

SYNOPSIS OF THESIS PAPERS

PREFACE

CHAPTER I

Causes of the Crisis of Global Capitalism and its Multiple Intertwining Faces

CHAPTER II

The Regional Impacts of The Crisis

CHAPTER III

The Current State of Global Capitalism and the Long Shadow of Neoliberal Doctrine

CHAPTER IV

The State of the Social Movements Worldwide

CHAPTER V

Post-Crisis or Post-Capitalism? The Paths to Transformation

CHAPTER VI

Alternatives to Crisis-Capitalism – Concrete Demands And Proposals

PREFACE

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

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

Under capitalism, crises are parts and parcels of the accumulation process. Capital needs to deconstruct and reconstruct patterns of exploitation to offset class struggles and to face inter-capitalist and inter-imperialist competition. **(BEAUDET)** The financial crisis should de-

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

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

The reserves of neoliberalism as the organizing ideology in the transition to a transnational mode of production based on information technology are exhausted – neither a new accumulation stimulus nor a new consensus in society can be expected from it. Its institutions will continue to have effects (similarly to the end of Fordism), their position is now only “ruling”, still dominant, but not “leading” (Gramsci) anymore. We are facing the most far-reaching financial and economic crisis since the 1930s, closely linked to food and energy crises, and to the destruction of employment, which means further aggravating of the precarisation of working and living conditions that thrusts large parts of society into soaring insecurity and increasingly leads to revolt at the external and internal peripheries among those most affected. Protest and resistance is forming at all levels, still fragmented and without clear direction, but periodically rising. (CANDEIAS) But first of all there is a crisis of natural resources and the environment. Growth without limit on a world scale is not possible. In this way, capitalism is reaching its limits. By far the most dangerous crisis is the ecological crisis of climate change and loss of biodiversity. Why should we fear it most? Because with finance, food, or even social inequality, if we make enormous political efforts, it is possible to go back and start over, we can correct our mistakes and prevent these crises from recurring. Not so with the environment – once runaway global warming has taken

hold, the game is over. We are on the threshold of such an extreme event, perhaps we are already past it. But since we don't know, we must act as if we still had time and make an all-out effort, right now, to reduce the burden we place on our unfortunate planet. **(GEORGE)**

The principle of endless accumulation that defines capitalism is synonymous with exponential growth and the latter, like cancer, leads to death.¹ The current crisis is therefore the crisis of imperialist late capitalism of generalized and financialized 'oligopoles' and at the same time a crisis of US hegemony. Taken together, the following phenomena are inextricably linked to one another: the capitalism of 'oligopoles', the political power of oligarchies, barbarous globalisation, financialisation, US leadership, the militarisation of globalisation in the service of 'oligopoles', the decline of democracy, the plundering of the planet's resources, and the abandoning of development for the South. The contemporary world is governed by oligarchies whose management of the system is in crisis. **(AMIN)**

The world's leaders and their advisors, particularly economists, largely remain in a state of denial. First they denied that the crisis would go beyond the housing sector; then they denied that it could spread beyond the borders of the United States; then, as the crisis did rapidly spread to the rest of the developed world and to the global South as well, they pretended that finance capitalism could somehow be »decoupled« from the real economy. Then they pretended that throwing more and more money at the banks will somehow jump start the world economy. They act as if modest measures regulating capitalism around the edges will suffice and that the crisis will quietly go away. **(GEORGE)** Uncertainty prevails regarding the duration of the current crisis and future prospects. Let us remember the last structural crisis, its official beginning in 1929, the Great Depression in 1930, the New Deal in 1933, the new political landscape in 1945, following a world war. Several scenarios are possible. One is that of a conservative nature, a war neoliberalism. The second is that of a fundamental reform of capitalism by choosing a neo-Keynesian and ecological approach or a "Green New Deal". The third is set in the context of the historical question of going beyond capitalism. **(MASSIAH)** One important question, of course, is how decisive and definitive the break with neoliberalism will be. Other questions, however, go to the heart of capitalism itself. Will government ownership, intervention, and control be exercised simply to stabilize capitalism, after which control will be given back to the corporate elites? Are we going to see a second round of Keynesian capitalism, where the state and corporate elites along with labour work out a partnership based on industrial policy, growth, and high

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

wages – though with a green dimension this time around? Or will we witness the beginnings of fundamental shifts in the ownership and control of the economy in a more popular direction? There are limits to reform in the system of global capitalism, but at no other time in the last half century have those limits seemed more fluid. **(BELLO)**

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

Is the reinstatement of the capitalism of financialised and globalised 'oligopoles' possible? Today the powers that be, those who did not foresee anything, are busy restoring the same system. Their possible success, as that of the conservatives in the 1920s – which Keynes had denounced without much of an echo at the time – will only exacerbate the scope of the contradictions which are the root cause of the 2008 financial collapse. The oligarchies of the North seek to remain in power once the crisis is over. They do not feel threatened. **(AMIN)** The power for example of the US empire to impose its economic model and its military control around the world depends on the lack of consciousness and independent political organization among the victims of the same system within the belly of the beast. As long as this growing class of poor and excluded of all races in the US remain unorganized and isolated from the global movement for "Another World" – the poor of our country will continue being used as cannon fodder and as an unconscious social, political and material base for the empire and its twin heads – neoliberalism and militarization. **(COX/HONKALA)** By contrast, the fragility of the power held by the autocracies of the South is clearly visible. The model of globalisation that is currently in place is therefore vulnerable. Will it be questioned by the revolt in the South, as was the case in the previous century? Probably so, but that would be cause for sadness. For humanity will only commit itself on the road to socialism – the only humane alternative to chaos – once the powers of the oligarchies, their allies and their servants, will have been defeated both in the countries of the North and those in the South. **(AMIN)**

Ultimately, an analysis of the overall situation suggests that we are facing a real crisis of civilisation. It is impossible to consider solutions without a vision and an analysis of the whole, without a holistic approach. A simple regulation of the economic system would not be particularly significant if it were simply to involve beginning again anew, from where one had left off before the crisis. What is the use, indeed, of developing and regulating a financial system to finance a productive system which is as destructive of ecological and social

realities as the one we now have? How can a solution to this crisis move us beyond the parameters of capitalism? (HOUTART) The urge for transformation poses the question, whether it will be more society-driven or more state-driven, whether they display a local, national or global reach and whether they have a short-term, medium or long term impact. In the real world the struggle for alternatives takes place within civil society as well as in the political arena of the state, sometimes within, sometimes against, and very often without the state, i.e. state subsidies. (ALTVATER)

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

CHAPTER I

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

I.1 GENERAL CAUSES

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

I.2 THE MULTIPLE INTERTWINING FACES OF THE CRISIS

I.2.1 FINANCIAL AND MONETARY CRISIS

Since the dismantling of the Bretton Woods structure, the credit system has had considerable changes, in particular, the creation of derivatives (allowing the use of other credits or contracts on the future prices of assets). The deregulation and integration of the stock exchange and banks into globalise markets moved the centre of power gravity towards the

leading finance, whose diktats imposed themselves on the economic logic. (NAKATANI) Financial markets have detached from the real productive economy and generate claims independent on the efficiency and power of the productive economy. Capital became fictitious capital.² The claims of financial investors must be serviced out of the surpluses produced in the productive sectors of the economy. (ALTVATER) We are talking here of those famous derivatives, made possible by mathematical and information science, yet uncontrollable in their use. As in physics, which made possible the generation of nuclear energy and hence also its use as atomic bomb, the “ICTs” have served to generate speculative super-profit, i.e. “bubbles” that eventually generate crises. (EL KENZ)

The present financial crisis is linked, as has been true of past crises, with over-production and under-consumption. (HOUTART) The form of development of this financial-market capitalism is inevitably one of the continual creation of speculative bubbles, within which societal wealth is redistributed from the bottom up and from the public to the private sector. The accumulation of approx. \$200 trillion in private cash fortunes is generating gigantic utilisation and redistribution pressure. If a real interest rate of only one per cent were to be paid on these fortunes, fully four per cent of the global gross product would be required, and would be paid exclusively and parasitically to this class of the global idle rich. When these bubbles burst, the bill is presented to the waged strata of the population, and to the public sector. (BRIE)

I.2.2 REAL ESTATE CRISIS

Dynamics of the current crisis stem from the collapse of the US housing market, also known as the Subprime Implosion. Some key dimensions of it was Alan Greenspan’s encouraging the housing bubble by cutting the prime rate to a 45-year-low of 1 per cent in June 2003 and keeping it there for over a year to counter the recessionary effects of the bursting of the technology bubble of the early 1990’s.³ How did problematic mortgages become such a massive problem? The reason is that these assets were then »securitized« – that is converted into spectral commodities called »collateralized debt obligations« (CDOs) that enabled speculation on the odds that the mortgage would not be paid. These assets were then bundled with other assets and traded by the mortgage originators working with different layers of middlemen who understated risk so as to offload them as quickly as possible to other banks and institutional investors. These institutions in turn offloaded these securities onto other banks and foreign financial institutions. The idea was to make a sale quickly, get your money upfront and make a tidy profit, while foisting the risk on the suck-

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

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

ers down the line – the hundreds of thousands of institutions and individual investors that bought the mortgage-tied securities. When the interest rates were raised on the subprime loans, adjustable mortgage, and other housing loans, the game was up. Global capitalism's gigantic circulatory system was fatally infected. And, as with a plague, we don't know who and how many are fatally infected until they keel over because the whole financial system has become so non-transparent owing to lack of regulation. (BELLO)

I.2.3 ECONOMIC DOWNTURN

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

I.2.4 FOOD CRISIS

In the peripheries, the pauperizing dispossession manifests itself in the expropriation of the peasantry and the plundering of natural resources of the regions in question. Both these practices constitute the essential pillars of the strategies of expansion of the late capitalism of the 'oligopoles'. The dispossession of the peasantry (in Asia, Africa and Latin America) is the major contemporary form the tendency towards pauperization linked to accumulation. (AMIN)

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

Moreover, this food crisis has had immense social consequences. According to the UN Food and Agriculture Organisation (FAO), in each of the years 2007 and 2008, more than 50 million people were pushed below the poverty line – which, of course, meant into hunger. (HOUTART) It has been reinforced by growing inequalities, and reached its height in the spring of 2008 when it plunged tens of millions more people into dire hunger and poverty. (GEORGE) This corresponds with the two main aspects of the logic of capitalism: first, the search for new frontiers of accumulation – here, agriculture was discovered as a realm for capitalist investment; and second, the exclusion of externalities from the economic calcula-

tion of costs: the devastation of nature, and also social destruction, neither of which is subject to capitalist accountability. The problem is that the food crisis is built precisely on that kind of logic: it is the result of the contradiction between the fact that everyone in the world needs food, and the logic of capitalist accumulation. (HOUTART)

I.2.5 ENERGY AND CLIMATE CRISIS AND CRISIS OF NATURAL RESOURCES

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

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

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

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

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

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

I.2.6 THE DEVELOPMENT OF PRODUCTIVE FORCES AND SOCIAL CRISIS

One of the converging roads is the social crisis of inequality which has been building up over decades. Particularly since the neoliberal regimes of Ronald Reagan and Margaret Thatcher took power, the share of capital compared to the share of labour in total wealth produced has been rising. This means not only that the rich get richer but also that demand for economic goods and services is compressed because there is less wealth in the collective pocket of labour. (GEORGE)⁷

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

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

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

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

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

I.2.7 CRISIS OF REPRESENTATION, DEMOCRACY AND OF THE PUBLIC SPHERE

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

For decades now privatisation has been a part of the everyday practice of economic and property policy. The promises of neoliberal privatisation policy in terms of de-bureaucratisation, increase in efficiency, cost savings or price reduction and decentralisation or even democratisation have not been fulfilled; instead there is a multitude of problematic consequences, such as de-democratisation or growing inequality. The powerful hegemony of the private, as the liberal market radicalism of the last three decades has built it, led to an unparalleled enclosure and crowding out of public goods and public provision of general services, of public property, of the public sector, of public service, of public spaces and of public media. **(RILLING)** The UK for instance is now in the extraordinary

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

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

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

I.2.8 GEOPOLITICAL CRISIS

The political management of the worldwide domination by the capital of 'oligopoles' is necessarily marked by extreme violence. For in order to maintain their status of affluent societies, the countries of the imperialist triad are henceforth obliged to limit the access to the planet's natural resources to their own exclusive benefit. This new requirement is at the origin of the militarisation of globalisation which I have elsewhere described as the "empire of chaos". The new 'belle époque' of capitalism was from the onset accompanied by war, the war of the North versus the South, started in 1990. **(AMIN)** Since the majority of natural resources are found in the South, they are ferociously fought over by the dominant countries. This has already caused wars that are spreading to other regions of the planet. The potential use of nuclear arms should not be discounted. War generates a political crisis at the international level. It causes a crisis of governance since it cannot give capital an adequate response to the economic crisis. **(DIERCKSXSENS)**

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

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

I.2.9 IDEOLOGICAL CRISIS

With the collapse of globalization and the deregulated market going haywire, the neoliberal metaphysics that propped up contemporary capitalism has been thoroughly discredited, though it will undoubtedly engage in some rearguard action. **(BELLO)** The crisis has ex-

posed the core myths of neo-liberalism as lies: A market society cannot exist; people are not primarily entrepreneurs of their own labour and their own conditions of subsistence; long-term development requires long-term owners (the economic democracy of stakeholders); an ecological revolution of production, transport and life-style is unavoidable; imperial projects lead not to any “pax americana”, but to ever more new wars, etc. (BRIE) Because of the threatening ›meltdown‹ of the financial system, neoliberal dogmas are abandoned by the dozens: inflation of money supply, nationalisation of banks, state and central bank credits without guarantees, anti-cyclical stimulus packages, abolishing all public borrowing limits including the ever so holy Stability Pact and the Maastricht criteria, more strict controls, ceilings for CEO payments and intervention into bonus systems, but also in investment and credit policies, sometimes partial government ownership of corporations, etc. For neoliberals of conviction, this constitutes socialism. Public confidence in markets and governments has clearly suffered, neoliberalism has been discredited and its dogmas are crumbling. Especially in the peripheries, mainly in South America, popular majorities and governments have rejected neoliberalism, and are looking for new ways of ensuring a more autonomous development. The so-called Washington Consensus and its institutions, but also the Good Governance approaches are openly dismissed by an increasing number of states from the global South – those who can afford it, pay their debts before they are due and break free from IMF influence. This entails global political and economical shifts in the social power relations, and new capitalist centres are developing with the so-called BRIC and Gulf States. (CANDEIAS)

CHAPTER II

THE REGIONAL IMPACTS OF THE CRISIS

INDIA

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

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

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

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

The city of Surat in the state of Gujarat has a large concentration of diamond and jewellery units. There were 3,000 units before the onset of the crisis. The crisis has gobbled up some 2,000 units rendering about 100,000 workers jobless. In the foundry industry, over 150,000 workers lost their jobs. The so-called sunrise industry, the IT sector which mainly caters to the US markets, has also been hit by the crisis. In the city of Bangalore, the main IT hub in the country, some 10,000 employees were shown the doors between September and December 2008. In Hyderabad, some 25,000 employees lost their jobs in the IT sector. Not only these export-oriented sectors but also those sectors that are dependent on these have been badly affected. It is estimated that job losses during this period both in the export units and ancillaries could well cross 5,000,000.⁹

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

BRIC AND GULF STATES

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

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

NORTH AMERICA

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

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

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

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

for their education; landless farmers, impoverished families in the poorest reservations of the country, homeless families, thousands of families who live every day with the fear of not being able to access health care in life-and-death situations, or who lose their homes when a health care crisis bankrupts them.

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

EUROPE

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

In the UK, prime minister Gordon Brown led the British state to respond to the crisis in accordance with the state's classic role as the banks' guarantor of last resort, bailing out the banks in a way which assured them that the government's main interest was to see them return to 'business as usual'. The Labour government rejected proposals debated even the

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

mainstream financial press, to turn the banks short-term into public utilities and lay down conditions for support in terms of lending policy and reorganization; it later poured scorn on a previous head of the Confederation of Industry arguing for a tax on speculation. This reluctance to seriously change the state's allegiance to the City and Labour's deference to the City powerful position in the UK's economy has allowed the Conservatives and the right-wing media to make the issue of cuts in public spending (meaning not Trident but public sector pay, pensions and provision) to pay for the deficit created by the bail-out, the central political issue in the build up to the 2010 election. (WAINWRIGHT)

SWITZERLAND, as a financial centre, has declared the state of siege and calls on the public to mobilise for its defence. The government is under pressure. Its "crisis management" in dealing with "attacks from abroad" (most notably from the G20, OECD, United States, EU, France, Germany, and Italy) has been described as confused and fainthearted. It is being reproved of by several parties. However, there is no political crisis – far from it! All proportions kept – official figures are traditionally low in Switzerland – the rate of unemployment has seen a sharp increase. Pressure on workers in general has considerably increased; add to this a – more or less recent, ongoing or at least planned – string of attacks against social insurance. And, most likely, the situation will continue to deteriorate in this country, which is reasonably dependent on external markets. Like in the 1970s, unemployment will probably be partly exported: maybe to a lesser extent than at that time, but all the more violent, if certain measures currently under discussion are put in place. Especially the "low-qualified" migrant workers risk to bear the brunt of it, as well as female workers in insecure jobs, young people, old people – without even mentioning about 300.000 to 500.000 so-called "illegal" workers and other "dismissed would-be refugees" who are already having a hard time with the existing laws and terrifying measures, even though they are part and parcel of the system. In a large number of companies (particularly in the largest enterprises, as well as in the banking sector), employees have to fear each day that they might receive their redundancy notice. Farmers are desperate – including those (and maybe even more than others) who have largely complied with "modernisation" and "specialisation" directives. (ROCHAT)

CHAPTER III

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

III.1 REACTIONS TO THE CRISIS

From the beginning of this international financial crisis, central banks and the governments are trying to intervene at all costs so that no large bank fails in order to avoid the collapse of the international financial system. In essence, this means that the profits of the banking system remain privatized, while society has to assume the costs of its astronomic losses. Small and medium banks are permitted to collapse in order to be absorbed by the larger banks, in

this way increasing even more the concentration of wealth. (DIERCKSXSENS) Thanks to globalisation, the economic system has a better tool kit available to it to deal with financial crisis than was the case during the 1929-'30 period, including both a new material base, especially new technologies, but also new instruments for operating the system itself. During the thirties for example, the issue of the quasi-nationalisation of banks did not even arise. (HOUTART)

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

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

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

The deep crisis of neoliberally radicalised private orientation has in no instance removed from positions of power the representatives of this policy. Rather, the latter are trying to

play the public card in restoring market radicalism: losses are socialised, mobilisations of state funds in the amount of hundred of billions are presented as ensuring the common good (“rescue”) but function as well-nigh unique redistributive mechanisms; a “neoliberal Keynesianism” (Altvater) is being implemented, whose only purpose is “consolidation” and recapitalisation. (RILLING)

III.2 THE LONG SHADOW OF NEOLIBERALISM

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

If you aren’t willing to talk about the power of neo-liberal financial-market capitalism, don’t bother to talk about alternatives. Neoliberal financial-market capitalism has established itself since the 1970s, against perspectives for a comprehensive economic-democratic, social and ecological alternative. It was founded in a cemetery of smashed hopes – Pinochet’s bloody coup in Chile marked its beginning. It was able to achieve its goal because it was in a position to combine violent force with a new wave of high-tech reshaping of the world’s economy, and a new, integrated global division of labour which broke down the constraints to development inherent in Fordistic capitalism. It was based on an upper-plus-middle-class alliance, with some opportunities for sections of the lower classes. It took up some demands of the emancipative movements against racist, sexist and bureaucratic oppression, and integrated them into the promise of the freedom of the market society in which each individual is the entrepreneur of his or her own labour power and of the provision of his or her own subsistence. It put forward realisable projects: break down the barriers to the global circulation of capital, privatise, deregulate, weaken the trade unions, obtain social mobility through education. These projects promised new opportunities for many countries and social groups. And ultimately, neo-liberal financial-market capitalism in fact became irresistible, due to the practical constraints which it installed. In the current crisis, it was primarily precisely the institutions which caused the catastrophe, which then had to be

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

“saved” from it, as a top priority, so the message. Neo-liberalism was a hegemonistic project. It was able to expansively shape global society in its own image, and to provide new life prospects for key actors, while at the same time marginalising many social groups and regions. (BRIE)

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

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

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

Neoliberalism has already lost its progressive and propellant social function in managing the transition to the transnational mode of production.¹³ This mode of production hardly

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

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

III.3 THE SLIGHTLY MODIFIED AGENDA

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

Mainly, within the capitalist camp three solutions are proposed. The neo-liberal position in response to the financial crisis is very clear: the other aspects of the global crisis are irrelevant. The solution is to replace the actors, the incompetent or corrupt bankers, and the system will be restored and ready to continue. A second position advocates re-regulation of the system, after a long period of deregulation. A third approach is that adopted by the Commission of the United Nations for the Re-forms of the Financial and Monetary System (Stiglitz Commission). It advocates such strong regulations as the abolition of fiscal safe-havens, banks secrecy, the “odious” Third World debt, a regulatory organisation at the international level for the banks, a reform of the World Bank and the IMF, the creation of new international bodies, etc. These are indeed strong measures, but they are no more than regulations. The question is: regulation for what? To continue the exploitation of nature as before, to prolong the inequalities in the world as before, to continue financing the auto industry, the monocultures and agro-fuel? Is that the way to solve the problem? (HOUTART)

Today’s proposals once again leave in place, unchallenged, the internal structure of capitalist enterprises that positions boards of directors and the major shareholders who select them as the receivers and disposers of enterprise net revenues. Those opposed to state interventions continue to acquire the resources to block, thwart, and undermine them as they have always done. So long as this strategic nonsense cannot be admitted, little will

dissolved state paternalism. For instance, following demands by the women's movement, neoliberalism liberated housewives from patriarchal family relations and forced them into the labour market.

change. (WOLFF) On the agenda of the G-20 governments are a few more regulations and a few minor changes here and there, because everyone now agrees that more financial market regulation is indispensable. But their real scenario revolves around free trade and free markets – which is to say the preservation of the basics of neoliberalism. They will advocate a conclusion to the Doha Round at the World Trade Organisation. They were also prepared to hand over several hundred billion dollars to the International Monetary Fund to dispense as it sees fit. It would be hard to find two more neoliberal institutions than the WTO and the IMF. (GEORGE)

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

Beyond deficit spending and nationalization there will increasingly be a debate within the establishment on whether to go on the path of what I call »Global Social Democracy«, or GSD, in order to respond to capitalism's desperate dual needs for stabilization and legitimacy. There are, of course, differences of nuance in the positions of these people¹⁵, but the thrust of their perspectives is the same: to bring about a reformed social order and a reinvigorated ideological consensus for global capitalism. Among the key propositions advanced by partisans of GSD are the following: Globalization is essentially beneficial for the world; growth must not be accompanied by increasing inequality; trade must be promoted but subjected to social and environmental conditions; unilateralism must be avoided while fundamentally reforming the multilateral institutions and agreements; global social integration must accompany global market integration; the global debt of developing countries must be cancelled or radically reduced; a massive aid program or »Marshall Plan« from the North to the South must be mounted; a »Second Green Revolution« must be put into motion, especially in Africa, through the widespread adoption of genetically engineered seeds. Huge investments must be devoted to push the global economy along more environmentally sustainable paths, with government taking a leading role (»Green Keynesianism« or »Green Capitalism«).

A critique might begin by highlighting problems with four central elements in the GSD perspective. GSD shares neoliberalism's bias for globalization; it shares neoliberalism's prefer-

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

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

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

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

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

Conflicts of the future are especially evident in the search for new forms of regulating the global financial system: restorative forces that wish to use the state to reinstall the previous order, and want to plunder its finances, are intertwined with reformist initiatives that clearly go beyond the status quo ante. This simultaneously reveals the attempt to re-legitimize neoliberal global financial markets and their regulative containment. Similar struggles around reinstating neoliberalism with only small concessions and minimal political changes (predominant in Germany, for instance) versus far-reaching attempts of re-regulation can be observed on the national level as well. If they succeed in re-legitimizing and restoring neoliberalism with only small adjustments and regulations (even only temporarily), and in blocking a more far-reaching new construction of the global economic and financial relations, of production and consumption, then the crisis will only be made worse. A New Public Deal project is reacting to different processes of crises even beyond the financial sector. Certain groups around president Obama are trying to ameliorate the decline of the US economy with the renewal and expansion of the public sphere, especially with new investment programmes in public infrastructure, reforms in education and health systems and with the creation of new jobs in those sectors.

The general re-orientation of investment towards energy efficiency and reduction of CO₂-emissions would be the necessary technological and accumulation base to create millions of jobs and for constructing a new consensus in society – a ›Green New Deal‹ that is al-

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

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

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

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

As for Switzerland, the offensives against the popular classes (at all levels: social insurance, public services, employment etc.) will continue and intensify. And even though the symbiosis between the dominant political machinery and the Swiss financial and industrial conglomerates is more obvious than ever before, the picture becomes blurred by the debate, which is largely internalised and describes a “brave little hard-working country that some may even envy, but that remains isolated at the heart of Europe”. (ROCHAT)¹⁷ As for former

¹⁷ Though, the road has become considerably narrower for this unavowed member of the triad. The peculiarity of Swiss imperialism is becoming more and more challenged by its peers. Some of the country's leaders are beginning to realise this. The issue of a more committed participation of the Swiss army in “peacekeeping operations” abroad is more and more frequently brought up. And in its last report on Swiss politics, the Federal

Yugoslavia, neo-liberal socio/economic policy of the corrupted government is to a certain extent corrected in the direction of state re-regulation (stimulating measures for buying cars in exchange for old ones, infrastructural projects). However, these measures are insufficient, having no vision of structural and innovative transformations necessary to mitigate great damage made by destruction of domestic banking system and industrial production through robbery privatization of strategic enterprises and systems at the rock bottom prices with new owners failing to organize production and abolishment of protective tariffs without any advantages accruing to EU member states, fall of investment in technological renewal of old equipment, dependence on credits and rising indebtedness and trade deficit. Under the pressure of IMF the government is contemplating taxing already law salaries and pensions, instead of progressively taxing banks and new millionaires that became rich overnight through shady deals. (VRATUSA)

III.4 THE ENDLESS WAR

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

US leadership is without doubt in crisis. The recent G20 Summit in London in April 2009 in no way marks the beginning of a 'reconstruction of the world'. And it is perhaps no coincidence amidst the flurry that it was followed by a summit meeting of NATO, the right hand of contemporary imperialism, and by the reinforcement of NATO's military involvement in Afghanistan. The permanent war of the North against the South must continue. (AMIN) However, the 'endless war', rather than finishing with Bush, is likely to be transformed. The 're-engineering' of the Middle East and Central Asia remains a necessity for a declining empire, unable to compete against European and Chinese economic competitors. Controlling energy flows in the middle of Eurasia remains therefore an undeniable asset. The US and Canada are dominated by a powerful class alliance on the decline, but still able to impose its domination on a significant part of the world. The image of the 'wounded tiger' comes into mind as in its (relative) weakening, the monster becomes erratic and somehow more dangerous. This aggressiveness is likely to be changed in form, but not in substance, by a 'strategic' deployment of imperialism. All in all, the endless war remains a key factor in the development of a new 'security' and militaristic state, forced on citizens as a rampart against the 'barbarians'. Even though there is a strategic consensus on these issues within the political and economic elite in the US, there are several tactical disagreements. For those identified with Obama, there is a need for a tactical retreat, which implies some sort of a compromise with Russia, otherwise, US forces are at risk in Central Asia particularly. But many within the establishment are opposed and would lie to push back Russia to the

Council gives a hint that the strategy of bilateralism with the EU may well be coming to its end and that accession to the Union may eventually be inevitable. If this finally happens in ten, fifteen or twenty years, it will at least have the advantage of sorting out some internal debates, whatever the EU reality may be.

'brink', like what happened to the Soviet Union a decade ago. On the short term, that might mean a renewed offensive against Iran, with whom which Russia is allied, not because of any reason that an onslaught against Iran would build-up US militaristic ambitions in the region. (BEAUDET)

III.5 THE CHALLENGE FROM THE RIGHT

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

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

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

III.6 CONSTELLATION OF INTERREGNUM

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

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

A constellation of interregnum will evolve from the various tendencies and projects which are developing in parallel and as a result of the blockage, de- and re-composition of the power bloc. Meanwhile the crisis can persist for a long period, perhaps even a decade, before a hegemonic direction develops out of the competition between the different projects to dissolve the crisis. This new hegemony will encompass a certain band width of different paths but the terrain and the direction of development will be largely determined.¹⁸ In view of the challenges of the tasks ahead, rapidly overcoming the world economic crisis and the even greater task of reducing greenhouse emissions of industrial states by 80 per cent or more before 2050, which means catapulting the entire economy from the fossil fuel based age of more than 150 years to a solar future within three decades, this will not be possible without great disruptions and crises. This time pressure leads to decision-making problems between a thorough conversion which means destruction of old sectors and capital, the risk of economic crises, or a conversion which is too slow with aggravated environmental and socio-economical crisis effects. Furthermore, the valorization of nature and ecological measures leads to a restriction of possible solutions to the crisis by concentrating on further marketization, more growth, increased resource consumption and simultaneously to the neglect of non-profit areas. **(CANDEIAS)**

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

CHAPTER IV

THE STATE OF THE SOCIAL MOVEMENTS WORLDWIDE

A GLOBAL LOOK

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

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

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

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

REGIONAL SPOTLIGHTS

INDIA

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

LATIN AMERICA

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

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

NORTH AMERICA

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

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

Two dimensions of current struggles indicate new developments however.²¹ The first development is the rise, multiplication and complexification of 'local' movements, struggling at the micro level. Many of these struggles are around environmental issues, which are organically related to 'really existing' capitalist accumulation in the US and Canada, unlikely to be 'greened' except at a superficial level. These movements bring together new social coalitions involving poor and middle class communities, youth, and first nations whose territories are a central target of huge capitalistic projects. The second development is the internationalization of the North American movement. This has been translated in various alliances to fight free trade agreements, anti-environment and anti-labor legislations and promote

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

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

mutual support and resistance. The US Social Forum, the Quebec Social Forum, various coalitions acting at the community, environmental, labor levels are all expressions of this internationalization whereas US and Canadian activists play a role in the hemispheric battles along with counterparts from Mexico, Central America, the Caribbean and South America, as it was demonstrated in Seattle, Quebec City, Windsor/Detroit and many other places. In more and more instances, these local and international struggles merge, thus creating a new paradigm, 'glocal'. **(BEAUDET)**

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

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

EUROPE

Throughout EUROPE, we can distinguish five political currents – with certain peculiarities depending on the particular countries – intending to rebuild the Left. The left of the Left, continuing to distinguish itself from the extreme left; communism, rebuilding itself after the collapse of Sovietism; the libertarians, trying to express the individual and collective refusal of alternative practices; those among the social democrats who have begun to comprehend the disaster following the subordination to neoliberalism; those among the ecologists who tie ecology directly to social issues, to the freedoms, to international solidarity. **(MASSIAH)** Who can we count on? We can count only on the "left of the left"; meaning all the forces, whether now organised or not, to the left of the social liberals. Here I could also go into detail about our weaknesses, beginning with ITALY and my own country, FRANCE, while

praising GERMANY and Die Linke for showing us the way, even if we don't pay attention. We're not likely to get much help either from the social democrats or "third way" people; the ones I prefer to call "social liberals" because they have spent the past couple of decades accompanying neoliberalism rather than combating it. In Europe, the social liberals have consistently supported privatisation of public services, deregulation and, more recently, the EU Constitutional Treaty. In spite of all the obstacles, all the handicaps, all the difficulties of our situation, we are also rich in social movements, people and organisations. We have any number of ideas and proposals which could actually pull us out of the deep pit that the crisis has dug and help us emerge into a wiser, more resilient society based on cooperation, democracy, greater equality and a green economy. For the present, however, our basic problem is this: Those who have power have no ideas, or bad ideas, while those who have good ideas for escaping the crisis have little power compared to their adversaries. (GEORGE)

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

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

operation (there is always more than one way of co-operating) is based in part on the importance of constantly strengthening union participation and organization. (WAINWRIGHT)

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

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

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

CHAPTER V

POST-CRISIS OR POST-CAPITALISM? THE PATHS TO TRANSFORMATION

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

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

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

The societal forces of solidarity must develop projects of entry into fundamental transformation, and fight for their implementation. Today, the prevalent form of action against the dumping of the effects of the crisis onto the population, the waged strata, pensioners and the global South is still defensive. And these forces will remain on the defensive if they do not succeed in calling into question the structures of financial-market capitalism itself. For this purpose, they must be incorporated into a counter-hegemonist strategy which places

fundamental transformation on the agenda. Central to such a counter-hegemony would be a new social and ecological form of productivity, a new way of life in solidarity, with a new wealth of free and socially secure development, a solar revolution and the transition to a nature-preserving type of reproduction, and global development based on solidarity.

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

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

The world economy crisis and neoliberal deligitamtion promotes the turning away from blind adherence to liberalisation, privatisation and extreme export orientation as well as the search for alternative paths for development. The Washington Consensus had already been delegitimized before the crisis, and will have disappeared after the crisis. Neither the US or Europe can determine the rules any longer, nor is there a visible transnational consensus. The South American countries as well as the BRIC states have too obviously been looking for different »post-neoliberal« forms of integration into the world market and of economic and social policies. The US, as main originator of the crisis, but also the G7/G8, have lost the legitimacy to create a new global financial structure. Consequently, the group of those involved needs to be expanded to the G20. The transnational fractions of capital feel challenged and have founded the B20 in an attempt to reclaim a leading role in solving the cri-

sis and forming the post-crisis order. Increasingly, it will be decisive for BRIC and Gulf States to promote social justice by refocussing on the domestic economy, unleashing its productive potentials, in developing them as self-supporting economic factors and in using – where available – their wealth in resources and oil for this purpose. This also requires strengthening the elements of self-organisation, civil society and democracy – especially in China and Venezuela (or the Gulf States). The BRIC states and the countries on the peripheries must link this to policies of food sovereignty, consistent land reforms and ecological re-orientation. If not, there is a risk of escalating severe social unrest, whether it be in China, India, South Africa or Bolivia. At the same time, this re-orientation in government viewpoints has to occur without confrontation with the world market-oriented capitalist groups and investors – the chances for this are not at all bad, considering the growth prospects of the BRIC states.

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

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

In fact, we need not only regulation. To find alternatives and new parameters is the only real postcapitalist position. How can we redesign an utopia? The new parameters will have to meet four major criteria: The first is to affirm that we have to develop a sustainable and responsible mode of using natural resources. That means a new philosophy of the relation-

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

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

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

(HOUTART)

The global scope of the financial – but also social and ecological – catastrophe makes it today possible and legitimate to subject the capitalist civilisation, which has reached its limits with globalisation, to radical criticism. Beyond “reformist” illusions of “re-regulation” and “refoundation of capitalism” on a “healthy” basis we must now think of alternative hypotheses that had been deemed “insignificant” after the failure of the socialist Soviet-type experiments. Considering the economic sphere as a – certainly important – element of the social ensemble allows us to go beyond the notion of “social effects of the crisis of the in-

ternational financial system". In fact, these effects in reality make up an ensemble of dynamic and diversified reactions, depending on the individual social groups and national situations faced with the actions taken by the leading groups of the respective economies. The role of containing the drifts of this dynamism will lie with the social and political struggle in all countries, and the "social effects" of the crisis will be exactly inversely proportionate to the strength and the resistance they are going to meet.

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

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

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

None of these opportunities is going to impose itself; they can only result in better situations if the opposition movements grow stronger and if the social and ecological struggle

for the freedoms and against war intensifies. Two questions have already been raised: How to avoid an alliance between neoliberal and conservative forces and reformers that is based on minimal reforms and green, authoritarian regimes? How to radicalise a potential reform movement for the benefit of the working classes? (MASSIAH)

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

If we do not succeed in holding up a publicly effective counter-concept to the "private" and to "privatisation", and in so doing create a conceptual-political contrasting point of identification to the rhetoric and politics of the private, opposition to the politics of privatisation will lack precision, vision and the power of political persuasion and mobilisation. It is especially necessary to develop a precise conception of how to shape reality, that is a conception which is able to introduce concrete political changes in the institutional and regulatory orders of the economy, which represent a real and differentiated alternative to the world of the private, which has arisen almost everywhere in the last three decades. The societal confrontation over the private has shifted and now occurs almost in the space of its formal antipode, that is in the state. In this struggle different conceptions of the state are put forward and fought out. In the end not only the economic order but also the structure and space of the political has been altered. The development and political presentation of a left state project is therefore of central importance for the left. Furthermore, we propose examining whether the concept of the public cannot play a political-discourse role going beyond the rhetoric of the state and nationalisation, a role that can create connections between state and society, through which a social-political project can be organised as an alternative to

the politics of privatisation – also incidentally through the concretising of a new, left understanding of the state. What is involved is a non-subaltern project of a political change of direction toward, and a transformation of, the public, which is to be opposed to a political-crisis mobilisation of the still remaining public resources – especially its state resources – by the power protagonists of neoliberal capitalism. It is a genuine alternative and in the middle-term a possible second pillar of societal reproduction. For one thing, the public can, in the most diverse life-worlds, become an effective medium of solidarity if it makes possible and offers participatory equity and the common appropriation of elementary conditions of life.

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

Some potential initiatives: Reconcile city and countryside on the issue of food sovereignty and food quality; struggle for tax equity and fairness (regional and global, taking into consideration the fact that in the current debate, those in favour of “less taxes” have the wind at their backs; develop networks of a social and solidary economy, with the aim of re-democratising the debate on production goals, taking into account the ecological, cultural and social crisis; reinvigorate a unionism that is ready to confront and to struggle; defend and promote principles of equal opportunities and solidarity in the social struggle (especially with regard to men-women and nationals-immigrants relationship); refuse imperialist armed interventions; reaffirm an antisystemic culture (arts, history, etc.); put forward specific proposals for alternative “global governance” institutions that create a space for the struggle for liberation where it is developing and asserting itself. **(ROCHAT)**

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

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

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

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

This can be seen in the UK over green issues as well as privatization. There is a growing alliance between sections of the unions and the green movement over green employment, both defending existing green jobs hit by the crisis and demanding government action around a green industrial strategy. These kinds of political – but non-party – and hybrid alliances often between 'old' labour movement organization and newly radicalized social

groups – young people around the environment and also international issues such as Palestine, public service managers around the destruction of public services are most developed at a local level. How they will gain national expression is unclear. Indeed in many cases they have stronger international networks than they have alliances in national political institutions. (WAINWRIGHT)

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

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

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

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

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

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

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

Today we have reached this crucial moment which announces the probability of a new wave of 'wars and revolutions'. This is even more so since the ruling powers do not envis-

age anything other than the restoration of the system as it was before the financial melt-down. Pauperisation expresses itself mainly by the growing contrast between the affluence of the societies in the centre of the world system who benefit from the imperialist rent and the misery of the societies at the dominated peripheries. This conflict becomes therefore the central axis of the alternative between “socialism and barbarism”.

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

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

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

A second stage of “the South’s awakening” is now on the agenda. In the best possible scenario, the advances produced in these conditions could force imperialism to retreat, to renounce its demented and criminal project of controlling the world militarily. And if this were the case, then the democratic movement of the countries at the centre of the system could make a positive contribution to the success of this strategy of neutralisation. Moreover, the decline of the imperialist rent which benefits the societies in question, itself caused by the re-organisation of the international equilibria to the advantage of the South

could help the awakening of a socialist consciousness. But on the other hand, the societies of the South could still confront the same challenges as in the past, a situation that would produce the same limits on their progress. A new internationalism of the workers and the peoples is necessary and possible. **(AMIN)**

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

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

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

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

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

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

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

Beginning with earlier crises, there has been a growth in the debate about how to ensure that the general interest prevails over particular interests. This demands intervention and regulation on the planetary level. The search for an alternative to neoliberalism is giving rise to the possibility and necessity of another economic model which will bring new forms of socialism to the debate. Globalization did not just create this possibility in the abstract its growing contradictions are making this more possible and more necessary. Increased planning of the market, by itself, nevertheless, does not guarantee post-capitalism.²²

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

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

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

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

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

CHAPTER VI

ALTERNATIVES TO CRISIS-CAPITALISM – CONCRETE DEMANDS AND PROPOSALS

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

REGULATION, CURRENCY SYSTEM, DEBT, WORLD TRADE AND TAXATION

- reform of the United Nations, with the abolition of veto rights in the Security Council.
- introduction of a financial transaction tax/Tobin tax including currency transactions,
- taxation of the highest incomes, graduated income taxes and reinstatement of inheritance taxes,
- interest caps.

- a “unitary profits tax” on transnationals²³, and getting transnational corporations under control,²⁴
- a tax on any manufactured product which has been transported for a distance of more than one thousand kilometres and a guarantee of at least five years on all industrial products
- orientation towards the domestic market, regionalisation and a partial trend to de-globalisation, promoting „fair trade“,
- regulating investment-banking in order to disincentive speculation,
- fight against criminal capitalism, of money laundering,
- closing down of tax havens,
- put central banks, where they are organised as private institutions, out of business and replace them by sovereign central national banks under the control of parliaments,
- establishment of a new currency-system because of the intolerable indebtedness of the US and the danger of an uncontrollable devaluation of the USD and target zones for exchange rates,
- structural adjustment for deficit-and surplus-countries, a new role of the Special Drawing Rights, and reconsidering Keynes’ proposal for an International Trade Organisation, replacing WTO,
- cancel the debt of the South but also to insist that the countries receiving cancellation participate in the environmental effort through reforestation, biodiversity conservation and other environmental programmes,

ECONOMIC, LABOR AND SOCIAL POLICY

- Active fiscal policy of the nation state,
- reorganisation of the labour process with reduction of working hours,
- legal regulation of minimum wages, and thinking about introducing a citizen income
- decent labour instead of precarious labour, thus: regulation of informal work,

ECONOMIC STABILISATION AND LOAN GRANTING POLICY

- uses for credit money to be determined by social and ecological needs,
- support of micro-and cooperative finance, priority to small and medium enterprises (SMEs) organised along cooperative lines with worker participation and environmentally sound projects (alternative energy, construction, lightweight materials, organic food),
- place banks under social control and treated like public utilities whose job is to serve society,
- considering of financial credit as a common good,
- loans for buying electric or other alternative energy automobiles.

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

- without the neoliberal adjustment conditionalities and
- with an alternative directory that would reflect a more democratic representation of the regions.

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

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

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

To allow the periphery's real capabilities for deploying counter-cyclical policies, it is urgent to create fiscal policy space. UNCTAD has suggested an immediate external debt moratoria and that could be combined with the generalization of debt auditing processes that could critically learn from the Ecuadorian and the introduction of an International Debt Arbitrage Tribunal that could purge a good chunk of fictitious capital and transparent at least part of the abuses and corruption of the most reputed actors in the globalized financial arena, both public and private. This could summon all the forces and organizations link to the debt struggle and Jubilee campaign, including the churches and part of the establishment.

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

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

PUBLIC SECTOR, BASIC GOODS, ENERGY, CLIMATE AND NATURAL RESOURCES

- go from fossil to renewable energy sources in the order of their technical-economic realization: Biomass, Eolic Energy, Waterpower, Photovoltaic, solarthermal devices, geothermal devices;
- regulation of minimum prices and guarantee of acceptance of delivered energy.
- decentralised production and consumption in small cooperative units,
- a „green new deal“?
- preservation of the general and public character of the natural commons, restoring public sovereignty over natural resources as being done now in Venezuela and Ecuador, as well as the expansion of collective free or low priced public services (for example, expansion of free public transport systems instead of subsidising the car companies),
- an end to monocultures, the destruction of nature due to the widespread use of fertilisers and pesticides,
- applying the Kyoto Protocol and the “further commitments” arrived at in Bali and, shortly, in Copenhagen and measures to ensure that the global warming not increase by more that 1°C during the 21st century,

- introduction of ecological externalities into the calculation of the cost of production, for example those for bio-fuels,
- issuing European bonds for public works, particularly public transport,
- controlled non-inflationary emission by central banks to long-term and low interest rates investment in public infrastructural, educational and health projects.
- shaping property and social relations, enterprises, goods, spaces or measures for services of general
- provide medicine and the technologies that make access to the basic goods needed for a dignified life possible free of cost to those countries with a below-average human development index, effective immediately. All CO2-cutting measures in those countries should be subsidised by those countries which emit above-average quantities of CO2. This would create a corridor for dropping CO2 emissions.

DEMOCRATISATION OF SOCIETY, THE STATE AND THE ECONOMY

- public and citizen control of the management of common goods, e.g. water, at world level,
- democratization of the economy that goes further than classical workers' co-determination towards genuine participation by workers, unions, public consumers and other stakeholders in company decision making (concerning the whole transnational production chain),
- promote the democratic constitutedness of public undertakings, clearly prioritises a common-good orientation, carries out internal enterprise arrangements sensitive to the reduction of income differentiation spread and social differences, produces a culture of transparency, publicity and the reinforcement of public opinion within a worksite and practices all this taking into account other protagonists and fields of action of the public that are influenced by its activities,
- democratic participation of the workers as well as of the users of the public service provisions in their shaping and the evaluation of their results (quality control), and it involves transparency and control of the technical and financial results; complete transparency of fees and of contract conditions; control mechanisms for municipal representatives; creation of independent regulatory authorities as well as legal remedies and mediation mechanisms.
- aim to transform the internal structure of each enterprise: to replace shareholder-selected boards of directors with collectives of the enterprise's workers. Workers would process technical change and worker-retraining differently. Having to live with the ecological consequences of production, they would be much more attentive to sustainability issues. Demands for gender equality would be differently evaluated and treated. Relocation of production would be handled altogether differently. In sum, the transformed internal structure of enterprise would produce new criteria for investment alongside newly emerging social needs and priorities,
- expand participation and transparency through participative budgets,
- interventions into public authority in the matter of primary distribution, investment, structural and regional policies, social legislation, standardisation, environmental

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

- strict and radical-democracy approach on all level, such as: trade unions, churches, educational institutions and also between men and women.

REGIONAL ALLIANCES, COALITION BUILDING AND ORGANIZING

- Movement of cooperatives as shall be part of trade union activities,
- counter-pose a bottom-middle alliance of all forces committed to solidarity; it would unite trade unions and environmental movements, unemployed, social movements against terror, supervision, racism, sexism, destructive mega-technologies for global social rights, as well as left forces in politics, culture and society,
- involve not only the interests of the industrial working class and the organized workers of all kinds, but with unorganized workers and unemployed. It must be explicitly anti-racist and gender oriented,
- replace union leadership by new forces, with leaders from the most oppressed and exploited sectors of the working class. Organizing at this level requires the initiative of the most progressive thinkers in the U.S. and worldwide in close cooperation with grass-roots organizers

Through the creation of appropriate models regional entities can effect an incremental erosion of the 'single integrated/liberalised global economy'. Regional terrains for diverse socio-economic-environmental programs could on the one hand constitute a narrowing of the scope for the operation of capitalism; and, at the same time, provide demonstrations of real workable alternatives that are feasible within regional blocks. 'Living alternatives' at community/local levels are useful for their demonstration effect, but are probably too 'small'. In the face of increasingly threatening global crises, such localised solutions could be too piecemeal, and simply insufficiently powerful politically and economically to change the international balance of power.

However, even as such 'regional' South-South alliances hold out the most promising possibilities there remain vitally important spheres of common concern for the whole of humanity, and these have to be negotiated globally. What is therefore needed at both the conceptual and practical levels are

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

MEDIA

- Creation of a media Center for the diffusion and popularization of all the militant platforms, as well as the news of the struggles of the oppressed peoples and classes all over the World. The main and central activity of this media center has to be a TV

satellite broadcasting covering the entire globe in as much languages as possible. Such a project must be global in its extent and coverage, and be capable to put an end to the monopoly of mass media by the oligopolies that dominate the world. Its success can only be secured if the majority of the world Left supports it in one way or another. To embark on such an ambitious project an entity embracing the majority of the forces of the Left should be created to study the idea and put it into practical implementation.

(HABASHI)

FOOD SECURITY

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

Currently, rural China is characterised by small-scale farming. Over the last 10 years, food output has been increasing along with the rapid macro-economic growth and a steadily increasing population. The internal inflation always be the pre factor of food price increment, before China excess WTO. Following the foundation of the People’s Republic of China, an increase in the population was coupled with rising food output. However, faster urbanisation and farmer income enhancement complicated the monitoring of changes in patterns of food stockpiling in farmer households, which represents 20% of commercialised food. The lack of exact data on the amount of stockpiled food can subsequently impact the food market when prices change.

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

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

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

Compiled by Henning Heine, RLS Berlin

ED. BIRGIT DAIBER

ROSA LUXEMBURG FOUNDATION

BRUSSELS OFFICE

Ave. Michel-Ange 11, 1000 Brussels, Belgium

Phone: +32 2 738 7660, Fax: +32 2 738 7669

Email: info@rosalux-europa.info

Web: www.rosalux-europa.info/