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## **THE SOUTH AND THE GLOBAL CRISIS**

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### **SECTION I The real world**

#### **At the heart of today's problem: the capitalism of the oligopolies which has been generalized, globalized and financialized**

Capitalism has reached a stage of centralization and concentration of capital out of all comparison with the situation only 50 years ago and I thus describe this capitalism as one of generalized oligopolies. 'Monopolies' (or, better, oligopolies) are in no way new inventions in modern history. What is new, however, is the limited number of registered oligopolies ('groups') which stands at about 500, if only the colossal ones are counted, and 3,000 to 5,000 in an almost comprehensive list. They now determine, through their decisions, the whole of the economic life of the planet, and more besides. This capitalism of the generalized oligopolies is thus a qualitative leap forward in the general evolution of capitalism.

The reason given for this evolution – and usually it is the only one – is that it is the inevitable result of technological progress. This is only very partially true – and even so, it is important to specify that technological invention is itself commanded very largely by the requirements of concentration and gigantism. For much production, efficiency not only does not demand gigantism but, on the contrary, 'small' and 'medium' enterprises. This is the case, for example, of agricultural production, in which modern family agriculture has proved to be far more efficient. But it is also true of many other types of production in goods and services, which are now subordinated to the oligopolies that determine the conditions of their survival.

In actual fact the real most important reason is the search after maximum profits which benefits the powerful groups who have priority access to capital markets. Such concentration has always been the response of capital to the long, deep crises that have marked its history. In recent times it happened for the first time after the crisis that started in the 1870s, and for the second time, exactly a century later, in the 1970s.

This concentration is at the origin of the 'financialization' of the system, as this is how the oligopolies siphon off the global surplus value produced by the production system, a 'rent monopoly' that enables oligopolistic groups to increase considerably their rate of profit. This levy is obtained by the exclusive access of oligopolies to the monetary and financial markets which thus become the dominant markets.

'Financialization' is not, therefore, in any way the result of a regrettable drift linked to the 'deregulation' of financial markets, and even less of 'accidents' (like the subprimes) on which vulgar economics and the accompanying political discourse concentrate people's attention. It is a necessary requirement for the reproduction of the system of generalized oligopolies. In other words, until their (private) status is challenged, there is no point in talking about a bold 'regulation' of the financial markets.

The capitalism of the generalized and financialized oligopolies is also globalized.

Here, again, 'globalization' is in no way a new characteristic of capitalism, which has always been 'globalized'. I have even gone further in the description of capitalist globalization, stressing its inherently 'polarizing' character (producing a growing gulf between the 'developed' centres of the system and its dominated peripheries). This has taken place at all stages of capitalist expansion in the

past and present, as well as in the foreseeable future. I have also advanced the thesis that the new phase of globalization was necessarily associated with the emergence of the “collective imperialism of the Triad”.

The new globalization is itself inseparable from the exclusive control of access to the natural resources of the planet exercised by collective imperialism. Hence the contradiction centre/peripheries – the North/South conflict in current parlance – is central in any possible transformation of the actually existing capitalism of our time. And more markedly than in the past this, in turn, requires the “military control of the planet” on the part of the collective imperialist centre.

The different ‘systemic crises’ that have been studied and analyzed – the energy-guzzling nature of production systems, the agricultural and food crisis and so on – are indissociable from the capitalist reproduction requirements of the generalized, financialized and globalized oligopolies. If the status of these oligopolies is not brought into question any policies to solve these ‘systemic crises’ – ‘sustainable development’ formulas – will just remain idle chitchat.

The capitalism of the generalized, financialized and globalized oligopolies has thus become an ‘obsolete’ system, in the sense that the socialization of the oligopolies, that is the abolition of their private status, should now become the essential strategic objective in any genuine critical analysis of the real world. If this does not happen the system by itself can only produce more and more barbaric and criminal destruction – even the destruction of the planet itself. It will certainly mean the destruction of the societies in the peripheries: those in the so-called ‘emerging countries as well as in the ‘marginalized’ countries.

The obsolete character of the system as it has reached the present stage of its evolution is itself inseparable from changes in the structures of the governing classes (‘bourgeoisies’), political practice, ideology and political culture. The historical bourgeoisie is disappearing from the scene and is now being replaced by the plutocracy of the ‘bosses’ of the oligopolies. The drift in the practice of a democracy emptied of all content and the emergence of ideological expressions that are ultra reactionary are the necessary accompaniment of the obsolete character of contemporary capitalism.

The domination of the oligopolies is exercised in the central imperialist Triad in different conditions and by different means than those used in the countries of the peripheries of the system. It is a decisive difference, essential for identifying the major contradictions of the system and then imagining the possible evolutions in the North/South conflict, which will probably increase.

The collective imperialist Triad brings together the United States and its external provinces (Canada and Australia), Western and Central Europe, and Japan. The globalized monopolies are all products of the concentration of the national capital in the countries that constitute the Triad. The countries of Eastern Europe, even those that now belong to the European Union, do not even have their own ‘national’ oligopolies and thus represent just a field of expansion for the oligopolies of Western Europe (particularly Germany). They are therefore reduced to the status of the periphery. Their lopsided relationship to Western Europe is, *mutatis mutandis*, analogous to that which links Latin America to the United States (and, incidentally, to Western Europe and Japan).

In the Triad, the oligopolies occupy the whole scene in economic decision-making. Their domination is exercised directly on all the huge companies producing goods and services, like the financial institutions (banks and others) that stem from their power. And it is exercised indirectly on all the small and medium businesses (in agriculture as in other fields of production), which are often reduced to the status of sub-contractors, continually subordinated to the constraints that the oligopolies impose on them at all stages of their activities. The oligopolies of the Triad operate in the countries of the periphery using various methods that will be described later on.

Not only do the oligopolies dominate the economic life of the countries of the Triad. They monopolize political power for their own advantage, the electoral political parties (right and left)

having become their debtors. This situation is, for the foreseeable future, accepted as being 'legitimate', in spite of the degradation of democracy that it involves. It will not be threatened until, sometime in the future perhaps, 'anti-plutocracy fronts' are able to include on their agenda the abolition of the private management of oligopolies and their socialization, in complex and openly evolving forms.

Oligopolies exercise their power in the peripheries in completely different ways. It is true that outright delocalization and the expanding practice of subcontracting have given the oligopolies of the Triad some power to intervene direct into the economic life of the various countries. But they still remain independent countries dominated by local governing classes through which the oligopolies of the Triad are forced to operate. There are all kinds of formulas governing their relationships, ranging from the direct submission of the local governing classes in the 'compradorized' ('re-colonized') countries, above all in the 'marginalized' peripheries (particularly, but not only Africa) to sometimes difficult negotiations (with obligatory, mutual concessions) with the governing classes, especially in the 'emerging' countries – above all, China.

There are also oligopolies in the countries of the South. These were the large public bodies in the former systems of actually existing socialism (in China, of course as in the Soviet Union, but also at a more modest level in Cuba and Vietnam). Such was also the case in India, Brazil and other parts of the 'capitalist South'; some of these oligopolies had a public or semi-public status, while others were private. As the globalization process deepened, certain oligopolies (public and private) began to operate outside their borders and take over the methods used by the oligopolies of the Triad. Nevertheless, the interventions of the oligopolies of the South outside their frontiers are – and will remain for a long time – marginal, compared with those of the North. Furthermore, the oligopolies of the South have not captured the political power in their respective countries for their own exclusive profit. In China the 'statocracy' of the Party-State still constitutes the essential core of power. In Russia, the mixture of State/private oligarchies has returned the autonomous power to the State that it had lost for a while after the collapse of the Soviet Union. In India, Brazil and other countries of the South, the weight of the private oligarchy is not exclusive: power rests on broader, hegemonic blocs, including mainly the national bourgeoisie, the middle classes, the owners of modernized large estates (latifundia) and rich peasants.

All these conditions make it impossible to confuse the State in the Triad countries (which functions for the exclusive use of the oligarchy and is still legitimate) and the State in the peripheries. The latter never had the same legitimacy as it has in the centres and it may very well lose what little it goes have. Those in power are in fact fragile and vulnerable to social and political struggles.

The hypothesis is unquestionably mistaken – even for the 'emerging countries' – that this vulnerability will be 'transitory' and likely to attenuate with the development of local capitalism, itself integrated into globalization, which derives from the linear vision of 'stages of development' (formulated by Rostow in 1960). But conventional thought and vulgar economics are not intellectually equipped to understand that 'catching up' in the system is impossible and that the gap between the centres and the peripheries will not 'gradually' disappear.

The oligopolies and the political powers that serve them in the countries of the Triad continue their sole aim of 'emerging from the financial crisis' and basically restoring the system as it was. There are good reasons to believe that this restoration – if it succeeds, which is not impossible, although more difficult than is generally thought – cannot be sustainable, because it involves returning to the expansion of finance, which is essential for the oligopolies if they are to appropriate monopoly rent for their own benefit. A new financial collapse, still more sensational than that of 2008, is therefore probable. But these considerations apart the restoration of the system, with the aim of allowing the expansion of the activities of the oligopolies to be resumed, would mean increasing the accumulation process by dispossessing the peoples of the South (through seizure of their natural resources, including their agricultural land). And the ecologists' discourses on 'sustainable development' will not prevail

over the logic of the expansion of the oligopolies, that are more than capable of appearing to ‘adopt’ them in their rhetoric – as we are already seeing.

The main victims of this restoration will be the nations of the South, both the ‘emerging’ countries and the others.

So it is very likely that the ‘North/South’ conflicts are destined to become much greater in the future. The responses that the ‘South’ will give to these challenges could thus be pivotal in challenging the whole globalized system. This may not mean questioning ‘capitalism’ directly, but it would surely mean questioning the globalization commanded by the dominating oligopolies.

The responses of the South must indeed focus on helping to arm their peoples and States to face the aggression of the oligopolies of the Triad, to facilitate their ‘delinking’ from the existing globalization system and to promote alternatives of multiple South/South cooperation.

Challenging the private status of the oligopolies by the peoples of the North themselves (the ‘anti-plutocracy front’) is certainly an absolutely strategic objective in the struggle for the emancipation of workers and peoples. But this objective has yet to become politically mature and it is not very likely to happen in the foreseeable future. Meanwhile, the North/South conflicts will probably move to centre stage.

### **Capitalism, a parenthesis in history**

The principle of endless accumulation that defines capitalism is synonymous with exponential growth and this, like cancer, ends in death. Stuart Mill, who had understood, thought that a ‘stationary state’ would halt this irrational process. Keynes shared this optimism of Reason. But neither of them were able to understand how the necessary overtaking of capitalism could be imposed. However, Marx, by assigning the new class struggle its role, could imagine overcoming the power of the capitalist class, which is today concentrated in the hands of the oligarchy.

Accumulation, which is also another word for impoverishment, constitutes the objective background for struggles against capitalism. But it takes place mainly through the growing contrast between the opulence of the societies of the centre, that benefit from the imperialist rents and the destitution of the societies in the dominated peripheries. This conflict thus becomes the central theme of the alternative ‘socialism or barbarism’.

Historically, ‘actually existing’ capitalism has taken place in successive forms of accumulation through dispossession, not only at the outset (‘primitive accumulation’) but at all stages of its development. Once constituted, this ‘Atlantic’ capitalism set out to conquer the world and to rebuild it on the basis of a permanent dispossession of the conquered regions, which thus became the dominated peripheries of the system.<sup>6</sup>

This ‘victorious’ globalization has proved incapable of imposing itself lastingly. Hardly half a century after its triumph, which could have seemed even then to inaugurate the ‘end of history’, it was challenged by the revolution of the Russian semi-periphery and the (victorious) liberation struggles of Asia and Africa which mark the history of the 20<sup>th</sup> century – the first wave of struggles for the emancipation of workers and peoples.

Accumulation through dispossession has been continuing under our eyes in the late capitalism of contemporary oligopolies. In the centres, the rent-seeking monopolies, from which the oligopolistic plutocrats benefit, are tantamount to the dispossession of the whole productive base of society. In the peripheries, this impoverishing dispossession is illustrated by the expropriation of the peasantry and the pillage of the natural resources of the regions concerned. Both these practices constitute essential planks in the expansion strategies of the later capitalism of the oligopolies.

In this context, I put the ‘new agrarian question’ at the heart of the challenge for the 21<sup>st</sup> century. The dispossession of the peasantry (Asian, African and Latin American) constitutes the main contemporary form of the tendency towards the impoverishment (in the sense that Marx gave to this ‘law’) that is associated with accumulation. Its implementation cannot be separated from the seizure of rent-seeking imperialism by the oligopolies, with or without agro-fuels. I deduce from this that the development of struggles on the land, the response that will be given through them to the future of the peasant societies of the South (almost half of humanity) will determine the capacity of workers and peoples to progress towards an authentic civilization, liberated from the domination of capital, for which I see no other name than that of socialism.<sup>7</sup>

The pillage of the natural resources of the South makes it necessary to continue wasteful consumption for the exclusive benefit of the rich societies of the North and destroys all prospect of a development worthy of the name for the people of the South and it thus constitutes the other side of the medal as concerns impoverishment at the world level. Hence the ‘energy crisis’ is not created by the scarcity of certain resources necessary for its production (of oil, of course), nor is it the result of the destructive effects of the current energy-guzzling forms of production and consumption. While these are real, they constitute only immediate and visible evidence of the problems. But this crisis has been produced by the desire of the oligopolies of collective imperialism to ensure their monopoly of access to the natural resources of the planet, whether they are rare or not, in order to appropriate the imperialist rent, whether or not the utilization of these resources remains as it is at present (wasteful and energy-guzzling) or the resources are subject to new, corrective ‘ecological’ policies. I thus predict that the pursuit of the expansion strategy of the late capitalism of the oligopolies will necessarily come up against a growing resistance from the nations of the South.

### ***From one long crisis to another***

The current crisis is neither a financial crisis, nor an ensemble of multiple systemic crises, but the crisis of the imperialist capitalism of the oligopolies, whose exclusive and supreme power risks being challenged, once again by the struggles of all the popular classes and by those of the peoples and nations of the dominated peripheries, whether or not they seem to be ‘emerging’. It is simultaneously a crisis of US hegemony. The capitalism of the oligopolies, the political power of the oligarchies, the barbarous globalization, financialization, the hegemony of the United States, militarization of the management of a globalization at the service of the oligopolies, the decline of democracy, the pillage of the planet’s resources, the abandonment of the prospects for the development of the South: all these are indissolubly linked.

The real challenge is thus: will the struggles succeed in converging to open the way, or ways to the long road of transition to world socialism? Or will they remain separated one from another, even coming into conflict with each other, and thus be ineffective and leave the initiative to the capital of the oligopolies?

It is worth going back to the first long crisis of capitalism, which shaped the 20<sup>th</sup> century, as the parallel between the stages of development in these two crises is really striking.

The industrial capitalism that triumphed in the 19<sup>th</sup> century entered into crisis as from 1873. The rate of profits collapsed, for the reasons shown by Marx. Capital reacted in two ways: by concentration and globalized expansion. The new monopolies seized the rent levied on all the surplus value generated by the exploitation of labour and accelerated the colonial conquest of the planet. These structural transformations enabled them to obtain soaring new profits and opened the way to the ‘Belle Epoque’ – from 1890 to 1914 – which represented the globalized domination of the capital of financialized monopolies. At the time the dominant discourse praised colonization (the ‘civilizing mission’) and described globalization as being identical with peace. The social democracy of the European workers rallied to this discourse.

And yet the ‘Belle Epoque’, which was proclaimed as the ‘end of history’ by the leading ideologues of the era, ended in a world war, as only Lenin had foreseen. And the period that followed, up until the aftermath of the second world war, was to be a period of ‘wars and revolutions’. In 1920, the Russian revolution (the ‘weak link’ in the system), having been isolated after the defeat of the hopes for revolution in central Europe, the capital of the financialized monopolies restored the ‘Belle Epoque’ era, against all odds. This restoration, which was denounced by Keynes at the time, was at the origin of the financial collapse of 1929 and the subsequent depression that continued until the second world war.

The ‘long 20<sup>th</sup> century’ - 1873 to 1990 – thus saw both the unravelling of the first deep systemic crisis of an ageing capitalism (to the point that Lenin thought that this monopoly capitalism constituted the ‘highest stage of capitalism’), as well as the first, triumphant wave of anti-capitalist revolutions (Russia, China) and the anti-imperialist struggles of the peoples of Asia and Africa.

The second systemic crisis of capitalism started in 1971, when the dollar lost its convertibility to gold, almost exactly one century after the first crisis. The rate of profit, investment and growth all shrank (and were never to return to the same levels they had enjoyed from 1945 to 1975). Capital responded to the challenge in the same way as in the preceding crisis: by a double movement of concentration and globalization. Thus it established the structures that were to define the second ‘Belle Epoque’ – 1990 to 2008 - of financialized globalization that enabled the oligopolistic groups to maintain their rent monopoly. There was the same accompanying discourse: the ‘market’ guaranteed prosperity, democracy and peace – it was the ‘end of history’. And, as before, the European socialists rallied to the new liberalism. Yet this new ‘Belle Epoque’ was, from the outset, marked by war, waged by the North against the South, starting in 1990. And as the first financialized globalization led to 1929, the second produced 2008. We have now reached a crucial point when there is a probability of a new wave of ‘wars and revolutions’. All the more so because the powers that be cannot envisage anything else than the restoration of the system as it was before the financial collapse.

The analogy between the developments of these two long, systemic crises of ageing capitalism is striking. However, there are differences, the political implications of which are important.

***The second wave of peoples’ emancipation: will it be a remake of the 20<sup>th</sup> century, or an improvement?***

The contemporary world is governed by oligarchies. There are the financial oligarchies in the United States, Europe and Japan, who dominate not only the economic world but politics and everyday life just as much. There are the Russian oligarchies that imitate them and which the Russian State tries to control. There is statocracy in China. Then there are autocracies (sometimes masked by a certain façade of ‘low intensity’ electoral democracy) that form part of this world system elsewhere on the planet.

The management of contemporary globalization by these oligarchies is now in crisis.

The oligarchies of the North are counting on staying in power, once the period of crisis is over. They do not feel threatened. On the other hand, the fragility of the powers of the autocracies in the South is very visible. Thus the current globalization is vulnerable. Will it be challenged by the revolt in the South, as happened in the last century? Probably, but that is not enough. Because, for humankind to embark on the path to socialism, the only human alternative to chaos, it will be necessary to dismiss these oligarchies, their allies and their servants, both in the North and in the South.

Capitalism is ‘liberal’ by nature, that is if by ‘liberalism’ is meant, not the pretty appellation that the term inspires, but the full exercise of the domination of capital, not only over work and the economy, but over all aspects of social life. There is no ‘market economy’ (the common way of saying capitalism) without a ‘market society’. Capital relentlessly pursues its unique objective – making

money. Accumulation for itself. Marx, but other critical thinkers after him like Keynes, had understood this perfectly. But not our conventional economists, including those of the left.

This exclusive and total domination of capital had been inexorably imposed by the governing classes during the whole of the long, preceding crisis up to 1945. Only the triple victory, of democracy, socialism and the national liberation of peoples made it possible, from 1945 to 1980, to substitute for this permanent model of the capitalist ideal, the conflictual coexistence of three regulated social models, which were the Welfare State of the West's social democracy, the actually existing socialisms of the East and the popular nationalisms of the South. The loss of impetus and the consequent collapse of these three models made it possible to return to the exclusive domination of capital, called neoliberalism.

The social disasters that liberalism let loose – ‘the permanent utopia of capital’ as I put it – inevitably inspired much nostalgia for the past, both recent and more distant. But these nostalgias did not facilitate an appropriate response to the challenge. For they were a product of the impoverishment of critical theoretical thinking which gradually made it impossible to understand the internal contradictions and limits of the post second world war period, of which the erosions, drifts and collapses appeared like unexpected cataclysms.

Nevertheless, in the vacuum created by the decline in critical theoretical thinking, a new awareness of the systemic crisis of civilization has been able to develop. I am referring here to the ecologists. But the Greens, who claimed to distinguish themselves radically from the Blues (the conservatives and the liberals) and the Reds (the socialists), have become trapped in an impasse because they have not integrated the ecological dimension into a radical criticism of capitalism.

Thus everything was set to ensure the triumph – temporary, in fact, but believed to be definitive – of the alternative of so-called ‘liberal democracy’. It is a miserable way of thinking – a veritable non-thinking – that takes no notice of Marx's decisive remarks about this bourgeois democracy which ignores the fact that those who decide are not those who are affected by the decisions. Those who decide, profiting from the reinforcing freedom of the control of property, are today the plutocrats of the capitalism of the oligopolies and the States that are their debtors. Obviously the workers and peoples concerned are hardly more than victims. But such illusions could have seemed believable, at least for a short while, because of the drift of the post-war systems, the origins of which the dogmatics did not allow themselves to understand. Liberal democracy could then seem to be the ‘best of possible systems’.

These days, the powers that be, who had not foreseen anything themselves, are doing their best to restore the same system. Their eventual success, like that of the conservatives of the 1920s – whom Keynes denounced without any support at the time – can only exacerbate all the conditions that are the cause of the financial collapse of 2008.

The recent meeting of the G20 (London, April 2009) in no way starts up a ‘reconstruction of the world’. And it is not perhaps by chance that it was followed by that of NATO, the militarized arm of contemporary imperialism and by the reinforcement of its military occupation in Afghanistan. The permanent war of the ‘North’ against the ‘South’ must go on.

We have already seen that the governments of the Triad – the US, Europe and Japan – are pursuing the exclusive objective of restoring the system such as it was before September 2008. More interestingly, the leaders of the invited ‘emerging countries’ have kept silent. Only one intelligent sentence was uttered during this Grand Circus, by the Chinese President Hu Jintao, who observed, ‘in passing’, without insisting and with a (mocking?) smile, that it was necessary to end up by envisaging the creation of a world financial system that was not based on the dollar. A few rare observers immediately – and correctly – made the connection with Keynes' 1945 proposals.

This 'remark' reminds us of the reality: that the crisis of the system of oligopoly capitalism is inseparably linked to that of the hegemony of the United States, which is running out of steam. But what will take its place? Certainly not 'Europe' which does not exist apart from atlanticism and has no ambition to be independent, as the NATO meeting once again demonstrated. China? This 'threat', which the media endlessly conjure up (a new 'yellow peril') is baseless. The Chinese authorities know that their country does not have the means and they have no desire. The strategy of China is content with working towards a new globalization, without hegemonies. This is not considered acceptable either by the United States or by Europe.

Thus the chances of a possible development in that direction lie entirely with the countries of the South.

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<sup>6</sup> Giovanni Arrighi, *The Long Twentieth Century*; Verso, London, 1994  
Giovanni Arrighi, *Adam Smith in Beijing*; W.W.Norton, New York, 2007  
The concept of accumulation through dispossession, introduced by Arrighi, together with that of 'permanent primitive accumulation' that I put forward, is characteristic of historical capitalism. It is European in origin, as opposed to other paths towards capitalism, inaugurated by China of the Sung and Ming (correspondence between Arrighi and Amin)

<sup>7</sup> See the works of Samir Amin, Sam Moyo, Archie Mafeje and others in  
Samir Amin, *Sur la crise, sortir de la crise du capitalism ou sortir du capitalisme en crise*; Le Temps des Cerises, Paris, 2009. Chapters 2 and 3

## **SECTION II The responses of the dominant system to its crisis**

### **The military control of the planet by the imperialists**

The real challenge that the people face is first of all the militarization of globalization. In fact, the military control of the planet by the United States and its subalterns (NATO and Japan) has become the only way, at last resort, that makes it possible to levy the imperialist rent without which the system cannot survive. The Empire of chaos, as I have been describing it since 1991, and the permanent war against the peoples of the South are one and the same thing. This is why one of the first strategic objectives of the progressive and democratic forces in the North and in the South, must be to defeat the armed forces of the Triad, to force the United States to abandon its bases spread over all the continents and to dismantle NATO.<sup>11</sup>

This is probably the objective of the 'Shanghai Group' which has begun to renew the spirit of 'non-alignment', in the sense of "non-alignment on imperialist globalization and the political and military project of the Triad."

I believe there is a parallel here with the history of Bandung. Even before the conference of this name (1955) and 'non-alignment' (1960), radical groups of thinkers were mobilized to propose possible and effective counter-strategies for the peoples of Asian and African countries to force the rolling back of the imperialism of that epoch. The author of this paper had the honour and pleasure of participating in one of these groups for the Middle East as from 1950. There is need for similar initiatives today.

### **'Aid', a complementary instrument to control vulnerable countries**

'International aid', presented as being indispensable for the survival of the 'least developed countries' (UN terminology for many African countries and a few other ones) plays its role here. Because its real objective, aimed at the most vulnerable countries of the periphery, is to create an extra obstacle to their participation in an alternative front of the South.<sup>12</sup>



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Concepts about aid have been confined within a straitjacket. Its structures were defined in the Paris Declaration on Aid Effectiveness (2005), which was drawn up by the OECD, then imposed on the beneficiaries. The general conditionality, alignment on the principles of liberal globalization, is omnipresent. Sometimes it is explicit: promoting liberalization, opening the markets, becoming 'attractive' to private foreign investment. Sometimes it is indirect: respecting the rules of the WTC. A country that refuses to subscribe to this strategy – which has been unilaterally defined by the North (the Triad) – loses its right to be eligible for aid. So that the Declaration of Paris is a step back – and not an advance – in comparison with the practices of the 'development decades', the 1960s and 1970s, when the principle of free choice by the countries of the South to follow their own system and economic and social policies was recognized.

In these conditions, aid policies and the apparent, immediate objectives cannot be separated from imperialism's geopolitical strategies. For the different regions in the world do not have the same functions in the globalized liberal system. It is not enough to mention their common denominator (liberalization of trade, opening to financial markets, privatizations).

Sub-Saharan Africa is very well integrated into this global system, and in no way 'marginalized' as it is claimed, unfortunately all too often without thinking. Its foreign trade represents 45 per cent of its Gross National Product, as against 30 per cent for Asia and Latin America and 15 per cent for each of the regions constituting the Triad. Africa is thus quantitatively 'more' and not 'less' integrated, but in a different way.<sup>13</sup>

The geo-economy of the region depends on two production systems that determine its structures and define its place in the global system: i) the export of 'tropical' agricultural products: coffee, cocoa, cotton, peanuts, fruits, oil palm, etc., and ii) hydrocarbons and minerals: copper, gold, rare metals, diamonds, etc. The former are the means of 'survival' (apart from food for the auto-consumption of the peasants), which finance the transplanting of the State onto the local economy and, through public expenditure, the reproduction of the 'middle classes'. This kind of production is of more interest to the local governing classes than to the dominant economies, who are however extremely interested in the products of the natural resources of the continent. Today it is hydrocarbons and rare minerals. Tomorrow it will be the reserves for developing agrofuels, the sun (when long-distance transport of solar electricity makes it feasible, within a few decades), water (when its direct or indirect 'export' makes it possible).

The race for rural areas to be converted to the expansion of agrofuels is under way in Latin America. In this field, Africa has tremendous possibilities. Madagascar has started the movement and already conceded large areas in the west of the country. The implementation of the Congolese Rural Code in 2008, inspired by Belgian aid and FAO, will no doubt enable agribusiness to take over agricultural land on a massive scale to 'exploit' them, just as the Mining Code has already enabled the pillage of the mineral resources of this former colony. The 'useless' peasants will pay for it and the increasing destitution that awaits them will perhaps concern future humanitarian assistance and 'aid' programmes to reduce poverty! In the 1970s I learnt about an old colonial dream for the Sahel which was to expel the population (useless Sahelians) in favour of extensive, Texas-style ranches raising livestock for exportation.

The new phase of history that has opened is marked by the sharpening of conflicts for access to the natural resources of the planet. The Triad intends to reserve for itself the exclusive access to this 'useful' Africa (that of natural resource reserves) and to prevent such access by the 'emerging countries' whose needs in this respect are already great and likely to increase. Guaranteeing exclusive access means political control and reducing African countries to the status of 'client states'.

It is not therefore wrong to consider that the aim of aid is to 'corrupt' the governing classes. Apart from the financial appropriations (which, alas, are well known and for which we are led to believe that the donors are in no way responsible), aid has become 'indispensable' as it is an important source of

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financing budgets and fulfils a political function. It is thus necessary that aid should be conceived as being permanent and not prepare for its elimination through a serious development effort. Hence it is important that it is not reserved exclusively and wholly for the classes in power, for the 'government'. It must also be attributed to 'oppositions' that are capable of succeeding them. The role of the so-called civil society and certain non-governmental organizations (NGOs) have a role to play here. The aid in question, if it is to be really effective politically, must also help in maintaining the entry of the peasants into this global system, this entry bringing another source of revenue for the State. The aid must also be concerned with progress in 'modernizing' export crops.

Rightwing criticism of aid is based on the notion that it is for the countries concerned to take action to liberate themselves from this dependence by opening still more to foreign capital. This was the substance of Sarkozy's speech at Dakar and Obama's at Accra. This oratorical appeal avoids the real question. For aid, an integral part of the imperialist strategy, is in fact intent on marginalizing the peoples of Africa who are useless and troublesome, the better to continue their pillage of African resources!

The critique of the 'do-gooder' left, which is that of many NGOs, accepts that the 'donors' will honour their pledges. It limits itself to pointless talk about 'absorption capacity', 'performance', 'good governance', promoted by 'civil society'. It calls for 'more' and 'better' aid !! Radical critique, on the contrary, supports a development that is autonomous. One can imagine that aid in this context would derive from peoples' international solidarity, confronting (and against) the cosmopolitanism of capitalism.

### **Poverty, civil society, good governance: the feeble rhetoric of the dominant discourse**

The claim is that its objective is to "reduce, if not to eradicate poverty" by supporting 'civil society', in order to substitute 'good governance' for another, that is judged 'bad'.

The very term 'poverty' stems from a language which is as old as the hills, that of charity (religious or other origin). This language belongs to the past, not to the present and even less to the future. It predates the language created by modern social thought, which tries to be scientific – that is, to discover the mechanisms that give rise to a visible and observed phenomenon.

The overpowering mass of literature about poverty focusses exclusively – or almost – on 'locating' the problem and quantifying it. It does not pose questions such as "what are the mechanisms that create the poverty under discussion?" Have they some connection with the fundamental rules (like competition) that govern our systems? In particular, as far as the countries of the South receiving aid, are they connected to the development strategies and policies conceived for them?

Has the concept of 'civil society', even if it is taken seriously (not to speak of its random use) been raised to the height at which a concept should be in order to take its chance and be worthy of inclusion in a serious debate that purports to be scientific?

As it is proposed, 'civil society' is associated with an ideology of consensus. It is a twofold consensus: i) that there is no alternative to the 'market economy' (itself an indiscriminate expression that serves to replace an analysis of 'really existing capitalism'); ii) that there is no alternative to representative democracy based on multi-party elections (conceived as 'the democracy') that serves as a substitute for the conception of a democratization of society, which is a process without end.

On the contrary, the history of struggles has seen the emergence of political cultures of conflict, based on the recognition of the conflict of social and national interests, which gives quite another meaning to the terms of 'left' and 'right'. It attributes to creative democracy the right and the power to imagine

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alternatives and not exclusively an alternative in the exercise of power (changing the names for doing the same thing).

‘Governance’ was invented as a substitute for ‘power’. The opposition between these two qualifying adjectives – good or bad governance – calls to mind manicheism and moralism, substitutes for an analysis of reality as scientific as possible. Once again this fashion comes to us from the other side of the Atlantic where the sermon has often dominated political discourse. ‘Good governance’ requires the ‘decider’ to be ‘just’, ‘objective’ (choosing the ‘best solution’), ‘neutral’ (accepting a balanced presentation of the arguments) and above all else ‘honest’ (including, of course, the blander, financial meaning of the word). On reading the literature produced by the World Bank on the subject, one finds oneself, judging from the grievances presented – usually by men of religion or of law (and few women!) - back in the East of ancient times, of the ‘just despot’ (not even enlightened!).

The underlying ideology is clearly being used to simply eliminate the real question: what social interests does the governing power, whatever it is, represent and defend? How can the change of power progress so that it gradually becomes the instrument of the majorities, in particular of the victims of the system, such as it is? It goes without saying that the multi-party electoral recipe has shown its limits in this respect.

### **The ‘post-modernist’ discourse**

Post-modernism ends the discourse, called by some the ‘new spirit of capitalism’, but it would be better to call it the ideology of the late capitalism/imperialism of the oligopolies. A recent book by Nkolo Foe gives a powerful description of how this functions very well to serve the real interests of the dominating powers.<sup>14</sup>

Modernism originated in the discourse of the Enlightenment in the 18<sup>th</sup> century in Europe, together with the triumph of the historical form of European capitalism and the imperialism that goes with it, and which subsequently conquered the world. It suffers from contradictions and limitations. The ambition to be universal that it formulated is defined by the affirmation of the rights of man (but not necessarily of woman!), which are in fact the rights of bourgeois individualism. Real capitalism, with which this form of modernity is associated, is moreover an imperialism that denies the rights of the non-European peoples who have been conquered and subordinated to the levying of capitalist rent.

Criticism of this bourgeois and capitalist/imperialist modernity is certainly necessary. And Marx effectively undertook this radical critique which it is always necessary to update and study more deeply.

The new Reason considered itself emancipatory; and so it was, to the extent that it freed society from the alienations and oppressions of the Anciens Regimes. It was thus a guarantee of progress, but a form of progress that was limited and contradictory because it was capital which, at last resort, was to manage society.

Post modernism does not make this radical critique to promote the emancipation of individuals and of society through socialism. Instead it proposes a return to pre-modern, pre-capitalist alienations. The forms of sociability that it promotes are necessarily in line with adherence to a ‘tribalist’ identity for communities (para-religious and para-ethnic), at the other extreme from what is required to deepen democracy, which has become a synonym for the ‘tyranny of the people’ daring to question the wise management of the executives who serve the oligopolies. The critiques advanced by post-modernism of the ‘great narratives’ (the Enlightenment, democracy, progress, socialism, national liberation) do not look to the future but return to an imaginary and false past, which is extremely idealized. In this way it facilitates the fragmentation of the majority of the population, making them accept adjusting to the domination logic of imperialist oligopolies. This fragmentation hardly worries that domination; on the contrary, it makes the task easier. The individual does not become a conscious, lucid agent of

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social transformation, but the slave of triumphant merchandization. The citizen disappears, giving way to the consumer/speculator, no longer a citizen who seeks emancipation, but an insignificant creature who accepts submission.

### **SECTION III The real questions of democracy and ecology**

#### **‘Democracy’, what ‘democracy’?**

It was a stroke of genius of Atlantic alliance diplomacy to choose the field of ‘democracy’ for their offensive, which was aimed, from the beginning, at the dismantling of the Soviet Union and the reconquest of the countries of Eastern Europe. This decision goes back to the 1970s and gradually became crystallized in the Conference of the Organization for Security and Cooperation in Europe (OSCE) and then with the signing of the final Act in Helsinki in 1975. Jacques Andreani, in his book with the evocative title *Le Piège, Helsinki et la chute du communisme* (The Trap: Helsinki and the Fall of Communism), explains how the Soviets, who were expecting an agreement on the disarmament of NATO and a genuine détente, were quite simply deceived by their Western partners.<sup>1</sup>

It was a stroke of genius because the ‘question of democracy’ was a genuine issue and the least one could say was that the Soviet regimes were certainly not ‘democratic’, however one defined its concept and practice. The countries of the Atlantic Alliance, in contrast, could qualify themselves as ‘democratic’, whatever the limitations and contradictions in their actual political practices, subordinated to the requirements of capitalist reproduction. The comparison of the systems operated in their favour.

This discourse on democracy was then gradually replaced by the one supported by the Soviets and their allies: ‘pacific coexistence’, associated with ‘respect’ for the political practices of both parties and for ‘non interference’ in their internal affairs.

The coexistence discourse had had its important moments. For example, the Stockholm Appeal in the 1950s, reminded people of the real nuclear threat implied by the aggressive diplomacy employed by the United States since the Potsdam Conference (1945), reinforced by the atomic bombing of Japan just a few days after the conference.

However, at the same time the choice of this strategy (coexistence and non-interference) was convenient – or could be convenient, according to circumstances – to the dominant powers in both West and East. For it enabled the realities of the respective descriptions, ‘capitalist’ and ‘socialist’, to be taken for granted by the countries of both West and East. It eliminated all serious discussion about the precise nature of the two systems: that is, from examining the actually existing capitalism of our era (oligopoly capitalism) and actually existing socialism. The United Nations (with the tacit agreement of the powers of the two worlds) changed the terms of ‘capitalism’ and ‘socialism’ to the ‘market economies’ and the ‘centrally planned economies’ (or, to be mischievous, the ‘administered economies’).

These two terms – both of them false (or only superficially true) – sometimes made it possible to emphasize the ‘convergence of the systems’: a convergence that was itself imposed by modern technology (a theory – also false – derived from a monistic, technicist concept of history). It also accepted coexistence in order to facilitate this ‘natural’ convergence or, on the contrary, stressed the irreducible opposition between the ‘democratic’ model (associated with the market economy) and ‘totalitarianism’ (produced by the ‘administered’ economy), at certain moments during the cold war.

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Choosing to concentrate the battle around the ‘democracy’ discourse made it possible to opt for the ‘implacability’ of systems and to offer the Eastern countries only the prospect of capitulation by returning to capitalism (the ‘market’) which should then produce – naturally – the conditions for democratization. The fact that this has not been the case (for post-Soviet Russia), or has taken place in highly caricatural forms (for ethnic groups here and there in Eastern Europe) is another matter.

The ‘democratic’ discourse of the countries of the Atlantic alliance is in fact recent. At the outset NATO accommodated itself perfectly well to Salazar in Portugal, the Turkish generals and the Greek colonels. At the same time the Triad diplomacies supported (and often established) the worst dictatorships that Latin America, Africa and Asia had ever known.

At first the new democratic discourse was adopted with much reticence. Many of the main political authorities of the Atlantic alliance saw the inconveniences that could upset their preferred ‘realpolitik’. It was not until Carter was President of the United States (rather like Obama today) that the ‘moral’ sermon conveyed by democracy was understood. It was Mitterand in France who broke with the Gaullist tradition of refusing the ‘division’ imposed on Europe by the cold war strategy promoted by the United States. Later, the experience of Gorbachev in the USSR made it clear that rallying to this discourse was a guarantee for catastrophe.

The new ‘democratic’ discourse thus bore its fruits. It seemed sufficiently convincing for ‘leftwing’ opinion in Europe to support it. This was so, not only for the electoral left (the socialist parties) but also those with a more radical tradition, of which the communist parties were the heir. With ‘eurocommunism’ the consensus became general.

The dominant classes of the imperialist Triad learnt lessons from their victory. They thus decided to continue this strategy of centring the debate on the ‘democratic question’. China is not reproached for having opened up its economy to the outside world, but because its policies are managed by the communist party. No account is taken for the social achievements of Cuba, unequalled in the whole of Latin America, but its one-party system is constantly stigmatized. The same discourse is even levelled against Putin’s Russia.

Is the triumph of democracy the real objective of this strategy? One has to be very naïve to think so. The only aim is to impose on recalcitrant countries ‘the market economy’, open and integrated into the so-called liberal world system. This is in reality imperialistic, its purpose being to reduce these countries to the status of dominated peripheries of the system. This is an objective that, once achieved, becomes an obstacle to the progress of democracy in the victimized countries and is in no way an advance in response to the ‘democratic question’.

The chances of democratic progress in the countries that practised ‘actually existing socialism’ (at least at the beginning) would have been much greater, in the medium term if not immediately. The dialectics of social struggles would have been left to develop on their own, opening up the possibility of outstripping the limits of ‘actually existing socialism’ (which had, moreover, been deformed by at a partial adherence to the opening of the liberal economy) to reach the ‘end of the tunnel’.

In actual fact the ‘democratic’ theme is only invoked against countries that do not want to open up to the globalized liberal economy. There is less concern for highly autocratic political regimes. Saudi Arabia and Pakistan are good examples, but also Georgia (pro the Atlantic alliance) and many others.

Besides, at the very best, the proposed ‘democratic’ formula hardly goes beyond the caricature of ‘multi-party elections’ that are not only completely alien to the requirements of social progress but that are always – or almost always – associated with the social regression that the domination of actually existing capitalism (that of the oligopolies) demands and produces. The formula has already largely undermined democracy, for which many peoples, profoundly confused, have now substituted religious and ethnic attachment to the past.

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It is therefore more than ever necessary now to reinforce the critique of the radical left (I underline radical to distinguish it from the critique of the left, which is confusing and vague). In other words it must be a critique that associates, rather than dissociates, the democratization of society (and not only its political management) with social progress (in a socialist perspective). In this critique, the struggle for democratization and the struggle for socialism are one and the same. No socialism without democracy, but also no democratic progress without a socialist perspective.

### **‘The environment’, or the socialist perspective of use value? The ecological question and so-called sustainable development**

Here too, the point of departure is an acknowledgement of a real problem, the destruction of the natural environment and, at last resort, the survival of life on the planet, which has been brought about by the logic of capital accumulation.

Here, too, the question dates back to the 1970s, more precisely the Stockholm Conference of 1972. But for a long time it was a minor issue, marginalized by all the dominant discourses and the practices of economic management. The question has only been put forward as a new central plank in the dominating strategy relatively recently.

It was thus later that the work of Wackernagel and Rees (whose first English-language publication came out in 1996) produced a new, major reflection for radical social thought concerned with the construction of the future.<sup>2</sup>

Not only did Wackernagel and Rees put forward a new concept, that of the ecological footprint. They elaborated a system for measuring it, which was defined in terms of ‘global hectares’, comparing the bio-capacity of societies/countries (their capacity to produce and reproduce the conditions of life on the planet) with the consumption by those societies/countries of the resources at their disposal through this bio-capacity.

The authors arrived at very disturbing conclusions. The bio-capacity of our planet, in human terms, is 2.1 global hectares (gha) per head – in other words, 13.2 billion gha for a population of 6.3 billion people. However, the world average consumption of its resources was already – in the mid-nineties – at 2.7 gha. This ‘average’ hides an enormous disparity: the average for the countries of the Triad had already reached around four times the world average. A large part of the bio-capacity of societies in the South had been taken by the centre for its own profit. In other words, the expansion of actually existing capitalism is destroying the planet and humankind while the continuing of the logic of this expansion requires either a veritable genocide of the peoples of the South who are in the way, or at least keeping them in a poverty which will be increasing all the time. An eco-fascist current is developing that legitimizes this kind of solution of the problem.

The interest of this work goes beyond its conclusions. For it makes a calculation (and I stress calculation, not a discourse) of the use value of the planet’s resources, which is measured in global hectares (gha), not in dollars.

Thus it has been proved possible that the social use value can be calculated absolutely rationally. This proof is decisive in its impact because socialism is defined in terms of a society based on use value and not exchange value. And the defenders of the end-of-history capitalism have always argued that socialism was an unrealistic utopia because – according to them – use value cannot be measured without being mixed with exchange value (based on the ‘utility’ of vulgar economics).

Taking into account use value (of which the ecological footprint constitutes the first good example) implies that socialism must be ‘ecological’, cannot be anything but ecological. As Altvater has

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observed “Solar socialism” or “No socialism”.<sup>3</sup> However, it also implies that it is impossible for any capitalist system whatsoever, even ‘reformed’, to take it into account, as we shall see later.

In the time of Marx he not only suspected the existence of this problem. He had already formulated a rigorous distinction between value and wealth, which were confused by vulgar economics. He said explicitly that capitalist accumulation destroyed the natural bases on which it was founded: human beings (the alienated, exploited, dominated and oppressed worker) and the land (symbol of the natural wealth given to humanity). And whatever the limits of this expression, as always a prisoner of its epoch, it is nonetheless true that it shows a lucid awareness of the problem (beyond that of intuition), which should be recognized.

It is therefore regrettable that the ecologists of our era, Wackernagel and Rees included, have not read Marx. It would have enabled them to carry their propositions further, to understand their revolutionary impact better and even, obviously, go beyond Marx himself on the subject.

This deficiency of modern ecology makes it easier for it to be taken over by the vulgar economics that is in a dominant position in the contemporary world. This take-over is already under way – even well advanced.

Political ecology, like that proposed by Alain Lipietz, was first found in the ranks of the ‘pro-socialist’ political left. Then the ‘green’ movements (and after that, the ‘green’ parties) were classed as centre left, because of their expressed sympathies for social and international justice, their criticism of ‘waste’ and their empathy with the workers and the ‘poor’ populations. But, apart from the diversity of these movements, none of them had established a rigorous relationship between the authentic socialist dimension necessary to respond to the challenge and the no less necessary ecological dimension. To be able to do so, the distinction between value and wealth, as originated by Marx, cannot be ignored.

The take-over of ecology by vulgar ideology operates on two levels: by reducing the calculation in use value to an ‘improved’ calculation of exchange value and also by integrating the ecological challenge into a ‘consensus’ ideology. Both of these operations prevent a lucid awareness of the fact that ecology and capitalism are antagonistic in their very essence.

Vulgar economics has been capturing ecological calculation by leaps and bounds. Thousands of younger researchers, in the United States and, by imitation, in Europe, have been mobilized for that purpose.

The ‘ecological costs’ are thus assimilated to the externalities. The common method of cost/benefit analysis for measuring the exchange value (which itself is confused with the market price) is thus used to arrive at a ‘fair price’, integrating the external economies and the ‘diseconomies’. And the trick is done!

Of course the work, which is highly mathematical, when carried out according to this traditional method of vulgar economics does not say how the calculated ‘fair price’ can become that of the actually existing market. One can imagine that there will be fiscal and other incentives sufficiently effective in producing this convergence. The proof that it could be so is however lacking.

In fact, as we can already see, the oligopolies have taken over ecologism to justify opening up new fields for their destructive expansion. François Houtart has given an excellent example in his book on agrofuels.<sup>4</sup> ‘Green’ capitalism is now the order of the day for those in power in the Triad (right and left) and the directors of oligopolies. The ecologism in question of course conforms to so-called ‘weak sustainability’ – to use the current jargon – that is, the marketing of “rights of access to the planet’s resources.”<sup>5</sup> All the conventional economists have openly rallied to this position, proposing “the auctioning of world resources (fisheries, pollution permits, etc.)”. This is a proposition which

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simply supports the oligopolies in their ambition to mortgage the future of the peoples of the South still further.

This capture of the ecologist discourse is providing a very useful service to imperialism. It makes it possible to marginalize, if not to eliminate, the development issue. As we know, the question of development was not on the international agenda until the countries of the South were able to impose it by their own initiatives, forcing the powers of the Triad to negotiate and make concessions. But once the Bandung era was over, it was no longer a question of development, but only of opening up the markets. And ecology, as it is interpreted by the dominant powers, is just prolonging this state of affairs.

The taking over of the ecologist discourse through consensus politics (the necessary expression of the concept of end-of-history capitalism) is no less advanced.

This capture has had an easy passage, for it responds to the alienations and illusions on which the dominant culture feeds, which is that of capitalism. It has been easy because this culture really does exist, is in place and dominant in the minds of most human beings, in the South as well as in the North.

In contrast, it is difficult to express the needs of a socialist counter culture. A socialist culture is not there, in front of us. It is the future and has to be invented, a civilization project, open to an inventive imaginary. Formula like “socialization through democracy and not through the market” and “cultural dominance instead of economics, served by politics” are not enough, in spite of the success they have had in initiating the historical process of transformation. For it will be a long ‘secular’ process: the reconstruction of societies on principles other than those of capitalism, both in the North and in the South, cannot be ‘rapid’. But the construction of the future, even if it is far off, starts today.

## **SECTION IV Tools for a realistic analysis of the challenges**

### **Conventional economics: an ideological instrument that is central to capitalist reproduction**

The discourse of conventional economics refers to the current system as ‘the market economy’. It is inadequate, even deceptive: as we have already pointed out, it could equally well describe England in the 19<sup>th</sup> century, China of the Sung and Ming dynasties and the towns of the Italian Renaissance.

The theory of the ‘market economy’ has always been the backbone of ‘vulgar economics’. This theory immediately eliminates the whole, essential reality – social relationships of production (particularly, ownership as the immediate expression of these relationships, promoted to a sacred principle). It is replaced by the hypothesis of a society constituted by ‘individuals’ (who, in the final analysis, become active agents in the reproduction of the system and its evolution). These ‘individuals’ (*homo oeconomicus*) are ahistorical, identical with those who, since the origins of humanity (Robinson Crusoe) have possessed the same, unchanging qualities (egoism, the capacity to calculate and to make choices that benefit themselves). Thus building the ‘market economy’ on these foundations does not therefore represent a serious formulation of historical and real capitalism. It constructs an imaginary system into which it integrates almost nothing of the essentials of the capitalist reality.

Marx’s *Capital* unmasks the ideological nature (in the functional sense of the word) of this construction of vulgar economics since Frédéric Bastiat and Jean-Baptiste Say, of which the function has been simply to legitimize the existing social order, likening it to a ‘natural and rational order’. The later theories of value – utility and the general economic equilibrium, developed in response to Marx in the last third of the nineteenth century, as well as those of their subsequent heir, contemporary mathematicized economics, described as classic, neoclassic, liberal, neoliberal (the name does not



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really matter) – do not diverge from the framework defined by the basic principles of vulgar economics.

The discourse of vulgar economics helps to meet the requirements of the production and reproduction of actually existing capitalism.

It brings to the fore a eulogy of ‘competition’ above everything else, considered as the essential condition of ‘progress’. It denies this attribute to solidarity (in spite of examples from history), which is confined to a straitjacket of compassion and charity. It can be competition between ‘producers’ (i.e. capitalists, without greatly considering the oligopolistic form of contemporary capitalist production) or between ‘workers’ (which assumes that the unemployed, or the ‘poor’ are responsible for their situation). The exclusivity of ‘competition’ is reinforced by the new language (‘social partners’, instead of classes in conflict) as well as by practices – of, among others, the European Union Civil Service Tribunal, which is a fierce partisan of the dismantling of trade unions, an obstacle to competition between workers.

The adoption of the exclusive principle of competition also invites society to support the aim of building a ‘consensus’ that excludes the imaginary prospect of ‘another society’, based on solidarity. This ideology of the consensus society which is well on the way to being adopted in Europe, destroys the transformative outreach of the democratic message. It conveys the libertarian rightwing message that considers the State – of whatever stripe – as ‘the enemy of freedom’ (which should be interpreted as the enemy of the freedom of capital enterprise) while the practice of democracy is amputated from social progress.

### *The impotence of vulgar economics*

In moments of ‘crisis’ like the present, the impotence of vulgar economics is all too evident.

The newspaper Le Monde thus posed a mischievous question: “How is it that the pundits of Harvard had not foreseen the crisis ...?” Are they just imbeciles then? Certainly not. But their intelligence is completely focussed on the only paths acceptable by vulgar economics and the false theory of an ‘imaginary capitalism of the generalized markets’. Just as the brilliant minds of another epoch believed that the debate on the sex of angels could contribute to a better understanding of the world!

Vulgar economics, focussing on analyzing the markets operating on the base of ‘imperfect information’, is thus forced to replace an analysis of the capitalist reality by an endless game (for which mathematics becomes indispensable) of hypotheses concerning ‘anticipations’. These hypotheses make it possible to foresee all and nothing, as the subtle and realistic intelligence of Keynes had realized so well.

What are these ‘anticipations’? They are but a series of tricks. The anticipations of those who sell their labour? These unfortunate workers know that they have hardly any choice. They also know that they cannot improve the conditions of selling their work force without any organization and collective class struggle. The anticipations of consumers who ‘choose’ (their ‘supermarket’?) and ‘choose’ any financial investments they may be able to make? These unfortunates are forced to take the advice of their bankers, the real deciders. The anticipations of the entrepreneurs who decide whether or not to invest? History shows, as Marx and Keynes had understood, that cycles of overinvestment lead to the depreciation of capital. The anticipations of the owners of capital who choose between a risky investment and a preference for liquidity? Repeatedly there have been financial bubbles, the reasons and mechanisms of which have been perfectly analyzed, once again by Marx, together with his discovery of the supreme alienation of vulgar economists (“money makes more money”,  $M$  makes  $M'$ , without passing through production) will always remain outside the thinking of our conventional economists. The anticipations of the speculators on the stock exchange?

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We know that the best position is that taken by the sheep who follow the general movement and that this necessarily accentuates the fluctuations.

The shipwreck in the ocean of anticipations is the inevitable production of reducing society to a collection of individuals and to a deliberate ignorance of the major realities by which real capitalism is defined (classes, private property, the State, nations, etc.) This is only an ideological formulation in the negative sense of the term that is extremely functional in giving legitimacy to the real practices of dominant capital. The vulgar economists who claim that their work is scientific are not even conscious of what they are doing. They cannot understand that to carry out scientific work, to approach an understanding of the objective reality, there has to be a radical critique at the base of their reasoning.

The conventional economists are not critical thinkers. They are, at best, ‘technocrats’. I like to use the anglo-saxon word ‘executive’ for them: they are executive agents, once at the orders of capital, now at the orders of the oligopolies.

This is why the ‘critiques’ that they may make of the system are always marginal and their proposals for reform that they believe are ‘realistic’ are in fact basically extremely unrealistic. And when, for some moral reason or another the reality upsets them (‘too much poverty’ – in fact, ‘too much inequality’), the drift becomes inevitable and pious wishes and sermons have to serve as politics.

The bestseller of a Nobel Prize-winner for Economics (strictly reserved for vulgar economists) is therefore at best a mediocre work. That of Joseph Stiglitz, which bears the pompous title *Another World*, is a good example.<sup>8</sup>

Stiglitz ‘discovers’, in 2002, that the Washington Consensus was not good; he discovers the reality of the behaviour of the IMF, the WTO, etc. More than half of the 550 pages of this overblown work are dedicated to ‘revelations’ which others have known about for 30 or 40 years! Stiglitz believes he is the first one to say them, never having read the work of critical thinkers (and he probably never will). And it is not even arrogance, but quite simply ignorance. An amusing example: Stiglitz ‘discovers’ that in 1990 there was an agreement on prices by some oligopolies! Extraordinary! And what does he propose to re-establish ‘competition’? An anti-trust law and recourse to tribunals, US-style!

In his book, Stiglitz disregards financialization, about which he says hardly anything and which he believes to be inoffensive, even useful. The remarkable work of the late-lamented Giovanni Arrighi concerning financialization being the last stage of hegemonies in decline is obviously totally ignored.<sup>9</sup> Evidently Stiglitz was surprised by the financial collapse of 2008, about which there was not even one line indicating the seriousness of the threat. And yet others (including myself) at about the same time had analyzed the globalized liberal system as being by nature unstable, condemned to collapse through financial crisis (the Achilles heel of the system, as I called it). Stiglitz evidently ignored all that.

The picture he gives of himself “revealing to the world” the “defects” of the system is laughable.

It is not therefore surprising that what I have called ‘the Stiglitz report’ does not break out of the reactionary, conventional orthodoxy. It was the issue of the commission designated by the then current President of the United Nations General Assembly, Padre Miguel D’Escoto and unfortunately it was to be headed by Stiglitz, who probably imposed his superficial and limited perception of the problems in the final version of the document,<sup>10</sup> The ‘failure’ that resulted – the fact that the countries of the South decided not to be represented at the June General Assembly at the level required – was in fact, for me, a good sign. It implies that the countries of the South had understood that this report – under the pretext of being a ‘global consensus’ and ‘realistic’ – was in line with the strategy of the North to ‘respond to the crisis’ and that its proposals were of the kind that would be ‘acceptable’ to the oligopolies. Change the world? You must be joking!

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## ANNEX

### **Responses to the current crisis by the dominant powers of the North**

The responses by the dominant powers (the oligopolies and their political servants) to the ‘crisis’ initiated by the financial collapse of 2008 can be seen from the national policies of the Triad countries and the collective decisions of the G7 and the European Union. The report of the commission presided by J. Stiglitz, presented to the United Nations General Assembly that met from 24-26 June 2009, completes the ensemble of the documents. Their objective is, as I have already said, to restore the system of financialized liberal globalization, which is considered on the whole to be healthy, as soon as some corrective measures have been adopted that will prevent future blunders. These are the mistakes that were at the origin of the collapse of 2008 – and that is about all.

This objective is limited to expressing all the prejudices typical of conventional economics.

#### *First prejudice*

The crisis is a financial crisis, produced by the ‘excesses’ of financial expansion (themselves facilitated by too much ‘deregulation’). This is just an observation based on trivial, immediate evidence. For, behind the excesses are the essential requirements of the expansion logic of the oligopolies. The conventional economists do not possess the intellectual equipment enabling them to understand this. Thus the financial collapse of 2008, which was the inevitable consequence of the unravelling of the long crisis that started in the 1970s – and not only the financial excesses of recent years – has surprised all the vulgar economists.

The crisis under way is therefore seen as a conjunctural crisis, even if it is accepted that there are also special, underlying ‘structural problems’. It is a V-shaped crisis, for which a rapid solution is possible. The growth that should return will be energized by financial expansion, as it had been before the collapse of 2008. The only precautions to be taken will be those to prevent possible aberrations in this future expansion. The globalized system is to recapture growth in the same ‘open’ liberal framework that has marked it for three decades, and avoid ‘protectionist’ reactions to present-day difficulties, which are temporary. This is close to the vision of the CIA, described in its report *The World in 2010* (elsewhere, I have recommended people to read this document critically).<sup>15</sup> Its conventional analyses do not envisage ‘upheavals’, but only the greater economic weight of China and other emerging countries. This could be facilitated by a gradual abandonment of the exclusive tie to the dollar as the international reserve currency. The reform of the system should have this as its objective.

Hence, to leave the crisis behind it is enough if priority is given to re-establishing the functioning of the financial system, the reforms of which must be planned so that they are capable, according to the experts of the G7, of avoiding any relapse. However, these experts are not able to understand that such reforms will, in one way or another, be bypassed by the activities of the oligopolies as long as they preserve their ‘private’ status guaranteeing their management exclusively on behalf of the private interests concentrated in their power. The ‘moralizing’ discourse and the substitute of the sermon for political analysis will remain, as always, without any effect.

#### *Second prejudice*

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The means to protect the economic and financial system from aberrations and ‘crises’ can be identified by in-depth research into the efficacy of the market. Conventional economists focus almost exclusively on this type of research. The underlying assumption is that the markets are self-regulating (the dogmatic liberal viewpoint), or one can help them become so by appropriate regulation. However it has never been established that such a fundamental tendency exists, or could be made to exist. But the profession of vulgar economists is obliged to believe in this mistaken axiom. Because if the markets are not self-regulating, or cannot even be in capitalism, the conventional economists would have nothing more to say and have to shut up shop!

In real capitalism the functioning of the system and of the markets, the intervention of social struggles and international conflicts, as well as the regulations themselves interact to make the system evolve from one disequilibrium to another (at the very most passing through a temporary phase of equilibrium). Those who want to promote the interests of workers and peoples should refuse to submit to the requirements of a so-called ‘equilibrium’ (or apparent equilibrium) which works against them and impose another ‘equilibrium’ (or disequilibrium) which works better for them. This fundamental choice of method should be that of our alternative project.

### *Third prejudice*

The restoration, in its essentials, of the globalization system, such as it was, is desirable because it provides opportunities of development for the peoples of the South.

This prejudice, common to all vulgar economists, who share the linear simplistic vision, taken to an extreme, of ‘development by stages’ (à la Rostow) prevents them from understanding the nature of the permanent, historical failure of the ‘South’ (the peripheries) in their efforts to ‘catch up’ with the ‘North’ (the centre) by involving themselves ever more deeply into globalized capitalism. The idea that globalized capitalist accumulation is responsible for the production and reproduction of their failure is totally strange to them, quite incomprehensible in fact.<sup>16</sup>

This is the reason why conventional economists are forced to ignore the inherent pauperization in the pursuit of globalized accumulation, substituting considerations about a phenomenon felt to be only ‘adjacent’ to it: poverty. Realities are attributed to “mistakes” in policy, that can be corrected without posing the question of the logic of the accumulation process. However, the efforts to formulate “poverty reduction programmes” have only had very meagre results. All the resistance, revolts and involvement of societies in the South to move in other directions thus seem, to these economists, ‘irrational’, motivated by shallow ‘ideological’ options (such as ‘extreme nationalism’, etc.) In this way it is possible to dismiss alternative resistances and involvement which, nevertheless, are destined to come to the forefront of world affairs.

### *Fourth prejudice*

The grave problems that confront contemporary humanity (energy-guzzling production modes, the exhaustion of certain natural resources, deficiencies in the food production systems and others) constitute ‘adjacent problems’, separated from one another and independent of the system as a whole. Thus solutions can be found for them in the system such as it is, in its essentials.

Vulgar economics ignores ecological questions, which remains out of its ken, contrary to Marx, who distinguished value from wealth. The new ‘ecolo-economists’ try to take these issues into account, using the calculation methods that they have inherited from conventional economics. It is impossible to reconcile them but this nevertheless enables all men (and women) in power (from right to left) and the heads of the oligopolies to dress themselves economically in green clothes, which has now become the fashion, as we said earlier.

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*In fact, the 'structural problems' considered in the analyses put forward by the vulgar economists exclude the three great 'families of questions' that define the major challenge to the contemporary system.*

The first of these families concerns the organization of work production. For example, reference is rarely made to the 'crisis (end) of Fordism', which has however been at the origin of the long crisis over three decades and without which the failure of the automobile industry – among others – cannot be explained. Ignoring the structural crisis of Fordist accumulation makes it impossible to understand how this has created the conditions for an offensive against labour and why financialization has indeed been the means. But, as we have already said, orthodox liberal economists are not equipped to integrate these questions into their 'market economy'.

The second family of ignored questions is about the status of the management of business enterprises (of capital). The very existence of oligopolistic groups is not taken into consideration more than in some insignificant proposals for the 'revision of enterprise governance'! And yet, confronted by the orthodox liberal positions of the rightwing (which are in fact completely reactionary), a broad spectrum of public opinion is already aware of the need to question the private management of these groups. An example is the medical profession which, on the whole, can easily perceive the need to subordinate the management of the pharmaceutical industry to the requirements for satisfying social needs, if not to nationalize them.

The third series of 'great questions' obviously concerns the distances in the globalized system between the 'developed countries' (the North) and the 'developing countries' (the South). In a UN report, like any report that considers globalization, this distinction cannot be forgotten. But the economists of the system never emerge from the simplistic vision of 'development by stages' (Rostow) of orthodox liberalism which, in fact, ignores the whole issue.

*The G7 advocates – within the limitations already mentioned – 'a top-down exit' from the crisis.*

It has thus brought together a collection of proposals that it judges are sufficient and effective for a 'corrected' globalization system to associate what it claims are the decisive advantages of globalized capitalism (enabling the development of all the North and South countries) and the 'remedies' to correct the faults and mistakes: reducing financial risks, the democratic 'governance' of the international institutions, poverty reduction and the mentioning – lightly if not meaninglessly – of 'adjacent questions'. It is perhaps a timid start for a financial system that is no longer exclusively tied to the dollar.

In these analyses the prospect of autonomous decision by the countries of the South is not taken into consideration. The very idea of this autonomy is quite strange to the orthodox liberal concept of 'globalization'. The argument put forward to accept the idea that a global consensus would be essential is simplistic: the crisis is global, therefore its solution must also be so! Not a word about the fact that behind this apparent consensus the North is using it to impose its unilateral views. In reality, the reconstruction of a globalization that benefits people must be preceded by a deconstruction of the globalization of the oligopolies.

No doubt apparent concessions are being made on the necessity for a 'differentiated treatment of developed countries and the developing ones', while the former are invited to 'open their markets to the exports from the South'. In fact, this concession is made in the same spirit as the granting of a few years of 'favourable treatment', because the conclusion of the Doha cycle is openly demanded, which envisages nothing more than that. A total ignorance – and no doubt distrust – is shown of the severe and justified criticisms of the WTO by Jacques Berthelot and Via Campesina whose devastating analyses concern the way that agricultural and food production issues are treated.<sup>17</sup> The counter proposals made by groups from the South are not even mentioned. In fact, the insistence on opening the North to the exports of the South, seen as the royal highway to development by liberal

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orthodoxy, immediately eliminates consideration of another road, based on the priority for the broadening of the internal market (individually and collectively) and the relative reduction of their exports to the North.

The serious problem of the external debt of certain countries of the South only produces proposals for a 'moratorium when the debt is too heavy'. There is no examination of the analyses of the debt that have established its predatory nature, often immoral. The demand for an audit of this debt and the elaboration of a relevant international law worthy of the name are also completely ignored.

A few 'new' proposals concerning the IMF could give the impression that new proposals are being made, like that of 'achieving the emission of SDRs [Special Drawing Rights] approved by the IMF' (in 1997!) disregard the fact that, through the rules that govern these emissions, it is the richest countries that benefit most (particularly those of the North), while the amounts that could facilitate the settlements of the poor countries of the South are insignificant. In general the fundamental principles that govern the conditionality associated with the IMF are not questioned, even though the need to attenuate its 'pro-cyclic' effects is mentioned. The IMF remains what it is: the authority for the colonial management of the currencies of the countries of the South, to which must now be added those of Eastern Europe. The recent interventions of the IMF in Hungary and Latvia are good examples.

Sometimes – at best – the legitimate rights of the countries of the South to manage their capital accounts are recognized, if not to 'control their financial flows.' Priority given to the legislation (liberal, of course) of the host country, rather than to the country of origin of the banking institutions, is in line with these concessions. But here the IMF is only being asked to return to its original principles and which were only abandoned, in the late 1990s, under the pressure of extreme liberal dogmatism. As can be seen, the resistance of China, who continues to refuse globalized financial freedom, counts for something in this rare example of political realism.

But, in general, extreme liberal orthodoxy continues to be the order of the day, refusing to question the principle of flexible exchanges, the determination of interest rates by the 'market' (in fact, by financial capital), if not the preference for accounting 'at the market prices' (which is common with all the anglo-saxon economists, including Stiglitz). In these conditions it is doubtful whether the proposal to 'broaden the SDRs' will open the way to substituting for a 'new' instrument of international reserve, different from the current one based on the dominant usage of a national currency (in this case the dollar) as an international reserve currency. The Chinese authorities have started a movement in this direction through agreements made with some partners in the South. And even if at present these agreements affect only a small proportion of trade with China (5 per cent), this remains an example of what the South can do, without trying to obtain a 'global consensus' (i.e. the agreement of the North) that authorizes the practice. The agreements of ALBA and the Banco Sur [in Latin America] are in line with this approach, even if they have not yet been effectively implemented on a large scale.

Finally, the proposal to establish an Economic Security Council (the UN Global Economic Coordination Council) is, in these conditions, ambiguous. Will it be yet one more obstacle to the legitimate rights of the countries of the South deciding for themselves the ways in which they participate in globalization, by imposing a 'global consensus'? One may well be suspicious. Similarly, one may suspect, that if by chance (unfortunately for the liberal economists) the countries of the South try to put the institution at the service of their own concept of development, we shall see the countries of the North marginalizing its role, as they have done with the United Nations, UNCTAD, the Economic and Social Council and many other institutions that escape their unilateral control?

*This project is completely unrealistic*

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It is unrealistic because the very idea that the system, when it is restored in its essentials, will attenuate the North/South conflict is quite groundless. It is an idea that is contradicted by the facts on the ground and also because the proposals that are being made cannot be implemented unless the oligopolies are in favour, which is highly unlikely.

I believe that this wish to announce the possibility of a ‘top-down’ exit from the crisis is not only unrealistic, but it is actually dangerous because it will create illusions.

There is a strong analogy between the model of a top-down solution for capitalism, proposed by the conventional economists, and that of a top-down solution through the socialist revolution’ proposed by others. In both cases it is a question of the Social Revolution, after which all problems are settled. History does not function in this way: it feels its way along by reacting to immediate challenges, principally through the international North/South conflicts. Not to mention the reactions to these challenges – always partial – that social struggles in the North and in the South will produce. Their interaction will put humanity on the long road to progress (and for me this will become the transition to socialism) or regression into barbarism. Proposing a ‘top-down way-out for capitalism’ will not stop engaging on the road to disaster. And it is obvious that calling for revolutionary gestures in favour of the Social Revolution will have no effect.

The excellent book *Sortir de la crise globale*<sup>18</sup>, recently edited by Jean-Marie Harribey and Dominique Plihon for ATTAC, shows that the reactionary position of the G7 is a total disaster, both from a social viewpoint and from the type of international relationships that it implies. The authors write (p.35) “Financialization is not an autonomous factor, it has developed to counteract the fall in wage income and the shortage of opportunities for sufficiently profitable investment. This is why the rise in social inequalities (within each country and between the regions of the world economy) is a fundamental characteristic of how contemporary capitalism functions”.

The objective of the powers in place is none other than to restart the system and to restore the functions of financialization, as described by ATTAC. The choice of an increasingly unequal society is accepted in national plans as well as at the world level, thus destroying all those beautiful phrases about ‘poverty reduction’.

This is the choice of the US establishment as a whole, and its unswerving supporters. In fact, this model (the ‘social and international inequalities associated with financialization’) is the only one that enables the United States to maintain its hegemonic position. This is done in two ways. On the one hand it makes it possible to replace the deficiency in demand through the over-exploitation of labour with a revitalization through debt. On the other hand it enables the external debt of the United States to be financed through its opening to financial globalization. As the ATTAC authors write: “The regulation of finance is a necessary remedy but it is not enough ... Financialization feeds on the fall in wage labour and the imbalances in the world economy. To deflate finance, both these two taps must be turned off .. which involves another distribution of wealth and another organization of the world economy.” (p.41).

However neither the United States nor its European subaltern allies will accept to turn off these taps. For turning off the tap that, through the external debt of the United States, feeds the financial market, would mean importing the world social crisis into the United States itself. This is the reason why the crisis, in my view, is a double one, that of both the late capitalism of the oligopolies and that of the hegemony of the United States. These two dimensions are indissoluble. The hypotheses of the system’s economists are therefore unrealistic and, sooner or later, they will be called into question by the re-conquest of the autonomy of decision-making by the countries of the South, who are the main victims of the system.

The reactionary model of ‘top-down solutions’ to the ‘financial’ crisis and the double restoration of the brutal world domination of the oligopolies and of the hegemony of the United States, as

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recommended, is certainly not the only one possible. It is probably not even the most realistic, although it caters to the successive administrations in Washington and hence to the subalternized governments of Atlantic Europe.

*There is another family of proposals of 'top-down solutions' recommended by economists who are equally conventional but who are nevertheless concerned to implement a serious plan for reform of world capitalism. It does not really matter whether they are called 'keynesians' or 'neo-keynesians' or something else.*

The growing social inequalities are accepted, not as 'the fateful price of progress' but, on the contrary, they are the product of the strategies of the capital of the oligopolies, organizing the conditions that are favourable for them (fragmentation of labour and implementing international competition between workers). These strategies are at the origin of the long crisis of accumulation that they perpetuate. The present crisis is not therefore a conjunctural V-shaped crisis, but a long, L-shaped one. A serious plan based on reducing inequalities could thus transform the L-shape into a U-shape.

The plan is bold – it has to be.<sup>19</sup> Nationalization (the point of departure of a possible socialization) is not excluded, particularly of the financial institutions. The stabilization of the price of property values at around 50 per cent of the artificial and astronomical prices that financialization had made possible is not considered a disaster but on the contrary a healthy purging operation. Reversing the merchandization of the social services (education, health, housing, public transport, social security and pensions) is seen as necessary and obligatory. A massive and sustainable growth in public intervention, even – for the medium term of the years to come, enabling the L to be transformed into a U – a growth in the recorded public deficits (which is why the plan has been called 'keynesian') is not considered catastrophic. The 'resumption' thus gives priority to the productive economy, marginalizing the impact of the financial markets.

The plan aims at being universal, but it envisages a negotiated globalization, enabling different countries and regions of the world (Europe included) to give priority to the internal and regional markets. Strategies for the systematic support of peasant economies thus become possible and constitute a sensible answer to the food crisis. The ecological challenges could also be treated seriously, and no longer by-passed by the oligopolies. This plan has political implications which would start by reinforcing international institutions and international law. Its vision is one of a 'globalization without hegemony', neither the unilateral hegemony of the United States nor the collective one of the Triad.

Nevertheless it would be a serious mistake to seek a 'global consensus' to implement a top-down solution. This is because in the present state of things an authentic consensus is impossible and the pursuit of this fantasy would mean allying with the reactionary G7, which is substituting itself – as illustrated by the language commonly used these days – for the 'international community'.

But if this is true it means that the chaos of the world system is not in the process of being overtaken. On the contrary, it is moving towards ever-increasing chaos. The best alternative response is through strengthening the chances of the South to re-conquer its autonomy without, for the moment, seeking to convince the North through a false 'consensus'.

I am therefore going to propose quite another method to promote possible ('realistic') and effective responses that help us on our way towards progress. The socialist conviction of some (including myself) is not of course the object of our discussion here. In my book *Sortir de la crise du capitalisme ou sortir du capitalisme en crise*, I have explained my point of view (and doubtless that of others), but it does not create a 'frontier'<sup>20</sup> separating us from allies in our common struggles.



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The alternative would be to make it possible for the countries of the South, not to enter into polemics against the North, but to advance together on their side, without searching for a ‘global consensus’ solution, acceptable by the North. This is the objective of our alternative proposal.

### **For an alternative project for the South’s response to the crisis**

The countries of the South can put forward their reactions to the crisis using their own means, without too much concern about the reactions of the North to the measures that they will have to take, both at the national levels and, as much as possible, at the level of their regional groupings (those existing and those to come) and at the global level (‘Bandung 2 or, better still, ‘Tricontinental 2’).

The aim of an alternative report will be to formulate specific proposals along these lines. Fortunately there are a number of high-quality critical studies that constitute an excellent collection of references to use for such an exercise. I can cite, among others, the recent report issued by UNCTAD in April 2009<sup>21</sup> which is greatly superior to the G7 reports and to that of the commission presided by Stiglitz. There is also the work of Jacques Berthelot and that of Via Campesina and many documents discussed at the Assembly of the World Forum for Alternatives in October 2008, or subsequently produced.

These proposals fit in with the fundamental idea that, looking strategically at a possible and visible future, the ‘South’ can do without the ‘North’, while the opposite is not true.

The North – such as it is (and it is not considering any alternative) – cannot survive without reinforcing its pillage of the resources of the South: natural resources, oil and gas, mining products, agricultural land, cheap labour. So to increase, rather than attenuate the unequal development, wrecking the hopes of the ‘emerging’ countries, is to destroy the ‘marginalized’ countries even further.

The South is now equipped for reducing the efficacy of the means by which the North exercises its domination, if not to eliminate its reach. They can recover the control of their natural resources, develop the most advanced technologies and put them at the service of their own development. They can organize their financial dealings parallel to, if not completely outside the global system. And they can reduce the threat of military aggression, which constitutes the last resort, the only way – barbaric and criminal – of keeping them under control. This can seem hard, in the short term. But a development strategy reinforced by the intensification of appropriate forms of South-South cooperation can gradually – and even rapidly – reduce the destructive effects.

The economy is always political. And politics is always both national and international. Plans at the former level must therefore consider (if we are to be serious) the relationships between the conflicts of social interests within the countries of the South and the formulation of development alternatives. Plans at the international level must take into account the requirements of common political convergences, forcing the Triad to back down from, if not to renounce its project of permanent war for the military control of the planet.

The forms and stages in implementing this project will have to be discussed.

i) the World Forum for Alternatives (WFA) and the Third World Forum (TWF) should start the project off, establishing a commission to draw up the report (for one year, carefully selecting some twenty members).

ii) The final report of this commission must be widely disseminated by the political forces concerned and brought to the attention of the governments of the South.

iii) If this initiative is successful it could be followed up by the constitution of an ‘official’ group, operating for example within the framework of the Non-Aligned Movement secretariat or the 77

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Group + China of the United Nations. It would be desirable for the presidency of the group to be conferred upon a respected political personality like, for example, Nelson Mandela.

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