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Fourth International

# The crisis overdetermines all of world politics

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We will not repeat here a whole series of explanations of the mechanisms of the crisis, but insist rather on a series of questions which are posed by it.

## **1. The most recent developments confirm the depth and the duration of the crisis and especially its systemic character.**

It is not a short cycle crisis. The financial crisis is coinciding with and aggravating a general crisis of overproduction. The paralysis of credit is gradually reducing economic activity. The crisis has spread to the whole world. Its scale is comparable with that of 1929, but unlike in 1929, the crisis is total. The capitalist mode of production has been extended to the entire world economy. Capitalist globalisation has constituted a world market in commodities, imposed a movement of generalized “re-commoditisation” and created the conditions of a world labour market.

This crisis thus has an overall character. It has several components: economic crisis, banking and financial crisis, food crisis, energy crisis, climatic crisis. The World Social Forum (WSF) in Belem, in January 2009, was actually the clearest expression of this combination of economic crisis and ecological crisis. Some people wanted to limit Belem to re-centring on ecological questions; in fact it was the economic crisis in all its dimensions which marked this Forum.

The capitalist classes and all the “experts” are worried. They do not have an alternative model. They are discussing various scenarios but none of the experts can see a way out of the crisis. They envisage “soft” recoveries at the end of 2010 or perhaps a Japanese-style crisis: a deflation lasting almost 10 years, but nobody dares to predict a way out of the current crisis. Unlike in 1929, governments and public authorities have intervened to contain it. In a series of countries the social protection systems act as shock absorbers... but until when?

Well of course, it is not the end of capitalism because, as long as there are no alternatives, i.e. until anti-capitalist solutions can be imposed, there is no “situation without a way out” for the system. It can always create new room for manoeuvre. Capitalism can live and survive with its crises, its convulsions, its regressions. So there is no place for catastrophism, but at present we see clearly that the system has reached its limits, that the social, economic and ecological costs of the crisis of capitalism put on the agenda the question of a way out of this system: for some it is a question of reform, of going beyond capitalism; for anti-capitalists it is necessary to break sharply from capitalism, to overthrow it.

It is an historical turning point: there will be a ‘before’ and an ‘after’ this crisis.

## 2. We are thus in a deep and long crisis.

\* The banking and financial crisis continues: the “toxic” products are poisoning the system.

There is talk of “dustbin banks” or “bad banks” to eliminate all the “toxic” financial products, but since they do not really understand their extent they cannot decide at what price to buy back this or that product. Consequently, governments either retreat, as in the United States, or are afraid to put in motion mechanisms which will reveal even more the vast scale of non-solvable credits. Tax havens continue to function. The opacity of the financial markets prevents the development of new mechanisms of control. The banks are lending less and less. The loans, aid and financing of states cannot be guaranteed, because the situation of the banks remains dubious. Even government loans are proving difficult to negotiate. There was an alert in Germany last December. States are bankrupt, like Iceland. The situation is critical in Greece, Hungary, Pakistan, Spain, and Lithuania. New bank bankruptcies can drag the system even further down. Public finances cannot be stretched indefinitely, short of printing more money. In that case we would be entering a new phase of the crisis.... Strauss Kahn intervened on behalf of the IMF to ask for even more massive state aid to the banks in order to re-launch the supply of credit, expressing regret that financing by governments was not up to the scale of the crisis. So there are limits to the solvency of states and to the explosion of debt. At this stage only the United States, thanks to the role of the dollar as a world currency, has the means to continue its policy of indebtedness...

\* The crisis of overproduction - which already existed in certain sectors prior to the banking and financial crisis – has become generalised.

The world economy is in recession. The forecasts for the growth of the world economy are around 0.5%. They are negative for the United States and the countries of the European Union. We are witnessing a drop in industrial production: down by 9 per cent in the United States, by 9.8 per cent in Japan. Thousands of companies are closing down or laying off workers. Gradually, every sector is being affected. There is 7.2 per cent unemployment in the United States, i.e. 11 million unemployed. According to a report by Christina Romer and Jared Bernstein (economic advisers to Obama), 3 to 4 million more jobs could be destroyed in the next few months. General Motors and Chrysler still need tens of billion dollars in order not to go under. The forecasts concerning unemployment are impressive: more than 30 to 50 million unemployed for the OECD countries. It is a real tidal wave. The suppressions of jobs and the rise in unemployment will continue and increase, at least during 2009 and 2010. We can have the highest unemployment rates since the 1930s.

\* The crisis is worldwide.

The hypothesis of a decoupling between the crisis of the developed capitalist countries and the situation of the emergent countries, in particular China, has not been confirmed. Chinese growth has fallen by between 7 and 11 per cent. Exports fell by 2.2 per cent in November and 2.8 per cent in December, according to the figures of the Chinese Customs. Imports have contracted by 21.3 per cent. Thousands of companies have closed in the province of Shanghai and hundreds of thousands of Chinese, above all the millions of migrant workers, find themselves unemployed. Admittedly the 7 per cent growth rate proves the strength of the Chinese economy. The crisis will even confirm the tendencies to a change in the centre of gravity of the world economy towards the countries classified as emergent, but this economy is still dominated by the United States and Europe. What is more, this crisis will lead the Chinese regime to give priority to the development of an internal market, which will also very much depend on political and social struggles, including within the Chinese Communist Party... But will the Chinese economy be capable of being, in this crisis, a locomotive to restart the world economy, an alternative locomotive to the developed capitalist countries? Nothing indicates that for the moment. All the more so as countries like Russia and India are starting to be sucked into the recession.

### **3. The neo-liberal “model” has suffered a historical defeat.**

The Washington consensus has exploded. The ruling classes and the neo-liberal and social-liberal governments have suffered a political and ideological defeat. There was a neo-liberal coherence: privatization, flexibility, deregulation. Today this coherence has been dislocated. But they have not yet suffered a social defeat. Far from engaging in a change of policy or of direction, their policy consists of “holding on”, making the workers and the people pay for the crisis, and combining the neo-liberal framework with a series of devices or measures “to hold on”, hoping... that the crisis will end and that they can get back down to business! Furthermore, the capitalists are using the crisis to restructure companies, to move forward with processes of concentration-fusion of companies, to continue holding wages down...

So there are changes, new discourses, safeguarding measures and partial economic stimuli, but they do not call into question the general line. I would like to deal, from this point of view, with three questions.

### **3.1. Is there a Keynesian turn?**

There can be injections of doses of Keynesianism, an ersatz Keynesianism, into neoliberal policies, but there is no neo-Keynesian turn. There is, incontestably, a new interventionism of the state in the economy, the rescue of the banks, policies of industrial and financial concentrations and restructurations. This is a change compared to the whole ultra-liberal discourse - less and less state - of Reagan and Thatcher. But, we should not forget that it was the state that deregulated, the state that privatised, the state that destroyed social conquests. We should not confuse speeches and reality: the state never disappeared. And today the intervention of the state is to save the system, and in no way to rebuild “the social state”. The state does not intervene for the defence of the popular classes.

As Paul Krugman, winner of the Nobel Prize for economics and inspirer of the left of the Democratic Party, says on his blog: “Let’s be clear about it, it is quite simply lemon socialism: socialize the losses and privatise the profits”. The discussion on Keynesianism only has meaning if it takes into account all the socio-economic and political aspects of the question. It is not a discussion about this or that economic measure.

From this point of view there is no question of having a “romantic” vision of Keynesianism, but if we take as a point of reference the policies applied in the middle and at the end of the 1930s in the United States, and in Europe in the post-war period, we are far from that.

The choice of Keynesian policies was not a choice of socio-economic construction after an ideological debate within the ruling classes. It was imposed by relationships of forces, a rise in workers' struggles in the United States which made necessary a turn in public policies and policy on wages. But the implementation of Keynesian policies was carried out, above all, on the basis of the arms economy, of the war and of a relationship of forces linked to exceptional social and political movements which imposed the “social compromises” of the post-war period. It was the destruction caused by the war which necessitated post-war reconstruction and created the conditions for economic revival.

So, these were events of exceptional scope.

However what is striking is the imbalance between the depth of the crisis, the various discourses on the need to “re-found capitalism” and acts. There have been symbolic decisions – such as the ceiling that has been put on the

revenues of some leading figures in the United States and the presence of representatives of the British government on the boards of management of British banks -, but there has been no shutting down of tax havens, no new financial norms or effective control of credit in order to stimulate economic activity. Measures which were technically and financially possible have not been taken. Witness, for example, the declarations of Valéry Giscard d'Estaing (in *Le Monde* of January 12, 2009) on the fact that governments and international institutions have not yet established new financial norms, new auditing procedures, new regulations (concerning, for example, "short selling", the practice of selling financial products that you do not own).

But more substantially, what must be underlined is that all the stimulus programmes are regarded as insufficient. There are differences: the French plan does not exceed 1.5 to 2 per cent of GDP. The \$787 billion Obama plan represents more than 5 per cent of GDP, which is more significant. But we have to look at this plan in relation to the depth of the American crisis. According to Obama's economic advisers, Christina Romer and Jared Bernstein, this plan would only limit unemployment to between 7 and 7.5 per cent at the end of 2010 - a little more than the current unemployment rate - instead of the 8.8 per cent that is envisaged if there was no plan. What is more, under the pressure of the Republicans, public expenditure was reduced by \$91 billion and tax cuts increased by \$64 billion.

The plans and decisions of the US government take into account new public expenditure on education, social security, certain big public works, but if we add the \$2,000 billion for the banks, the tax cuts for the rich, aid to investment in companies - but under what control? - and the limits of measures aimed at stimulating demand, we are not about to find a way out of the crisis.

In these circumstances, according to Paul Krugman, the stimulus programme can only make up half of the lost potential for growth. Compared to the growth that could be expected in terms of the available production capacity and the labour force, there will be only half of the possible growth, which has already brought Obama sharp criticism from the left of the Democratic Party.

The article by Thadeus Pato [which we will be publishing] on the relationship between the current policies and those of Keynes explains that at the end of the 1960s, a German social democratic minister had developed a Keynesian stimulus programme. This plan amounted to 40 billion deutschmarks for public investment. Today that would be equivalent to 400 billion euros. However the German government has only invested 50 to 80 billion euros.

In the United States and in Europe they are again talking about "nationalization" of banks. We cannot theoretically exclude "bourgeois nationalizations" of banks. In other words, "temporary and partial" nationalizations to save the capitalist banking system, but we should not misunderstand the meaning of state intervention. In reality, there have only been interventions by the state and massive aid in order to save the banking system, with more or less state control over the banks in question. In Great Britain, representatives of the government sit on the boards of management of banks. When governments or experts have envisaged "nationalization" it has only been considered as temporary and partial. In short, it is once again a case of socializing losses to save the system and to create the conditions for in due course re-privatising and re-launching the race for profits. Moreover, none of the governments has called into question the privatizations carried over the last few years. The attacks on the public services, the cuts in the number of civil servants are confirmed. There again, we are far from the economic and political relations which prevailed at the time of the nationalizations and the establishment of public services in the post-war period.

We are in the first phases of the crisis. Its deepening can upset all the bourgeois policies. Economic and political rationality "can push towards more economic stimuli, wage and social concessions, more green growth". There can be substantial changes in the policies of the ruling classes, depending on the social and political relationships of forces, but capitalism is not a rational system, it is the competition between individual capitals which have their own interests, between multinationals which also have their own interests, between states which also have their interests... and all that can lead to new tensions and new confrontations. In any case, what prevails today are the

social and political interests of the ruling classes, who are seeking by all means to preserve their profits.

### 3.2. Another question: can “green capitalism” re-start the machine?

Can we have a capitalism which tackles environmental problems and at the same time opens new fields of accumulation and new outlets? There is on this subject a whole discourse around certain of Obama’s proposals (see Michel Husson’s article “Is green capitalism possible?” in the January 2009 issue of *ContreTemps*).

A green capitalism is theoretically possible. As the resolution on climate change, submitted for discussion at the next congress of the International, indicates, “In the abstract a capitalism based on renewable energy sources seems conceivable, since the technical potential for renewable is equivalent to eight to ten times the worldwide consumption of energy. In practice, the transition towards this green capitalism, starting from really existing capitalism, 80 per cent based on fossil sources, is completely incompatible with the requirements of the rescue of the climate. It is impossible to re-launch present-day capitalism without re-starting greenhouse gas emissions. Capitalism takes into account only the quantitative indicator of reduction in emissions, whereas the piloting of a transition requires many qualitative indicators.” And there is a problem there.

There will be introduction of new technologies, eco-taxes, changes in the fields of transport and housing. But to talk of “green Fordism” or “a green way out of the crisis” is not to understand the limits of capitalism to deal with ecological and environmental problems.

a) There is first of all a problem of “timing”. The crisis is there, immediate. The fall in demand, the contraction of credit, the budgetary problems limit the expenditure on new energy. The answers, even in terms of “green capitalism” are medium- and long-term ones. The crisis requires immediate, even urgent answers.

b) They need to have sufficient profitability. The cost of new technologies or eco-taxes poses problems of profitability. That is too expensive for a series of sectors. And it is not sure that in the sectors with strong green investment, the productivity gains are sufficiently high and durable.

c) What is necessary is not only considerable growth but also outlets. However, keeping wages down limits the outlets for this green growth...

d) An “ecological” reorganization of the world economy requires coordination, international norms, choices and orientations in the medium and long term. These choices are contradictory with the laws of competition and the market, which are based on as much profit as possible and as much of it as possible in the short term.

e) Lastly, such choices, combining a durable Keynesian turn and massive ecological growth, can result only from choices that are exogenous to the actual dynamics of the economic situation, from socio-political choices related to great upheavals... Without these choices, we will have a situation alternating between deepening of the crisis and partial, limited recoveries.

f) More substantially a logic satisfying social needs, corresponding to new modes of production and consumption, cannot coexist with a logic of capitalist profitability dominated by the competition of individual capitals. We need international planning and coordination in order to reorganize the world economy. This is the basis of an ecosocialist alternative.

### **3.3. Is a protectionist turn on the agenda?**

The crisis automatically sharpens competition, and is even capable of transforming it into economic war. World trade and exchanges tend to contract. Declarations by the American administration on the need “to buy American”, of the Spanish government “to buy Spanish” are an indication. The criticisms by the European Union and the Czech presidency of the 6.7 billion euros of aid by the French government to its car industry also reflect this inclination. Internal contradictions within the European Union prevented the setting-up of a coordinated European plan. Economic management in Europe has become, with the crisis, more national than it was before; the stability pact has been put on one side. The opposition between Germany, Great Britain and France, related to the specific positions of the economies of these countries in the international division of labour and on the world market, explain these contradictions.

So we will have pressures, impulses, “protectionist” inclinations which, in emergencies, will push the leaders of each country to preserve their positions, in particular through political initiatives that are reactionary, nationalist, even xenophobic, but the choice of the leaders of this world to pursue an orientation which defends their class interests implies, precisely to preserve their positions in a globalized world, continuing their integration into the world economy and into international institutions.

Moreover, historical experience pushes the dominant classes to curb their protectionist impulses. But the deepening of the crisis can lead, from this point of view, to modifications. And that can cause swings in the popular classes where nationalist, reactionary, far-right ideas can re-appear. The reactions of certain sectors, fortunately a minority, of the British labour movement taking up the reactionary slogans of “British jobs for British workers” are an indication of this. The night “rounds” authorized by the Berlusconi government and organized by the Italian Right against immigrants, in particular Romanians, also testify to the rise of racist, xenophobic and far-right ideas.

The workers’ movement must in any case protect itself from all these “protectionist” or nationalist policies. Any policy of penalization of the people of the South, in particular through various customs and tax policies, must be rejected. It is also necessary to reject any competition between workers of this or that country. Solidarity around common demands on the international level is one of the decisive questions in the face of the crisis.

## **4. The victory of Obama constitutes one of the demonstrations of this world turn.**

We have already said that it is the conjunction of the choice of the American ruling class “to change face” to pull things together again, in an economic situation where the position of the United States has deteriorated considerably, and of the massive rejection by the American people of the eight years of the Bush administration. It is indeed important to note the weakening of America’s position in the world in order to understand the coming to power of Obama.

Because Obama will be the man who will defend the interests of American imperialism in a new world situation, all the more so as the immensity of the US market and its military force still give him serious advantages.

On the economic level, the United States depends on its creditors - Japanese, Chinese, various sovereign funds - who finance its debt. But these creditors depend in their turn on the United States and on the value on the dollar. In fact, we could have expected the dollar to fall after the United States was hit by the crisis. However the dollar is holding up! First of all because it is backed up by a state, unlike the euro, then by the mass effect - the enormous and continuing power of the United States. Lastly, the dollar holds up because if it crumbled, the Chinese, Japanese and

the various other funds would be penalized. Of the \$2,300 billion that make up the Chinese reserves, \$1,700 billion are invested in the USA! Everyone is holding everyone else up... and so it is the dollar (and with it US capitalism), in spite of the tensions with the Chinese yuan and the euro, which remains the world reference currency.

On the military level, Obama has limited room for manoeuvre, but make no mistake; he remains the man of the American politico-military apparatus: on the Israel-Palestine conflict, he continues to support all the Israeli governments. He is redefining the strategic priorities of US imperialism by giving priority to Afghanistan, where the American command will send new troops (more than 17,000 soldiers) and is exhorting its allies to send some! In Iraq, he has decided on a calendar for withdrawal of troops provided the situation allows it. On a more general level, the United States retains politico-military hegemony, but must renegotiate it, re-discuss it with its allies. We are no longer in 1990-92, nor even in 2001-2004, after September 11, 2001. The Obama administration will have a more co-operative policy with the European Union and with countries like Brazil in Latin America. But it will require a counterpart from the Latin-Americans: to take their distance from or break with the progressive regimes. Chávez has already been characterized as an "obstacle" to the establishment of good relations between the United States and the other countries of South America. Obama has confirmed American policy with respect to Cuba. Moreover, the declarations of Castro denounce illusions in the new American president.

All the more so as there are plenty of illusions. You could feel it in certain sectors of the WSF in Belem, who went so far as to pose the question: Why not Obama at the WSF? Fortunately, these declarations were very isolated. While taking account of the "new positions" of the current administration compared to those of Bush, we should make no mistake about who Obama is and what interests he defends.

## 5. The crisis overdetermines all of world politics.

It will provoke changes, perhaps upheavals in the situation of the Left and the workers' movement.

The policy of social democracy remains in its social-liberal framework. Its leaders have in general supported the rescue plans for the banks, while considering them insufficient and asking for counterparts. It is these forces which use references to Keynesian policies, especially when they are in opposition, in order to integrate them into policies which remain within the neoliberal framework. Nevertheless, confronted with popular reactions, oppositions and resistances in the face of the crisis, they can straddle the movement and adopt more left positions. But when it is a question of a fundamental position, as on Europe, they confirm their general orientations. It is less interesting to discuss the left leaderships than to discuss the state of the relationships of forces and the first popular reactions faced with the crisis. The first reactions indicate that the peoples and the workers are not ready to remain passive. The first big world demonstration against the crisis was the Belem WSF. Beyond the diversity of responses, the 130,000 participants expressed the need to refuse the capitalist crisis. They gave new energy to the global justice movement. Rediscovering the "Brazilian" roots of the WSF made it possible to start again. Because the Belem Forum also confirmed, in spite of the policies of the Lula government, the strength of the social movements that exist in Brazil, the trade union movement, the MST (Movement of landless peasants) and thousands of other associations, such as for example those of the Indian populations. It is also within this framework that the experiences of partial ruptures with imperialism of Chávez, Morales and Correa stimulate the resistance of the people in Latin America. From this point of view, in spite of the enormous pressure of US imperialism, the experience of Lula who in his turn wants to align these countries with Brazil, and the right-wing forces in Venezuela and Bolivia, the victories of the "yes" vote in the referendums in Bolivia and Venezuela represent decisive points of support in Latin America. The social conquests (health, education, reduction of poverty) and policies (against the domination of the United States) are undeniable. If these regimes had been defeated we can imagine the changes in the relationships of forces in these countries and in Latin America, the pressures on Cuba, etc. Now they are faced with a major problem: the



attitude to adopt towards the crisis, whereas the present social conquests are insufficient. This really does represent a test, especially if the room for manoeuvre based on oil decreases in Venezuela. Either these countries will not resist the effects of the crisis, or on the basis of the crisis and under the pressure of the social movements, these governments will take measures affecting the structure of the economy, the distribution of wealth and the structure of property. It is now that the content of the rupture will be confirmed, deepened or not.

There is no automatic link between economic crisis and social and political radicalisation of the workers.

There is no mechanical relationship between economic crisis and class struggle. There is on the contrary polarization to the left and to the right, reactionary pressures that can or will develop, but, on the other hand, the workers and their organizations are not approaching the crisis without having relationships of forces and acquired positions, without radical forces existing, here and there. There is already social resistance in some countries and in some sectors.

On a more general level, how can we fail to make the connection between the success of Belem and these resistances in Latin America, and the explosion of Greek youth, the events in the French West Indies, the 2 million demonstrators on January 29 in Paris. We have to follow the curve of the demonstrations and strikes in each country. But, in spite of the defeats of the 1980s and 1990s, the conquests that have been won and the political, organisational and institutional positions that the workers' movement has maintained, as well as the emergence of new generations ready fight, represent so many points of support for resistance.

It is this double movement: the social-liberal evolution of the traditional Left and social resistances, which gives new space for the anti-capitalist Left.

Lastly, in the international conjuncture, the Middle East and the Palestinian question constitute a key question. The movement of sympathy with the resistance of the people of Gaza gives has given fresh energy to the solidarity campaigns with the Palestinian people.

## **6. The crisis of capitalism, its depth, its duration, put on the agenda an anti-capitalist action programme.**

What was previously in the realm of propaganda, of general explanations, can become agitation. The defenders of the liberal order are completely destabilized. The coherence of the neoliberal discourse has exploded in mid-air. The incantations about making capitalism more moral, about re-founding it, are completely lacking in credibility. They are rather an expression of the panic that has gripped the capitalist leaders. Our answers take on a new significance, a new relevance which must establish the link between immediate demands and the objectives of a social transformation which will lead to a change of system, an anti-capitalist, ecosocialist transitional plan for the socialism of the 21st century.

"We should save the people, not the bankers!"

"It is not up to the peoples and the workers to pay for the crisis, it's up to the capitalists!"

Faced with lay-offs, with redundancies, with a drop in purchasing power, with the destruction of public services, with environmental pollution, we need a social and ecological emergency plan. Refusal of lay-offs, of technical and partial

redundancies, reduction of working time and sharing out of work between all workers, regular and precarious, with the unemployed, for a guaranteed job with decent wages, an increase in wages to stimulate demand, defence and reorganization of public services to serve the population, big public works centred on the priority to ecological considerations (energy saving, renewable energies, the fight against pollution, public transport, social housing, job creation in socially useful ecological activities). The specific demands of women against imposed part-time work, against precarious work and for new public services, in particular concerning young children, must also occupy their full place in the situation of social emergency.

In this battle, we have an “enormous” argument. Over the last few decades, in the name of competition, of competitiveness and of the fight against budget deficits and debt, those in power dug their heels in and refused every substantial demand... And overnight, tens of billions were made available to the banks!!!

The funds granted to the banks must be used to finance priority social demands. Around these demands, we propose the broadest unity of action.

This emergency social plan must also be combined with the defence of democratic rights and liberties, in particular the defence of the rights of immigrants and undocumented workers.

Beyond that there begins the strategic debate over answers to the crisis. From this point of view the debates at the WSF in Belem were a good illustration.

A first option, neo-Keynesian, is centred on new regulations: closing down tax havens, new financial norms, taxation of financial transactions. The discussions in the commission on the financial crisis which was held in Belem, aimed “to put finance at the service of the citizens” but without calling into question the ownership of the banks and the big companies, or else at advocating a mixed system, with private banks and a public banking pole. We already know that mixed systems in a capitalist regime lead to the domination of the private sector. These proposals are accompanied by an approach which accords a central role to state and international institutions. The social movements are there only to exert pressure on the UN or on such and such a meeting of the G20, which for the occasion would be extended to certain countries of the South and would become the G23.

A second option takes up partial demands (taxes, the fight against tax havens) but links them to challenging the capitalist system. Firstly by a radical policy of redistribution of wealth, taking massively from profits to give to wages, employment, social security, public services.

But the crisis raises another question: who controls, who decides, who owns? This is the question of ownership. The bankruptcy of the banks or big companies is not only the result of financial excesses or of fraud; it is the consequence of a system dominated by the search for profit at any cost for a small minority of privileged people. We have to have a change of logic. It is necessary, for example, to take power away from the owners of the banks. The banks must be nationalized under the control of the workers and the consumers. The companies that go bankrupt must be put under public control and run by the workers. But we can go further, around the concept of “common property”, one of the demands of the global justice movement. The crisis widens the concept of “common property”. “Common property” is not only water, land, health, education. It is necessary to extend it, to widen the use of this concept to cover all the sectors of the economy that are necessary for social needs. That implies, as was stressed in many discussions at the WSF (in particular in interventions of François Houtart, a liberation theologian) putting at the centre of things use value and not exchange value. And, if the economy is considered as common property, then the question of public and social appropriation of the key sectors of the economy, democracy and control is posed. From this point of view, the declaration of the assembly of the social movements, which supports objectives like the nationalization of the banks, without compensation and under workers’ control, the reduction of working time without reduction of wages, the development of forms of social property, constitutes a point of support for our intervention.

## The crisis overdetermines all of world politics

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So those are a series of arguments, updated in order to present an anti-capitalist way out of the crisis. That has a double consequence on the strategic level:

a) To put at the centre of things mobilization, the social relationship of forces for the satisfaction of demands. The changes made necessary by the depth of the crisis are such that they require social and political upheavals of an exceptional scale. These relationships of forces can be expressed on the institutional level. Partial reforms can be obtained. But the behaviour of the ruling classes, who fiercely defend their interests, confirms that to even obtain partial reforms, we need and will continue to need large-scale social mobilizations.

b) The application of an anti-capitalist programme requires an anti-capitalist government, based on the mobilization and the self-organization of the popular classes, which undertakes a process of rupture with the system. This objective must be prepared by partial experiences of popular control and management, by confrontations with the capitalist state. The fight for such anti-capitalist governments is incompatible with support for or participation in parliamentary coalitions or governments which manage the capitalist crisis, as social democracy and the centre left do today.