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World Social Forum

# Beyond the World Social Forum ... the Fifth International

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**In a conversation with Brasil de Fato [1]**, Eric Toussaint, president of the Belgian-based Committee for the Abolition of Third World Debt (CADTM), defends the idea of a dialogue between movements and parties based on the call issued by Venezuela's president Hugo Chávez for the creation of a Fifth International.

In the interview, published here, he discusses the global economic crisis, initiatives for Latin American integration and the rise of the BRICs (Brazil, Russia, India and China) on the international scene – powers which in his estimation are not a progressive alternative to the old order. “What they are interested in is negotiating with the old imperialisms for their share in the international division of power, labour, the global economy and access to natural resources.”

## Interview

**Brasil de Fato – How do you assess the two different viewpoints presented at the World Social Forum opening debate [2]**, that is, the one which says the Forum should be “used” as a political platform with a greater capacity for action and political influence, and the other which says the event should keep to its original form and purpose as a place to exchange ideas?

Eric Toussaint – We need an international instrument to determine priorities in terms of demands and objectives, to provide a shared calendar for actions, and to be part of a common strategy. If the Forum cannot accommodate this, we must build another instrument, which doesn't mean leaving or scrapping the Forum. I think the Forum has its place. But since there is a sector of the WSF that does not want the Forum to become an instrument for mobilization, it would be better to build another one together with organizations and individuals who are convinced that this is what we need. This would not prevent us continuing to play an active part in the Forum. I say this to prevent a split or an endless debate which will bog us down rather than help us. It is clear that this sector prefers to keep the World Social Forum as a place for discussion and debate, and doesn't want to see it become an instrument for action.

**This is quite a strong sector, isn't it?**

Yes, it is. You might say it's part of the historic core that participated in the creation of the Forum. But it doesn't represent all of it, since the MST [3] and personalities like Chico Whitaker and Oded Grajew are opposed to the Forum becoming an instrument of struggle. I would add that it worries me to arrive in Porto Alegre and see that the seminar “Ten years later” is sponsored by Petrobras [4], Caixa, Banco do Brasil, Itaipu Binacional, with several governments in attendance. This really worries me. I would much rather have seen a Forum with less financial means but more militant in nature. We can rely on the help of voluntary activists, stay with them in town, organize accommodation in sports complexes, schools, etc.

**What is this new instrument you are referring to?**

A proposal was made which, in point of fact, has had relatively little repercussion. I'm talking about Hugo Chávez' call at the end of November 2009 for the creation of a Fifth International composed of social movements and left-wing parties [5]. I think it's very interesting in principle. There could be a new perspective if there were reflection and dialogue between parties and social movements: a Fifth International as an instrument of convergence for action and

for the creation of an alternative model [6].

But in my opinion it would not be an organization like the previous Internationals were – or still are, since the Fourth International still exists – that is to say, party organizations with a fairly high level of centralization. In my view the Fifth International should not be highly centralized and it should not require the self-dissolution of international networks or of an organization like the Fourth International. They could join the Fifth International and still keep their own specifics, but their membership would demonstrate that all the networks or major movements are determined to go further than the present ad hoc coalitions on climate or social justice, food sovereignty, the debt, etc.

We have common causes among many networks and that's a positive thing. But if we could successfully form a permanent front, it would be better still. The term "front" is a key word in defining the Fifth International. For me, the Fifth International would be, in the present situation, a permanent front of parties, social movements and international networks. The term "front" clearly implies that each would keep its identity but would give priority to what unites us in order to achieve objectives and take the struggle forward. Recent months have once again shown the need to increase our capacity to mobilize, because international mobilization against the coup d'état in Honduras was totally inadequate.

This is a matter of serious concern, because with the United States supporting the coup by validating the elections that followed [7] But now you say there was no satisfactory response to what happened in Honduras and Haiti. What happened? What went wrong?

Yes, you are quite right to point out the gap between the big success in Belém and what has happened since. The record for 2009 is worrying. There were no big social mobilizations in the major industrial economies at the epicentre of the crisis. Except in France and Germany where there were fairly strong demonstrations, especially in France where more than two million and a half demonstrators took to the streets in two protests in the first half of 2009 [8]. In the United States there were a few strikes but they were limited. However, the mass sectors – those who are suffering the most from the crisis – have a lot of trouble getting mobilized. It's as if people are stunned, "groggy". Unemployment has increased sharply in the Northern hemisphere. In Spain, it has grown from 10% to 20% of the economically active population: something we haven't seen for 30 years.

In the countries of the South, governments like Lula's give the impression that a country like Brazil or certain other countries won't be affected by the crisis in the North because they have taken financial and economic measures to withstand it. However in the South too, the level of mobilization against the international crisis is low. But let me draw a historical comparison. After the 1929 crash on Wall Street, the big radical social struggles only started to take shape in 1933, 1934 and 1935. So, historically speaking, we see that mass reactions are not immediate. If the crisis continues, and if its effects continue to be very serious, people will finally start to mobilize en masse.

**But beyond this more historical analysis, do you believe that the Left was unable to prepare an appropriate response?**

This is yet another point. Let us take an example. We have seen that Brazilian youth in the state of Pará were keenly interested, they were massively present at Belém's Social Forum in January 2009. They participated in debates about radical alternatives. But as the World Social Forum is not a tool for mobilization, it stopped there. Moreover, TU top managements are highly bureaucratized. Their favourite policy consists in hoping that the government's decision will prevent a clash. They coach and support government policies that cushion the impact of the crisis for the most deprived. There is an absence of determination among TU leaders, left-wing or 'social-democratic' parties, which means that governments of countries in the North go on implementing social-liberal or neo-liberal solutions. They do not even try to implement neo-Keynesian policy. Roosevelt's 1933 New Deal, compared with the policies implemented by Obama or by governments such as Zapatero's or Gordon Brown's, stands out as definitely left-wing.

It is obvious therefore that the leaderships of traditional left-wing parties and of the Trade unions bear a heavy responsibility, combined with the WSF's inability to cope with the crisis. This is why, and I go back to what I said in the first part of this interview, we badly need a new instrument.

### **Do you think that this crisis has opened a new era of multipolarity?**

It is clear that U.S. economic domination is not what it used to be twenty years ago. The U.S. lost its economic prominence but it is still the only country that combines industrial domination (albeit weakened), an international currency (although it is weakened, the dollar is still the main international currency) and a permanent military presence in over one hundred countries. It possesses invasion capacity. Five months ago I published an article in which I interpreted the coup in Honduras and the seven military bases in Columbia as evidence of U.S. aggressiveness towards Latin America. [9] Journalists said I was exaggerating, that the U.S. was unable to intervene in Latin America, that it no longer had the necessary military capacity with its military involvement in Afghanistan, Pakistan and Iraq. Yet it sent 15,000 soldiers to Haiti. Consequently, yes, it is still a power that can send troops, equipment and military support to various parts of the world. The case of Haiti is emblematic in that it demonstrates the capacity of the U.S. to respond promptly. U.S. power still prevails in terms of geostrategy. True, new powers are emerging such as China, Russia, India and Brazil, which are regional powers. There is also the EU.

The notion which to me best defines Brazil's international situation is 'peripheric imperialism.' Why "imperialism"? Because Brazil looks on neighbouring countries just as a traditional imperialist country looks on countries in which it invests. Brazil looks on its neighbours as places where Brazilian transnational companies can invest, and the foreign policy of the Brazilian government supports these companies' expanding policies: Petrobras, Vale do Rio Doce, Odebrecht, etc., are now present in Bolivia, Ecuador, Peru, Venezuela, Chile, Argentina, and even in Africa, where they invest large amounts. Yet there is a multipolar feature in the sense that there is no super-imperialism. On the other hand the so-called BRIC countries (Brazil, Russia, India and China) do not offer a progressive alternative to the old imperialisms (U.S., EU, Japan). They merely want to negotiate with these old imperialisms for a place in the international division of power, labour, global economy and access to natural resources. So I cannot see current power playing a progressive part which we could support.

The alternative we do find is an initiative such as ALBA (Bolivarian Alternative for the Americas, proposed by Venezuelan president Hugo Chávez), the components of which are not imperialist countries, fortunately. Regional alternatives such as ALBA are very important. My concern in this respect is that we ought to hasten the process and get beyond speeches through a better integration of the various countries. But we should highlight the positive points: at the ALBA meeting on 25 January 2010, it was decided to cancel Haiti's debt to member countries, thus teaching a lesson to the world powers that were meeting in Montreal on the same day and discussing debt relief conditioned to structural adjustment measures.

### **In this context, how do you assess the progress of initiatives such as the Bank of the South? Do you think this progress has reached a satisfactory stage?**

In 2007, at the request of Rafael Correa and his minister for Economy and Finances, I participated in the drafting of Ecuador's position with regard to the Bank of the South. Ecuador stands for a project in which the Bank of the South invests in public projects, or projects by native traditional communities. For instance, the regional financing of a food sovereignty policy, making the needed land reforms and urban reforms possible, giving priority to the railway over road transport. This is one possible option for the Bank of the South. Brazil and Argentina have a different project. It consists of financing projects in poorer countries that are part of the initiative (Bolivia, Paraguay, Ecuador), infrastructure works projects in the context of IIRSA (Initiative for the Integration of Regional Infrastructure in South America), by means of contracts with Brazilian and Argentinian companies, that is, again, using public money for private contractors, launching large-scale projects without any respect for the environment or concern for the

situation of working people. This is the choice made by Brazil and Argentina, which currently prevails in negotiations for the Bank of the South.

Left-wing governments must react and choose a genuine integration of people, not an integration that favours TNCs, whether from the North or from the South. An integration that does not take the EU as a model. Europe integration is ruled by the logic of private capital accumulation – a liberal or neo-liberal logic. Considering the governments that have been put in power in some countries, considering the strength of social movements and the tradition of radical struggles, Latin America is the place in the world where an alternative model can most easily be implemented.

**You often say that there are two Lefts: the ecosocialist left and the social-liberal left. How can you explain that although the neo-liberal model was shown to be a failure by the crisis, President Lula – whom you define as a social-liberal – should be one of the leaders whose power seems to be greater than before?**

What defines the fate of the country are the social movements, the experiences that masses accumulate through their mobilization. And we can see that countries with the politically most advanced governments are those where social movements have been most radical. This level of social mobilization exerts a pressure on governments to take the political and social measures that are most consistent with left-wing positions. In Brazil, unfortunately, this kind of mobilization has been wanting for the last five or six years. And the government started in a favourable international economic context. Between 2004 and 2008 the country's economy benefited from a rise in the international prices of commodities, a growth related to the speculative bubble in the North, which generated more exports. And up to now, as noted earlier, the international crisis has not hit Brazil. So the government can claim that the favourable economic situation is the outcome of its policy, which is not strictly the case.

**But how come it was not hit by the crisis?**

Because the fall in commodity prices in the second half of 2008 was followed by a new rise in 2009. Export revenues have been maintained. Also, the “Bolsa Familia” programme has provided the lower classes with a level of consumption that sustains the domestic market. [\[10\]](#)

The question that can be asked is: what is going to happen in the coming years? What is going to happen to growth in China? We know it cannot go on. We know that several speculative bubbles are developing in China – a real estate bubble, a stockmarket bubble, and an exponential growth of debts. Growth in China is sustained thanks to a substantial increase in public expenditure in order to compensate for the loss of foreign markets as a consequence of the crisis in the USA, Europe and Japan. The growth rate is artificially maintained thanks to these bubbles. In the current global situation China is driving what is left of economic growth. Without China we would go through a period of sheer global recession. The situation in Brazil is linked to China's through the export of ore, etc. But also because the situation in China maintains the global economy at a certain level of growth. If it fails, which to me is not a certainty but a possibility, it will affect Brazil's economy. Brazil will also suffer from the consequences of other international financial explosions that will occur in the coming years. Commodity prices are higher than is warranted by the global economy. There are speculative investments in food commodity exports such as soybeans. Once the speculative bubble bursts, commodity prices will fall, and this will affect Brazil. This is why it is wrong to claim that Brazil has some sort of panzer economy. It depends on an international evolution over which Brazil has no control whatsoever. What Brazil can do to remedy this is to increase its domestic market, introduce protectionist measures, control capital flows more tightly, implement a distributive economic model, get rid of monopolies and lobbies, implement radical land and urban reforms. It could then become a model in the context of regional integration with a genuinely left-wing orientation. But this would require another government option.

**How do you assess the response to the crisis that can be observed with more progressive governments, such as those of Venezuela, Bolivia and Ecuador?**

There has been a positive aspect, not only in these three governments but also to some extent in the way Lula, Cristina Fernández (president of Argentina) and Michelle Bachelet (former president of Chile) managed the crisis. In spite of the IMF's recommendations to reduce public expenditure, governments applied heterodox policies, even Alan García's right-wing government in Peru. This made it possible for these governments to maintain a certain level of economic growth. In this respect the responses of Bolivia, Ecuador and Venezuela were not very different: they maintained significant public expenditure in order to sustain consumption and economic activity. Of the three, the one that slightly radicalized its economic policy was Hugo Chávez', with more nationalizations. But quite frankly, the policies that Correa, Chávez and Evo Morales have used to counter the crisis do not greatly differ from those of other governments in the region. There is no radical difference in the economic sphere. I think that there are differences in terms of anti-imperialism, constitutional reforms, regaining control of natural resources. But it would be an over-simplification to claim that there are huge differences among the economic developments in the region. Personally, I would have preferred to be able to say truthfully that the governments of Ecuador, Venezuela and Bolivia are implementing a radically alternative model. But this is not yet the case. There are signs and perspectives which are quite interesting, but we mustn't confuse words and intentions with the facts of real life.

### **How do things stand in the debate on the public debt issue?**

The issue of the debt has its ups and downs. It was a hot topic in the 1980s, it came back to the fore with Argentina's default at the end of 2001. [1] Now we are back to a situation of tension in this respect, but this is only the beginning. In 2007 Ecuador's government set up an audit committee in which I participated. And on the basis of our conclusions, Correa's government decided to suspend payment of \$3.2 billion of debts in commercial bonds, sold on Wall Street and closing between 2012 and 2030. Correa suspended payment from November 2008 and stood firm against the creditors, bond holders. On 10 June 2009 he managed to have 91% of those bonds sold to Ecuador's government at a 65% discount. Which means that Ecuador will recover \$3.2 billion of bonds for a payment of \$1 billion. Ecuador saved \$2.2 billion, as well as the interests that remained. This shows that even a small country can stand up to bond holders and force them to make a sacrifice. Those who normally always came out winning had to accept the fact that they would no longer reap big profits with these bonds. The lesson is that if Ecuador could do it, countries like Brazil, Argentina and others could do it too. Argentina had suspended payment in 2001 but in 2005 it made the mistake of exchanging bonds instead of buying them or repudiating them altogether. It exchanged them at a discount but still had to pay interest at a high rate. Argentina's debt today is the same as what it was in 2001. The issue of debt payment will be back on the international stage for two main reasons. First, the financial and economic crisis, which reduced exports from the South and the tax revenues they generate, makes it more difficult to pay back the public internal and external debt. Second, the cost of refinancing the debt has increased. Since bankers in the North are caught up in the crisis, they tend to be more demanding towards countries of the South that wish to borrow on an international level.

*Igor Ojeda interviewed Eric Toussaint for the Brazilian weekly paper Brasil de Fato, February 2010.*

Translated from the French by Judith Harris, Christine Pagnouille.

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[1] The national weekly paper Brasil de Fato is published and owned by a number of social movements including Via Campesina, Consulta Popular, a number of left-wing Christian organizations, feminist and student movements. [Brasil de Fato](#)

[2] Igor Ojeda is referring to the inaugural address of the international seminar entitled "Ten years later: challenges and proposals for another possible world" organized in Porto Alegre from 25 to 29 January 2010 by the "Group for reflection and support for the WSF process" composed of several Brazilian organizations including IBASE, Ethos and the Instituto Paulo Freire.

[3] <<http://www.mst.org.br/>>

[<http://www.ibase.org.br/> <<http://www.ibase.org.br/>> " class="spip\_out" rel="external">Movimento dos Trabalhadores Rurais Sem Terra (Landless Workers Movement)

[4] Petrobras, the Brazilian mixed-capital oil company (the State holds 39% of its capital) is the second largest Brazilian transnational in terms of investment abroad. It is responsible for serious damage to the environment, particularly in Amazonia.

[5] "The international encounter of Left-wing political parties held in Caracas on November 19, 20 and 21, 2009, after having taken note of the proposal made by Commander Hugo Chávez FrÃ-as to summon the 5th Socialist International as the space where the socialist-oriented parties, movements and trends of thought are able to gather to propose a common strategy for the struggle against imperialism, changing capitalism for socialism and economic integration within the framework of solidarity" in "[COMMITMENT OF CARACAS](#)"

[6] An international appeal has been launched on that question: "[Proposal for a Participatory Socialist International](#)" by ZNET

[7] See Eric Toussaint <<http://www.cadtm.org/The-U-S-and-it...>>

<http://www.counterpunch.org/imbach03032009.html> " class="spip\_out" rel="external">"The U.S. and its unruly Latin American â€backyard"" [or](#)

[8] We should also mention the massive social movements that took place in Guadeloupe and Martinique in the first quarter of 2009.

[9] See Eric Toussaint, [Du coup d'Etat au Honduras aux sept bases US en Colombie : la montée de l'agressivité de Washington, 7 December 2009](#)

[10] In Brazil, 11 million families living below the poverty threshold receive between 7 and 45 euros a month. This measure brings a genuine improvement to the day-to-day existence of nearly 24% of the population whose income scarcely ensures their survival. In the 2006 elections, Lula's highest scores were in the poorest regions of the country thanks to the application of this plan, implemented in 2003 during his first term in office. See V.M. Castro and M. Bursztyn, "[Social inclusion or poverty alleviation? Lessons from recent Brazilian experiences](#)", [Center for International Development, Harvard University](#). The World Bank readily supports this [programme](#). The Lula government announced in November 2009 that it planned to distribute free of charge 11 million cell phones to poor families. The monthly user cost will be about 3 euros.

[11] Following a massive revolt of the people combined with a lack of liquidity between the end of 2001 and March 2005, the government of Argentina suspended the repayment of \$100 billion in the form of bonds.