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A new world situation

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A NEW PHASE OF THE WORKERS' AND SOCIAL MOVEMENT

1 The new phase

Since the end of the 1990s, a turning point in the world political situation has put new phase of activity, programme, strategy and organization on the agenda of the workers', social and popular movements.

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This turning point is the result of four factors:

1 the development of the inherent contradictions of the new globalized mode of capitalist accumulation;

2 social resistance to the dominant classes' offensive;

3 the emergence of a new wave of radicalization through movements against capitalist globalization, particularly in a series of sectors of youth ; and

4 in Latin America, a peasant, indigenous, and youth radicalization which is changing the relationship of forces. The new governments in Brazil and Ecuador, the electoral breakthrough in Bolivia, the radicalization of the Chavez government, and the mobilizations in Argentina and Peru are evidence of the political and social instability of the transition toward larger class confrontations. The paradox we must resolve is that this radicalization is taking place in a context where the revolutionary left is weak.

These factors do not cancel out the underlying trends that began in the mid-1970s with the defeat of (semi-)revolutionary upsurges and the end of capitalism's long expansive wave, which made possible: the neo-liberal offensive of the 1980s; a new restructuring of the world by the dominant classes, called 'capitalist globalization'; a new deterioration of the class relationship of forces to the detriment of the working class; and, following the collapse of the Stalinist bureaucracy and the restoration of capitalism in Eastern Europe, an unprecedented crisis of the class consciousness of the workers' movement and organization and of the two currents that had dominated it throughout the twentieth century, social democracy and Stalinism.

But the current situation is different from the situation at the beginning of the 1990s. The revival of the workers', social and popular movements is uneven, and takes different forms in different national political situations. But beyond this or that conjuncture, there is an undeniable change in the social, political and ideological climate. This encourages the emergence of anti-capitalist/ anti-imperialist currents, on the social and trade-union fronts as well as politically.

2 A transitional phase

The international situation has changed significantly. The current characteristics of the period are defined by the

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contradictions of a transitional situation between a system where the state plays an important role, there is institutionalized class collaboration and a workers' movement dominated by social-democratic and Stalinist reformists, and a new capitalism, new political institutions and a new organic cycle of the workers' movement and new social movements. This transitional situation is characterized by:

- US imperialism's reinforced will to hegemony, manifest in a series of wars and interventions aimed at controlling the planet;
- the ongoing ruling-class offensive, now running up against major economic and social obstacles;
- the enormous increase in the bourgeoisie's economic and military strength, combined with a crisis of its forms of political domination;
- a contradictory development of the relationship of forces: challenges to past social gains as a result of deregulation, and at the same time resistance and recomposition of the struggles and centres of militancy of the world of labour;
- a social-liberal transformation of the dominant sectors of the traditional workers' and social movement, whose historic crisis is nevertheless opening up space for new experiments outside the control of the social democratic and Stalinist apparatuses;
- a new radicalism in the demands movements are raising and their forms of struggle, alongside difficulties in the formation of anti-capitalist consciousness and the construction of a political alternative.

3 The situation of the world proletariat and the role of women

In the former bureaucratically ruled states, the working masses' main concern is their struggle for everyday, physical survival, while the workers' movement remains embryonic and fragmentary. In the peripheral countries, relatively stable productive nuclei with an over-exploited working class bereft of rights or social legislation is surrounded by popular masses living in unprecedented, extreme poverty as a result of the destruction of the social fabric. Young women are preferred maquiladora workers, where they face a variety of reproductive health and safety problems as well as ongoing sexual harassment. Women in maquiladoras generally suffer twice the number of miscarriages and a significantly higher proportion of babies who are underweight or suffering from birth defects. With few salaried jobs available, working class women have had to turn to the 'informal sector' of the economy, including involvement (mostly involuntary) in the domestic and international sex trade. A disturbing aspect of this youth employment, particularly in peripheral countries, is the inclusion of children. More than 110 million girls between the ages of 4-14 are part of the labour force. They are more vulnerable to all the problems women face: rape, sexual harassment, unsafe and unsanitary living conditions, domestic violence and the possibility of being sold into slavery or forced into prostitution. Of the one million children recruited into prostitution each year, the vast majority are girls.

In the imperialist countries, notably in the EU, capitalism has succeeded for the first time in a half-century in (re-)creating an almost universal job insecurity, wage insecurity, insecurity in unemployment, health and disability benefits, and insecure access to quality education or health care. Those workers who have jobs are facing challenges to their social gains, including their rights to work and as workers; a generalization of flexibility and job insecurity; wage austerity; individualization of the labour process and remuneration; and a decline in the number of union members. Millions of workers in the imperialist countries have experienced these partial setbacks.

Women make up 70% of the world's poor. In most of the industrialized countries, women's participation in the labour

force has surpassed - or shortly will surpass - the fifty percent mark. While some women have broken into professional and managerial sectors, the majority is ghettoized in low-wage sectors of the economy. In the US, women without health care benefits, mass transportation systems or access to affordable childcare, these women work often cobble together two or three part-time jobs only to find they are still living below the poverty level. The wage differential between women and men workers is growing and the demand for equal pay has mostly been achieved only at the minimum wage level. Women are the majority work force in many public service jobs and make up the majority of all part-time or contractual workers. Most women confront sexual harassment during their working lives, whether the man is their boss, their co-worker or even their union representative. In today's labour market women suffer disproportionate job loss as neo-liberal policies curtail public services or privatize them. In addition, women are adversely affected by the loss of public services as people who have greater need for them due to their role and responsibility in the family.

More globally, the contradictions of the current phase of the capitalist system are expressed in partial struggles and movements for the defence of social gains, in opposition to layoffs, and for higher wages, social benefits and pensions.

Finally - a significant phenomenon - millions of young people have been entering the production process. On the one hand, they have no memory of past struggles or of the history of the workers' movement. But on the other hand, they "do not bear the burden of past defeats on their shoulders", and they are ready to fight with their own methods.

In this context, the burden of Stalinism is being lifted and capitalism is being discredited by its own social brutality, without the socialist project's already having been relegitimized. At the same time thousands of activists and cadres who have not experienced any historic defeat are still active in the grassroots and trade-union movements, ready to relaunch or create the conditions for a recomposition of the workers' and social movements on new bases.

4 Youth participation in global resistance

A new wave of youth radicalization and politicization has taken off through the anti-5 globalization movements. It constitutes a key element in the new political and ideological situation and in the renewal of the workers' and revolutionary movement.

The spectacular mobilization in Seattle (November 1999) and unprecedented confrontation with the G8 in Genoa were turning points in resistance to neo-liberal globalization. This international breakthrough by the movement against capitalist globalization was the result of a series of earlier mobilizations, which were less visible in the climate of ideological regression and activist resignation that reigned in the 1990s. They created a new internationalism and new movements by confronting the summits of imperialism's international institutions (World Bank, IMF, G7, EU...), in the streets, in counter-summits and in the beginnings of international regroupments, of which the World Social Forum in Porto Alegre in January 2002 has been the most impressive so far.

This movement is already influencing the cadres of the workers' and social movement on the national level by offering the beginnings of an alternative analysis of the world situation, alternative demands, and the perspective of a 'different' society. It is, above all, the motor force behind the new youth radicalization and politicization. In fact young people have never stopped being involved and 'thinking about politics' in the broadest sense, through antiracism/anti-fascism, ecology, solidarity with the Third World, humanitarian activity and the great ethical issues facing humanity. But they were very much marked by a general rejection of politics, no longer identified with the working class and workers' movement, and turned their backs on Marxism and revolutionary organizations.

Outside the countries of the capitalist centre, youth are organizing inside peasant, indigenous, student, union and

unemployed workers' movements, in response to concrete neo-liberal measures. There is an important involvement, but it has been insufficient to displace the old leaderships.

Other young people are creating embryonic and usually local forms of participation which are not always part of the movement against capitalist globalization, and, through economic projects on a basis of solidarity, creating NGO projects linked to more general social conflicts.

The young people radicalizing now are not only expressing their own needs and aspirations in an unjust society, but also showing a commitment to changing society. This means a leap forward on the levels of (anti-capitalist) consciousness, (more radical) forms of struggle, (more global) demands and (more militant) forms of involvement. It is the beginning of a new phase.

5 The neo-liberal shift of social-democracy and populism

The new political phase constitutes a test for social democracy's projects and programmes. It can give some leeway to social democratic governing teams, in their respective interactions with the parties of the traditional right, but it confirms the depth of the Socialist Parties' turn towards social liberalism. Despite the possibilities open to them, the SPs have renounced any, Keynesian or neo-Keynesian policy. Fearful of any serious clash with the bosses and dominant classes and in the context of a far-reaching political and ideological shift, the social democratic leaderships have embraced neo-liberal policies, while adding some minor social measures. Above and beyond this, a far-reaching political and ideological revision is under way in the social democratic parties.

In Europe, this has been particularly highlighted by their participation in government, simultaneously and for several years, in 13 out of the 15 EU countries. With very little variation they have confined themselves to the framework of the dominant classes' strategic choices, as their socioeconomic outlooks and unconditional participation in the three wars that imperialism unleashed in the past ten years (Iraq, Yugoslavia and Afghanistan) have confirmed.

Apart from their evident specificities, comparable assessments can be made of the populist parties and the parties of the left or centre-left (populist-anti-imperialist) in Latin America. Moreover, big parties of Stalinist origin, whose strategic approach and practice in mass movements is most often indistinguishable from the social democrats', have also entered an existential crisis.

Twenty years of policies of social assault have profoundly weakened the links between these organizations and their social bases. The result is an unprecedented, drastic decline in their prestige, capacity for social control and organizational strength among the proletariat and progressive youth. Thus a political, social and electoral space has opened in which radical/anti-capitalist currents, movements and parties can come forward, win a serious hearing from society and become a major factor in the workers' and social movement.

6 Reconstruction of the mass movement and the anti-capitalist left

Against this backdrop, a new political and ideological situation arose in the late 1990s. This turning point did not come out of thin air. It was the result of an accumulation of discontents, rising consciousness, a new spirit of solidarity, and major struggles, albeit ones that all ended in impasses, setbacks or defeats: in the US, the long pilots' and UPS strikes; in Europe, national or sectoral general strikes in Britain (the miners, 1984-85), Denmark (1986 general strike), Belgium (in 1986, then in public services in 1987, a general strike in 1993, a protracted teachers' strike spread over two years), Spanish state (general strikes in the early 1990s) and Italy (1992 and 1994). In Latin America, Ecuador, Brazil and Bolivia, and in Asia, South Korea and Indonesia, experienced mass movements and major workers' struggles. The Bread and Roses Women's March in June 1995 in Québec showed that the women's

movement was capable again of mobilization around feminist demands. This march was to have a direct impact on radicalising a sector of the NGO-ized women's movement that had been channelled towards the structures of the UN.

For Europe, the mass mobilisation of women in defence of abortion rights combined with the strike movement against the Juppé government in France (winter 1995) was the first sign of this change. With the European March of the unemployed, casualized and excluded to Amsterdam (June 1997), there began to be a change in the state of mind of activist layers in France and the rest of Europe. Other direct initiatives, already underway, such as the campaign for cancelling the third world debt, certain very radical peasant movements (Brazil, India...) added to this. The confrontation in Seattle in November 1999, opened the road to the 'movement against globalization' which came together in Porto Alegre in the first World Social Forum (January 2001), moved by a clearly expressed radical, internationalist and potentially anti-capitalist spirit, carried by a new generation. This spirit of radical internationalism on a feminist basis was also by the 2000 World March for Women, the preparation of which predated Seattle, based on a critique of the 1995 UN Women's Meeting in Beijing. The 'spirit of Seattle' was followed in North America by anti-FTAA mobilisation in Québec, April 2001.

In Genoa (July 2001), for the first time, this movement was able to combine with radical sectors of the mass trade-union movement in a direct confrontation with the government and its neo-liberal policies. Then it once again was broadened and strengthened. After the 11th September it was able, in specific forms depending on the country, to transform itself rapidly into an anti-war movement with hundreds of thousands of demonstrators throughout the world against the imperialist war in Afghanistan. It was also one of the sources of political and organizational support for the Palestinian people, crushed by the Israeli state.

A new socio-political conjuncture is developing in certain countries, like Italy and Spain, where the 'movement of movements' directly stimulated struggles in the labour movement. It created a new political framework, a radical will, a new perspective and the embryo of an alternative to the defensive social struggles which had never stopped all through the previous period. For the moment it is the main actor in the opposition to capitalism. But the 'traditional' trade-union movement - organizationally weakened and politically isolated - continues to organize millions of working men and women and hundreds and thousands of activists. The general strikes and massive citizens mobilizations in Italy, Spain and Greece, the restarting of sectoral strikes in Germany, also bring onto the political scene men and women workers in unity with other social layers and social movements.

In Argentina, the revolutionary process emerged directly from the crisis in which entire sections of the economy collapsed, following a long-term application of neo-liberal policy prescriptions. In this case the battle for survival drove the working class and poor (and middle classes) to struggle and organize themselves. This mobilization against brutal neo-liberal policies clashes with capitalist globalization through the foreign trans-national corporations, the IMF and the constant intervention by US imperialism. The Argentinazo is the spark point in Latin America where the rise of mass movement is affecting several countries (Venezuela, Uruguay, Paraguay, Peru...).

The peasant movement is one of most important actors in this anti-capitalist mobilization. The Brazilian MST, the CONAIE (National Indigenous Confederation of Ecuador), the French Peasant Confederation, and other movements organized in the international network Via Campesina play a key role in the fight against the WTO and neo-liberal commercial order, not to mention the Chiapas peasant and indigenous movement under the leadership of the EZLN, which was in the vanguard of the anti-neo-liberal struggle, organizing the 1996 Intergalactic Conference against Neo-Liberalism and for Humanity.

On the African continent, mobilization against neo-liberalism and its effects has often taken the form of broad gatherings, such as the Cancel the Debt summit in Dakar in December 2000, the counter-summit against the G-8 and NEPAD in Siby in 2002, and the large-scale social mobilizations surrounding the World Summit for Sustainable

Development in Johannesburg in 2002.

The relaunch and rebuilding of the international workers' and social movement is part of the 'class struggle', of the development of workers' struggles, but also of the 'anti-globalization movement', of direct initiatives by the citizens as well as those of the anti-imperialist, anti-capitalist and revolutionary organizations among them. Women have played a leading role in fighting for social justice in a period of ever greater inequality and brutalization. Women have organized themselves in a variety of community and women's organizations to oppose war, repression and a world where capitalist relations are the only possibilities. Women have played a central role in the fight against religious fundamentalism. For example, women in India mobilized against the attacks on Muslim women perpetrated by the BJP government in Gujarat, women in Afghanistan opposed the Taliban and women in France, the United States, the Canadian state and Britain mobilised against Christian fundamentalists in defence of women's clinics against 'anti-abortion commandos'. Without the majority social force composed of the wage-earning class, without its mass struggles for its own demands and aspirations, without its growing self-organization, capitalist globalization, neoliberal policies and war will not be stopped.

In rebuilding the mass movements and the left, attention must be paid to the decisive presence of peasants and indigenous peoples in Latin American countries such as Paraguay, where we see a rise of mobilization and struggle for land; Brazil, where the MST is demanding radical agrarian reform; Bolivia, with the peasant coca producers' struggle and the electoral breakthrough of the MAS (Movement for Socialism); in Ecuador where the CONAIE (National Indigenous Confederation of Ecuador) through its political expression, the Pachakutik Movement - New Country, is part of the current government and is a fighting front against neo-liberalism.

This spectacular renewal of social and political confrontation opens new perspectives for an anti-capitalist left both on the social and party-political front.

THE WAR AND THE NEW IMPERIALIST COUNTEROFFENSIVE

1 The Al Qaida attack and the 'war against terrorism'

1 In the wake of the terrorist attack of 11 September 2001, US imperialism launched a vast offensive that will have a great impact on the world situation in the coming years. Beyond the first apocalyptic shock, its true meaning will become clear only as 'the long war against international terrorism' runs up against the many obstacles, contradictions and forms of resistance and opposition that it will find blocking its way.

2 The US aggression, which was at the start an act of military vengeance against a whole people on the pretext of punishing their rulers, is situated in the framework of a series of imperialist wars since 1991 (against the Iraqi and Serb peoples), confirm its hegemonic and interventionist attitude in the post-Cold War period. In this case it aimed to eliminate the fundamentalist current of the Bin Laden type, even though this current supports capitalism being linked to bourgeois factions and to sectors of several reactionary state apparatuses, like the Saudi monarchy and the Pakistani and Sudanese dictatorships. The discourse of this political current is fanatically religious, anti-Western rather than anti-imperialist, and anti-Semitic rather than anti-Zionist. Fundamentally opposed to 7 basic democratic rights and women's equality, they want to impose ultra-reactionary theocratic regimes. Oil has always been an essential motivation of imperialist policy in this part of the world.

2 US war goals

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September 11th not only rescued an isolated and shaky presidency dubiously elected into office but it legitimised a US world-wide offensive in a way only dreamed of by US strategic planners up to that point. It transformed an administration of the Republican right, based on the big oil companies, from a weak administration with big ideas to an administration able to use US military power as they wished and when they wished in order to pursue US strategic interests. The war against terrorism was launched. The world was told: "You are either with us or you are with the terrorists", that the danger was now from 'rogue states', and the US would decide who they were and what to do about them. Afghanistan was invaded with more people being killed than died on September 11th.

The lesson Bush's 'oil junta'— as they have been called, took from their rapid military success over the Taliban was that bombing works and that they should do more of it. We then had an escalation of US war aims with Bush's 'axis of evil' declaration in his State of the Union speech, followed by his speech at the UN, which spelled out US strategic goals in unambiguous terms and stressed that not only would the policy of 'regime change' be extended, but the US intended to ensure that the current massive US military superiority would not be challenged or redressed. The US would in the future remove any regime which stood in the way of its interests.

Iraq was next on the list for invasion. No link with Al-Qaida has been established because probably none exists. The removal of Iraq's weapons of mass destruction, which probably do not exist either, was stated as the objective. The negative cannot be proven, and the demand is maintained as the reason for the war. The world was being told: if you did not believe after Afghanistan that we were going to change the world in our interests, you will believe us after the defeat of Iraq. US imperialism intends to use its unchangeable military power to reshape and redefine the world in its own strategic and economic interests.

The advantage of invading Iraq is not only the political fall-out but also its massive oil reserves. The war is not ultimately about oil, but Iraq has the second largest reserves in the world and they are relatively untapped. Oil is therefore a massive issue in Iraq in a way that it was not in Afghanistan. US oil reserves are predicted to run dry in less than 50 years and control of the key oil reserves of the world along with huge military superiority are the key elements in the kind of world domination which US imperialism has in mind.

There are also the US regional aims in the Middle East. A successful occupation and stabilisation of Iraq would dramatically reshape the region. Saudi Arabia would be under more direct US pressure, Iran would be in US sights, and the Palestinians further isolated. The power of Israel would be massively strengthened and the political balance of the region changed.

The war on terrorism is a long terms strategy for US imperialism as it seeks to play its advantage to the full. The US is setting out to push back third world liberation movements, subordinate European capitalism to its interests, redefine 'global justice', and use its military power to ensure dominance for US multi-national corporations. National sovereignty is now only granted by US approval. Putin is given a free and even more brutal hand in Chechnya. Meanwhile people are detained indefinitely without trial in the US and other 'democracies' and the CIA are authorised to carry out political assassinations in the way that Sharon does in Palestine.

In the short term the victims are the poor and the oppressed in countries where the US has invaded or is launching military interventions. This has included Colombia and the Philippines where the US is intervening against left wing guerrilla movements. In Palestine the Sharon government has been given a free hand to launch a murderous assault on the Palestinian population.

But this is just the tip of the iceberg. A US strategic military build up is concentrated in central and southeast Asia. The Afghan war enabled the US to build up permanent basis in countries of the ex-Soviet Union which would have seemed inconceivable before September 11th. Bases have been established in Tajikistan and Kyrgyzstan and even in Georgia.

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US positions are being strengthened in South Korea and in the Taiwan Strait. The implication of this is clear. The oil of the Caspian comes increasingly under US influence - and China is being militarily surrounded. This does not mean that China is on the list for attack, but it does mean that the US is looking towards geopolitical control of the region with an eye on its vast markets. This is of course a high-risk strategy that has many pitfalls. The greater the repression, the greater the denial of justice, the greater will be the backlash - or 'blowback' as it is known by Bush and Co. The war against terrorism has inevitably produced more terrorism, with people increasingly prepared to die in order to strike back in the way they see fit. This does not mean that we support such actions, but that we understand what generates them.

At the same time the preparation for the invasion of Iraq, which is now to be carried out with the authority of the UN, has produced an unprecedented anti-war movement - even before the war has started.

Britain has seen a demonstration of 400,000 and the demonstration in Florence at the European Social Forum was towards a million people. Even in the USA the size of the antiwar movement is growing. The FI must redouble its efforts to build this anti-war movement to the maximum and ensure that if the invasion of Iraq cannot be stopped that it is opposed all around the world on the streets and that the aggressors are forced to pay the highest political price for their actions.

3 New internal contradictions of US imperialism

In the short term, there has been a strong tendency to 'rally round the flag' and President Bush. Bush, initially contending with an illegitimate election at home and lack of respect abroad, has managed to turn the situation around spectacularly, taken an energetic leadership role and launched a powerful counter-offensive at home and abroad. He has reaffirmed the United States' unparalleled military supremacy, of which the enormous increase in the military budget is the instrument and symbol.

As a result the social movement against globalization ('global justice movement') in the US had to retreat quickly. It was weakened by the AFL-CIO's withdrawal and the cancellation of the Washington demonstration planned for late September 2001 as the biggest and most militant action since Seattle. But the movement has not gone away. Thanks to its activists' determination, it was able to remobilize quickly and form an antiwar movement, which though still in a small minority is present around the country.

But the alliance between the anti-capitalist globalization movement and the trade-union movement -which went over to the opposition because of "fast track" (the right of the president to negotiate freely the liberalisations linked to the FTAA) and attacks against the public sector- was broken in the chauvinist climate after 11th September. Its renewal around an axis combining these social questions with general political consideration ('Jobs with Justice') will depend on a decline of patriotic sentiment.

The 'national union' will be put to the test by the Bush Administration's brutally pro-bosses economic policies, the ongoing recession and massive layoffs, and the spectacular bankruptcies of economic giants, their antisocial consequences - for employment and pension funds - the bosses' financial banditry and their corrupting links with the political establishment. This 'economic picture' will doubtless be sowing doubts in public opinion about the system's strength and the ruling class's moral probity.

4 The international effects of the US offensive

On the international level, US imperialism's political and military offensive is making itself felt immediately, strengthening all the reactionary trends already underway.

4.1 Constant media attention has drastically exacerbated and amplified the volatile and insecure global climate. It fosters reinforcement and increased interventionism on the part of repressive and coercive state apparatuses (army, police, schools, etc.). This in turn encourages the growth of reactionary, chauvinist currents in the population. This development is affecting the whole planet, country by country. In particular, ruling class projects that had been blocked have been resurrected and are being successfully imposed (such as US military intervention in Latin America, Plan Colombia, the breakthrough this time around 'anti-terrorist' police and legal norms within the European Union, etc.).

4.2 The use of war as a political instrument has become commonplace and has now been reintegrated into state strategy. The right of "humanitarian intervention" in other countries' affairs, reserved for imperialist countries alone, has now been legitimized as an element of 'good governance'. This right has been expanded in the name of the 'struggle against terrorism', subject to the discretion of imperialism (primarily US imperialism), to other countries as well (Russia in the Caucasus; Israel in Palestine; and in Sub-Saharan Africa, Uganda, Rwanda and Angola in the wars in Congo). The result is a spread of areas of tension and conflict and an increase in chaos, poverty and barbarism.

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4.3 Military spending, which stabilized in the years at the end of the 'Cold War', took off again in 1999. The massive remilitarization of the US contained in the 2002 budget announces a level of militarization that no other country is capable of imitating or reproducing. The political logic of this new arms race is different from the logic of the 'cold war'. It is no longer a question of preparing a nuclear war with the USSR in the name of a 'balance of terror', but a means of setting off wars that effectively impose unchallenged US political supremacy (with all the corresponding advantages in the economic and monetary spheres). The reformulation of world political strategy which is underway demands a redefinition of military priorities in relation to the financial means available: to reign in space, which helps ensure military mastery of the Earth; 'total' defence of the 'homeland' (its national territory); the capacity to wage several major wars simultaneously (particularly in East Asia), launch and dominate 'asymmetrical' wars (of the Afghanistan type) and carry out one-off military interventions (in Latin America or the Balkans). This stepped up level of remilitarization will put the world's other countries, particularly the NATO countries, under considerable pressure. This US 'military Keynesianism', involving a remarkable scale of state intervention and inflation of public debt, is maintaining domestic demand and strategic sectors of the US economy, which are also producing massively for export.

4.4 The international struggle 'against terrorism' is a threat to democratic freedoms, to the activity of progressive organizations, and to civil society in general. In different local situations it serves to repress or physically eliminate any dissent or opposition, criminalize mass movements or diminish their political impact. Bourgeois democracy - to the extent and in the countries where it existed - now includes the legal possibility of switching over to 'martial law' in appropriate circumstances. The strategic aim is clear, since it had been visible even before September 11th: to stifle the mass 'anti-globalization' movement, which, for the first time since the years after 1968, is contesting the rule of capitalism and imperialism on a mass scale and heralding a rebirth of the organized movement of exploited and oppressed workers on an international scale.

4.5 The specific effect on women during wartime Not only the war against terrorism but also the increasing number of wars through the last three decades all around the world, fought to protect the interest of the multinationals and the march of capitalist globalization in each part of the world, have had and will continue to have specific negative effects on women of all ages as rape is used as a conscious tactic of war as part of the strategy to control communities. Not only do women subjected to these violent rapes suffer a lifetime from the traumatic event, but may bear the children that are the result perpetuating the trauma through generations.

Though rape is now recognised as an official war crime at the international criminal court, the rapists, the soldiers and thereby the country, are hardly ever convicted. In addition to this, war forces women to get any kind of work,

often including prostitution, to ensure the survival of the remaining family, because of the loss or disappearance of the male.

GLOBALIZATION: A NEW STAGE OF INTERNATIONAL CAPITALISM UNDER US HEGEMONY

1 The commodification of the world, especially women and children

Globalization determines the current configuration of capitalism on a planetary scale. It is reflected in a radical extension of the world market, an untrammelled free circulation of capital and goods, as well as an impressive process of concentration of capital. It tends to unite the world in one single unrestricted market.

2 Capitalist logic and class struggle

While the internationalization of capital is an inherent tendency of capitalism, this new stage of internationalization of capital is closely linked to the economic and social conjuncture of the 1970s and 1980s. Feeble growth and recession provoked the neo-liberal response that was carried out under Reagan and Thatcher from the end of the 1970s and rapidly extended to all the industrialized countries. This large-scale offensive against the working class and the social gains it has won over the previous 50 or even 100 years led to a drastic increase in exploitation of the working classes in the imperialist metropolitan centres and an increase in the mass and rate of profit. In the countries of the periphery ('the South'), the imperialist law has been to strip them of any right to impose any obligation whatsoever on movements of commodities as well as capital. The countries of the periphery have been pitted against one another in order to attract capital by means of low wage levels and an almost complete disappearance of taxation, social protection or environmental legislation.

This new stage of capitalist globalization is not the result of some pure economic or technological determinism. It is the result of a determined class struggle carried on by the ruling classes and their states against the world proletariat.

3 The reign of the trans-national corporations, imperialism's central core

The trans-national corporations are waging an open war against any attempt to control their activities. This new structuring of the world economy is allowing them to drain off super-profits, guarantee markets for their products, put downwards pressure on raw materials prices, and preserve their technological monopoly. It is the result of an unprecedented process of concentration of capital through mergers and acquisitions that has not spared any sector or any part of the world. It is increasing the power of the major Northern conglomerates.

Their new status gives them more power in relation to the governments and countries where they are active. National governments have relinquished state control over financial operations, currency markets and capital flows. At the same time the world's major trusts continue to rely on the power of their home states in order to further their interests, through international negotiations, diplomacy and sometimes military presence. With the world market as their arena, these great industrial or financial oligopolies are enjoying an unprecedented freedom of action and decision-making.

4 The international inter-state institutions as support structures

Trade is also being globalized. The GATT, originally an informal forum aimed at a gradual removal of barriers to free trade, was transformed into the World Trade Organization (WTO) on 1 January 1995. In the context of rapid growth of international trade, this unelected and unaccountable body is now governing world trade on the basis of strictly neo-liberal criteria, which treat rich countries and poor as equals. The failure of the Seattle WTO summit in November 1999 is only temporary. A new cycle of talks has already been launched, with the goal of pulling activities like health care and education into the competitive sector and totally liberalizing private investment. Though temporarily frustrated, these efforts will nonetheless soon resume as part of a new offensive. Despite all the speeches about free trade, Third World countries continue to encounter barriers to their products' entry into the richest countries' markets, while the richest countries themselves are managing to clear away the obstacles to invasion of the Third World by their industrial and agricultural products, thanks to pressure from the debt and IMF. The result is that small producers in developing countries are being wiped out by Northern agribusiness and that developing countries' self-sufficiency in food is being destroyed.

5 The impact of the financialization of capitalism

The current power of the 'financial markets' is the result of the generalized deregulatory measures taken during the 1980s in conjunction with the very high interest rates at that time. Financial institutions, operating alongside traditional banks, have multiplied and diversified; some of them, such as US and British pension funds, have considerable financial power, which has been one of the motors of investment policies. Their accumulated striking force enables them to condition companies' decisions as well as governments' economic policies, inasmuch as both countries (when they accumulate public debt) and companies raise funds on the financial markets. This structuring of the markets has thus increased the autonomy of the financial sphere. This does not make it less interdependent on other parts of the economy, however. First, it is only recycling part of the surplus value that is extracted in the productive sphere, a share which has increased enormously because of the increasingly unequal division of income between the classes; second, because its freedom to manoeuvre is the result of a political will and a deliberate choice.

6 A strongly hierarchical system

Globalization implies a big leap forward in internationalization of production under the command of the major multinationals, which leads to an increase in specialization and hierarchical organization. It reinforces the centre's hold on the periphery's resources. This restructuring also serves the centre, particularly the US, as a cushion for downward cycles and as a prolonger of phases of prosperity. It strategically facilitates the global reproduction of Capital.

Establishing the difference between the countries of the imperialist centre as a bloc and the dominated, underdeveloped periphery is the starting point for determining each region's and country's insertion into the world market, while taking into account the varied situations that exist among different parts of the periphery. Latin America is on a higher level than Africa, which has been reduced to a territory to be pillaged, but lower than East Asia. A comparable hierarchy is reproduced on each continent, country by country (for example through processes of partial industrialization). This hierarchy also exists within each country and each working class as different layers have access to different levels of job security, wages, public services (such as health and education), thus creating a hierarchy between women and men, young and old, immigrants and native-born workers. These factors have a profound effect on the structure of societies, particularly the links between their dominant classes and imperialism and thus the forms taken by the class struggle.

The systemic oppression of women is reflected in daily life, in a society that nurtures the degradation and violence and state bureaucracies, reinforces ideologically and practically the power of men over women. Patriarchal ideology, a set of ideas defining women's roles as different from - and subordinate to - those of men, permeates all institutions

and gives rise to resistance by women's movements globally against women along with rigid gender roles. As a result, women are socially devalued, economically marginalized and find their very bodies commodified. The patriarchal family remains the central economic living unit within society today and with other patriarchal institutions, including religious hierarchies

7 The violent face of neo-liberalism

As a result of the neo-liberal offensive society all over the world has become more violent and in particular we have seen an increase in the different forms of violence against women. Never before has the use of domestic violence, including honour crimes, incestuous rape, female infanticide, marital rapes, and beatings reached such high level as today. For many women, their most intimate emotional relations within the family are also the source of their greatest danger—more women are killed by their current or former partners than die from any other single cause. The growing “Take Back the Night” vigils and demonstrations are yearly actions to dramatize the situation of violence against women.

A cultural war is being waged on women: Women are being blamed by those who seek to impose the status quo as well as those fundamentalists who imagine a better world when rigid roles were enforced. Reacting to the tensions of the neo-liberal world, these forces focus on controlling women through dictating state policy particularly around women's reproductive issues.

In general society all over the world has become more violent because neo-liberalism increases exploitation through speedups, longer working day etc. Even longstanding labour policies are being revised to provide more flexibility for the corporations (hiring part-time workers, fewer rights for the laid off worker). Internal competition among workers creates physical and psychological violence in the labour market; without the existence of worker solidarity the power of the bosses is unchallenged. Sweatshops and domestic work stand as examples where the overwhelmingly female work force is subjected to low wages, demeaning, violent and unfair working conditions, including sexual harassment and physical punishment. The mantra of “free trade” hides the violent mechanisms of that mark the capitalist system.

8 US hegemony: the dollar and war

The installation of the imperialist “new world order”, in particular its global hierarchization, require two wars (Iraq, Balkans) and two military interventions (Panama, Haiti). The initiative for these wars was taken by US imperialism, relying not only its economic power, but also its military supremacy. As the main artisan of victory in the “Cold War”, the US managed to unleash a war against Iraq. Having overcome the open or hidden opposition of the USSR and its traditional allies, the EU countries (except Britain) and the great majority of Third World countries, the US emerged as the planet's only military and political superpower. The EU, incapable of containing the increasing explosive contradictions in the Balkans, had to appeal to the US. The US used this opportunity to demonstrate its superior military technology and to affirm its European power, with designs on Russia. Together with its 'new economy' and the strength of the dollar, 11 military and cultural factors (including its media, music and communications) have made the US the keystone of globalized capitalism.

9 Industrialisation of the sex trade and human merchandise

Capitalist globalisation is at the origin of the global development of the sex trade industry. This rapidly growing sector of the world economy has resulted in very significant population movements (migratory flows have become more and more female) and generated prodigious profits and income. It is now third in magnitude after arms and drug trafficking, and a microcosm of fundamental and new characteristics of this new stage of the capitalist economy.

The dynamics and pressure are such that, since 1995, international organisations have adopted positions that, after analysis and despite a position of speaking out against the worst effects of this globalisation of the sex market, tend towards liberalisation of prostitution and sex markets. [1]

This industrialisation, legal and illegal alike, bringing in several thousand billions of dollars, has created a sexual commodity market, in which millions of human beings, especially women and children, have become goods of a sexual nature. This market was fostered by the massive deployment of prostitution, the unprecedented development of the tourist industry, the rise and normalisation of the pornographic industry, the internationalisation of arranged marriages and the needs of capitalist accumulation.

Prostitution and related sex trade industries (bars, clubs, brothels, massage parlours, pornographic production companies, etc.) rely on a massive underground economy controlled by procurers with ties to organised crime. The tourist industry is very dependent on the sex trade industry as are governments - (60% of the Thai government budget in 1995).

Prostitution has become a development strategy for certain countries. Faced with the obligation to reimburse the debt, many governments in Asia, Latin America and Africa have been encouraged by international organisations such as the International Monetary Fund (IMF) and the World Bank to develop their tourist and entertainment industries, leading to the take-off of the sex-trade industry.

THE FALL OF THE STALINIST BUREAUCRACY, RESTORATION OF CAPITALISM AND INTEGRATION INTO THE WORLD ECONOMY

1 Crisis and capitalist restoration in the USSR and Eastern Europe

A The late 1980s were a historic turning point towards capitalist restoration in the USSR and Eastern Europe, which is the result of internal causes and international factors marked by the neo-liberal, imperialist offensive of the 1980s.

1 This historic turning point encompasses the following factors:

- The failure of the various attempts at post-Stalin reforms, which prolonged single-party rule and non-capitalist relations of production for several decades without managing to carry out a transition to an intensive mode of growth. The contradictions grew between workers' values and aspirations linked to collective property of the means of production, on the one hand, and its management by the bureaucracy at their expense, on the other. The absence of workers' democracy throughout the society as a whole emptied any self-management rights that might have been granted to factory collectives by a party-state seeking to preserve its privileges and power of any substance or coherence.
- The aggravation of these contradictions in the international capitalist context of the years 1970-89 under the pressure of several Eastern European countries' foreign debt in hard currency and of the arms race.
- Popular rejection of bureaucratic dictatorships, symbolized by the fall of the Berlin Wall, and the end of single-party rule, without workers' resistances and social aspirations having any way of leading to a coherent socialist alternative.

A new world situation

– A swing by significant sectors of the bureaucracy over towards capitalism in the 1980s in order to break working-class resistance while consolidating their privileges and power by translating them into property.

– A generalization of market relations and private property in the means of production; re-emergence of mass unemployment; abandonment of the old ideology that had legitimized socialist aspirations in favour of the neo-liberal line; and a challenge to social gains that amounted to a sharp defeat for workers both in these countries and around the world, which made possible an extension and intensification of the imperialist offensive started at the end of the 1970s.

– At the same time, ten years of capitalist restoration have produced deep disillusionment with the promises of efficiency that accompanied neo-liberal programmes. But the combination of large-scale social deterioration with newly won trade union and political freedoms has deepened the generation gap and the confusion in people's minds. The forms of solidarity that could have been associated with the crisis of the Stalinist mode of domination have lost ground to reactionary or even neo-Stalinist ideologies.

The recomposition of an anti-capitalist and democratic trade union and political movement can only progress with difficulty in a context that is much more problematic than that in Western Europe. It will be very much dependent on the emergence of a credible alternative to (and inside) the European Union, and a growth of new internationalism of resistance to capitalist globalization.

2 Whatever the variants of the reforms introduced in the USSR and Eastern Europe from the 1950s to the fall of the Berlin Wall, they all maintained a single-party dictatorship and bureaucratic relations of production, which were protected as a whole from the logic of capitalist profit and from market discipline.

After several decades of catching up with the living standards of developed capitalist countries, thanks to a very extensive growth, the gaps began to grow again in the 1970s. The social gains, which in any event were combined with bureaucratic waste and repression, crumbled, while the new generations' aspirations and needs as well as upward social mobility were blocked by bureaucratic conservatism.

a) But the imperialist offensive of the 1980s made the impasses of the bureaucratic dictatorship and the gaps in development between Eastern and Western Europe, further deepened by the technological revolution, even worse:

– The pressures of the last phase of the Cold War and of the arms race at the beginning of the Reagan era weighed all the more on the USSR because its growth rates were stagnant. Priority was given to the arms industry at the expense of industrial investment and modernization of infrastructure and consumption.

– The growing debt of several Eastern European countries in hard currency during the 1970s put them under pressure from the IMF's structural adjustment programmes. This led to different reactions from the different regimes in power, ranging from the drastic, explosive austerity imposed by Romanian dictator Ceaucescu, to the rise of national and social conflicts in the paralysed Yugoslav federation, to Hungarian Communist leaders' decision to sell their best enterprises to foreign capital. The arrival in power of right-wing forces in the first multiparty elections drastically increased the teams in power's acceptance of the privatization programmes laid down by the IMF. The cancellation of part of the Polish debt and the resources devoted to corrupting Solidarnosc's spokespersons accompanied the shock therapy imposed on Poland.

– The construction of Maastricht Europe reinforced the IMF's criteria as accelerators of capitalist restoration in Eastern Europe.

b) While capitalist restoration relied on powerful international institutions and the pressures of the world market, it would not have been able to move forward without internal levers, in a context of very great confusion in workers' minds and weakness of their self-organization. Winning most of the leaders of the communist parties to a project of capitalist restoration in the 1980s, after systematic repression of democratic socialist forces during the course of earlier decades, made it possible for the break-up of the single party to usher in the rise to power of restorationist forces irrespective of their labels.

B Capitalist restoration was carried out after the explosion of the former Soviet Union and in Eastern Europe, largely industrialized countries, in an unprecedented historical context characterized, to begin with, by the absence of all the elements necessary to the functioning of a capitalist market and the lack of an "organic" base, even though the great bulk of the old regime's bureaucrats aspire to transform themselves into capitalists or put themselves at the service of foreign capital.

1 The new governments' submission to the programmes imposed by the IMF or EU involved dismantling every form of self-management - and even of the soviets however bureaucratized - for fear that the workers would take control of them, transforming the means of production into commodities, along with extending the functions of money and the generalization of privatization programmes as "proof" of the break with the past and supposedly universally effective criteria.

2 But in these countries, which had been through several decades of industrialization without domination of monetary relations and under hybrid property forms belonging 'to the whole people', privatizations ran up against the question: who can buy the enterprises (legitimately and in practice)? The privatization of large-scale enterprises, which sometimes structured whole regions and under the old system provided social services and housing through distribution in kind, is at the heart of the difficulties of capitalist restoration. The risks of social explosion are compounded by the high cost of restructuring, given the non-existence of adequate capital or of a national bourgeoisie capable of buying these enterprises and imposing capitalist management on their workers.

3 Faced with this general difficulty, the Hungarian leadership chose to sell their best enterprises directly to foreign capital. But except for this case, most of the new regimes in the ex-USSR as in Eastern Europe invented various forms of 'juridical privatization' in the first half of the 1990s, without any influx of capital, often largely to the benefit of the new states, which became shareholders. The distribution of 'coupons' to the population, which gave people the right to buy shares, or workers' access at virtually no cost to a substantial part of the shares in their enterprises, made it possible to speed up 'privatizations' in the eyes of Western creditors and institutions while luring workers into 'people's shareholding'. Whatever the variations in the new forms taken by property, the restructuring of big enterprises was slowed down or 'avoided', more often taking the form of asphyxia through a lack in funding and non-payment of employees than in a class confrontation through redundancies. This has exerted a great influence on the difficulty encountered by workers' collective resistance, while pushing them towards the search for an individual survival solution (cultivation of small plots of land, odd jobs...). The gradual concentration of legal property title and real powers of management in the hands of the new powers of the bourgeois state, banks and oligarchs - under very opaque forms - initially kept sales to foreign capital limited.

4 Barter, which became more common in Russia in the 1990s at the same time as the IMF was imposing privatizations and "deflation", was a tenuous form of protection from the new market constraints combined with the real extension of monetary relations, mafia-like financial operations, and the Yeltsin regime's subordination to the IMF's and oligarchs' dictates.

The absence of restructuring or financing of enterprises went alongside massive flight of capital abroad and intense speculation by the new private banks in government bonds, leading to the crisis of summer 1998.

5 In all the EU accession countries, pressures to open up the economies and particularly banking to foreign capital intensified in the second half of the 1990s. More than 70 per cent of the banks are foreign-controlled in several Central European countries, including Poland, where unemployment is over 17 per cent.

The race to join the European Union, which is still the alibi for the unpopular policies imposed by Central European leaders, has accelerated the break-off of the richest regions, which have been casting off the "budgetary burden" of other regions in their haste to push themselves into the EU.

The accession countries have radically reoriented their trade towards the EU, and are now subject to the fluctuations of the EU's growth rates and contending with more or less structural trade deficits. By deepening poverty and unemployment, the criteria imposed by the EU on the accession countries are in fact making EU membership more and more costly - while the lid remains clamped down tight on the European budget. The EU will no doubt cut the aid given to Southern European countries rather than extend Common Agricultural Policy subsidies to Eastern European farmers.

The EU's failures in terms of the crisis in ex-Yugoslavia and the wars there have encouraged NATO's redefinition and eastward expansion. NATO's eastwards expansion enables the United States to have an influence on the future member states of the EU and on those of its periphery, in particular in the Balkans, offering the latter a substitute for EU membership.

6 Alternation in office without any real political alternative has become the norm behind the new political pluralism. Abstention rates continue to rise, it is hard to put together parliamentary majorities for governments, and financial scandals are spreading to taint all the parties in power, whatever their labels. The rapid and general return to office of ex-Communists through the ballot box has shown people's deep disillusionment with neo-liberal prescriptions and their hope for more social policies. But their hopes have been quickly dashed by the ex-Communist parties' social-liberal transformation.

7 Putin's arrival in power in the wake of the summer 1998 financial crisis opened a new phase, characterized by the installation of a nationalist ('patriotic') government and an authoritarian state on several levels: restoration of Russian power (notably in Chechnya) and of a certain kind of moral and economic order, and reassertion of control over the media and regional authorities. The new Labour Code and the Putin's most trusted advisers illustrate this regime's bourgeois socio-economic objectives. The devaluation of the rouble that followed the summer 1998 crisis made possible an unstable recovery of domestic production and a decline in barter, but the needs of finance and industry remain under imperialist pressure.

The Russian government is seeking to reclaim the attributes of a great power through negotiations with NATO, whose eastward expansion has created tensions. It hopes to encourage resistance to US omnipotence by relying on the EU. But the Atlantic, neo-liberal framework in which the EU is being built holds these impulses in check. Bringing Russia into the new 'anti-terrorist' coalition behind the United States left the former a free hand to carry out its dirty war in Chechnya. But the tensions between the United States and the EU like those that have arisen on the Iraq question will once again enable Russia to attempt to play power broker between the major powers.

2 The Chinese dynamic: growing openings to capitalism behind the upholding of the single party

From the great powers' standpoint, China continues to represent an uncertain factor as much on the geopolitical level (given the issues of Taiwan, Tibet, Central Asia, etc.) as on the socio-economic. The ruling groups in the United States, the European Union and especially Japan are conscious that in any scenario (except break-up, difficult to envisage despite the potential centrifugal forces) China will try hard in the coming decades to play the role of a great

power and assert its hegemony in Asia. Moreover, it too seems to have drawn the lessons of the Kosovo war by pushing onwards with a further modernization of its military potential. Russia and all countries in Eastern Europe experienced a fall in production in the early 1990s, with a GDP in 2000 that caught up with the level reached ten years earlier in only 5 per cent of Central European countries. Conversely, China has experienced a growth rate of almost 10 per cent per annum over the past 20 years, including higher than 8 per cent growth during the Asian crisis. The Chinese figures on the decrease in the absolute number of poor during these past twenty years are what enable world statistics to claim that global inequalities have been reduced - while these have been increasing in the past 20 years, not counting the Chinese statistics.

At the same time, income gaps have grown in China parallel to the challenges to the social progress achieved in health and education and to employment protection. The logic of capitalist privatisation is underway, and more and more enshrined in law.

Whence the rise of an outbreak of social protests against inequalities, often making specific reference to the gap between the socialist "line" and the developing capitalist reality.

It is, paradoxically from the standpoint of neo-liberal rhetoric, the upholding of state and strong party power, at once repressive and supporting growth, that have proven most attractive to foreign capital. At the turn of the millennium, the accumulated stock of Foreign Direct Investment (FDI) stood at 300 billion dollars in China compared to 12 for Russia. But the Chinese opening had been controlled and massively "Chinese" up until then and financing of growth relied only partially on foreign investment - which, with its considerable commercial precedents, gave China a power to resist neo-liberal precepts. In relation to the size of the country, the FDI figures become more significant. In 2000, they stood at \$160 per habitant in China, compared to \$85 in Russia, but 571 in Kazakhstan, approximately 1000 for Poland and about 2000 in Hungary and the Czech Republic. In substance, Chinese growth relies on neo-mercantilism based on interventionism and State protection more inspired by measures taken in South Korea and Japan in their years of strong growth than by neo-liberal precepts.

Up until the end of the 1990s, China's opening to international trade took place on an extremely protectionist basis (for example through the non-convertibility of its currency and strict limits imposed on financing by non-residents), as is borne out by the fact that it was largely spared by the 1997-1998 Asian crisis.

WTO membership was accompanied by a radicalisation of the reforms aiming to convert the major firms more and more into share-issuing corporations) and opening up the financial system to foreign capital, alongside the CCP's membership becoming open to business people. In parallel, former measures of social protection continue to be dismantled.

The ongoing process is hampered by growing social resistance towards the growth in inequality and the development of contingent work.

These forms of resistance, whose origin goes back to the Tien Anmen movement, which could shake the unified façade of the regime and lead to a break in the institutional framework of the party-state. The socialist rhetoric must obviously be challenged, both in terms of measures of extension of capitalist production relations; and facing any 'moderate' or conservative wings that would fail to place the introduction of workers' self-organisation rights and management rights on collective property at the heart of the necessary anti-capitalist resistance.

THE CONTRADICTIONS DESTABILIZING THE NEW IMPERIALIST ORDER

1 The rise of contradictions among imperialist powers

1 The new structure of globalized capitalism contains the seeds of a substantial worsening of inter-imperialist rivalries among the three regional economic blocs, each structured around one of the three big economic powers. The US, the only "global" power, ensures the stability and persistence of the system of exploitation, while abusing its position of strength to impose its will on its rivals. The political result of the new war could substantially change the political and economic relationship of forces between the USA on one side and the imperialist powers (EU and Japan) and great powers (Russia, China) that are becoming integrated into the world market. The recession will sharpen them.

2 In the last ten years Japan has been suffering from economic stagnation, linked to its incapacity to overcome the effects of a speculative bubble and a gigantic banking crisis. But this conjuncture is hiding for the time being Japan's ongoing industrial and financial power. Japan remains the epicentre of East Asia, one of the most dynamic zones of the world economy. 'Globalization' means the country's opening up through a series of legal and institutional deregulations and privatizations. Big foreign conglomerates are fighting a battle to push their way in, and the US is pushing to eliminate the existing protectionist structures. The US is throwing the full weight of its military presence around in the region, justifying this as a means of containing the rising (economic and military) power of China as it confronts Taiwan. In the medium term the US is preparing to confront the formation of a new political and economic power - China/Hong Kong/Taiwan - that would radically upset the balance of power in Asia and the Pacific.

3 The European bourgeoisies have achieved an indisputable success with the adoption of the single currency. At the current stage the members of the Union are trying to take better advantage of the common economic space and to become more competitive on the world market. A succession of major merger and concentration operations has taken place among the most powerful industrial, commercial, financial and banking groups. The Single Market is moving forward in particular in the harmonization of financial markets. Since the Kosovo war the EU has set itself the goal of forming an armed force autonomous from the US. This is directly linked to the EU's eastwards enlargement, which is running into many obstacles, as the accession countries are obliged to introduce the required deregulation, privatizations and structural changes. By transforming the EU into a fortress (by means of the Schengen accords) the EU is trying to halt the flow of populations from south of the Mediterranean, Black Africa, Eastern Europe and parts of Asia.

The dominant classes' will to advance towards a 'European great power' implies a reform of the EU institutions, which today are very hybrid, in order to arrive at a genuine supranational political leadership. The EU has managed to acquire the first core of a truly supranational state apparatus, surrounded by a series of steadily more coherent interstate coordinating bodies. But its construction is still transitional and fragile. It is cut across by major contradictions among the (larger) member states. It represents a retreat from parliamentary democracy. Its popular legitimacy remains very limited, thanks to its virulently anti-social policies. At the same time its dynamic remains at work, propelled by the general capitalist globalization and the needs of big European Capital. It is obliged to confront the obstacles and move forward, because retreating would lead to a serious crisis that would endanger everything that has been gained (particularly the monetary union).

Rivalry with the US is a major stimulus for the construction of a European state. US capitalism has a powerful state apparatus at its disposal, present on every continent. It constitutes an indispensable support structure for all the imperialist bourgeoisies. But at the same time the US uses it to favour its own multinationals in fierce battles on the level of economic competition and for spheres of political influence.

European big capital cannot pull back from its attempt to create its own European imperialist state. This state's emergence inevitably implies a new balancing act relative to the current US supremacy. This cannot happen without frictions and conflicts.

2 The relations between Russia and the imperialist countries

The contradictory relationship between the US and Russia, a product of the “Cold War”, is now set in the framework of a global extension of capitalism, the ex-USSR's transition to capitalism, and the Stalinist bureaucracy's recycling as a bourgeois class. This process is anything but painless.

1 The break-up of the ex- Soviet Union has led to serious instability and a series of wars.

In the Caucasus, where conflicts around oil have been interwoven with Russian internal politics, no country has emerged from economic crisis or political instability. The war in Chechnya was started by Yeltsin to boost his flagging popularity and to get his chosen successor elected in the forthcoming presidential elections. Putin then pursued it more vigorously than Yeltsin had done - and it became the means by which he built his power base and stabilised his rule.

The invasion took place in the wake of the NATO war in the Balkans, and under different political conditions than the previous (disastrous) invasion of Chechnya by Russia in 1994. This war, carried out with the complicity of the Western powers, notably the United States, in the name of the “war on terrorism” is characterized by war crimes, massacre of civilian populations, rape, torture and deportations.

The war was also an attempt to rebuild the morale and offensive ability of the Russian army. The generals had been opposed to the invasion of Chechnya in 1994 but in 1999 they were fully behind it. It was also useful in rebuilding great Russian chauvinism which had taken a dive with the collapse of the USSR and again with the 1994 defeat by Chechnya. And it gave a warning to the other Autonomous Republics of the consequences if they looked for independence themselves.

It was also in line with Russian strategic interests, in particular the control of oil. Russia needed to maximise its influence in the Caspian region. There were no plans for a new pipeline that would by-pass Chechnya altogether and provide access to the Black Sea. For Russia to remain a major player in the region it had to have stability and political control. Our task is to expose Russian oppression of the Chechens and support unambiguously Chechnya's right to self-determination.

Ukraine, which has gone through an even more serious economic regression than Russia, is far from having established a stable political-institutional framework, and is still threatened by the fracture between its western regions, more orientated towards Western and Central Europe, and the eastern regions under the influence of their Russian neighbour. Ukraine's fate is one of the most important issues at stake in Eastern Europe. The balance of this whole part of the world depends to a large extent on this country's evolution: it could either be integrated into the NATO powers' zone of influence or return to the bosom of Mother Russia, repairing the links torn by the break-up of the USSR.

2 The Russian neo-bourgeoisie aims at reclaiming its world power status by mobilizing its history, its national consciousness, its international links with countries traditionally opposed to the US, its productive forces and natural resources, its skilled labour force and above all its capacity for military troublemaking. But its transition is very much dependent on big international capital and imperialism. Second, its insertion into the world market is a conflictive process in which US-EU rivalry also plays a role. The EU, with Germany in the lead, is trying to carry out a diplomatic and economic rapprochement in the region while preserving peaceful relations (given the EU's geographical proximity, its policy of eastwards enlargement and its own military weakness), while the US is confronting Russia in the framework of its own policy of global hegemony.

3 Latin America faced with US imperialism

Latin America is experiencing a very exceptional situation, especially in South America. It combines the depths of the socioeconomic crisis and growing political/institutional instability with the intensity of a broad and radical social resistance. The process of liberal counter-reform has lost legitimacy, especially following the eruption of a popular rebellion in Argentina, and the crisis of bourgeois political leadership is deepening. A mood of civil disobedience and insurrection has taken hold in many countries in the region. The election of Lula in Brazil and Gutiérrez in Ecuador, as well as the strong electoral showing by Evo Morales in Bolivia, are all signs of the backlash against neo-liberal policies and the bourgeois parties' crisis of credibility and attrition. The current period of the class struggle is clearly transitory in nature, marked by an open-ended battle between revolutionary and counterrevolutionary focuses fighting for a more favourable correlation of forces.

It is too soon to assess the impact throughout Latin America of the electoral victory of Lula and the PT. Since both the party and its candidate have for years represented the country's social movements, their victory is a source of renewed hope and may help spark a cycle of social struggles in Brazil and beyond. Weighing against such a scenario is the new Brazilian government's self-declared "moderation", its broad alliances with sectors of the dominant classes, decision to at least initially attempt seamless change while sustaining many of the policies of the Cardoso administration, and appeal for voters to "be patient". Meanwhile, with public disappointment with the Lula government growing as the administration consolidates its politics of "moderation", the end result could be a demobilization.

U.S. imperialism is fine-tuning its strategy with two key objectives in mind: the economic recolonization of Latin America along with the realization of a hemisphere-wide free trade plan (FTAA, Plan Puebla-Panama, foreign debt, complete subordination to the IMF and World Bank); and a military/repressive response to any popular struggles and resistance (Plan Colombia as well as military bases, DEA and CIA operations throughout the region). Washington's counterinsurgency strategy for the Americas includes a number of multilateral initiatives aimed at developing a Latin American intervention force that would act as a sort of "anti-terrorist" armed wing for the OAS. The institutional manifestations of this strategy have already begun to take form. The OAS has been given new life under the paradigm rubric of "democratic solidarity" that has been devised for the region (e.g. the Inter- American Democratic Charter approved on September 11, 2001, in Lima) that focuses on "the defence of human rights" and good "regional governance". Meanwhile, repressive institutions are being modernized, the terrorist impunity of the State is guaranteed along with the need to "cleanse" society of "disposable elements" (as in Argentina, Colombia, Guatemala, Chiapas, Argentina and Brazil). This style of Inter- American governance is tailored to establish the right to intervention, trampling on the concepts of non-intervention and respect for national sovereignty that are still deeply engrained in many countries whose entire history has been marked by struggles against imperialist and other forms of foreign intervention.

The socio-economic crisis of what is often termed the neo-liberal model as well as the crisis of subordinated regional projects (Mercosur, Andean Community of Nations, Central American Common Market) intensified following the financial crises of 1997-1998, and Washington's push for the FTAA. This "new colonial pact" implies a massive transfer of all manner of resources into the hands of huge imperialist concerns (industrial - commercial - financial groups) and their hand full of local partners. This project incorporates monstrous corruption and the parasitic behaviour of a ruling class that prefers U.S. or Swiss bank accounts and those of offshore fiscal havens to investing in their own country. The transfer of wealth is such that it decimates entire social layers, leading to an unprecedented concentration of wealth, social disaster, economic/financial crises and increasingly protracted recessions. The resulting shock implies industrial ruin in countries such as Argentina that had achieved relative degrees of development. The region's potential has been dismantled as capitalist globalization, along with the demands of imperialist countries and their multinationals, oblige these "underdeveloped" countries to contract their economies in the logic of "structural adjustment" and foreign debt servicing. Virtually everything has been privatized or is still on the auction block: everything from oil reserves, water and electric power utilities, land, mines, ports and health services. Forty-six per cent of Latin Americans now live in poverty, with more than 40 per cent experiencing unemployment or

underemployment.

The bourgeois elites' crisis of legitimacy and governability has prompted the imposition of social-control mechanisms and laws as well as a curtailment of 'civil society's' democratic rights. The supposedly democratic state is increasingly assuming the authoritarian features of a police state, repressing any sign of protest or civil disobedience. This crisis of the current phase of capitalist globalization-the neo-liberal paradigm-and the failure of 'modernizing underdevelopment', are among the key factors underlying of this loss of legitimacy and of cohesion in the prevailing discourse. Consumerist promises have lost their lure for very broad sectors of the 'middle classes', who instead are increasingly drawn into the ranks of the militant opposition as they take to the streets and cast protest votes or abstain from electoral participation. This crisis has extended to the arena of 'representative democracy'. Institutionality has been breached by the democratic struggles of the masses, which in the past three years have brought down a succession of presidents elected or re-elected at the polls, or imposed by legislative bodies.

The checklist of Washington's objectives agenda appear clear: to crush the new rise of popular combativity, the breadth of civil disobedience, and the radical character of the social struggles; to reverse the revolutionary process opened in Argentina; to co-opt, neutralize or directly sabotage the Lula administration in Brazil; to defeat Colombia's armed insurgency and ensure access to the country's oil; to destabilize the government of Chávez owing to his nationalistic discourse and alliance with Havana; to crush the Zapatista resistance in Chiapas and that of the indigenous communities, peasants, settlers and trades unionists who oppose the plunder of the Puebla-Panama Plan; to maintain the blockade and inflict final defeat on Cuba; to create conditions of 'democratic stability' that assures the reach of U.S. capital as it disputes control of the region's markets with the European Union.

We are witnessing a revival of popular mass struggles, a reorganization of the social movements and a re-emergence of class consciousness. This means the worst part of the period of setbacks is now behind us. Although problems of fragmentation and confusion remain, this process of outright recovery, in which there is an widening socialization of the diverse experiences of struggle, has a broad and radical character, linking demands and programs that incorporate economic, social, political, democratic, ecological, cultural and ethnic components. This process was not halted by the ideological intoxication of the attack on the Twin Towers and the terrorist campaign of imperialism and its media pundits. On the contrary, social polarization was accentuated following September 11, 2001. The argentinazo and the popular revolt against the attempted coup d'etat in Venezuela, as well as the growth of massive protests, strikes and caceroleos in Uruguay, and the increasingly broad radical struggles in Paraguay and Bolivia, confirm this new period of class struggle.

In these struggles by social movements, programmes and demands emerge that become visible as anti-neo-liberal, but which are part and parcel of the anti-imperialist and anti-capitalist dynamic of the resistance. The long list of examples includes movements and struggles like those of the Coordination for Defense of Water and Life in Cochabamba, the Chapare coca farmers, and the peasant marches in Bolivia; the Ecuadorian CONAIE; the MST in Brazil; the Zapatistas in Chiapas; the mobilization organized by the Democratic Peoples Council of the People in Paraguay; the teachers, students and Mapuches in Chile, the Vieques squatters; and the public employees and popular movements in Colombia. The innumerable mobilizations of trade unionists, peasants (who have found a fundamental driving force in Via Campesina), unemployed workers (the example of the piqueteros has extended to several countries), the black and women's movements, activists for human rights and against impunity, students and neighbourhood activists, and even community radios all articulate the varied dimensions of this resistance that contains incipient elements of a counter-offensive. The resurgence of indigenous struggles-their organizations and demands-has been another outstanding dimension of this process, especially since the protests sparked by the 500th anniversary of the conquest of the Americas. Equally significant is the resilience of the armed insurgency in Colombia, faced with an unrelenting war whose victims number in the tens of thousands.

All these struggles - which by no means are confined to the periphery of 'social outcasts' or de-proletarianization', nor can be characterized as struggles of an amorphous and eclectic 'multitude' lacking class points of reference - extend

to ever broader sectors of the exploited classes, and intersect with the growing movement of resistance to capitalist globalization, the solidarity campaigns and networks, and big confrontations against the international financial institutions that mark the emergence of a renewed internationalism, whose massive expression has extended from Seattle to the World Social Forum at Porto Alegre. It is in this rebellious movement that a new radical social left is emerging that participates in the class struggle, leads rebellions, challenges the relationship of forces, and is daily engaged in the construction of a latent 'counter power'.

The argentinazo has accelerated this recomposition of the popular movement as well as its radicalization. It represents a decisive historical event in the course of the class struggle in Latin America. And although one should not underestimate the capacity of the bourgeoisie and imperialism to organize a counter-revolutionary outcome (or repressive intervention such as that of June 2002) the force of the popular movement is slowly establishing new forms of self-organization, and rank-and-file democracy.

There is a thread running through the mass struggle in Argentina, and throughout Latin America, with the protests in Seattle and Genoa, with the movement against capitalist globalization, as well as with the insurgencies, civil disobedience, protests and the formidable radicalization of ever broader layers of youth on a world-wide scale. In Latin America, this process especially includes women who are workers, unemployed, and heads of households, who play an essential role in the recomposition of a radical social left.

The extreme polarization of the class struggle sharpens the relationships and the debates within the Latin American left regarding what strategy to follow. More importantly, it helps to narrow the gap between social resistance and an alternative political project, while the need to link them in a strategic perspective of taking power assumes a new sense of urgency. The schematic understanding of 'reform or revolution' must today give way to the urgency of reform and revolution to "transform the prevailing order", as Rosa Luxemburg proposed.

A gap also continues to widen between the radical left, with its unquestionable commitment to confronting and breaking with the established order, and that part of the left whose strategic perspective is now limited to competing for power within the confines of existing institutions. This dichotomy cuts across the government of Lula in Brazil and that of Gutiérrez in Ecuador, and may well confront the Frente Amplio in Uruguay; should this hypothesis be confirmed even if at this stage the predominant option of these governments remains neo-liberalism.

Nevertheless, in Latin America the dimension of the crisis and imperialist dominance has acquired such magnitude that the space for 'progresismo' needs footnote has evaporated. The disastrous experience of the government of the Alliance in Argentina is the best example. And when there appears a timid process of nationalism and social populism, as in Venezuela, the right, the reactionary sectors of the Church, the military and the multinationals move to destabilize it with the backing of imperialism, ultimately radicalizing the situation.

4 The disintegration of the African continent

The neo-liberalization of sub-Saharan Africa has proved particularly brutal and murderous, worsening the already catastrophic situation of the part of the capitalist periphery. The Strategic Adjustment Programmes, through privatization of state enterprises, favour the liberalization of markets, control by multinationals of the most profitable sectors of local economies, and recolonization processes accentuated in some cases by proxy wars. Local neo-colonial factions, linked to various imperialist interests, give themselves over to wars of primitive capital accumulation, and pillage of natural resources (minerals, energy, etc), wars whose ethnicization tears apart the national fabric, and create fiefdoms under the rule of extremely criminal politico-mafia gangs (Angola, Democratic Republic of the Congo, Liberia, Sierra Leone, Congo-Brazzaville...). These further worsen the situation for populations in the conflict zones, often condemned to wander, giving sub-Saharan Africa a huge number of refugees. In addition there is the situation of workers suffering through restructuring of social expenditures, massive layoffs, the

freeze on hirings ... Despite this catastrophic situation, the ruling elites, in adopting NEPAD, sanctioned by the G-8 at Kananskis, June 2002, and the multinationals at Dakar, 2002, remain attached to the Washington Consensus. This promises a worsening social situation for a majority of the African people.

5 The explosive nature of the situation in Asia

The global changes now under way are having a particularly profound and explosive impact on Asia. They are being felt on every level: diplomatic, economic and social, political and military. The international alignments forged in the period of the Cold War have been put in question, particularly in South and Western Asia, without making way for a new system of stable alliances. In the framework of the new world disorder, tensions among states have been exacerbated to the point of giving new impetus to nuclear proliferation (as seen in the Pakistan-India confrontation and North Korean nuclear blackmail of the US, the major occupying nuclear power in South Korea).

The first major so-called 'financial' crisis of neo-liberal globalization began in 1997-98, with lasting consequences: a process of economic (re)colonization and tearing up of the social fabric (South Korea), political destabilization (the structural crisis of the regime in Indonesia), delegitimation of the international institutions and the IMF in particular (Malaysia's temporarily enlarged manoeuvring room), and prolonged stagnation (Japan).

Beyond Afghanistan, the military dimension of capitalist globalization also has very serious implications for Asia. US imperialism is redeploying its forces throughout the region. It is establishing new bases in areas where it did not have them (the former Soviet republics). It is once more strengthening its presence in countries where it had had to cut back; this is particularly the case in the Philippines, its former colony, where US troops have even been sent into combat zones. Thanks to the Visiting Forces Agreement (VFA), the Pentagon has obtained unlimited access to the country's military infrastructure. Here as elsewhere Washington is pursuing local objectives - gaining better access to the agricultural, oil and mineral wealth of the southern Philippines - and regional ones: keeping an eye on Indonesia, preparing for possible future action in the South China Sea, and controlling the straits between the Indian and Pacific Oceans through which Middle Eastern oil is transported to Japan

Washington wants to rebuild and complete the old Cold War barriers in East Asia to contain China, stretching from Seoul to Manila by way of Tokyo and Taipei. In this case too US imperialist ambitions are as much economic (control of petrol and gas reserves and of trade in them) as geo-strategic (consolidating the key elements of a truly global military redeployment).

From Kashmir to the Korean peninsula by way of Mindanao and the Indonesian archipelago, Washington's new interventionist doctrine and its 'anti-terrorist' ideology are adding an additional obstacle to the search for political solutions based on recognition of the concerned people's right to self-determination to territorial conflicts. They contribute to criminalizing popular and revolutionary movements, as well as eroding the most basic democratic freedoms. Capitalist globalization also tends in this region to worsen gender oppression and inter-communal tensions and foster the rise of far-right communalist and fundamentalist currents. This holds true even in countries where the pressure towards economic globalization was only felt relatively late, as in India: a significant fraction of the bourgeoisie has turned to the BJP in order to push through neo-liberal counter-reforms, thus enabling Hindu fundamentalist Hindutva currents to threaten the secular foundations of the state.

The war that Washington is preparing to wage against Iraq and the military occupation that will follow it will further exacerbate contradictions in the region, which the intervention in Afghanistan had already made acute. The consequences of this war cannot be overestimated, at a time when there is a whole set of focuses of major crises in Asia: US/Chinese relations (including Taiwan), the Korean peninsula, Afghanistan-Pakistan-India, Indonesia-Philippines-South China Sea, etc.

In this situation, progressive and revolutionary parties and movements in Asia tend, in many cases, to establish closer relations of solidarity with each other than in the past. Social movements, grassroots organizations and peace movements are coordinating their joint campaigns against the militarist dynamics and for peoples' rights more and more effectively. The meeting of the World Social Forum in India in January 2004 can give a new dimension to these activist convergences.

6 The strength of globalized capitalism and the weakness of international interstate institutions

1 The emergence of a globalized capitalism would require a global government in order to master its contradictions, which have become more numerous, more acute, more contagious and harder to control since the end of the Cold War. But this kind of state or government is completely beyond imperialism's reach.

Nonetheless, the dominant tendency of the past decade has been the emergence of and self-assertion by a series of international, state-like institutions. Despite their rivalries, the ruling classes have been won over to the idea of establishing an imperialist 'new order'. Economic globalization, which is very volatile, has 'spontaneously' pushed onwards and increased the weight of regulatory bodies on both the regional/continental and world level. Their keystone is the IMF (plus World Bank) and WTO. NATO has amended its charter and imposed itself as the armed force of global capitalism. The G7 (plus Russia) is attempting to ensure a common political leadership. The process of institutional globalization is widening on the judicial level (International Court of Justice in the Hague, the CCI) as well as other levels less in the media spotlight (the OECD and Bank of International Settlements).

2 The attempt to legitimize and stabilize these institutions is running up against major contradictions: economic and political rivalries among the major powers themselves (including regional economic blocs), their lack of democratic, electoral legitimacy, and their openly partisan character in major conflicts (such as Iraq, Rwanda, Palestine and Serbia). Their popular legitimacy has been limited from the outset. These contradictions have been highlighted by the mobilizations 'against globalization'. Their capacity to govern the planet will be put to a brutal test by the turbulence looming on the horizon because of the US government's war policy and the attempt to control the current economic recession.

Furthermore, the self-assertion of these non-elected institutions, in which the executive bodies dominate, and US unilateralist strategy, have further marginalized the UN (including its Security Council). Previously the UN supplied an institutional framework (its General Assembly and related agencies) in which the imperialist countries could be questioned and 'kept in bounds' and certain 'progressive' policies could be implemented.

The factor that has subjugated all this institutional architecture is the supremacy of US imperialism, which is more and more playing an international and unilateral role.

3 The US's arrogant and heedless policies, including in its relations with its allies, are making their own limitations obvious. The US more and more clearly needs a division of labour, a sharing-out of spheres of influence and a system of coalitions with its main rivals and secondary regional powers. But the process of concentration and internationalization now under way also has an impact, in the context of fiercer and fiercer competition, on sectors of the ruling classes. This is leading to divergences among them about the means, rhythms, concrete goals and structures that are needed to reach their common goals; this is reflected at the level of the leading political groups, where the divergences are resulting in frequent infighting, hidden struggles and recurrent splits. US hegemony over the planet is undeniable, but its direct control of the situation turns out to be very difficult.

NEW CAPITALISM AND THE

INTERNATIONAL RECESSION

The end of the US upswing identified with the 'New Economy' has put an end to illusions about the birth of a new capitalism. The productivity increases made were obtained only by means of a very great investment effort and an increase in the rate of exploitation in the form of a lengthening of the work week. Far from laying the foundation for a stable model and opening up a new phase of growth, this over-accumulation of capital eventually ran up against a very classical constraint: a profitability squeeze. The end of the upswing has uncovered the underlying components of the instability of contemporary capitalism.

The dynamism of rapid growth in the US was fuelled by a trade deficit on a scale that would never be tolerated in any country other than the world's dominant imperialist power. It was the surplus value accumulated in Europe and Japan that was drawn on to finance the high-tech boom. A model like this could therefore, by definition, never be extended to the whole of the world economy. On the contrary, it has been accentuating inter-imperialist contradictions, which are often manifest on the monetary level. The Japanese growth rate has been hovering around zero for the last ten years, partly because the yen is overvalued. The recent rise of the euro is not evidence of any particular strength, but rather the reflection of a changed US orientation; the US is letting the dollar fall in order to make its products competitive again.

The collapse of the financial bull market that had resulted from the mushrooming of the 'dot.com' economy is a brutal reminder of the law of value: stock exchanges do not create value, and financial profits are a form of income derived from exploitation of labour. The rapid rise of stock market prices bore no relation any more to the real economy and could not last forever. The creeping crash is an excellent course in the real world for those who were fooled by the illusions of finance. Wage earners around the world should reflect on Enron's bankruptcy, which is costing millions of workers not only their jobs but their pensions, which were dependent on the company's share prices.

More generally, we can say that neo-liberal perspectives are now running aground on experiences that enable masses of people to perceive how toxic neo-liberalism is. Millions of workers in many countries, from Argentina to South Korea and from Indonesia to Ivory Coast, are not about to sit and listen today to the praises being sung of beneficent globalization. The impossibility of carrying out a world public health policy without sufficient resources for the fight against Aids and other pandemics shows that the rules of the marketplace are more important to the WTO than social and health emergencies. All around the world people are realizing that privatizations obey no other logic than the logic of profit. In Europe, wage earners have been able to see that the recent recovery has not benefited them and that the fruits of growth continue to be swallowed up by interest and dividends. Far from being a hard time to be lived through or a necessary adjustment, wage austerity has now been revealed for what it is: a new, profoundly unjust rule for redistributing income.

World capitalism is thus facing a difficult situation, combining its internal sources of tension with a considerable loss of legitimacy in the eyes of the majority of the world's population, who view this system more and more as a pure and simple obstacle blocking the satisfaction of their social needs.

WAR POLICY AND THE CONTINUING NEO-LIBERAL POLICY

These two questions are going to dominate the world situation in the next 12 or 24 months and influence the lives of millions of human beings and the activity of all social and political forces.

1 The policy of the war against terrorism

A new world situation

1 The US government won the war in Afghanistan at a low cost and strengthened its domination of the world. Certainly it has showed that it has the diplomatic monopoly over the situation in the Middle East (the Israeli war against the Palestinian people). But it has not been able to exploit this victory by immediately starting a new war with Iraq. The Bush Administration continues to express its desire to overthrow Saddam Hussein. In the mean time, the US government has been able to impose on all its allies (big and small) the ideological and political framework of the 'war against terrorism' and, up to a certain point, make a military-political line out of it. In Palestine, Kashmir, Chechnya, Georgia, the Philippines, Colombia, Venezuela... it supports or intervenes militarily to create an atmosphere on ongoing war, justifying an increasingly arbitrary hegemony.

2.1 Palestine is once again at the centre of world politics because of the renewed intensity of Zionist aggression and the continued resistance by the Palestinian people. The de facto expansion of the Zionist state through colonies, roadblocks and the wall, attacks on the rights of Palestinians in Israel and Israeli occupation forces' successful attempt to make life unbearable in the occupied Palestinian territories - daily arrests and assassinations, incessant demolition of houses, commercial establishments and factories, or through looting plantations or other cultivated areas - have created a climate of desperation which has profoundly affected the Palestinian people's forms of resistance.

2.2 The brutal occupation and intensive colonization of Palestinian land, combined with the world context of the 'war on terrorism' and the Labourite Oslo Process, are creating the conditions for the most radical wing of Zionism, in power through Sharon and his allies, to put on the agenda the plan for 'transfer' (massive deportation) of Palestinians outside their homeland. The threat of war hanging over Iraq may provide the Zionist leadership an unexpected opportunity to put this project in action, in the shadow of American bombing.

2.3 This is why, with the protection of the USA, Sharon has been able to happily ignore the UN resolutions, whilst he carries out systematic assassinations of Palestinian activists. Bush now hopes that a victory by the USA in Iraq will put him in a position to impose a settlement on the Palestinians which will leave them completely subordinate to the whims and wishes of the Israeli state and remove them as an obstacle to US policy in the region.

2.4 The Bush/Blair/Sharon axis must be resisted. The FI must make solidarity with Palestine a key part of our anti-war work. We must be at the centre of the support activities for the Palestinian people both in the West, through involvement in the solidarity organizations, and in Palestine itself - where the development of organizations such as the International Solidarity Movement has given a unique opportunity for practical involvement.

2.5 The Fourth International will do everything possible to work to reinforce the international solidarity movement with Palestinian people, for their protection, their right to selfdetermination and the right to return for all refugees. This solidarity campaign must completely oppose any transfer plan, demand the withdrawal of Israeli troops from the territories occupied since 1967, support the Palestinian demand for their own viable and sovereign state. To put an end to racism and all forms of oppression, the solution consists in the creation of a secular, united and binational state, which guarantees equal rights (including to land) to all its inhabitants.

3 But the war against Iraq could become the decisive test for the relationship of forces, the political alignments and the future force lines, constituting a 'defining moment' for the whole world situation.

From this point of view, the change in the situation that US imperialism is now working to impose on the planet, will be felt by all existing actors, governments as well as political and social forces. This will necessarily involve a long-term, international political battle on a grand scale. The question is, will the US be capable of using its overwhelming military supremacy to impose this war policy? Will it be able to take the initiative, alone if it has to, win victories, shift the relationship of forces even further in its favour, win an international political base and fight until it wins a 'final' victory, which would also mean the defeat of the popular masses' social aspirations and organizations?

[<https://www.internationalviewpoint.org/IMG/jpg/20tgs.jpg>]

4 The US faces three major obstacles in launching this war. First of all there are the contradictions within the main ruling classes, which weigh on the US government's capacity for initiative. It will have to wage a battle ("it's the objective that determines the coalition"). Because alongside its anti-terrorist line the Bush government is also building the NMD (National Missile Defence) - another global military project which would give enormous advantages on the military, technological, political and economic fronts.

Then, are the American people, currently living in a climate of 'anti-terrorist' propaganda accepting the 'self defence' of the national territory and of their lives, ready to go to a murderous war in the Middle East?

Finally, there is a major gap between US material supremacy and its moral (social and ideological) weakness. On a world scale, disaffection, suspicion and even hatred towards the United States have rarely been as intense or as widespread. This 'handicap' will be a big problem for governments under US pressure, who will have to legitimize a 'crisiswar' of this kind in the eyes of domestic public opinion. The fight against the US and its allies is a priority on the international level.

2 The capitalist class continues its neo-liberal offensive

The capitalist class continues its neo-liberal offensive while adapting to new difficulties and resistances.

1 The neoliberal policies of the 1980s and 90s led to a brilliant success for capital. The subsequent decade of growth in the US, the European recovery of the last few years, and the partial insertion of the periphery into the world economy have in no way benefited the popular masses who were called upon to make 'sacrifices' in order to get the machine moving again. Surfing on this relationship of forces, the capitalist class has no intention, now as the recession is hitting, to share 'the fruits of economic growth'. On the contrary, the current economic 'difficulties' supply a pretext for continuing with and reinforcing neoliberal policy prescriptions point by point.

2 Global neoliberal policies are now running up against a gigantic credibility problem. Not only has capitalist globalization led to a war (in Afghanistan), but neoliberal policies, pushed to their extreme by the multinationals and international institutions (IMF, WTO and BIS, G7+1), have brought about the collapse of the Argentinean economy (and society), with direct involvement of the US government. The Enron bankruptcy, the biggest ever, in the heartland of global capitalism, requires a drastic overhaul of the very structures of finance capitalism and the rules of 'corporate governance' (not to speak of the social disaster involved in the total loss of the workers' saved-up pensions).

Whatever their attachment to a stubborn, cynical pragmatism, the rulers of global capitalism cannot stand by passively as their doctrines crumble and the dead ends of their economic policies. Unless they mean to go along with allegedly controlled chaos (which they are already doing in Africa), they will be forced to open a discussion that can only reveal the insanity of their policies.

3 This recession will have a contradictory impact on the (social, ideological and organizational) relationship of forces between the two fundamental classes. Objectively, it is putting the proletariat on the defensive, with a risk of a new dramatic decline in its living standards and capacities to reorganize itself. On the other hand, it has certainly already destroyed any illusion, that after twenty years of uninterrupted neoliberalism and three different economic phases (recession, recovery, and another recession) that capitalism is about to improve things for the working class.

This is already leading to fierce social conflicts, even in the absence of any assured alternative, perspective or solid

organization. A new cycle has begun of fiercer, broader, but also more difficult struggles, around immediate, partial demands that almost spontaneously emphasize the need for an overall solution and raise once more 'the political issue' (the issue of who governs and what role political parties have).

The prolonged experience with neoliberal policies and with the political and social forces that have imposed neoliberalism will play a key role in political clarification on a mass scale and in the rebirth of a reorganized, reinvigorated workers' and social movement at every level (in terms of size, level of activism and activity, self-organization, demands and anti-capitalist programme).

THE SOCIAL CRISIS AT THE WORLD LEVEL

1 Faced with this general capitalist offensive, which has won several victories in recent years, many forms of resistance have been growing. The failure of the Seattle WTO summit, after the abandonment of the projected Multilateral Agreement on Investment (MAI), amounts to a major political event. For the first time a major international - and in many ways internationalist - campaign contributed to making the masters of globalization lose a battle. This setback for globalization is the result of numerous contradictions that combined to result in the failure of the negotiations: the contradiction between European and US capitalist interests, particularly on agricultural subsidies and the trade barriers between Europe and the US; the contradiction with the interests of the developing countries, which are incapable of competing with developed economies given their low productivity levels and the burden of the debt, and thus demand special, differentiated treatment; and the contradiction with the massive growth in public opinion of awareness of the misdeeds of unbridled neoliberalism, symbolized by the trade-union and grassroots demonstrations that succeeded in disrupting the WTO conference proceedings.

2 The unprecedented ecological crisis is directly linked to the commodification of the world under capitalist globalization. It is laying waste to the environment, that is, the conditions of life on the planet as a whole, but is hitting the poorest and most vulnerable regions and social layers hardest. Environmental destruction can now put the survival of humanity in the balance. The transformation of life forms into commodities is steadily advancing. It is made possible by the refinement of new technologies, whose ecological impact is often out of control and sometimes unknown. It can also be accompanied by a heightened dependence of the South not only for technology but also for food. The agribusiness giants' offensive aimed at imposing genetically modified organisms (GMOs) on the world is symptomatic of this situation.

Successive international conferences have ended with pitiful results; the big powers, and above all the US, are responsible for this. A resolute approach to environmental problems as well as to issues around food and health care on a world scale provides a great occasion for calling capitalism into question.

3 This overall picture should lead us to take into account the tensions and contradictions that the system as a whole is prey to on a world scale and in many countries in different parts of the world.

The world economy has experienced a prolonged upward conjuncture in the wake of the US economy's long expansive cycle. But the emergence of a 'new capitalism' is not leading to a long phase of socio-economic stabilization comparable to the post-war period of expansion. The current slowdown of the US economy, the restructuring and planned layoffs in industry and the stock markets' erratic ups and downs raise the question of a new US recession. More generally, the global context remains characterized by imbalances and growing inequality at the expense of the great majority of the planet's population. A deeper and deeper gulf is widening within the most developed countries themselves. A situation of this kind at the socio-economic level is, in the last analysis, a source of rather generalized crises of traditional political leaderships and even of their breakdown, and of the difficulties

faced by attempts at to rebuild their institutions and states.

The contradictions that are tearing apart contemporary society on a world scale and ravaging the world in many different ways are putting the definition and construction of a systemic alternative on the agenda more than ever before.

4 The main contradiction in the world, which in the last analysis is the main obstacle to the militarism of the US and its allies, is beyond doubt this: never before has a ruling class had such complete supremacy on the material (military, technological, economic and diplomatic) level, while ruling over millions of exploited, oppressed, humiliated, crushed women and men, victims of a system that has never been so iniquitous and barbarous on the social and human level. This contradiction is at work every day in every country and society. The acuteness and explosiveness of the global social crisis, engendered by the globalization of capital under neoliberal policies, are certainly giving enlightened ruling class circles to think.

5 But only conscious, organized activity by the exploited and oppressed can prevent further capitalist disasters. To achieve this, overcoming the historic crisis of the 'subjective factor' in the broad sense is our fundamental task.

The massive, repeated reactions by young people and wage earners have finally led to an initial accumulation of forces and energy. The 'anti-globalization' movement hesitated for a moment but, stimulated by the growing discredit of warmongering and neoliberal policies, has taken off again. It appears more than ever as a mass alternative at the level of society ('post-capitalist'). This international confrontation symbolized by Porto Alegre against Davos/New York, will play a determining role on the outcome of the present political stage. It is in this general framework that the social and political forces that reject the 'globalization' preached by the dominant classes exist in every region of the world and are ready to fight now, independently of the relationship of forces at the national and international level in the current stage. They include a great diversity of analyses and political responses, ranging from bourgeois nationalist protectionism to revolutionary socialist internationalism.

In the context of this kind of international mobilization and a more general relaunch of class struggle, we must find the way to rebuild the workers and anti-imperialist movement from top to bottom, to welcome the emergence of vanguards whose experiences are those of the new epoch we are living in, and to re-launch a new internationalism and a revolutionary International.

VOTE: 86 - 2 - 8 - 0 CARRIED

[1] In a 1998 report, the International Labour Organisation (ILO) states that "the possibility of official recognition would be extremely useful in order to expand the tax base and thereby cover many lucrative related activities".