflicts of this Spring express a similar dynamic, they have destabilized the parliamentary majority. The PS and its deputies are concerned about their possible consequences for the local elections of 2001¹³ — which will be a test for the parliamentary and presidential elections the following year — and demand the withdrawal of the government plans which provoked the mobilizations in

education and the civil service. Initially, Lionel Jospin believed it was enough to make some concessions by using the increased tax receipts generated by growth to a cut the contributions of the less wealthy, reducing VAT by 1% and loosening budgetary austerity somewhat.

Reshuffle

But he could not escape a ministerial reshuffle, which only underlined the fact that the institutional stability on which he prided himself could become shaky when his social base rediscovered the road of action. For many people, the proof was that struggle paid and that the social movement was not condemned to impotence against a left government acting in the interest of the financial markets and big business.

But the absence of a credible political alternative continues to weigh heavily with negative effects. It has even allowed the Prime minister to avoid open political crisis and hastily reorganize his team. Coming on the heels of a defeat suffered in a test of strength with hundreds of thousands of workers, Jospin's second government has tried to establish a new equilibrium within the "plural left". There are two more portfolios for the Greens and the PCF — respectively "the solidarity based economy" and "cultural decentralization", areas as badly defined as they are financed — and the left of the PS is reintegrated in the coalition, with Jean-Luc Mélenchon, Jospin's spokesperson, taking responsibility for professional teaching.

But these nominations seek above all to offer a left cover for the return of Laurent Fabius,¹⁴ henceforth in second place of the ministerial hierarchy with the portfolio of economy and finance, who has made no secret of the sympathy he feels for the Blairite model. Long considered as Jospin's rival, and for this reason relegated to the presidency of the National Assembly, he has never ceased to argue for an acceleration of the "reforms" of the state, a new attack on the principle of progressive taxation with the goal of rewarding "those who create wealth", a lowering of the fiscalisation of stock-options and the setting up of pension funds "à la française".

In other words, his arrival is a nod to business circles worried by a possible governmental retreat before the mobilization of its social base. On the evidence, a new

stage is opening for this government. The somersaults apparent in this first quarter are only a taste of things to come, in particular as we approach the elections of 2001 and 2002. ★

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1. Lionel Jospin, *L'invention du possible*, Flammarion 1994.
2. Contribution to Socialist congress at Liévin, April 1994.
3. Jean-Christophe Cambadélis, *Pour une nouvelle gauche*, Stock 1996.
4. Before the first round of the parliamentary elections in 1997, the PS signed some very vague declarations of intention with the PCF and the Greens.
5. Jean-Christophe Cambadélis, *L'avenir de la gauche plurielle*, Plon 1999.
6. Lionel Jospin, *Revue des socialistes*, April 1999.
7. *Libération*, October 5th 1985.
8. Hoang Ngoc Liêm, *La facture sociale*, Arléa 1998.
9. In the name of a new "social constitution", and after having threaten to leave the parity bodies where it sits with the

trade union confederations, the Medef has just imposed negotiations on these latter. It is determined to force all wage-earners into precarious status, to replace open ended contracts with 5 year contracts modeled on those for the youth jobs established by the government, and to destroy the main guarantees which employees enjoy in the area of hiring and firing.

10. Nearly 4 million workers are part-time, 85% of them women, and three quarters of those taken on are on temporary contracts.
11. Gérard Desportes and Laurent Mauduit, *La gauche imaginaire et le nouveau capitalisme*, Grasset 1999.
12. The indignation raised by the cynicism of the Michelin bosses led the PCF, with the far left and a majority of Greens, to organize a national demonstration for jobs, which was supported by tens of thousands of people, on October 16th 1999. The LCR and LO participated around the demand for that profit-making companies should not be allowed to lay off workers, a slogan which had already been at the center of their campaign for the European elections.
13. Three parliamentary by-elections took place at the height of the teachers' mobilizations. The PS only won one, due to the abstentions and spoiled votes of disillusioned left wing electors.
14. Fabius was Mitterrand's prime minister from 1984-86.

LCR holds 14th congress

The Ligue communiste révolutionnaire (LCR — French section of the Fourth International) held its 14th congress at the beginning of June in Saint-Denis on the outskirts of Paris. 200 delegates participated. The agenda included a balance sheet of the Ligue's activity, political theses, a resolution on ecology, on the feminist orientation of the LCR, organisational theses, youth work, and a discussion on changing the name of the organization.

Three quarters of the delegates voted for a political theses text describing a complex political situation marked by the effects of capitalist globalization, a new phase of economic growth, an unprecedented employers' offensive against social rights as well as Jospin's daily rapprochement with neoliberalism. The Ligue has three major priorities in this context: so far as the far left is concerned, in particular Lutte ouvrière, to pursue political confrontation and common action whenever possible; to increase debates and unitary activities with the parties and currents of the plural left; to deepen the presence of the LCR in social mobilisations and participate in the strategic debates within the social movement.

A motion finally adopted by 94% of delegates restated the LCR's intention to participate in the municipal elections of 2001 and to establish independent lists opposed to the government's policies. The Ligue will search for a national agreement with Lutte ouvrière around this goal, as well as developing contacts with campaigners, trades unionists and local groups to create such lists in the greatest number of municipalities, on the basis of a platform defending the axes of an anti-capitalist politics.

For the first time an LCR congress devoted a discussion to a document defining its conception of a clearly anti-capitalist ecology, reflecting an increasingly significant involvement of LCR supporters in recent ecological mobilisations.

The congress also debated the transformations of the place of women in the world of work and in society touching on a wide range of themes — changes in the image of women, characteristics of the struggles of working women, new kinds of radicalisation among young women, and so on.

On the debate over changing the name of the LCR, the congress did not take a decision and the central committee will organise a continuation of the discussion.

Finally, delegates elected a new central committee in proportion to the positions expressed. The new national leadership allows a better representation of regions and sectors of intervention, as well as greater representation for youth and women (the proportion of women on the leadership has gone from 28 to 38%).

The congress showed that the LCR has remained faithful to the particular synthesis between fidelity to the revolutionary marxist programme and openness to new aspirations which its members have created over more than three decades. ★

Raphaël Duffleaux

Lisbon - Summit for nothing?

IN Portugal, it was enough to avoid controversy: curb the mad cow crisis, continue to skirt around the difficult problem of European tax and keep up the pressure on "reform of the labour market". The two "social" summits ("against precariousness and exclusion") in Portugal were to be of a modest character.

Apart from the problems of power and preeminence among member-states, the reason was that no advance seemed possible in the morose climate of winter 1999, marked by the exacerbation of relations between Great Britain on the one hand and France and Germany around the mad cow affair; acrimonious discussions between the "tax havens" (Great Britain, Luxembourg) and the others who demanded a uniform taxation throughout the EU on the capital incomes of "foreign" residents. In October 1999 the behind the scenes establishment of a "new" Blair-Aznar axis, on the basis of a document of orientation, irritated other member countries for at least four reasons:

1. Aznar, the Christian Democrat, was thus favored while his brother party in Austria had concocted an electoral/governmental alliance with a far right party whose leader is a notorious pro-Nazi;

2. Blair "the socialist" was not being very helpful to his Spanish brother party, in opposition, at a time when this latter was preparing to face Aznar in the parliamentary elections;

3. The brutally antisocial tone of the text annoyed more than one European social-democrat: apart from Jospin who did not like this explicit language, Schröder was seeking to mollify the trade union movement in the perspective of new national collective conventions:

4. And, the last straw, Blair makes no secret of his European ambitions, whereas in Great Britain he has just toned down his campaign for monetary union (the euro) for fear of the electoral consequences.

The disorder reached its height when it came to naming the new head of the IMF (a task traditionally attributed to the EU). Germany wished to use it to flaunt its "new" economic and financial power. For several weeks, Schröder confronted both Clinton and his main EU "partners", before just about winning the day.

THE EU's Lisbon Summit (March 23rd-24th, 2000) was programmed as a non-event. After the Berlin Summit, which had reinvigorated an ailing EU in spectacular fashion, it was to be in France in December 2000 that the intergovernmental Conference would be "concluded", in an authoritative and legitimate manner.

FRANÇOIS VERCAMMEN*

In such a political climate, the EU machine seized up. It can seem bizarre that in an affair as colossal as the unification of the EU, the secondary can take precedence over the essential. It should never be forgotten that the EU is fundamentally a regroupment of (some big) imperialist states. Any "external" or "peripheral" element or event influences the relationship of forces between them and this weighs immediately on the big issues. Here also "details" count for something: the content first, but also the tactics to move forward, the intergovernmental alliances to win, the terminological formulations, the final result as the media present it, down to the individual position of each of these "powers that govern us".

Political will

The situation has "miraculously" cleared up, for the political will produced by the war in Kosovo has linked up with the underlying tendency. It has been nourished by a number of elements. An element of cohesion which impacts favorably is the project of an autonomous defence. The EU is going forward, its main military institutions have been put on the rails. But also the French, German, Italian and above all British governments have resisted, up until now, the pressure from Bill Clinton, who wants to impose a new generation of American weapons on them, and thus block the commercial, indeed structural rapprochement of the European arms firms. The aim being to impose a "transatlantic" solution under the aegis of its own

"champions" (some of whom need strengthening).

But it is without doubt the evolution of the European economy which has been the determinant factor, on the conjunctural and structural level. Certainly, the weakness of the Euro in relation to the dollar constitutes a handicap, above all to its acceptance on the international scale as a reserve currency. But it has also favored European exports, notably towards the still expanding US market.

Upturn

This has supported the upturn in Europe, at least provisionally. Budget surpluses in most European countries have furnished a good "nest egg". The governments (social democratic in the main) have been able to make concessions on the level of social expenditure, while continuing a structural neoliberal policy (privatisation, flexibilisation, deregulation). Thus, even the Blair government has made a "social turn" (health, education) a year ahead of parliamentary elections.

Secondly, there are changes in the structure of the economies. The movement of company mergers continues to beat all records in Europe (despite stinging setbacks: the aborted merger between the Deutsche Bank and the Dresdner Bank). But above all the acquisition of the German Mannesmann by the British Vodafone AirTouch (creating thus a giant of global scale) has gone through without the German government intervening.

A very symbolic Rubicon has been crossed, with the abandonment of intervention by states to protect their national champions. The shareholders (in other words the markets) have won out. "A fundamental turning point for European capitalism".² Other transnational (inter-European) "mega-mergers" are underway and will follow in the sectors of energy, banks and insurance, telecommunications and distribution. Hence the necessity of disposing of masses of supplementary and cheap capital.

It was following the Davos Forum that EU summits have proceeded to tactical readjustment. This assembly of "global" capitalism was needed by the dominant classes to draw up a "balance sheet and



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perspectives”, after the political and moral defeat in Seattle. But the United States also came there to signal their hegemony (thus Clinton in his “State of the Union” speech: “The United States have never been as strong nor Americans so prosperous”). The favourable conjuncture in the USA, which continues still (even if its bases are dangerously volatile) has undoubtedly “convinced” the EU.

Thus, the US example, which does not seem to be running out of steam, and the economic upturn in Europe remobilized the European elites around the EU. Lisbon would become the “least controversial summit since 1997” (Amsterdam), according to Blair. From the beginning of February, the preparation of the summit (planned for the end of March) would take place in other conditions. In fact, the Blair-Aznar text of autumn 1999 came back on the table. It had meanwhile gained important support in Italy (Amato) and Germany. Jospin, harassed at home by the social movement, was going to sacrifice some ministers. But he was already prepared to impose on France a new neoliberal measure: it was in Lisbon, on the eve of the opening of the summit, that he accepted the privatization of services he had hitherto resisted. The EU could open a new offensive.

Summing up

The Summit could be summed up easily:

1. Complete the single market at the financial level and move towards the “new economy” with, in the short term, the necessary practical measures (see following article).

2. For the immediate, nothing is decided on the social level, except to put in place the mechanisms of functioning

which allow a decision in Paris (Nice) in December 2000.

The coherence between the two is simple: integration pushes the markets and “the intensification of competition will mean that, in one way or another, the European structural rigidities [the reference here is to social rights] will be broken. The reforms adopted in Lisbon will only be the beginning”.³

It is clear: the dismantling of the welfare state underway in each country will be coordinated, “Europeanized”. This is not insignificant. And to win the social-democratic apparatus (trade union and political), this will be done in the name of “full employment via the new economy”.⁴

The preparatory meeting of the Ministers of Social Affairs, in February, had announced the theme: if it was still about “combating precariousness and social exclusion”, the “modernization of social security” is now at the centre of the discourse around one of the key ideological notions of the “Third Way”: the passage from the welfare state to the “active social state”.

Confused

The notion is intentionally confused. But its practical goal is very clear: to undermine the current system of social protection through some simple rules. Social benefits are no longer automatic and universal. They no longer amount to a right but to a payment which can be imposed by the state, under the threat of losing in part or in full the enjoyment of the benefit. They are no longer general, but rather linked to the individual.

At the same time, one of the bases of solidarity in the workplace is broken. The “active individuals” are in fact made scapegoats in the eyes of society and the world of work. Blair made himself famous and odious in taking on young single mothers, immediately following his electoral victory.

The goal is certainly to radically compress social expenditure, with the perspective of its (partial) privatization. All the benefits of the system of protection are in the line of fire: unemployment, family, retirement, and health. The case of pensions is a particularly lucrative one for financial capital. But the same is true for temporary work. All the EU governments have tried to apply these rules for some time. They figure regularly in the reports

of the OECD and are evoked in the meetings of the councils of ministers (above all ECOFIN, the meeting of the Finance Ministers).

But there are obstacles because social security is the fruit of 100 years of workers’ conquests, which has taken on, since 1945, a global, universal and normative character. It is the result of huge struggles, the crystallization of a relation of forces between capital and labour, incarnated in the workers’ organizations and in a diffuse sentiment of social justice in the working class. It has its complexities and specificities, country by country (which makes the development of an alternative which is both European and concrete a difficult task for us).

Since 1998, the Commission has tried to launch a debate on European policy (in a Communication entitled “Modernizing and Improving the System of Social Protection”). But on this level also, things are not simple: social policy is not decided at a community level. It is the province of the national states, hence the councils of ministers where decisions are in general taken by unanimous vote.

While taking no concrete measures of any importance, the Lisbon Summit - the governments meeting together - took the political decision to grasp the bull by the horns in the short term. Two points of procedure should worry the workers’ and trade union movement. First, a “High Level Group” (!) is charged with making “a study on the future evolution of social protection in a long-term perspective, with particular attention to the viability of pension arrangements”. Then, in an analogy with the Councils of Ministers which follow the application of the Economic Policy Guidelines, “the European Council of Prime Ministers and heads of state will meet each year in spring to debate economic and social questions”.

Curiously it is not the ministers of social affairs but those of the economy and finances (the famous ECOFIN) who will supervise this “social policy”. Certainly, other ministers can contribute, but, according to the text, “there is no need for new processes”. The goal is to cut short any questioning of the criteria for monetary union (the Maastricht treaty and the pact of stability). Moreover, the Commission will prepare a report of synthesis (a balance sheet, in other words) to submit to the bodies mentioned, and, a real innovation, there will be, as for the Maastricht criteria at the

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time, “[definition] of specific calendars for realizing the short, medium and long term objectives”; “[establishment] of quantitative and qualitative indicators and criteria of evaluation in relation to the best world performances”; “[translation of] these European directives into national and regional policies by fixing specific objectives”, and “an evaluation and examination” or a strong constraint on every EU government.

In fact, these decisions fit in perfectly with the logic and the norms established by the EU. The chapter on employment in the Amsterdam treaty declares already that “the objective is a high level of employment”, but this will be done “in a manner compatible with the GOPE”. These are based on “an enlargement of the scale of salaries downwards [with] a reduction by 20% to 30% of the wage costs of semi-skilled activities”. This implies “an equivalent reduction of unemployment benefits and of social payments”.⁵

20 million jobs

The European council promises to “bring the rate of employment [currently 61% on average] to a level as close as possible to 70% between now and 2010. And to do so in such a way that the proportion of women active [currently 51% on average] rises above 60% between now and 2010”. According to the calculations, this would mean 20 million jobs to create!

This “promise” irresistibly recalls the “predictions” of the Ceccaldi report of the 1980s (3 to 5 million jobs to be created by the implementation of the Single Market) and the 15 million jobs evoked in Jacques Delors’ White Book,⁶ reduced, in the course of things, to “the reduction by half of unemployment” before 2000 (of which Kohl was for a while the champion). Today, the talk is no longer of full time jobs, with open term contracts, a full wage and in accordance with legal social norms and recognized rights. These are jobs in the US style, produced from the “new economy”!

The first thing to expect, linked to this transfiguration of the notion of “a job”, would be the reorganization of the statistical apparatus: what is a job? Who is unemployed? For example: in the USA, to be counted as unemployed, people have to prove that they are actively seeking work in the week preceding the survey; 2 hours of work a week is enough to be left out of

Prodi in the line of fire?

IT’S the story of a cabal. Almost simultaneously the critiques mounted. “Brussels” is criticized, here and there, in the press of a number of member-countries. “Brussels” is the Commission, and the Commission is its president, Romano Prodi. The critiques were disparate. Either they were banal: “Prodi doesn’t care for his relationship with the media; his spokesperson is confused; he is not firm enough in meetings with his Commissioners, and so on”. Or they do not hold water: “Prodi has no vision of the future of the EU. Prodi underestimates the enlargement towards the East. Prodi neglects his administration”. These criticisms are absurd for what Prodi was doing had been laid out in his inaugural speech as president of the Commission. And what he said there, he had duly negotiated with those who had made him king: Blair, Schröder, D’Alema, and Aznar. So, if all these arguments are derisory or false, but all come to the same conclusion, there must be a good (and solid) reason to get rid of Romano Prodi. And there is, although it is unstated: the conflict of power between the Commission and the European Council, that is the (big) member-states.

And this is focused on two people: Prodi, losing speed, and Javier Solana, whose stock is soaring. Behind this, there is the institutional architecture of the EU. The Commission is essentially the guardian of the Treaties, above all the implementation of the Single Market. The European Central Bank looks after monetary union. The area covered by the European Court of Justice is obvious. For the rest, it is essentially the governments of the member-states under diverse appellations (European Council, Councils of Ministers).

In this arrangement, there are some vacuums and some superpositions. But as to foreign policy and defense, it is clear: it is the domain of the governments, in exclusivity. Except that there is no single spokesperson who is both representative and political

(for example a President of the EU elect/designated for a certain period). Several people could be tempted to fill this vacuum: the president of the Council of Ministers during the time when their country “presides” over the EU (the Finnish minister thus played a significant role in the final negotiations with Milosevic); the commissioner for external relations (who is a member of the Commission), as it happens the Briton, Chris Patten, or the president of the Commission themselves, currently Prodi.

Since the Berlin summit, and the political turn implemented there, this incoherence can no longer continue. A strong political instrument is needed, a personality directly linked to the Council, and not to the Commission. Thus a post of “High Representative of the EU for foreign policy and Security” was created. Solana was taken from NATO, where he had been secretary general. One of his main tasks – and a very delicate one – is the implementation of a common European defence policy, autonomous in relation to the United States.

Having served as head of NATO will help him. At the same time he has also been named secretary general of the Western European Union (WEU), to neutralize this US-European military remnant. And, something which is rarely pointed out, he is also the secretary general of the Council of Ministers (that is to say of the member-states), which concentrates the essential aspects of EU legislative, executive and constitutional power in his hands. To this end, Solana disposes of an administrative apparatus provided by the Council of Ministers.

Solana works hard, efficiently and skillfully. On the military level, two committees of high-ranking officers, and another of diplomats, have been set up in the service of the European council. As for foreign policy, he delivered a sensational report (co-signed with Patten) on the weakness of EU activity in Kosovo to the Lisbon summit. This allowed it to begin to address this weakness through an unambiguous resolution adopted at the summit. This is only a beginning. There will certainly be an internal renegotiation, for the Commission currently manages trade policy (external) and multiple programmes of an aid and humanitarian nature (which involves around a hundred delegations and missions around the world). A good part of the EU budget!

The cabal against Prodi has sent a message to the Commission that it is and remains a body subordinate to the Council, which is in the hands of the Franco-German-British troika. The Summit in France, at the end of December 2000 will confirm this reshaping of power in the EU. ★

the statistics! If (as is already done in several EU countries) you exclude from the statistics all those undergoing training and all those who have not accepted a job or training “offered”, the road to “full employment” is open!

The implementation of “the active social state” perfectly frames with the real objective of the EU: “to reform the labour market” by getting rid of alleged “structural rigidities”. This objective is in its turn linked to the new strategic objective, to engage in competitive battle in the world arena. This carries with it a mortal threat to the cohesion of the world of work in Europe. It is this which is now on the agenda and which will become a political priority for the EU. Already in part applied in all the member countries, it will have the force of an “intergovernmental coordination”. The policy of full employment seeks to exploit to the maximum the whole workforce available to society, notably women and the old. That necessitates a thoroughgoing upheaval to respond to the new technologies. But this insistence on a modern training seeks also to conquer a base within society among the young, fascinated by the “American” cultural model (mobile phone, computer, video, CD, DVD).

Since the 1980s the employers (and the media who serve them) have already exploited the inter-generational conflict. They needed a young workforce, more energetic and more malleable. It was necessary to obtain the departure of the old generation without threatening social peace. The system of early retirement was the response, but it was too partial and, above all, too costly. Since then, there has been the ideological bombardment around the “demographic time bomb” (the opposite of the situation in the South) which rendered the pensions by allocation “unpayable”. The old generation was thus accused of “egoism” and “corporatism”. The same argument was used about wages: their growth would stop the creation of jobs, indeed lead to their suppression, to lay-offs. But from the employers’ point of view, all that was “too little too late”: for they came up against a class of older workers in the workplaces who also constituted the spinal column of the trade union movement and the resistance.

With the massive introduction of new machinery, “the cleansing” of the labour market could be done more rapidly, and cheaply; the progressive and gradual

process of deregulation underwent a sharp acceleration. The ideologues of the bourgeoisie explained that the whole younger generation would gain; those who wanted it would have a “modern” training; each according to his capacities would find a job (certainly not in immediately perfect conditions, but all the same a job) and the most “dynamic” could make some cash. The new “heroes” of the market and the “cyber-economy” prove it.

Increasing inequality

On several levels, the conditions employees work under have seriously deteriorated. The whole neoliberal policy increases inequalities inside the world of work. In several countries, permanent contracts are in the minority compared to temporary and part-time contracts: what was still atypical at the beginning of the 1990s has become the rule. The social laws are blithely “avoided” or else ridiculed (for example contracts of employment for a half-hour repeated over and over again!). Despite the economic upturn, the bosses continue to rein in wages. This restrictive policy becomes an argument to enlarge the system of bonuses linked to company profits and encourages save-as-you-earn schemes or worker shareholdings. Beside the division between foreigner and native, men and women, different strata of income, of social insertion, qualification, social-cultural behavior increasingly divide the world of work, in addition to a growing individualization. Tax policy plays in this aspect a very negative role. The “companies” of the “new economy” condense and reinforce the torments of this social jungle.

Social democracy is euphoric since Lisbon: “full employment is back, the economy is on the move”. A new social consensus is being drawn up where the summits of the trade union bureaucracy will do their part of the job. Resistance will continue. But it will be necessary to take the measure of the new breadth of the neoliberal offensive, its popular echo and its structural impact in the workplace. ★

1. The Intergovernmental Conference deals with reform of institutions, enlargement towards the east and the definitive creation of an autonomous defence.

2. Editorial, *Financial Times*, February 5th 2000.

3. *Financial Times*, March 25th 2000.

4. A third aim is to return Prodi and “his” Commission to a subordinate position in relation to the Council of Ministers, with Solana at the head of the EU. See box.

5. Commission Communication “European Growth and Jobs”.

6. Published in 1993 under the title “Growth, Competitiveness and Jobs”.

“New Economy” and Single Market Mark 2

THE Lisbon summit adopted “a new strategic objective for the coming decade — to become the most competitive and dynamic knowledge-based economy in the world”.

FRANÇOIS VERCAMMEN

THE European power created in the aftermath of the Balkans war has added a new string to its bow — a merciless competitive battle through (or for?) the establishment of the “new economy”. The EU will use the method that succeeded in establishing monetary union, and that has been applied since June 1999 for its “autonomous defense”: a mobilisatory discourse (which seeks to be “popular”) and a precise calendar with objectives and schedules, regular verifications and mechanisms of “self-constraint”.

The PR hullabaloo about the “new economy” should not be allowed to hide three other measures adopted at the Lisbon Summit. They are still more important, amounting more or less to a “Single Market Mk 2”, or a new stage of the project embarked on in 1992. First, the completion of a “totally integrated and liberalized telecommunications market” [on an EU scale] by the end of 2001. It is a colossal market in terms both of size (the number of consumers) and capital invested. It links the telephone network with the Internet and will propel a new stage in the “cyber-economy”. Until now Internet exchanges had mainly created a market for

★European Union

consumers — essentially travel, music, videos and books. But now there will be “inter-company” trade (without intermediaries): a cascade of upheavals will affect the structures of the economy (branches born out of others which collapse; changes between and inside branches; distribution, the banking sector, the merger between telephone and Internet sectors).

Date fixed

Also, a date has been fixed for the completion of a unified financial market (2005), which will lift all barriers so as to “encourage investment”. This applies particularly to the government bonds market. Making access to capital easier and cheaper is a major objective: besides state loans, there will be “the modernization of the rules concerning the public markets” and, on another level (in another chapter of the text) there is mention of favoring the opening of pension funds through a European juridical and institutional framework.

These masses of capital will be needed to support the centralization of capital (“mergers and acquisition”) but also because the Lisbon Summit decided to eliminate remaining restrictions on services before the end of 2000, notably by speeding up liberalization in sectors like gas, electricity, postal services and transport (Jospin having given way on the very eve of the summit). The management of airspace will also now be included in this area.

The EU’s real thinking in relation to economic development is summed up as follows: “efficient and transparent financial markets favor growth and jobs allowing a better allocation of capital at less cost”. Hence, the EU “will pursue its efforts seeking to encourage competition and reduce the general level of state aid”. In this context big capital’s pressure for a minimal fiscal harmonization could succeed, which would be the cherry on the cake.

In reality, we are witnessing a kind of “Single Market Mk 2”: 15 years after the Cockburn report (1985) which began the road towards the “Single Market” (January 1993), a whole series of reports will, over the coming ten years, organize the submission of our societies to a new wave of “commodification”. The “new economy” is the key to everything; it is supported by a demagogic ideological discourse and magical virtues are attributed to it.

According to its ideologues, the economy is not only new in the “temporal” sense, but will overcome conjunctural cycles, supplant the “old” material economy, propel an unprecedented take-off of productivity and create “full employment”!

This is the discourse which dominates the documents of the Summit. Recent events on the stock exchange have brought things down to earth. As to the predicted “disappearance” of the traditional economy (notably manufacturing), Kumar Bhattachary, one of the most influential English economists, said recently: “We are not Gods. We cannot live off fresh air and spend our days operating our mobile telephones”.¹

Warning issued

As to the progress of productivity in the United States, and the possible benefits on the social level which could flow from it, a US establishment economist (Robert J. Gordon) issues this warning (before the respectable Federal Reserve Bank of Chicago): “there has been no acceleration of productivity in 99% of the [US] economy outside of the sector producing “hardware” for computers. On the contrary... the deceleration in the manufacturing sector is getting worse; if you take computers out of the durable goods production sector, the recession sharpened if you compare the period 1995-99 to 1972-95, and there is no progress at all in the sector of the production of non-durable goods.”²

The conclusion is drawn by another expert, Steve Hancke, a former adviser to Reagan: “You Europeans, you must pay attention... The US economic “boom” owes very much more to deregulation than to the technological revolution”.³

Despite this good advice from those who know something of the subject, the European Council, held in Lisbon, nurtured the “fantasy” of the new economy, promising that “the passage to a digital economy based on knowledge, encouraged by the existence of new goods and services, will be a powerful factor of growth of competitiveness and job-creation”.

So much for the ideology. Then there are the practical decisions which the bosses will welcome: “At last concrete objectives... which at least have a chance of being positive for entrepreneurs and consumers”.⁴

A series of measures are supposed to be taken between now and 2003. They

amount essentially to three things:

1. A radical enlargement of the market for the consumption of computers: each school (each class, each pupil?) in the EU will be connected to the Internet. With its collateral multiplier effects in every family and, certainly, among all teachers. Internet access to all basic public services, which, in their turn, must be equipped to handle this. This would be accompanied by a radical cut in the cost of access. All crowned by a European plan of action which will put in place an “information superhighway” to interconnect the different networks on a continental scale;

2. A multiform support for capital “which flows directly from a regulatory environment favorable to investment, innovation and the spirit of enterprise” (European Council). This means a series of juridical-institutional, fiscal, (anti-) social measures favorable to “risk capital” and to small and medium companies: amount of start-up capital, banking guarantees and conditions of indebtedness, lowering of costs of company management.

Synergy

An important aspect is synergy, orchestrated and paid for by the state, organizing “the key interfaces between enterprises and financial markets, between R & D and the training institutes, between advice services and the technological markets”. It is not by chance that the Council has adopted the project of a “[European] area of research”, with its inter-state coordination, its growing opening to the private sector, the adoption of community patent, the circulation of researchers in the EU, and so on.

3. The training of the workforce to familiarize it with computers and the Internet is indispensable. This is not just about schools, but rather the creation of a general environment where permanent training throughout active life is carried out at least cost, outside school and the workplace. Education will be shaken up well beyond the presence of computers in the classroom: it adds up to a real “commodification” of all social relation (as illustrated by the Allègre reform of education in France - see article by Christian Piquet, page 7 of this issue). ★

1. Quoted in the *Financial Times* of April 17th 2000.

2. “Has the “new economy” rendered the productivity slowdown obsolete?”, June 1999.

3. Interview in *Corriere della Sera* April 18th 2000.

4. *Financial Times*, March 25th 2000.

Lessons of a mini- crash

THE mini-stock market crisis of April 2000 was forgotten within a few days. It remains nonetheless the symptom of more fundamental disequilibria which raise serious doubts on the capacity of the "new economy" to form the basis of a new expansionary long wave.

MAXIME DURAND*

TWO elements were the detonators of the crisis. The first was the verdict delivered in the Microsoft affair which has been interpreted as the end of the super-profits linked to information technologies. On April 24th Microsoft shares lost 15.7% in one day and were down by 44% in relation to the end of 1999. The second factor was the announcement of the index of inflation which, at 0.7% for a single month, seemed to mark a sharp leap forward and confirm a light movement of resurgence of inflation.

As is very often the case, the factors which unleash a crisis are not the deep causes of it, and stock market instability is often the result of a tendency to exaggeration, to over-reaction. But these two elements have thrown a worrying doubt or two on the main underpinnings of the dominant mood of euphoria.

The Microsoft affair underlined that the endless accumulation of considerable profits is not guaranteed. Recall that Bill Gates is the one of three men whose combined fortunes exceed the GDP of the 48 poorest countries. That the giant of the "net-economy" can thus stumble has been perceived as a worrying message.

The inflationary resurgence, if it should be confirmed, puts an end to one of the

DOSSIER: THE "NEW ECONOMY"

AFTER the odes to the glory of the "new economy", presented as a new form of regulation, the fall in stock market prices during the second week of April has reopened the debate on the economic conjuncture and, beyond that, on the eventuality of a reversal of the depressive phase of the long wave, generally dated from the beginning of the crisis of 1974.

Marxist economists, following Ernest Mandel, considered in general that if the beginning of a depressive phase of the long wave is due to the accumulation of contradictions which undermine the mode of regulation during an expansive phase, the reversal of the wave (and thus a new expansionary phase) involves factors exogenous to the economy: a modification of the relation of forces between the classes, the political will of a strengthened bourgeois leadership, a "technological revolution" allowing productivity gains, and so on. The revival of the rate of profit in the course of the two preceding decades, the (still uneven) opening up to trade of new markets (Eastern Europe, the ex-USSR, China) and finally the length of the favorable conjuncture in the United States (the ninth year of growth) are among the factors feeding the debate on the eventuality of a new expansionary long wave. The history of capitalist economy shows us moreover that the factors allowing an expansionary long wave differ each time and that it would be wrong to imagine today a return to the mode of regulation of the capitalist economy which predominated in the thirty years following the end of World War 2.

Without having the pretension of settling this debate, we publish here two articles which highlight different aspect of the contradictions of the current economy: the stock market mini-crash of Friday April 14th 2000 analyzed by Maxime Durand; the "new economy" and the possibility of a new expansionary long wave analyzed by Marc Bonhomme. We intend to return to this subject with other articles in our coming issues. Capitalism being also a society in which the commodity marks social development in an overall fashion, we complete this dossier with an analysis of cultural flux in the history of capitalism by Francisco Louça. ★

[J. M.]

most striking traits of the "new economy", namely the possibility of the US economy experiencing a relatively high cycle of growth, with a return to quasi-full-employment (for US averages) without inflation picking up and leading to the reversal of the cycle.

Concern about inflation

Wall Street's great concern about inflation certainly cannot be analyzed as the fear of a loss of competitiveness — it relates rather to the division of incomes, which inflation affects in two ways. For the holders of financial assets, every price increase reduces the real value of the wealth as well as the income they possess. Inflation is moreover an indicator of tension on the labour market and reflects the resistance of employers to an improvement in the situation of wages.

From this point of view, the US economy has always been marked by this cyclical spiral: the upturn brings unemployment down and, thanks to this improved rela-

tionship of forces, employees gain more rapid increases in their purchasing power. The employers respond by increasing their prices to maintain their margins, then the Federal Reserve Bank (the Central Bank) increases interest rates, so as to rein in activity. All this confers on the US economy a fairly repetitive cyclical profile.

But, precisely, the last cycle has given the impression that these mechanisms were neutralized and this forms one of the components (with the new technologies) of the vaunted "new economy". This also explains why the current cycle is presented as especially vigorous and exceptionally long. It had indeed seemed that the lowering of the rate of unemployment no longer pushed wages or prices upwards.

Things are a little more complicated and it is worth going back a little to consider the last cycle in its entirety, distinguishing two phases. After the recession at the beginning of the 1990s the cycle restarted normally and growth was in the order of 2.7% between 1991 and 1995. Then, from 1996 onwards, growth found a



increases much more quickly than household incomes, and the indebtedness of households progresses very quickly.

Indebtedness

This indebtedness corresponds, to the tune of \$200-300 billion, to the fact that some households have borrowed dollars to buy shares; public expenditure falls as a proportion of GDP (notably military expenditure in the first half of the 1990s), and exports mark time; economic equilibrium between supply and demand is achieved through an acceleration of imports which boosts the trade deficit. It is necessary here to bring together two figures: in the final quarter of 1999, growth reached 7% in annual terms, but the external trade deficit worsened again to reach the equivalent of \$400 billion in annual terms.

second breath and reached an annual average of 3.7%, more regular moreover. It is then on the basis of a fairly brief period that this “new economy” has been constructed.

The main characteristics of this atypical conjunctural phase are the following: investment continues to grow very much more quickly than GDP and hence constitutes a dynamic element; this allows higher productivity gains than in the past; these productivity gains allow real wages to begin to grow again (all the more so in that working time increases) without excessively disturbing the share of profits; inflation is contained because productivity gains compensate for a good part of the wage increases and the US benefits from a fall in import costs, thanks to the rise of the dollar and the fall in the price of raw materials; consumption also picks up, growing very much more quickly than GDP on the basis of a fall in the rate of saving — it

Thus the new US economy combines two ingredients that it is hard to untangle: there is a “high tech” component and a “neo-imperialist” component. The first corresponds to the “healthy” part of the phenomenon, which allows us to sketch the premises of a new long wave: the upturn of investment leading to a resumption of productivity. It basically amounts to a mechanism with nothing “new” about it.

What was unusual was rather the preceding long phase, characterized, since the middle of the 1980s, by a restoration of profit without resumption of accumulation. The new technologies obviously play a decisive role, but there is nothing new about this either: in each cycle, a certain number of sectors play a motor role around key innovations.

We must also note in passing the extent to which this configuration disproves the simplistic analyses of financial capitalism as opposed to productive investment: the US is both the most financialised country

and the country where productive investment has increased the most in the course of the last cycle. It is symbolic enough however to note that a New Age is being spoken of, simply because capitalists begin to invest again and register productivity gains!

The problem is that this return to a more virtuous functioning of capitalism, to a “quasi-Fordism”, where the share of wages makes up the ground it has lost, rests on the effects of asymmetrical domination with respect to the other regions of the world. The US indeed has the ability to make the rest of the world finance its capital accumulation. Some figures are necessary to take the measure of this phenomenon. In 1992, productive investment represented 10% of GDP against 12.5% in 1999: investment flows superior to this level of 10% of GDP represented in total \$250 billion. Over the same 1992-1999 period, the total external trade deficit was \$225 billion. In other words, the supplementary effort of investment was financed by the rest of the world to the tune of 90%. A trade deficit certainly represents an influx of capital and, in a symmetrical fashion, a surplus implies an exit of capital.

Well known phenomenon

A fairly well known phenomenon has taken on an added importance over the last 2 or 3 years: Japan and Europe are financing the upturn of accumulation in the US. This unequal development of accumulation makes it obvious that the US model cannot easily be reproduced in all its dimensions.

The manner in which Wall Street, including the Nasdaq, has handled the mini-crash is quite interesting. But it owes nothing to the international financial institutions — in any case it is hard to see what instruments of direct and immediate intervention these latter could use.

The manner in which the markets regained control has been aptly described by Stephen Roach, chief economist of the Morgan Stanley Dean Witter bank, in an interview in *Le Monde*: “nobody wants to see this market stop rising. The investors refuse to accept reality”.

This poses the question of the difficult regulation of the financial markets. This latter is indirect and done through monetary policy, in other words interest rates. But the last IMF economic report (*World*

Economic Outlook) stresses the contradictions of this intervention. In chapter 3, it argues that a sound policy consists in preventively braking speculative flights by a measured increase in interest rates and, if a crash comes, lowering rates significantly so as to boost the liquidity markets — as was done after the October 1987 crash. But in chapter 1 the IMF (or another of its experts) recommends a policy of progressive tightening of interest rates which comes a little late and could stiffen the cyclical reversal if one believes the analysis of the 1929 precedent offered in chapter 3.

Guidance difficult

Guidance is all the more difficult in that the Stock Exchange is largely bereft of any objective determination, what analysts call the “fundamentals”. The most commonly used ratio is the PER (Price/Earning ratio) which compares the price of a share to the profit per share realized by the company. This ratio is now in the order of 30 in the US whereas financial theory would evaluate that a ratio of 20 would be coherent with the other parameters (growth rate, interest rate, risk premium). Thus in the broadest terms we are looking at an overvaluation in the region of 50%, which means that the prices should fall by a third to return to their equilibrium values.

This reasoning corresponds to a simple logic — shares represent a right to draw on profit and their value should then reflect the profitability which underlies the financial remuneration. The gap between profitability and stock market capitalization has become particularly “monstrous” in the case of high tech companies quoted on the specialized markets like Nasdaq in the United States. In order for the real economy to deliver on the bets taken on the future in the form of share overvaluation, it would be necessary to boost profits considerably, which would imply rates of exploitation which are — happily — out of the question.

The situation cannot go on, if only because it enters into contradiction with an essential rule of the concrete functioning of capitalism which concerns competition between capitals. This latter is indeed profoundly distorted. The size of capitalization¹ no longer reflects the real size of capitals. That a company like AOL, which is basically only a medium size computing service company, has been able to buy up a

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leisure industry giant like Time Warner is perfectly symbolic of the new economy, but is all the same time completely irrational from the point of view of capital in general.

The “real” companies are then exposed to a risk of being bought up by unduly inflated companies. Internet shares have been able to attract investors to the detriment of the share prices of the “traditional” companies even if they are in fact more profitable. In short, this absurd situation where Yahoo! counts for as much as

General Motors, must resolve itself in one manner or another.

Three unknowns weigh on the modalities of the correction to come: its breadth, depth and impact on the real economy. The first question concerns the relations between the two sectors of the financial markets, “traditional” and “high tech”. The overvaluation of prices being primarily (but not solely) the responsibility of the second, one could imagine a selective correction sparing the traditional heart of the Stock Exchange and which could even

★ New Economy

strengthen it if investors disengage from the high tech sector to orientate towards the second — a little like capital fleeing the Stock Exchanges of the emergent countries to boost the financial markets of the North in 1998.

Although the two questions are obviously linked, the second unknown concerns the depth of the correction. It is necessary to take into account here the existence of significant institutional investors — notably pension funds — which tend to stabilize the markets by forming a kind of stabilizing floor. These investment funds do not really have the possibility of leaving the Stock Exchange: the only alternative would be to move to Treasury bonds, but this road is narrow and can moreover be controlled by the government. It is undoubtedly the third dimension which will furnish the key to these two preceding unknowns: the question of the extent to which a stock market correction will be reflected in the real economy.

From this point of view, the current capitalist model has two Achilles heels, which are the “the wealth effect” and the US trade deficit. The first refers to the fact that individuals in the US, taken overall, are consuming a great deal because they have at their disposal, at least potentially, comfortable financial reserves. If these latter were to decline sharply in value, these losses would lead households to revise downwards their consumption behavior, thus helping to steepen the conjunctural downturn. This movement could well snowball, in case of the bankruptcy of households which have heavily indebted themselves in order to consume — or to speculate.

Weak point

The second weak point is the US balance of payments. The dominant imperialism disposes of the privilege of having a significant deficit and a currency that remains strong. Europe and Japan record trade surpluses, which are recycled for the financing of accumulation in the US. But this can only work inside certain limits. The first is the dynamism of the US economy which legitimates the overall mechanism; the second is the rate of exchange of the Euro in relation to the dollar which has constantly fallen since the establishment of the common currency.

Let us suppose that the Fed increases rates to hold in inflation, and the growth of



the trade deficit. The slowing up of the economy should then put an end to the rise of the dollar which could even fall in relation to the euro. But in this case, can the process really be controlled from one side or other of the Atlantic? It is not obvious. If the slowdown is sharp in the US and is accompanied by a fall in the dollar, the rise in interest rates and the loss of competitiveness would unleash a recessionary shock-wave which would invert the conjuncture in Europe, in such a way that what one could reasonably have predicted in the aftermath of the financial crisis of 1998 would finally come to pass.

This downturn would inevitably be accompanied by growing tensions inside Europe, based on the divergent reactions of each country to what the economists call “asymmetrical shock”.

“Interest bearing capital, alienated form of the capitalist relationship”: Marx’s formula — it is the title of chapter 24 of volume 3 of *Capital* — shows that the miracle of the multiplication of the loaves and fishes which takes place on the Stock Exchange has fascinated capital for a long time. Here one can see “money producing money, value creating value itself, without

any process of mediation of the two extremes”. In persuading themselves that this miracle results from an astute application of the new technologies, the new ideologues fall for an old illusion to which Marx had replied in advance: “for the vulgar economists who try to present capital as independent source of value and the creation of value, this form is obviously a godsend since it renders unknowable the origin of profit”.

Theory of value

But can you really get richer by doing nothing? The response should be obvious, above all for Marxists armed with the theory of value: it can only amount to a transfer, a deduction made by financial incomes on wealth produced. Basically, it is because wages are held down (and productive investment does not increase in the medium term) that a part of value added can be siphoned off by astute investors — their “pennies from heaven” are none other than unpaid wages.

The particular ideology of the new capitalism takes then the form of a vast enterprise of self-persuasion which seeks to convince itself — as in the time of Marx — of the power of capital (or the Internet) to make money outside of any process of exploitation. It is what Marx calls the “capitalist fetish”.

In reality, the impressive rise of the Stock Exchange for some years corresponds to a particular configuration where the rate of surplus value increases but not the rate of accumulation, and this non-accumulated surplus value is the motor of finance. It is not then by chance that the hymns to the new economy are accompanied by eulogies to employee shareholders. The goal sought is to institutionalize this new rule: wages should be frozen, and workers who seek to improve their incomes should do so through save-as-you-earn or pension funds. The goal is to legitimize the current mode of division of incomes, to carve out a social base, to divide wage earners between shareholders and the rest, and thus bring about the freezing of wages and social protection.

Can this continue? The response is basically political and social. One of the constitutive elements of the new economy is the desire to combine sustained growth with the holding down of wages. From a strictly economic point of view, there is no limit to this configuration whose sole fault

is that it is extremely inegalitarian. But if this configuration is rejected, if wage earners demand their share, the situation becomes untenable, quite simply because one cannot distribute more wealth than one creates. If growth is maintained for some years at 3% or 4% and the wage mass grows also at 3% or 4%, then an annual progression of 30%, 50% indeed of 100% of stock market profits is no longer tenable.

Instability

We have in any case entered into a phase of stock market instability: if the mini-crash has been wiped from memory, the euphoria has been dampened and new problems can be envisaged. A stock market crash does not for all that mean the final breakdown of capitalism. You could even say that capitalism today needs such a shock, which would lead to a significant devalorisation of capital, the ruin of the little parasitic actors, and a stimulus towards new mergers.

It is without doubt the necessary condition, from a strictly economic point of view, of a new durable phase of growth. But such a purgative would at the same time shatter any attempt to "sell" the concept of employee shareholders and would throw a sharp light on the limits of contemporary capitalism.

In an article published 2 years ago,² we advanced the following conclusion: "World capitalism has not succeeded in establishing the basis of a new long wave of expansion, because it is unable to ensure a sustained growth of consumer (wage) demand, and because capitalism structures the world in such a way that zones of economic depression are periodically generated. The capitalist economy is mired in a recessive phase that has lasted longer than any comparable episodes.

The current cycle, developing on the basis of a crisis of overproduction, can only with great difficulty be seen as putting in place a new world economic order. But neither is the final collapse in any way automatic. The most probable outcome is general deceleration, lasting through 1999, and which could be masked by high profits. This could lead to an open crisis of legitimacy for neo-liberalism".

The manifest error as to the conjunctural profile does not imply that it is necessary to revise the overall prognostic on a new expansionary long wave. It is

absolutely essential to disassociate the two questions.

The theory of long waves, as we interpret it, consists in showing that a new expansionary phase presupposes that capitalism puts in place a coherent model defined by four elements³:

- a mode of accumulation of capital ;
- a type of material productive forces;
- a mode of social regulation;
- the type of international division of labour.

Indeed, the responses of contemporary capitalism to these demands are partial, contradictory and socially scarcely legitimate. The coherence of model, inasmuch as it exists, rests indeed on regressive developments on each of these points.

The mode of accumulation of capital is exclusionary from two angles, geographical and social. The countries of the South and East are subjected to a renewed, extremely selective, dependence, and wages are subjected to a new iron law according to which they represent a burden and cannot be allowed to grow. Even between the US, Europe and Japan, the dissymmetries are growing.

Commodity logic

The new technologies are not a mirage and are bearers of profound transformations and progress, but they come up against a commodity logic which impoverishes their social effects. Capitalism today transforms the gold of technological progress into social lead: the possible reduction in working time into unemployment and social marginalisation, free information into the commodification of everything, including the living.

The mode of social regulation functions on the mode of denial; to satisfy social needs would be to live above one's means. Public services and social protection are slashed back everywhere in the world, in the name of giving priority to commodity consumption which is basically that of capital.

The international division of labour, finally, is founded on a profoundly unequal development and restores the most classic imperialist processes. Certainly, the economic coherence of the overall is to a certain point assured by the rise of inequalities and by the reinforcement of the effects of domination: the consumption of the rich substitutes for that of the wage-earners which is held down, and the regime of the

dollar-king becomes the cement of the international monetary system.

But capitalism does not simply need an accountable coherence, it must also offer a model of society. It must accumulate (this is "Moses and the prophets" according to Marx), innovate, transform society, affirm itself as universal model. And the current inegalitarian coherence enters into contradiction with these demands: despite the spectacular restoration of profit, accumulation does not take off in the same proportion, medium term growth remains mediocre and the redistribution of the fruits of this growth only benefit a minority of the world population.

Synthetic criterion

If it is necessary to give a synthetic criterion to define the start of an expansionary phase, it is that the restored profits provide a new stimulus to the dynamism of accumulation, which is basically the essence of capital.

Indeed, in the absence of proof to the contrary, this is only the case currently in the US, in conditions which prevent the generalization of this case — elsewhere, accumulation only increases over short periods which suggests, then, a conjunctural movement. The major uncertainty weighing on the conjuncture (which is in itself a trait of that conjuncture) and the possible inaccuracy of certain theoretical characterizations should not obscure what remains our fundamental postulate.

Actually existing capitalism can function more or less well in regard to its own criteria, but it is structurally incapable of transforming itself into a system capable of distributing the fruits of its success in an egalitarian manner. And this success increasingly necessitates exploitation and marginalisation as its counterparts.

Stock market profits have no other origin than the non-satisfaction of social needs, which represents the basis of the essence of contemporary capitalism. The anti-capitalist movement must draw from this a renewed legitimacy, and everyone knows that this is not something which is **quoted on the Stock Exchange!★**

* Maxime Durand is a member of the Economic Commission of the Ligue communiste révolutionnaire (French section of the Fourth International).

1. The capitalization of a company is the total value of its shares, calculated on the basis of their Stock Exchange price.
2. Maxime Durand, "The ambiguities of the international conjuncture", *International Viewpoint* no. 300, May 1998.
3. See Christian Barsoc, *Les rouages du capitalisme*, Éditions La Brèche, Paris 1994.

DURING the last 25 years, the bourgeoisie, at least in North America, has been able to restore the rate of profit to the level of the postwar period. It has developed a panoply of emergent new technologies, which have begun to develop on a big scale in some sectors, above all in the United States. One can then say that the economic and technological conditions of the ascendant phase of a new long wave are partially met inside the strategic center of world capitalism and its imperialist periphery.

The recent growth of productivity in the United States demonstrates it. Let us remark that the prior creation of a final solvent demand (in other words of increased popular consumption) is not one of these conditions (contrary to what the Keynesians think). This latter is rather the consequence of the wave of initial investment and its breadth is a function of the ability of the proletariat to impose redistribution.

Note in passing that it is generally at the beginning of the expansionary (and recessionary) phase that the question of "reform or revolution" is raised. Emerging from the suffering of the long recessionary phase of the preceding wave and the individual struggle for survival that it involves, the proletariat again becomes combative, liberating a long suppressed anger. Whether this leads to revolution depends to a great extent on the accumulation of ideological and organizational forces in the course of the preceding phase.

Appropriate conjuncture

A very favorable relationship of forces in an appropriate conjuncture could lead at least to big reforms, which at the same time would prolong the ascendant phase of the new long wave. Although the history of capitalism does not endlessly repeat itself, the passage from recessionary to expansionary phase has been accompanied in the past by a destruction/devalorization of capital (as witnessed by the depression of the 1930s and the Second World War last time round).

Such a devalorisation/destruction of capital is necessary to allow an enlargement of markets and then a wave of investments, which is sufficient to support a high and prolonged accumulation of capital. The very partial opening of the markets of the East (from the GDR to China), accompanied by a significant devalorisation of

World crisis or new expansionary long wave?

CAN the new economy (remote access computing, bio-technology, energy efficiency and alternative energies, new materials) form the basis of a new expansionary long wave? Or are we heading for world economic crisis following a major stock market crash?

MARC BONHOMME*

the industrial potential which exists there, could play this role. It will undoubtedly be accompanied by new large-scale physical destructions of capital in the industrialized countries of the periphery, of which the Gulf and Balkan wars constitute the prototypes.

Even if the economic-technological conditions of a change of phase are practically in place, this is far from the case for the politico-institutional conditions, which are the more determinant. The current situation of the US economy illustrates the contradiction. The economy is functioning at full capacity but on the basis of, on the one hand, financing by world capital, as shows it an increasingly big trade deficit now running at nearly 4% of US GDP, and on the other, a record deficit in the US private sector (income less expenditure of companies and consumers) which reached 6% of GDP in 1999 (a record for the post-1945 period). It is moreover remarkable to note that in both the US and Canada the 1990s saw the private deficit substituting for the public deficit and the inflation of financial assets substituting for the inflation of products and services.

World chaos

Bill Gates and co. are enjoying their prosperity, then, thanks to the world chaos provoked by the free circulation of the US dollar (supported by a military threat and a Hollywoodian commercial culture) and a stock market bubble which, by creating virtual wealth in the richest households, encourages them to spend while the least wealthy households borrow more as a result of relatively low rates of interest which are necessary to attract money capi-

tal towards the stock market bubble and support consumption. Thus the circle is closed.

The least economic or political shock could burst this bubble, the most likely such shock being a drying up of external financing. As many companies hold financial assets as collateral for their loans, the financing of working capital and investments would be affected. The bursting of the bubble would also have a significant effect on consumption following a sharp increase in saving to compensate for the disappearance of financial assets directly or indirectly possessed by around half of households (the wealthiest), without counting the growing proportion of small timers borrowing on the margins in order to speculate.

Major crisis

A major crisis would probably ensue and this in turn could spread to the rest of the world, at least if the US Central Bank did not make a 180 degree turn and adopt a very lax monetary policy which would involve running up a large budget deficit.

But public and private indebtedness, already at record levels, would be accentuated. The US economy would become more unstable, which would push the US bourgeoisie to seek a more durable solution on the basis of its hegemonic strength, both monetary and military. Fearing this scenario like the plague, or anticipating it, the US bourgeoisie has enjoined its Japanese counterpart to deepen yet further its public deficit, in order to become again the motor of the East Asian economy (an upturn through lowering short term interest rates having become impossible, with a

rate of 0.04%!).

And so as to be certain that the Japan's enormous savings continue to irrigate the US, the US bourgeoisie has asked the Bank of Japan to finance the Japanese deficit through monetary inflation (technically by direct loans from the Bank of Japan to the Japanese government). Not bad for the neoliberal champions of anti-inflationary struggle and zero deficits!

Because of its military weakness and its prolonged recession, Japan is vulnerable to US pressures in a zone of strong military tensions. On the contrary the US does not have the same power of pressure on the European Union (EU) with its GDP which is higher than that of the US, its modest growth, its nuclear arms and now three quarters unified in the same monetary zone.

Internal divisions

There are internal divisions within the EU and a greater popular resistance to neoliberal policies, which prevents it from becoming a hegemonic force to equal the US. However, the bourgeoisies of the EU are not unhappy with the external disequilibria of the US. Europe's balance of payments surplus allows its banks and transnationals to constantly strengthen themselves worldwide, including in the US. The most patent examples are the Daimler-Chrysler merger to the profit of the German multinational and that of BP-Amoco to the profit of the British giant.

What political-institutional conditions are lacking, finally, for capitalism to embark on the expansionary phase of a new long wave? It would be necessary first to unify capitalism under an undisputed hegemonic leadership. The most obvious candidate, the US, must reacquire its capacity to lead the process underway of accelerated concentration and centralization of capital (mergers and acquisitions), that is settle its structural balance of payments problem which has festered for 30 years.

Either that, or the US bourgeoisie must impose a dose of stiff austerity on its people, particularly the so-called middle classes, to cut imports, which would also entail tough methods to contain social tensions; or it must strengthen and use its military power to a still greater extent to impose a permanent cheap financing, not only of its balance of payments deficit but also of its capital exports, on the backs of the world's

peoples. Even this second option would suppose in any case a stabilization of the balance of payments and a reallocation of resources towards more military expenditure, as has already started.

In order for it to become hegemonic, the European Union would have to succeed in unifying itself in a strong European state, capable of both inflicting a historic defeat on the proletariats of the continent, particularly in Germany and France, and re-militarizing itself to compete with and ultimately vanquish the US. This road involves big social conflicts and large-scale confrontations with the US.

As to Japan, the relative narrowness of its internal market, its relative military weakness, its incapacity to institutionalize a zone of influence under its control, will force it to continue to accept US domination, at least until the emergence of a European hegemony with which it can ally itself. Whatever hegemonic power imposes itself (undoubtedly through significant regional wars) there remains the problem of generating a wave of investments capable of supporting a high and prolonged accumulation of capital. The key to this possible wave resides less in privatization and modernization inside the current imperialist countries than in the massive equipment in privatized infrastructures of the very big emergent countries like China, India, Russia, Indonesia and some important countries in their immediate periphery (Vietnam, Pakistan, Bangladesh, Ukraine).

Surfing on the new wave

Initially, this wave could be financed by pension funds and the common investment funds of the so-called middle classes, on which the capital of the imperialist and national bourgeoisies could surf. The proletariat of the imperialist countries could be offered a social pact of the Japanese kind based on the paradigm: save today, consume in retirement (while prepared to devalue these savings in the style of Russia if things turn out badly). The savings of the immense masses of the Third World could also play a significant role.

What prevents the deployment of this strategy (in addition to the inter-imperialist contradictions already mentioned) are the politico/economic leaderships of significant countries of the Third World. These latter are not strong enough both to impose on their peoples a full integration of their national markets in the imperialist order

and to obtain from imperialism a satisfying share of the spoils.

Crony capitalism

The Indonesian transition from a crony capitalism of the cold war period, enjoying a margin of maneuver for national accumulation, is still far from a done deal and the growth of inequality and poverty following the crisis of 1997 renders any stabilization of a capitalism with a democratic facade very difficult. The full integration of India in the world market will not be easy either, as shown by the present rise of ethnicism in response to the IMF attempt to progressively dismantle a very bureaucratized national capitalism with heavy state involvement.

As for Russia, mired in the transition from a mafia capitalism resulting from a decomposition of the bureaucracy, its new leadership seems to aspire to assure to its nascent bourgeoisie an imperial status, which implies future confrontations. The Chinese bureaucracy, for its part, has reestablished a process of basic auto-accumulation, in both countryside and cities, a process completed by significant support from external capital and which the regime defends through increasingly repressive methods. But can this bureaucracy conclude its transition by privatizing the big state industries, at the price of heavy unemployment, thus becoming a pure capitalist class?

These countries, which account for nearly half of the world population, do not constitute a stable environment of law and order guaranteeing enjoyment of private property and respect for contracts, or full integration into the world market and unrestrained opening to the free circulation of capital. Certainly, at the price of strong repression and bloody regional wars, which would engender more poverty and inequality, perhaps even a social regression following ecological or nuclear catastrophes, capitalism could once again resolve its problems. Will the working and popular classes consent to this — or will they unify to create a world democratic and socialist government on the basis of equality of nations and sexes? The role of the proletariat in the imperialist countries appears to be the deciding factor in how this burning question will be resolved. ★

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Tides of change: culture in historical perspective

IN the same sense, the creation of a specific culture, in the general sense of the coherence of forms of communication, be this in fashion, food, literature, architecture, music, the evolution of languages or other social artefacts, is largely bound by its particular epoch. The technological framework, the social structure and the historical process of the formation of knowledge defines the setting for the work of art and for the overall construction of social cultures.

In this sense, this section argues that there are specific tides in cultural production, that can be better understood in the framework of the societal and historical vision indicated previously, and that this specific nexus is crucial for the understanding of the forms of organised social communication prevailing in modern societies through the development of capitalism.

In a nutshell, the argument is that major changes in the economy are causally related to dramatic alterations in the social structure, the forms of work and power, and the dominant modes of communication – and that the tides in cultural production are unintelligible apart from these changes.

Modernity

Table 1 takes up part of this argument. Each epoch is defined by the industrial revolution originating the *maelstrom* that changed the way of life, and that shaped each specific experience of modernity. Consequently, three main categories are indicated: while the original industrial revolution set the tone for the process of *modernization*, following on from the slow development after the Enlightenment and the sixteenth century, *modernism* was the emerging language for the fight against the dominant market.

Not against technology or machines – indeed they were worshipped by the futurists and other modernists – but against impersonal relations of the market and the general reification under capitalism. Finally, the triumph of the market over its radical opposition is marked by its exten-

THE production of works of art has a logic and time of its own – quite often, it anticipates the future or constructs alternative worlds. Yet the producers live in concrete societies, and their horizon is largely defined by the potentialities of their epoch.

FRANCISCO LOUÇA

sion into what was, until then, the partially separated world of art production: this period has been called *postmodernism*. As Jameson puts it, “modernism [was] the experience and the result of *incomplete* modernization, (...) [and] the postmodern begins to make its appearance whenever the modernization process no longer has archaic features and obstacles to overcome and has triumphantly implanted its own autonomous logic” (Jameson, 1991).

This said, Modernism yesterday was, and Postmodernism today is, neither culturally dominant nor even hegemonic: as indicated in the table, they can be considered emerging traits in cultural production, representative of the ongoing conflict. But Modernism and Postmodernism are the trends most closely associated with the fractures of history in their own time.

They were indeed seen by contemporaries as earthquakes: a celebrated example is that of the so much quoted and tragic images of *Angelus Novus* by Paul Klee, a representation of the transformation imposed by the second industrial revolution and the motif for Walter Benjamin’s reminiscences:

“An angel looking as though he is about to move away from something he is fixedly contemplating. His eyes are staring, his mouth is open, his wings are spread. This is how one pictures the angel of history. His face is turned toward the past. Where we perceive a chain of events, he sees one single catastrophe which keeps piling wreckage and hurls it in front of his feet. The angel would like to stay, awaken the dead, and make whole what has been

smashed. But a storm is blowing from Paradise: it has got caught in his wings with such violence that the angel can no longer close them. This storm irresistibly propels him into the future to which his back is turned, while the pile of debris before him grows skyward. This storm is what we call progress.” (Benjamin, 1973)

This wave of progress invaded the daily life and transformed the modes of production, distribution and communication at the end of the nineteenth century. The culture of the new century was part of this catastrophe: “Il faut être absolument moderne”, said Rimbaud. The next industrial and technological revolution imposed a new version of the dictum: we cannot but be postmodern. The structure of this evolution is the theme for the table below.

As the table indicates, there are considerable lags between causally connected events and trends; moreover, there is a large margin of autonomy between technological transformations, allowing for new methods of diffusion and permitting new experiences of the process of modernization, and their cultural counterparts. Yet the creation of new technological means sets the pace for the transformation.

Gutenberg Galaxy

The undisputed example is the creation of the “Gutenberg Galaxy” in the fifteenth century: it allowed for the development “of a system essentially dominated by the typographic mind and the phonetic alphabet order” (Castells, 1996). As the alphabet was the dominant “conceptual technology”, since 700 BC Greece, it established itself as the privileged infrastructure for the codification of cumulative knowledge.

But it became a dominant mode of communication just when the industrial capacity established the printed word as the direct form of expression and the book as the cultural tool of the *elite*. Consequently, for the whole period sounds and images were outside the scope of written discourse and were relegated to the domain of the separate and slightly eso-

Table 1: The production of culture in a long-term perspective

	<u>Period</u>	<u>Industrial revolution</u>	<u>Emerging cultural traits</u>	<u>Examples</u>	<u>Modes of communication</u>	<u>Centres of cultural production</u>
1848-1890	Second long wave	Machine production of steam-driven engines	Realism		Conversation	London
1890s	Transition					Paris
1890s-1940s	Third long wave	Machine production of electric and internal combustion engines	Modernism	Expressionism Cubism Futurism	Printed word	Paris Berlin Vienna St. Petersburg
1940-50s	Transition			Rock'n'roll	Radio Film	New York
1940-	Fourth long wave	Machine production of electrical & electronic machines	Post Modernism	Pop Punk Fashion, Advertisement	Cinema Television	New York Los Angeles
?	Transition			MTV	Electronically transmitted bits, clips	

teric artistic production. A new epoch was then opened when Fordist production spread to the whole social fabric and extended to the mechanical reproduction of works of art. Radio and film – the first distinctively mediatic art form – became the then dominant modes of communication.

Finally, and we come to our own time, a “new alphabetic order”, a new digital meta-language is being imposed as the cultural infrastructure: “A technological transformation of similar historical dimensions [as the creation of the alphabet] is taking place 2700 years later, namely the integration of various modes of communication into an interactive network” (Castells, *ibid*). These epoch-making transformations are the theme for the next table.

As previously indicated, the epochs depicted in the tables were not periods of uniformity, and their cultural production was *a fortiori* a turbulent landscape of diversity and contradiction. Their emerging cultural *traits* were not dominant or hegemonic through the period, although they marked a peculiar vision of the storm of modernization, and eventually constituted the more distinguishable features of its inheritance.

Realism represented the first interpretation of the changing world, and this new world reserved a specific role for the enter-

tainment business: popular novels, theatre, and popular opera were, for some countries, the forerunners of the cultural industry of the second half of the century. Although this business was still separated from the production of high culture, the dissemination of the market in this direction anticipated the aestheticisation of daily life – but even this would still require another major technological change.

Modernism

Modernism was the response to these first moves: breaking with the aesthetics of representation in art and the theoretical discourse based on the insulated worlds of culture and social life (Lash and Urry, 1987), the modernist revolution was built on the challenge to the capitalist process of modernization. It led to non-representational and expressionist painting, to new lyric poetry, to existentialism in philosophy, to the *films d'auteur*. Attacking the market and not technology, the modernists were fascists with Marinetti and communists with Maiakovsky: they praised cars, speed and movement, neat colours and strong feelings. Picabia, Duchamps, Fernand Léger, Diego Rivera painted machines and the possibility of reconstruction of social life in a new technological world; Frank Lloyd Wright, Le Corbusier and Mies applied the new vision to archi-

ture and rebuilt urban life.

But modernism was rooted in high culture, and the headquarters of resistance were established in the authenticity, originality and uniqueness of the work of art: its discourse was that of creativity (Lash and Urry, 1987) and the defence of the aura of artistic artefacts. In that sense, art in society vindicated a radical separation of cultural forms from the social framework – and this was the reason for its intense appeal as well as for its failure. In a matter of decades, the market conquered this last bastion of cultural critique and transformed it into an industry

The crucial alteration introduced in the post-war period was the widespread diffusion of commercial TV. Consequently, the film industry, the epicentre of cultural production since the beginning of the century, was transmuted from a production of episodic and unique pieces, seen by large audiences in unique settings into a production of flows of images and sounds to be seen simultaneously in all private settings. The simultaneous collective experience was transmuted into a simultaneous individualised experience. The continuous flow abolishes the effort of memory and imposes the loss of historicity, mixing news, films, soaps and contests in the same level of discourse and reducing all sounds and images to bits of *infotainment*.

Table 2: Modes of cultural production

Period	Dominant characteristic	Construction of meanings	Technique of cultural production	Socially constructed attitude	Emerging trend in cultural production
1st and 2nd long wave	Liberal capitalism	Hierarchical diffusion of knowledge Auratic works	Discontinuous and scarce production of individual works	Reverence Admiration	Promethaic modernization
3rd long wave	Fordism	Mechanized reproduction of works of art. Distantiation effect	Discontinuous artefacts and dense production	Contemplation Concentration	Apollonian modernism
4th long wave	Late capitalism	Anti-auratic populist culture, global reification effect	Continuous flow	Distraction	Dyonisian postmodernism

The great consequence of this is the fully used potential for the construction of “fictive temporalities” and therefore the “technological appropriation of subjectivity”, generating a specific and novel type of media populism that was to become the basis for the entertainment industry (Jameson, 1991).

Social consequences

The social consequences of this dramatic change in culture are still to be fully understood. The growing importance of advertising, the consumption of the discourse of consumption and the narrative of desire inscribed in publicity constitute the image as the final form of reification of the commodity: the product is identified with its brand or logo.

Advertising is the dominant form of production of signs in postmodern culture: consequently, Jameson describes postmodernism as that specific mode of production in which culture has a specific function and place (Jameson, 1991). Fashion and fast food, B-films and remakes, Warhol’s pop art, parodies and kitsch, science fiction, music and video reduced to clips populate this universe of pastiche – to use Thomas Mann’s concept. Categories of space have replaced categories of time, historical depth has been lost to ephemerality and concentration has been replaced by superficial trivia.

As this process is our contemporary, its implications are still largely undecided, although there are two that follow from the pattern of communication imposed by this cultural revolution. First, “a crucial effect of the electronic media and spatio-temporal changes in our disorganizing capitalist

societies has been the decentring of identities and the loosening or deconstruction of group and grid” (Lash and Urry, 1987). But, second, this iconography of modernity also imposes a bipolar opposition between the Net and the Self, so that “in this condition of structural schizophrenia between function and meaning, patterns of social communication become increasingly under stress” (Castells, 1996-I).

How did then machines produce machines and information produce information to the extent that we were transported from a culture of virtual reality to a culture of real virtuality in this period of transition, as Castells argues in his magnificent *The Information Age: Economy, Society and Culture?* The answer resides in the technological changes associated with the information and communication revolution emerging through the fourth long wave – and in the concrete process of social selection that has determined the shape of this techno-economic paradigm which is now challenging the still prevailing mode of development in this period of mismatch and transition.

In this framework, we follow Jameson’s suggestion and recuperate the concept of “late capitalism”, as it was used by the Frankfurt school, namely by Adorno and Horkheimer, and lately by Ernest Mandel. *Late capitalism* describes the galaxy of economic structures, methods of production and cultural *substrata* derived from the expansion of commodification towards Nature and the Self or the Unconscious – a process of reification of all social relations, i.e. one purer form of capitalism.

Late capitalism is thus the name for the

technological transformations diffused since the 1950s, and for the cultural alterations emerging since the 1960s. As a cultural constellation, it had a long period of maturation: in the early decades of the century, Dada and surrealism anticipated these postmodernist tones, although they rooted their activity in a mood of denunciation and contradicted the market economy seen as the adversary to art (but see also the collaboration of Dali with one of the ignominious dictatorships, that of Franco). Yet it was when the technology became available for the production of continuous flows of infotainment that postmodernism won the day.

Contrary to MacLuhan and so many other commentators, its victory did not represent the imposition of a complete universal culture: we do not live in a global village, but in “customized cottages globally produced and locally distributed” (Castells, 1996-I). Each cultural artefact is locally bounded and the production of icons is still mediated by national and regional frontiers: their understanding is largely local. But icons are industrially produced and are the constitutive bits and clips of our social communication, and this is the triumph of the aesthetics of distraction. ★

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A humanitarian catastrophe

FOR several months now, Angola has once again been at war. At the end of last year, heavy fighting broke out between the Angolan army (the FAA) and Jonas Savimbi's UNITA, forcing the latter into a precipitate retreat. During the first months of this year, general Joa dos Matos, FAA chief of staff, predicted the imminent end of the armed rebellion. Some months later, there seems no reason to expect an early end to the war.

PIERRE BEAUDET

SO far as the international community is concerned, all attention is turned towards the conflict in Democratic Republic of Congo (RDC), hence there is a total passivity towards Angola. Meanwhile, an already tragic situation for the people of Angola is getting worse.

The current conflict in Angola, the fourth since independence in 1975, is devastating. According to UNICEF, nearly 3.7 million people (out of a total population of 11 million) are directly affected by the war, including three million displaced persons.

* The index of human development established by the United Nations Development Programme (UNDP) puts Angola in 94th place out of 164 countries.

* Since the beginning of 1999 and the last round of fighting, 1.7 million people (75% of them women and children) have fled to the cities, notably Luanda (500,000), Huambo (300,000) and Malanje (100,000).

* Nearly 50% of the country, notably in the rural areas, is mined (at least 10 million antipersonnel mines according to the UN), a situation which has led to more than 86,000 people being killed or maimed in the past 10 years. In Zambia, Namibia and other neighboring countries, Angolan refugees are massing, often in very difficult conditions.

Catastrophe

In short, Angola now constitutes one of the biggest humanitarian catastrophes in Africa. UNICEF estimates that Angola is the worst country in the world so far as children are concerned, with one child in five dying before the age of 5 years, mostly because of infectious diseases easily treatable in a normal situation. The rate of official infant mortality is 270 out of 1,000 (the third highest in the world after Mozambique and Niger).

Since the beginning of their counter-offensive last summer, the FAA have managed to keep Savimbi's organization on the defensive: the territories it controls have been confined and encircled; its military capacities (notably its heavy arms) and logistic underpinnings (airports, systems of transport and supply) have been seriously damaged. The loss of Jamba (south of Angola), followed by the capture, according to the Angolan government, of 600 UNITA soldiers at the end of December, have certainly been more than symbolic: this locality has been controlled by

Savimbi for 25 years and was a veritable logistical center.

Angolan refugees fleeing the zones controlled by UNITA have told horrific stories (indiscriminate bombardments of villages by the FAA, with use of napalm and cluster bombs, panic and pillage on the part of UNITA, and so on). The defection of some UNITA military chiefs is also a symptom that something is going very badly wrong in Savimbi's kingdom. With the positioning of the FAA in Namibia, the southern frontier is much more dangerous for UNITA and complicates their supply lines enormously.

But UNITA still possesses strong capacities, as shown by the recent battles (January 2000) in the south and east of the country. On all the evidence, its best units have been preserved and are still capable of dealing some heavy blows, including around the urban zones. Even if UNITA's logistical limitations render major assaults against the cities impossible, at least in the short term, nothing would prevent them, as they say themselves, from redeploying as a guerilla army, an area in which it excelled in the 1980s, and which can easily destabilize such a vast and sparsely populated area. According to military sources, arms supplies continue to arrive to UNITA by light aircraft and by road, via Zambia.

Moreover, the situation is very confused in the northeast, in the Lundas where the prize, control of the diamond producing regions, could be decisive for UNITA which depends on the resources of this region for its survival. During the last but one round of the present war (September 1998) the FAA tried, with uneven success,

to dislodge UNITA. But during the last few months, the fact that the fighting has not very much affected these regions remains difficult to understand: is it UNITA's military strength in these regions which holds the FAA at a distance? Is it the strategy of general Matos (chief of staff of the FAA) which seeks first to ensure control of the southern and eastern frontiers and then in a second stage to begin the assault against the northeast? Are some observers correct when they say that the FAA leaders want to preserve UNITA's control of the diamond producing zones because they themselves are the beneficiaries of it?

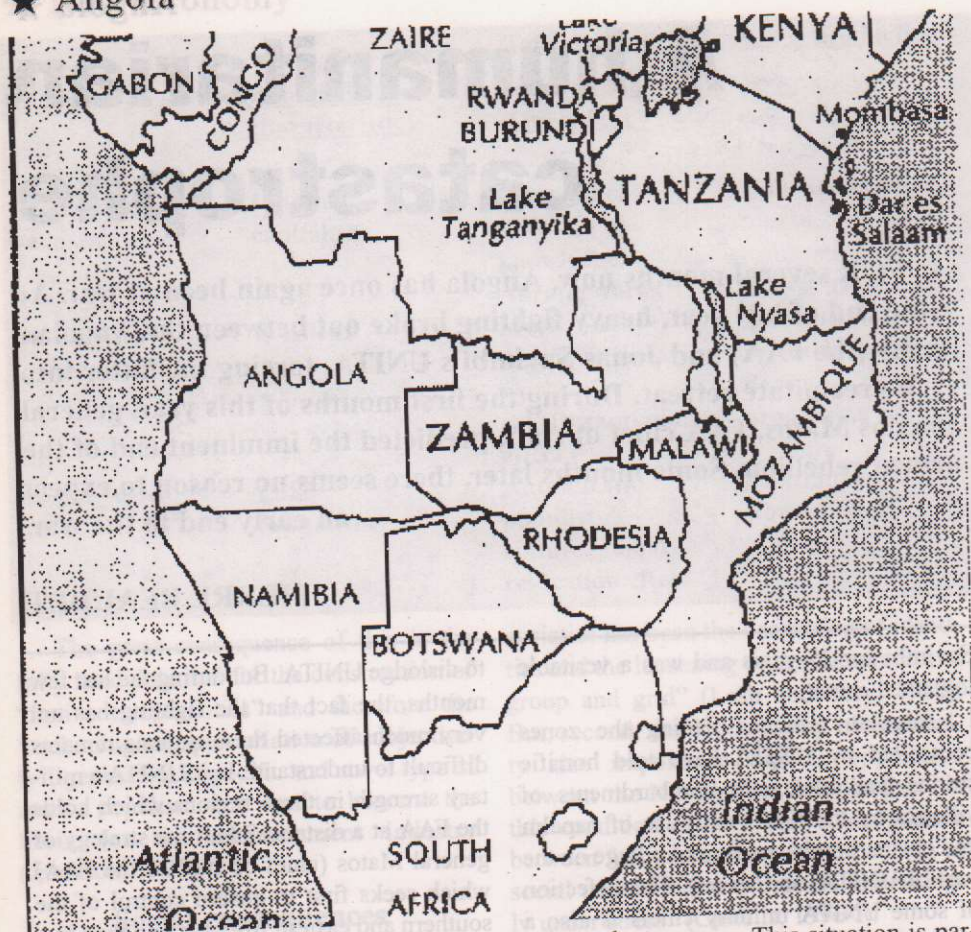
Nothing settled

In short, on the strictly military level, nothing is definitively settled. It is then more than probable that the outcome of the current fighting will to a large extent be determined by political factors which will orientate the action as much of the government as UNITA.

On the internal level, the current polarization continues to dominate. In declaring Jonas Savimbi to be a "war criminal", the government does not seem inclined, at least for the moment, to open negotiations to reactivate the protocol of Lusaka (drawn up in 1994). In Luanda it is very much the majority view that what counts is the erosion of UNITA both on the military and political levels, hence the importance attached to the defections of UNITA cadres. In fact, the government plays for time, counting on the exhaustion of UNITA and its bases, as well as on its international isolation.

Meanwhile, the ruling party, the

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MPLA, does not envisage any major reform to assure greater transparency in public management and open up the political process. This mismanagement is particularly obvious in relation to the economic and social crisis affecting the vulnerable sectors of the population. Corruption has reached significant levels, notably in the appropriation of income drawn from oil production. The absence of a state of law, the distortion of the legal system to the benefit of those who have good contacts, the illegal activities of the police force, all adds up to a situation which makes life very difficult for the people.

The question is posed: can the MPLA "Frelimoize" itself in the image of the old ruling party in Mozambique (acceptance of the principles of a state of law)? A significant obstacle to such an eventuality is the "predatory" character of the group currently in power. It is in a position to "siphon" offshore resources (oil), which do not depend on labour and the local people. They are effectively drawing a "rent", and it means that the relations of reciprocity between the regime and the people are minimized. Meanwhile, the government remains suspicious of all those who seek to express and organize themselves in an

independent manner. This situation is particularly worrying in the case of the independent media.

Nonetheless, the government must at least proclaim its good intentions to unfreeze the political process. The announcement of elections for the year 2001 by president Dos Santos during his address of January 31st goes in this direction. The mandate of the current national Assembly runs out this November. In his speech, Dos Santos appealed to UNITA to "lay down its arms and get involved in the political process". For its part, UNITA remains relatively impermeable to the current pressures. Diverse dissidents, like UNITA—Renovada and Abel Chivukuvuku's group, have not substantially weakened it.

Reign of terror

The reign of terror practiced by Savimbi towards his own cadres constitutes a part of the explanation. The other factor is the fact that this organization remains rooted in the Ovimbundue (40% of the population) who feel themselves marginalized and excluded from power. To take up the Mozambiquan analogy, the eventuality of a "Renamoization" of UNITA (cooption inside the system of

power and transformation in the manner of Renamo into a "loyal" opposition) does not seem immediately on the agenda. But this does not mean that the situation cannot change. Certainly, faced with the current impasse, the malcontents inside UNITA are still more unhappy. They know also that the popular base of UNITA is still significant, that it could be remobilized in a political project. The big factor of blockage remains then Savimbi.

Parallel to the resumption of the war, significant developments during the last period have taken place in the area of Angolan civil society, principally in the urban areas. In spite of practical harassment by the government against the independent media, some critical voices expressing the point of view of civil society have demanded peace, national reconciliation and democracy. Several NGOs and churches are engaged in a movement of pressure for peace. "This war", says the *Grupo Angolano de reflexao para a pas* (GARP), "is a war of dispossession. The regime of the gun threatens everybody".

Significant turn

Meanwhile, a significant turn has been made by the main Western states. The United States and Great Britain in particular have finally broken with UNITA. Between the lines, these powers have now made Savimbi's departure an indispensable precondition for peace and the integration of a demilitarized UNITA in the peace process and in government.

This evolution comes parallel to the initiative of the Canadian ambassador Robert Fowler at the UN Security Council, with the aim of sanctioning those who continue to arm the rebels. In his address to the Security Council last January, Ambassador Fowler said that sanctions had begun to weaken UNITA and explained, at least in part, its recent setbacks. But he also added that the "Angolan conflict could not be resolved only by military means and that the ultimate objective of the embargo was to force UNITA to return to the negotiating table."

According to British Foreign Office minister Peter Hain it is necessary "to put an end to the primitive fascism of UNITA". He suggests also that if UNITA wants to remain an actor on the Angolan political scene it has to "get rid of Savimbi".

From all this then there is a fairly clear

message against UNITA and, above all, against Savimbi. But on other questions, divergences remain: inside the European Union, the dominant tendency seems to be to bet on the Angolan government and the president, José Eduardo Dos Santos (in spite of the reticence of some sectors of public opinion in Europe on the violations of rights and corruption).

But in Washington, the situation is less clear, all the more in that US policy on Angola (like US foreign policy overall) is the object of constant debates and conflicts between the administration and Congress. For the administration, the reestablishment of diplomatic links with Angola, as well as the establishment of a bilateral consultative commission between the two countries, certainly indicate a rapprochement with the Angolan government. But in a certain sense the scenario favored by the US implies the reintegration of UNITA in the process, albeit a tamed UNITA, probably without Savimbi, which could act as a counterweight to the government and the MPLA.

The evolution of the Angolan situation is also important on the regional level, the more so in that Angola is heavily involved in the gigantic conflict shaking the Democratic Republic of Congo. The stakes there are immense. If there is a stabilization of the government of Laurent-Désiré Kabila, the winner would certainly be the Angolan government, and by deduction this could cost UNITA dear. If the opposite happens, this would create problems for the Angolan government, and also its allies like Zimbabwe. For the moment nothing is definitively settled in this area.

Extension of fighting

Elsewhere in southern Africa, the extension of the fighting in the south and east has led to fears of a regionalisation of the Angolan conflict towards Zambia and Namibia. Here also, the stakes are significant. The Angolan government must seal its frontiers in order to pin down UNITA, while the latter would be tempted to carry the war across the borders to complicate things for the FAA. Hence the majority of member countries of the Southern Africa Development Community (SADC), including those who had sympathies for UNITA (Zambia for example), are now backing the Angolan government, albeit with reservations. The problem remains South Africa, regularly attacked by the

pro-government press in Luanda for being "lukewarm" towards the Angolan government. South African president Thabo Mbeki has several times expressed the view that the solution of the conflict must be primarily a political one, which strongly displeases the Angolan government. To reduce the tensions nonetheless, South Africa announced recently (January 26th) that it was going to organize a program of humanitarian aid for Angola, which could be perceived in Luanda as a sign of good will.

In a general fashion, all this leads to a net deterioration in the region, and seriously threatens the projects of long-term integration promised by the SADC, which are absolutely necessary to the development of the whole region, including South Africa and the other countries in the region not directly affected by the Angolan crisis.

Paradoxical

In many respects Angola's economic situation is paradoxical. On the one hand, the country possesses wealth, notably oil and diamonds, which could potentially make it the "Kuwait" of Africa. On the other, it is a country where the people live in poverty and decay. The index of human development places Angola among the poorest countries: in the rural regions as in the urban zones, a great part of the population is dependent on food aid (the cereal deficit is estimated at more than 500,000 tones by the UN Food and Agriculture Organization). Certainly, this situation is aggravated by the intensification of the fighting, but fundamentally, it is "structural", conditioned by an ensemble of factors apart from the political and military situation.

For the moment "two" Angola's live side by side. On the one hand, there is the Angola which is rich and linked to the exploitation of oil and diamonds. On the other, there is the Angola which is dying of hunger and has neither medical services nor schools — the situation for 90% of the population.

From the point of view of the "rich" Angola, the government has a significant financial base with oil, all the more in that the reserves are abundant and prices are rising. The essence of these incomes is siphoned off by the group in power, serving to feed the military machine.

The Angolan economy remains very dependent on the oil sector (more than

40% of GNP and 90% of government income). Angola is the second biggest African producer after Nigeria and counts for 7% of US oil imports. Most production is localized offshore, off the coasts of the Cabinda enclave. The state controls this sector via the public company Sonangol, sole concessionary for the exploration and production of oil, which has signed a number of agreements with the multinational companies.

The main multinationals involved are: BP-Amoco, Chevron, Daewoo, Elf-Aquitaine, Engen, ENI-Agip, Exxon, Falcon Oil, Mitsubishi, Mobil, Norsk Hydro, Occidental, Petrobras, Petrogal, Petronas, Phillips, Ranger, Shell, Statoil, Texaco and Total Fina. In the coming ten years these companies plan to invest US\$18 billion in Angolan oil. Each contractor is allocated a specific zone for exploration. 60% of oil produced in Angola is exported to the USA, which makes Angola the sixth most important supplier.

Income

According to some experts, income from the sale of Angolan crude for the years 2003-2010 will reach more than US\$3 billion per year. According to Global Witness, "a significant percentage of this income is diverted to benefit a small élite, including the president and his family, as well as several high ranking figures in the army".

The IMF estimates (April 1999) that 34.1% of the budget is devoted to the army. The weapons (bought from Russia, Byelorussia, China, South Africa) are paid for with banking credits guaranteed on the future production of oil, as well as liquid cash, concessions and other advantages.

In 1999, again according to Global Witness, these purchases reached US\$870 million, in part covered by advances from the multinationals like BP-Amoco, Exxon and Elf. Some private enterprises belonging to the cronies of the high ranking Angolan political and military leaders are at the center of these transactions: this is the case in particular for the *Companhia Angolana de Distribuicao Alimentar*, registered in the Virgin Islands.

For UNITA, on the contrary, control of diamond production is more problematic and also very much less lucrative: on the one hand, its control of the producing regions is not conquered permanently; on

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the other hand, the most accessible reserves of diamonds are not inexhaustible. For the moment however, Savimbi's organization disposes of an income of several hundred million dollars in the framework of the illegal export of diamonds, assured by all kinds of complicity in diverse African and Western capitals.

Since 1992 UNITA has controlled 90% of the diamond producing regions of Angola. In 1995 total production was estimated at US\$700 million, of which only \$147 million had been legally registered by the parapublic company Endiama. The consolidated income of UNITA over 8 years is estimated at US\$3.7 billion.

According to a number of sources, the FAA are also involved in the trade, partly through a company, Tricorn, which is owned by the chief of staff of the FAA, general Joao Matos. The most important private company involved in diamonds, RDR, belongs to the president's daughter, Isabel dos Santos.

Lucrative trade

According to Global Witness, this very lucrative trade has developed thanks to the collaboration of the mining and diamond companies, notably De Beers. The retailers are many and pass through complex circuits, in Belgium, Africa and Israel, which makes the task difficult for those who wish to control the flow of diamonds.

Since the information revealed by Ambassador Fowler to the UN, the situation of the diamond-producing sector has undergone some changes. De Beers has announced (October 1999) that it would henceforth refuse to handle diamonds which do not have a "certificate of origin" stating place of production and seller. The Angolan government has set up SODIAM, which should in principle completely control the marketing of diamonds. Parallel to this, the government plans greater regulation of the granting of concessions as well as the issuing of "certificates of origin" which if carried through effectively would allow control of the illegal trade.

The rest of national production is practically paralyzed, particularly agriculture, where Angola's resources are potentially significant. More than 60% of the population are refugees in the cities, and a significant part of these refugees are condemned to pauperization.

In the zones under government control, the management of the state is chaotic.

Education, health and public services are barely functional. Criminality is rising and the security of the cities, notably Luanda, is less and less assured.

The wages of civil servants, including the security forces, are paid in an erratic and late fashion (leading to very significant losses in the context of high rates of inflation), which leads to exactions, corruption, and the diversion of public goods. To give an example, a secondary school teacher is paid \$22 a month, whereas according to the UNDP the income necessary to meet the needs of a family is \$240!

In February the situation was made still worse following an increase of 1,600 % in the price of oil, which led to huge increases in every sector including public transport. In several towns the municipal authorities say they are no longer capable of paying their energy bills, leading to cuts in supply, including in essential services like hospitals.

At the level of macro-economic equilibrium, the rate of inflation has risen (20 % a month currently), although the government has tried to stabilize it by abolishing the artificially maintained rate of exchange. For the moment, however, the government does not have too many liquidity problems: international private credits are easy to obtain when generally guaranteed by oil production, current and future. The foreign debt has reached new heights (more than 35% of export receipts), but precisely because of the factor mentioned previously, Angola is not immediately threatened with cessation of payments. In the longer term, however, renegotiation of the debt will be necessary to restabilize the economy.

Instability

The recent efforts of Finance Minister Joaquim David prevented the predicted departure of the World Bank. But the more important negotiations envisaged with the IMF have stalled on the question of the transparency of state finances. The Futungo do not want to reveal the details of the machine which allows them to pocket immense profits from the oil revenues and juicy contracts for supplying the army.

The donor countries and international agencies are also demanding a clean-up of Angolan banking institutions. Traditionally, these latter grant credits to the Angolan government on simple

demand. Some banks are kept alive in an artificial manner, because they serve as conduits for illicit payments (such is the case, among others, for the *Caixa de credito agro-pecuaria e pescas*).

The government has promised to privatize the banks, but neither concrete plan nor schedule has yet been put on the table. Meanwhile, corruption reaches stunning levels; this situation is known and admitted nearly everywhere, even among those who support the Angolan government.

Negotiation ruled out

For the moment, a genuine negotiation, which would imply a real compromise with Savimbi's organization, is ruled out. It would be difficult to convince the FAA to halt their offensive and repeat the same process as in 1994, the more so given that, on the ground, they believe conditions are more favorable than ever to the erosion and indeed elimination of UNITA. Moreover, the unexpected arrival of supplementary financial resources (linked to the increase in the price of oil) means that the pressure is no longer as intense for the Angolan government. From the end of the rainy season (May-June), the FAA's attacks should resume.

In such a context, UNITA does not really have a choice and will undoubtedly opt to continue its military operations in the form of guerilla warfare, hoping that in the long term, conditions will allow it to resurface. This situation could of course change if a "coup d'État" happened inside UNITA and led to the overthrow of Savimbi. This is precisely the objective of some Western governments at the moment. In the meantime however, UNITA will try to minimize its losses and turn towards the interior.

Another unknown in the equation relates to possible changes in the team in power in Luanda. President dos Santos is growing old, while general Joao de Matos has never hid his political ambitions. It remains to see what will happen within the other factions linked historically to the MPLA, whether "moderates" (those who might be open to negotiations) or "hawks" who hope to consolidate their power.

In short, we are a long way from a real peace process. Only the amalgam of internal pressures (civil society) and external (the international community) could eventually lead Angola towards a "Mozambiquan" situation. ★

A dramatic shift?

NOW that the euphoria over President Clinton's visit is over it may be possible to make a more sober assessment of what it has all meant in terms of the future of Indo-US relations.

ACHIN VANAİK

ARE we seeing a dramatic shift in Indo-US relations? Is the US going to jettison Pakistan in favour of closer ties with India? Is there now a possibility of an anti-China Indo-US axis emerging? All these are, of course, the staple themes around which any number of 'strategic experts' are speculating. And speculating is the right word because so much of what is called strategic thinking about the future is simply speculation. This is unavoidable. But there are more and less intelligent, more and less disciplined, ways of speculating. To responsibly speculate is to understand the profound limitations of the framework in which 'conventional strategic thinking' takes place.

Game of nations

Such thinking is obsessed about what can be called the 'game of nations'. This is supposed to be a game played by only a few big-time players, the great or potentially great powers among which are to be counted the likes of USA, Russia, China, India and probably Japan and Germany. It is the foreign policy of these 'main players' that is supposed to shape the world order and therefore to engage in 'strategic thinking' is to advocate appropriate foreign policy perspectives, i.e. mediate most effectively between different and sometimes competing 'national interests' between the 'key' countries. As a general framework for understanding the shifting patterns and problems of international relations, this gives rise to some serious problems.

Firstly, what lies outside the game of nations — various transnational forces, be these the pressure of ideas spread more easily than ever before through a globalizing communications network, of an unremittingly expanding world capitalist economy, of ecological deterioration, of a multiplicity of social, political and cultural movements and structures — is in the longer run not only more important than the conventional foreign policy interac-

tions of nations but also more strongly shapes the general contours in which the game of nations itself is played out. This makes playing the game all the more difficult, uncertain and unpredictable. For example, the shorter term gains that China might have thought to have secured from 'clever diplomacy', its strategic entente with the US in the early seventies against the USSR, have turned out to be of much lesser consequence than the systemic collapse of Communism as an alternative to capitalism, the break-up of the ex-USSR, and the new pre-eminence of the USA more by default than by anticipation and intention.

Secondly, even within this game the asymmetries of power between countries and the complexity of the very notion of power make the pursuit of 'power politics' a far more nebulous and confused affair than most foreign policy establishments would ever concede it to be. The starting point for any evaluation about the future prospects and positive possibilities (and for the most part these should be understood as possibilities and not probabilities, let alone certainties) for Indo-US relations must be a cool-headed and objective assessment of their relative strengths in the global arena.

US dominant

At the turn of the millennium, in the game of nations the US finds itself exceptionally dominant. For another twenty years or more there appears to be no comparable rival or combination of rivals that could 'balance' its integrated (economic-technological-military-cultural) power. This does not mean the world has become unipolar or is dominated by the US, which is some consolation. It only means the US dominates the game of nations which is cause for some despair.

This peculiar situation emerged in the nineties. It is peculiar because throughout the twentieth century significant rivalry



between states was a given. In the first half there was the story of eroding British dominance challenged by the USA and Germany; in the second half it was the challenge of the USSR to US power militarily and politically and the challenge to American economic power from Germany and Japan. In the nineties the former challenge disappeared and the latter one faded as the US through an unprecedented boom (which did nothing to improve the plight of its burgeoning poor) nonetheless enhanced its relative economic competitiveness.

For all the talk of China as a future economic giant, even twenty years from now, judged by per capita income standards it will remain a poor or middle-ranking country. In terms of its scientific-technological-military might it will not even come close to approximating the level of challenge that the former USSR was able to pose to the US and the West. As for its political and ideological challenge what are we talking about? This is a China bereft of any ideological vision of its own apart from desiring to emulate Western prosperity and trying to hold the line against internal political pressures aiming to democratize the country according to ideals themselves Western-inspired.

Chinese threat

The Republican right in the US ever on the look-out for a global 'enemy' to justify American imperialism, and Indians desiring to promote a possible Indo-US tie-up, may both wish to magnify the potential and actual 'Chinese threat' but the brute reality is that China cannot play this role of a dangerous bogey.

Not only is it deeply defensive in its relationship to the US — it could do nothing except sober down when the US sent its navy into the Taiwan straits, and little besides ineffective public diplomatic protest when its Embassy in Belgrade was bombed not long after a respectful visit by the Chinese president to the US — it is sim-

★ India / Britain

ply looking for accommodation in a world economic order where the US more than other single country calls the shots. Association with a politically and economically enfeebled Russia offers no real strategic alternative to a China that must modernize through integration into a world economy via US auspices. For unlike the European Union there is no equivalent East Asian collective entity (with which China can align) that can similarly resist American pressure and influence or offer the potential for doing so.

A serious US-China confrontation is not the likeliest of future scenarios. The idea of India as a US counterweight to China caters to Indian egos but little else. What is more, India although the most important country in South Asia, does not dominate the region. The collapse of the Indo-Sri Lanka Accord signified precisely the collapse of such ambitions. The persistence of a dual economy combining both high-tech and massive levels of poverty well into the next two decades means India will not even enjoy the status currently acquired by China. In short, if all the talk of China as a major global power in the near future is far-fetched, even more so is the talk of India as a major global or even regional player.

No partnership possible

In such a situation there can never be a partnership or anything approximating equality between India and the US, only accommodation on terms set essentially by the latter. Yet such subordinate status duly cloaked in the rhetoric of partnership could be acceptable to India. The US wants India to integrate its economy along neo-liberal lines. This the Indian elite can happily accept provided the domestic political consequences do not get out of hand.

The key question is whether the US is prepared to jettison Pakistan for a much more explicit bias towards India, i.e. whether it believes that Pakistan's historical role in providing a bastion state-ally for continuing US ambitions in Central Asia and the Middle East is now over for good? Or does it still benefit the US to remain at the apex of a triangle in which both India and Pakistan continue to constantly woo it? For all the bombast that surrounded Clinton's visit, this has still to be answered definitively and it will be US rethinking, not Indian influence or imagined power that will shape the final decision. ★

A new Socialist Party

ON May 6th 1999 Tommy Sheridan, head of the Scottish Socialist Party list in Glasgow, was elected as a Member of the first Scottish Parliament for three centuries. This electoral break-through put the SSP, created only a few months earlier, at the forefront of the political scene. But the roots of the new party are much deeper.

FRANCES CURRAN AND MURRAY SMITH*

BY introducing the poll tax in 1989, Margaret Thatcher made a double error. Until then she had attacked the workers' movement sector by sector, choosing her terrain, beating, one after another, steel workers, print workers, left wing councils and, as her *pièce de résistance*, the miners. But then she tried to impose a new local tax which hit everybody and made the most impoverished pay the same as the rich. This provoked a mass movement which smashed the poll tax and contributed powerfully to her downfall. Her second error was to first introduce this tax in Scotland, a part of Britain where her government had never commanded a majority and where the workers' movement had strong traditions of struggle.

In Scotland the anti-poll tax movement rapidly achieved great breadth. The Scottish section of the Militant Tendency, which later became the main component of the SSP, played the leading role, defending the strategy of refusing to pay the poll tax combined with mass mobilisations and direct action. A wide network of local committees developed, federated at a national level, with Militant's Tommy Sheridan as the main spokesperson. But, while Militant played a dominant role, this struggle also forged collaboration between forces from diverse backgrounds and began to change ways of behaving and thinking.

Following this campaign and the normalisation of the Labour Party under the iron hand of Neil Kinnock, Scottish Militant left the Labour Party in 1992 to create an independent organisation: Scottish Militant Labour (SML).

Profiting from the authority gained in the campaign against the Poll Tax, especially in working class areas of Glasgow,

SML scored the first electoral success of the far left in Scotland, securing the election of several municipal and regional councillors in Glasgow. The most spectacular success was Tommy Sheridan's election to Glasgow city council when serving a six month jail sentence for trying to stop a warrant sale of a poll tax non-payer — the medieval seizure of furniture of so called debtors.

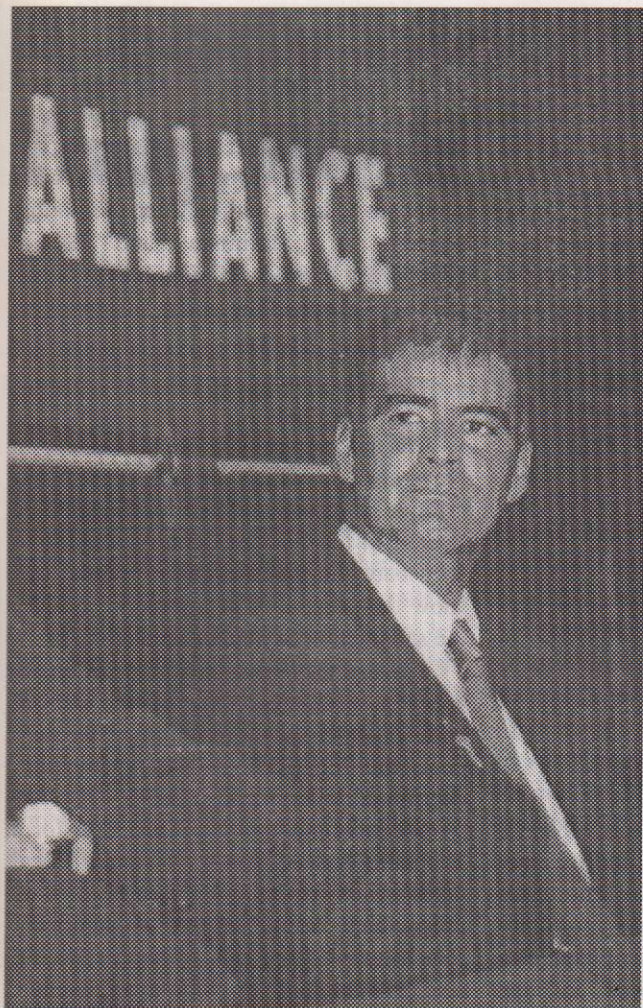
In 1992 Thatcher's successor John Major had won the General Election. In Scotland his victory created double disappointment. We were condemned to five more years of Tory rule and Labour's defeat set back the perspective of establishing an autonomous Scottish Parliament. This strengthened nationalist consciousness linked to social demands.

As the lurch to the right of the LP continued, the Scottish National Party, a bourgeois nationalist party with a petit-bourgeois leadership and a popular base, was trying with some success to develop a left wing profile to attract the votes of disappointed Labour voters.

Socialist alternative

On the Left the idea was growing that it was necessary to try to create a socialist alternative to Blair's New Labour. The potential was demonstrated anew by the success of Tommy Sheridan in the European elections in 1994, when he scored 7.5 percent in the whole of Glasgow.

In the early 1990s Socialist Forums began as annual meetings organised jointly by the Socialist Movement (SSM, left Labour), the *Liberation* current (SNP left) and the Communist Party of Scotland (one of the fragments born out of the explosion



SSP leader Tommy Sheridan

of the Communist Party of Great Britain). In 1994, for the first time, representatives of SML participated. Subsequently they accepted an offer to jointly organise the 1995 forum. Alan McCombes, in the name of SML, publicly launched the idea of an electoral bloc, a Socialist Alliance, to contest the first elections for the Scottish Parliament.

The following year was marked by new struggles: the strike at Timex in Dundee, the campaign against water privatisation. In 1994-95 the campaign against the Criminal Justice Act was characterised by mass, illegal demonstrations. Although the law was adopted it has never been used against militant ecologist advocates of direct action, as was expected.

In a campaign against the building of a motorway in south Glasgow, militants of the traditional left encountered radical ecologist militants, some of whom subsequently became part of the Socialist Alliance and then the SSP.

The idea of a Socialist Alliance was making some headway, though with reservations in the SSM where a section of its

supporters remained in the Labour Party and even more so in the *Liberation* current, which was entirely integrated into the SNP. Things accelerated, however, thanks to the intervention of Arthur Scargill who left the LP and in November 1995 announced his intention to launch a new party.

This interested a number of political forces in Scotland as in England and could have been the opportunity to create a new, pluralist socialist party. In Scotland, however, discussions between Scargill and the organisations from the Forum foundered on two points. He rejected pluralism, the entry into the new party of organised political currents (he especially wanted to bar the Militant and SWP). Scargill also refused to contemplate an autonomous section of the party in Scotland. By his inflexible attitude Scargill made, unwittingly, his sole

contribution to the emergence of a new political force. The notion that he was going to launch his own party no matter what, including in Scotland, accelerated the launch of the Scottish Socialist Alliance in February 1996.

SML joined the SSA as an organised current. The Socialist Movement also joined, some members remaining in the LP. *Liberation* didn't join as a current though many left-wing militants from the SNP joined either then or later. The CPS also didn't join, though a number of its members and officials did so, including its General Secretary Bill Bonnar.

Far left

There were also several small far left groups as well as independents from a wide range of social movements. In the first two and half years of its existence the SSA had between 400 and 500 members. It was essentially limited to the cities of Glasgow, Edinburgh and Dundee, with a rather weak structure. The weight of SML was overwhelming compared to other

forces. To create a climate of trust it had been decided that no current should have more than 40 percent of leadership positions. An indication of the road covered in two years is that no-one felt it necessary to maintain this rule at the launch of the SSP.

The Alliance had considerable impact both in struggles, notably defence of public services, and on the electoral terrain. It organised support for the striking Liverpool dockers and in November-December 1996 played an important role in building support for the Glaciers strike, the first factory occupation in Scotland for ten years. This fight was successful and some of the leaders of the occupation joined the SSA.

Respectable score

In the British Parliamentary elections in May 1997 the SSA it stood in 16 seats, gaining a respectable score and establishing credibility for the future. This marked a turning point in Scottish political life, not just because of the defeat of the Tories but also because devolution would lead to the creation of an autonomous Parliament in Scotland. Political life in Scotland became more and more national, distinct from that in England. A referendum in September 1997 broadly approved the autonomy project proposed by Blair, opening the way to the creation of a Scottish Parliament.

The SSA had taken a decision which positioned it well in this new political framework: in favour of an independent socialist Scotland. This became its identity card and later that of the SSP. Scottish nationalism is only marginally characterised by a crude anti-English sentiment. It is rather more the expression of the profoundly democratic aspirations of the Scottish people to control their own destiny. Historically this aspiration has always been championed more by the left and the workers' movement than by the right and today support for independence is stronger among the working class and youth. It is, therefore, natural to fuse this democratic aspiration with the aspiration for social transformation. In this fusion is found the key to every project for emancipation in Scotland.

The SSP was launched in September 1998. Immediately it had a qualitatively different impact than the Alliance; at a mass level the launch of a party was understood as proof of seriousness. Those who look to us demand that the SSP "must not

★ Britain

be a party like the others". The SSP draws a line between ourselves and the world of scandals and bribery. Our candidates stand as workers' representatives who will live on workers' wages. Tommy Sheridan only takes half his salary, giving the rest to the party and various organisations.

Our profile is important: we proclaim our socialism and put forward proposals which meet the needs of the majority in the here and now. It is crucial to be involved in struggles, small and large, and not simply disappear when there are no elections. We reject leftist platitudes that "elections aren't our terrain, our terrain is struggles". On a historical scale it is true that important questions will not be decided by mass action not elections. But today elections are an excellent way of carrying out political activity, making our ideas known on a mass scale. There is no contradiction with struggles — elections and struggles complement each other.

Influx

The new party began to attract an influx of new supporters and to create new branches beyond the geographical base of the SSA. The first electoral test was in a European by-election in north-east Scotland. In unfavourable territory the SSP obtained 2,500 votes, more than 2 per cent. It was a modest result but sufficient to establish credibility.

After the first SSP conference in February 1999, energies were focused on the preparation of the first Scottish legislative elections in May 1999, which coincided with local elections. The electoral campaign merged with the work of building the SSP. The party increased from 600-800 members in February to 1,000 in April.

We presented lists in each of the eight regions of the country, including those where the party didn't exist. That allowed the running of a national campaign and gave every elector in Scotland the chance to vote SSP.

This was the first election to introduce proportional representation, even partially. 56 members of the new Scottish Parliament were elected under proportional representation at a regional level and 73 in first past the post constituencies. The SSP stood in 18 constituencies. At a national level the party won 2 per cent of the votes (46,000) and its score of 7.5 per cent in Glasgow allowed the election of Tommy Sheridan. The European elections

in June provided a bigger test. The SSP vote rose to 4 per cent. Thanks to a large measure to the election of Tommy Sheridan, the SSP had established itself as the socialist alternative to the left of Labour.

The subsequent year has been crucial for consolidating the SSP. Its second conference in February 2000 reflected the growth of the party and a strengthening of its political cohesion. Electoral successes continue, with 10 per cent in the Hamilton by-election in September 1999 and 4 per cent in Ayr in March 2000. The latest opinion polls give us 5 per cent of votes nationally, 13 per cent in Glasgow and 11 per cent in the Central region, which would give us 3 deputies in the Scottish Parliament. Tommy Sheridan writes a weekly column in the *Daily Record*, the main daily paper in Scotland with a readership of 2 million (out of a population of 5 million).

Responsibilities

With 2,000 members and more than 50 branches across the country, and its electoral audience, the SSP has enormous responsibilities. We have the opportunity to build a party that can present itself as a credible alternative to Labour and the Nationalists. We address ourselves to those who still vote, reluctantly, for the LP, those who don't vote and those who support the SNP. The latter is ahead of Labour in the polls and split between the need to be seen as to the left of Labour and as a viable manager of the interests of big capital in an independent Scotland.

The SSP has established our image as a party which daily fights to defend the working class. We are, above all, for a rupture with capitalism, for socialism. There is no place today for yet another party that accepts capitalism as a barrier that cannot be passed. We struggle against neoliberal policies but without sowing the illusion that the LP could return to a Keynesian golden age and restore the Welfare State. While we fight on concrete issues alongside workers who remain in this party, we call on them to join us in building the socialist alternative. We also fight for the trade unions to break their political and financial links with Labour — links which are more and more being called into question anyway.

But we must be more than "the party of opposition". We are opposed to privatisa-

tions, against handouts for the bosses, against flexibility and deregulation. We defend public services and the rights and gains of workers. But every serious political force must present itself through a positive project. We work to define what socialism today could be after the double setback of Stalinism and Social Democracy, how it is possible to break with capitalism in the epoch of globalisation.

Book

We are preparing a book, due out in November, in which we will present our critique of capitalism and our thoughts on Socialism for the 21st Century, seeking to strip bare the mechanisms of capital and show the possibility of a society based on the satisfaction of human needs.

We also try to put forward solutions to concrete problems. One of the central questions among youth is drugs. We propose the legalisation of cannabis and decriminalisation of other drugs.

We have put forward a proposal for a Scottish Service Tax — a system of local taxes, based on strongly progressive measures which would lead to a significant redistribution from rich to poor. It would also give the local councils extra revenue, giving them a margin for manoeuvre in relation to central government, allowing them to carry out policies in the interests of the population.

Tommy Sheridan's Bill in the Scottish Parliament to "Abolish Poindings and Warrant Sales" (aimed at the legislation which allows the authorities to confiscate the belongings of debtors) was carried at its first reading by a massive majority of 79 to 15 with 30 abstentions — a huge victory for the SSP even though the bill still has two stages to go through.

The SSP tries to act within the concrete conditions of Scotland but we do not neglect the international dimension. We see the SSP as part of the recomposition of the workers' movement internationally. We therefore see it as very important to reinforce links between the new anti-capitalist formations which are being created, especially in Europe. It is in that spirit that we participated at the meeting of a number of these formations in Lisbon last March and look forward to strengthening this type of collaboration. ★

*Frances Curran and Murray Smith are the international co-ordinators for the SSP

A body blow for Tony Blair

THE decision by Ken Livingstone, a popular left wing MP, to break with the Labour Party and stand as an independent for Mayor of London represents the most important left split in Labour since the Second World War. His subsequent landslide victory is a body blow to Tony Blair and his "New Labour" Government.

DAVE HUDSON

BLAIR has lost control of his capital city and a potentially powerful alternative power base to his left has been established. However, there are few signs that Ken Livingstone is about to use his victory to fight for a socialist alternative. Although he gained 55% of the vote, including second preferences, putting him way ahead of the competition, this was achieved despite a generally weak campaign, which could be described as rightwards moving and populist.

Cross-party

Now he is assembling a cross-party administration including rotating the deputy mayorship amongst all four parties in the assembly! And he is backing off from a confrontation with the government over its unpopular plans to privatise the underground system — a key divide in the election. On the other hand he remains a loose cannon, so the potential for confrontation between him and new Labour remains high.

Livingstone's vote was comprised of diverse social forces and political standpoints, as one would expect of any successful populist candidate. However, in its majority it represented a working class rejection of New Labour's failure in government to deliver any really significant reforms in the interests of the working class.

Livingstone's stated intention to get back in the Labour Party suggests the space opening up to the left of Labour will not be quickly filled; Livingstone will not be able to hegemonise this space in the longer term. The question is, will it become occupied by forces like the left of centre Green Party (the Green Party is for-

mally a petit bourgeois party, but is perceived by many in the workers' movement including on the left and among the youth as a radical party to the left of Labour), or the socialist and revolutionary left organised through the LSA? Or will it be filled by other more sinister forces like the neo-Fascist British National Party, which got over 60,000 votes?

High profile

The London Socialist Alliance (LSA), although virtually unheard of before this election, ran a militant high profile campaign throughout London, which has an electorate of 5.1 million people, and gained an excellent vote, especially in some inner London working class districts. The LSA presented a full LSA list for the GLA in both the constituency section and the party list section, and called for a vote for Ken Livingstone for Mayor.

Across London the LSA received 46,530 votes in the constituencies, which on average is equivalent to 3.1%. In some inner London constituencies, such as the North East and Lambeth & Southwark constituencies, for example, where the LSA ran brilliant local campaigns, we got 7% (8,629) and 6.2% (6,231) respectively. These are very significant votes and, together with those for the Green Party, reflect the growing crisis of New Labour and confirm that a political space is opening up to the left of the Labour Party.

In the Party list the LSA vote of only 1.6%, although larger than the other socialist lists, was the most disappointing. There are a number of reasons for this. First, as we have mentioned, Livingstone called on all his supporters to vote for the Green Party. Also the vote going to the left of

LSA

Labour and the Greens was split among five contending slates. If the slates had been united together they would have received more than the combined 5.2% and would easily have gained one GLA seat. A third, unquantifiable cause, was voter confusion over the new proportional representation element to the system of voting — 16% of ballot papers were spoiled!

The campaign on the ground was very important. We distributed 1.5 million election addresses to individual households mostly in the inner London areas, covering approximately 90% of the electorate. There were over 3,000 people active in the LSA. We held two central London rallies attended by over a thousand people and numerous smaller local meetings and fund raising social events.

The campaign collected from donations and on the streets approximately £40,000 towards its expenses. Many trade union branches sponsored our campaign and donated money. The LSA made great efforts to link up and unite with the Labour left and gained many supporters including local councillors.

Unity

Everybody recognises that the LSA was more than the sum of its parts, and the degree of active unity achieved was unprecedented and is rooted on the objective conditions the working class and its broad vanguard confronts under Blairism. When the Blair government loses its gloss for the working class, a space will open up to the left of Labour which we must try to fill. The success of the LSA in London makes this project more credible and suggests that we can build Socialist Alliances across the country, drawing on the lessons of the LSA.

The LSA will continue to build itself between elections, although it won't be the only vehicle for united actions for any of the organisations involved. At present there is no adequate political basis for the regroupment of revolutionaries, nor do the conditions exist for the founding of a new workers' party in Britain. ★

Youth against capitalist globalization

THE 17th International Youth Camp in solidarity with the Fourth International will take place in Portugal this year, from July 23rd-29th. The camp will be held near Coimbra in a magnificent setting. Ideal conditions to enjoy a week of political discussion and leisure activities. More than 500 youth from around 15 European countries are expected to attend.

The overall theme of the camp is the fight against the global order "500 years" since the "discovery" of Brazil by the Portuguese, examining what has changed and what has not in relations of domination and ways of fighting back. The camp will be organized around thematic working groups in the morning, meetings between delegations and educationals in the afternoon, and forums in the evening around six main themes: anti-racism and anti-fascism, feminism, the effects of globalization, gay and lesbian struggles, ecology, and internationalism.

With participants involved in struggles and social movements from around Europe and the world, this camp will also embody the struggle against colonialism and neocolonialism with a central meeting around these themes. All these activities and discussions can be continued over a drink at the camp bar or at the disco.

As usual, there will be a wide range of leisure activities at the camp, with videos and discussions, parties, daily "leisure workshops" teaching everything from Brazilian dance to juggling and excursions to nearby villages and mountain ranges. Speakers at the camp will include Francisco Louçã, a Left Bloc deputy in the Portuguese parliament, Livio Maitain, a leader of the of the Fourth International, and European MP Roseline Vacchetta. ★

For further information contact Portugal: PSR /Acampamento Internacional, Rua da Palma 268, 1100 Lisboa, tel.: 351-1-8864643 / Fax 351-1-8882736, E-mail: <ip267518@ip.pt>

Obituary: Libardo Gonzalez
COLOMBIAN revolutionary Libardo Gonzalez died of a heart attack on March 27th 2000. Aged 58, he had in the early 1970s founded "Espartaco", the first Trotskyist group in Colombia. Although he became estranged from the PSR (the Colombian section of the Fourth International) when some of its leaders were involved in mediation between the guerilla movement and the government in 1981, he returned to the leadership of the organization in 1985. He never stopped searching for a way to regroup revolutionaries in a stronger organization respecting democracy in its own ranks and in the mass movement. He took part in the integration of the PSR inside "A Luchar", and was then involved in the "Corrente de renovacion socialista". After the failure of this political project Libardo devoted himself to analysis and political education. His involvement was enough for him to be detained by the army in 1982 and 1992. A university professor, he wrote numerous books on the history of Colombia and of economic analysis. He never stopped arguing for the Fourth International, circulating its press and translating its writings. Before his death, he planned to publish the last writings of Ernest Mandel and he collaborated with the organization "Presentes por el socialismo". ★

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