

international

Special issue • #290

VIEWPOINT

f3 • £1 • 60 FB • 3 DM • 10FF • 10 DKK • 500 Dlx

social
ecological
feminist
anti-militarist
democratic
civic

FOR
a different Europe

AGAINST
the Europe of Maastricht
and the multinationals

Their battle and ours

For a long time 'Europe' was just an idea. Perhaps a good idea, certainly an inoffensive one, but in any event something far off in the distance. The neo-liberal offensive of the 1980s and the fall of the Berlin Wall changed this.

Between 1986 and 1990, two crucial decisions of a strongly political nature were taken: to establish the single market and move towards a single currency. From something marginal and gradual, the process of European unification has moved to political centre stage. European economies are being harmonised and a supranational (mini-)state is being built from above. In the current political and economic conjuncture, this state will be born undemocratic and its policies will be anti-social.

The EU is being built behind people's backs and against the working classes. The 'Social Charter' put forward (but only feebly defended) by the European trade unions has been kept out of the Maastricht Treaty. As a result, the EU is being launched under the principle of 'Market über Alles', without any European social norms. It is leaving the world of labour disarmed in the face of the neo-liberal onslaught. It is opening the door to across-the-board regression. The EU is not and will not be social! A new, wholly modern 'social question' is haunting Europe.

The big lie

Those who govern us are not unaware of the threat that this poses for 'civil peace', 'social cohesion' and the EU itself. 'Without popular support, Europe will not be built': they all sing. How do they reconcile this with austerity policies? By acting as if 'people don't understand' and paying for mammoth publicity campaigns. If the people have lost confidence in their rulers, it's time to elect a new people! And above all: it's time for big lies, faked statistics, and bluffs about the future. If you believe them, unemployment is falling, the economy is recovering, budgetary common sense has been restored, the monetary union is a done deal, and the future looks glorious. This morally polluting smoke screen is indispensable for them so they can settle their business among themselves while anaesthetising peoples and proletarians.

The historical moment between 1989 and 1995 was brief, but deep and painful: the damage to the workers' movement and the advances made by the bourgeoisie are considerable. The workers' movement, which had continued resisting country by country, was reawakened in November-December 1995 by the magnificent struggle of the French workers and students. This was the first great

strike against Maastricht, though in only one country.

European resistance

In spring 1997, the brutal shutdown of the Renault plant in Vilvorde, Belgium, with delocalisation planned to a cheaper location in the south of the EU, revealed to what point this Europe has been tailor-made for the bosses. The joint fightback by Belgian, French and Spanish workers showed that the lesson of the winter of 1995 had been learned: every major social struggle nowadays requires immediate solidarity on a European scale. Trade unionism will be European

or it will not exist!

We are reaching a cross-roads. The great leap forward towards monetary union is accelerating. The anti-social burden is weighing heavier. At the same time, the EU is 'programming' the labour movement's calendar for us. It is binding together our goals and synchronising our struggles. It is lining up the adversaries in direct confrontation, obliging everyone to choose sides, and pushing each current and organisation to develop its analysis, programme and strategy.

In the last ten years, the EU's progress has meant a parallel progress for the neo-liberal agenda, to the point that this agenda is



now written into the main EU treaties. This shows that 'uniting Europe' means two things: regulating relations among national states, but also choosing a social model. The choice is between: production for the profit of a few, or for the needs of the great majority. Between private and social ownership of the major means of production. Between private domination and popular self-management. Between unbridled competition and generalised solidarity. Between pillage and exploitation of the Third World and generous co-operation for harmonious development on a planetary scale. These are two mutually exclusive analyses, two choices, two different roads to the future!

The tide is turning

'European unity' is not some great ideal: it is a concrete struggle. The dominant classes will mobilise all their powerful resources in order to win. But they have their problems as well. The world market economy, at the moment of its triumph, is not solving its crisis but aggravating it. Neo-liberal ideology is on the way out. The tide is slowly beginning to turn.

The European bourgeoisie has several disadvantages relative to its Japanese and US counterparts. The European workers' movement is still incomparably stronger than in the USA or Japan. Nor does there exist a (European) national-chauvinist feeling comparable to that in Japan and the US.

The European bourgeoisies are asking European wage-earners, women and young people to limit their demands and subordinate their movements in the name of a com-

mon historic destiny, of the defence of the European 'social, humanist' model, of resistance to the almighty dollar, the invasion of Japanese products and Wild West capitalism.

This 'soft' rhetoric confirms that, behind the European Union, they are planning a Fortress Europe and a European superpower. No-one should forget that the European bourgeoisies have a long history of power behind them; and that their brutal exercise has never been hindered by a certain degree of political and ideological refinement. The language of Europeanism achieves its goals only to the extent that the workers' movement is politically powerless and there is no credible anti-capitalist alternative. The battle for Europe is not cut off from the reality of class struggle!

Marxists should not let themselves be trapped in the false dilemma: "for Europe" or "against". The choice is not *either* the EU *or* nationalist reaction. From the moment of its birth, the socialist workers' movement has always been internationalist. As early as the late 19th century, Marxists understood that the national state was becoming too narrow to ensure a harmonious development of the economy and society.

We oppose the EU in the name of another Europe, not in the name of the national state. The EU is not a weapon against globalisation, it is part and parcel of globalisation. It does not hold back the 'Americanisation' of our societies, it fosters it.

Only a different Europe, a social Europe, a Europe that breaks with capitalism, will find the strength and spirit to eliminate the 'old demons' of our continent and create hope for the future. ★

EU treaties in the light of history

Europe has a long history of wars, invasions, bloody conflicts and social ruptures. No wonder the "utopia of union" is so strong.

The 20th century confirms it: two "world" wars, the holocaust against the Jews, fascism, nazism, resistance movements, civil wars, revolutions and counter-revolutions.

"Unifying Europe" means overcoming, or mastering, the strong contradictions between states, but also the contradictions between social classes. In reality, unification between states always takes place on the basis of a certain "choice of society." Either capitalist (market economy, based on private property and generalised competition, production for profit, hierarchy and social inequality), or socialist (a classless society without social inequality, production to satisfy the needs of the population, collective property and co-operation).

The socialist project was actually the first which tried to unite the continent, between 1916 and 1923. There was a real perspective of an international society without war, exploitation and national oppression.

Unfortunately, the revolts of the labouring classes against exploitative, authoritarian and murderous capitalist systems in Russia, Germany, Hungary, Italy, Rumania and Poland were violently repressed. The new Soviet Union found itself alone. Isolated. It soon fell under the control of the Stalinist dictatorship. The people of Europe were now presented with a great, but false, dilemma: "exploitation under a democratic capitalist system, or totalitarian pseudo-socialism."

Twenty years later, the Second World War ravaged Europe for the second time. The urgent need to control the explosive rivalries between France, Britain and Germany re-emerged. The problem is that these rivalries have deep historical and structural roots.

- France was catapulted to the high point of human history by the universal importance of the 1989 French Revolution. But the country was handicapped by a less powerful economy than its neighbours.

- Britain was the first modern empire, with its industries and its colonies, its financial networks and active diplomatic corps. But the country was in decline.

contents

- 2 Their battle and ours
- 3 EU treaties in the light of history
- 5 The Europe of big capital
- 7 The price of the Euro
- 9 Political Europe and its institutions
- 11 Towards a different Europe
- 14 For a social Europe
- 16 Women in Europe: the persistence of inequality
- 18 How the EU organises fiscal injustice
- 21 Public services for the common good
- 22 The "automobile society"
- 24 Europe's ecological challenge
- 26 Fortress Europe
- 28 The threat of military Europe
- 30 The EU's eastward expansion
- 31 The Common Agricultural Policy
- 32 Against the south
- 35 The socialist alternative
- 36 Our International

About this special issue

This special issue of *International Viewpoint* has been prepared by the Fourth International's European Secretariat. We hope to deepen our analysis of European questions, and identify some concrete conclusions for militant activity in the field.

"For a different Europe" reflects the general orientation adopted at our last World Congress in June 1995. But his publication is not a resolution of any Fourth International body. Rather, it is a contribution to the most difficult political and strategic debate which the labour movement faces today.

The authors

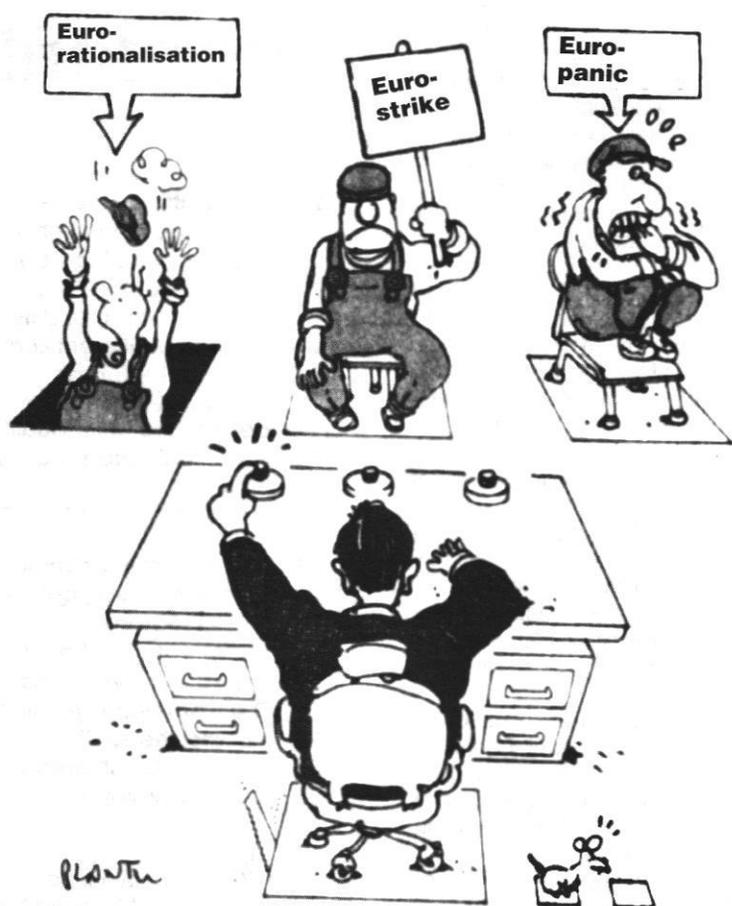
Maxime Durand, Sophie Joanny, Jean-Louis Michel, Albert Rochal, Pierre Rousset, Catherine Samary, Alain Tondeur, Eric Toussaint, François Vercammen and Robert Went all contributed to this special issue. We also thank Winnie Wolf, PDS Member of the German Parliament, for his article on the "automobile society."

All the authors accepted that the European Secretariat adapt their texts to make a coherent presentation. The Secretariat is, therefore, sole responsible for any errors or omissions in the final version.

Subscribers, collectors, librarians!

This issue counts towards your yearly total. This means that you will receive a re-subscription notice one month earlier than would otherwise have been the case.

Extra copies of this report can be purchased from any of the addresses on page 36, or by writing to our publishers, PECL, BP 85. 7522 Paris cedex 11, France. Fax (+33 1) 43792961, E-mail <100666.1443@compuserve.com> We offer a discount on orders of five or more copies.



• Germany is a first rank economic power. But the country was handicapped by its late unification (during the 19th century) and its lack of colonies. Politically, the country was stigmatised by the ghosts of its history.

With the working class (briefly) on the offensive at the end of the war, the new Europe is blocked on two sides. To the east is the Soviet Union, the cold war enemy. To the west, the United States: a former English colony, now the leading superpower.

Throughout the last 50 years, the dynamic of European unification has had an economic aspect, and an equally important politico-statecraft aspect. Sometimes one has been the main "lever," sometimes the other. On the social side, Europe's rulers have been obliged to make successive, important concessions to the working classes, which are massively organised, and often turbulent. These concessions have concerned employment, salary, trade union rights, and elements of economic democracy in the workplace.

More than ever before, Europe lives to the rhythm of intense internal and external contradictions, which can flare up at any moment (remember the tension caused by the fall of the Berlin Wall?). A dose of supra-national constraint, a transfer of part of national sovereignty to pan-European (state) institutions, capable of taking decisions which will be binding on all member states seems increasingly indispensable. It is the price for political stability and economic expansion.

The problem is that such a transfer has

never taken place before, in Europe or elsewhere.

The bearable slowness of unification

A short historical detour explains the apparently mysterious difficulties, recurrent crises, and the interminable succession of European Treaties, each one more boring and confused than the last.

In 1947 the USA put a condition on their Marshall economic aid plan for Europe. Washington insisted that the participating European states form the Organisation for European Economic Co-operation (OEEC, later becoming the OECD). This was no philanthropic act. Rather, it was a way of advancing towards a "single market, without quantitative (external) restrictions to the movement of merchandise." The pressure came, most of all, from the booming American economy, which needed new outlets.

In fact, economic reconstruction was achieved not on the basis of a united Europe, but through the action of separate national states, each strongly marked by the Second World War.

In July 1952 the European Coal and Steel Community was formed¹ between France, Germany, the Benelux countries² and Italy. In a rare moment of frankness, the treaty admitted that its goal was "to replace secular rivalries with a fusion of essential interests," creating "a community... between peoples long opposed by bloody divisions."³

The agreement effectively created a "common market" in two products. Over-production of coal and steel was considered

to have been a root cause of the recent war. Protectionism (restrictive practices, state subsidies, discrimination between producers from different member states, import tariffs and taxes) were forbidden. Quotas were established, and backed up with a generous subsidy system. For the first time, a European body (the "High Authority") received supra-national authority, in this precisely specified field.

This agreement was part of a broader economic and political mobilisation of the "free world" by the United States, which was preparing for a confrontation with the Soviet Union and China. Its own coal and steel production was insufficient, and it was clear that West-European production could not be boosted significantly without the support of the German economy. And this was unthinkable unless France would agree.

The participants in the European Coal and Steel Community would remain at the core of all subsequent integration activities.

Over-stretching

The impressive success of the ECSC incited "Europeanist" circles to try to extend supra-national decision making. But they tried to bite off more than they could chew. Efforts between 1950 and 1954 failed spectacularly to create the planned European Defence Community. The stumbling block was the historic question of German re-armament, even within a wider European structure, this was still too unpopular. The political fall-out from this failure had a long-lasting effect.

The Treaty of Rome (1957) re-launched the integrationist initiative. It created the European Economic Community (EEC). The aim was to gradually establish a total common market, by abolishing internal barriers, and creating a common external tariff policy. The only supra-national interventionism introduced by the treaty was the Common Agricultural Policy (CAP).

The Treaty of Rome was based on the principles of economic liberalism. Employment, prosperity and other social objectives were mentioned, but they did not have the same weight as in documents from the 1940s. There was nothing in the Treaty of Rome to inflame the crowds, and nothing to frighten them either. It was essentially concerned with increasing commercial exchanges in Western Europe, and with political convergence between the six original members of the European Coal and Steel Community. The Treaty also made possible the creation of Euratom, through which European capitalism would try to catch up with the USA in nuclear technology and nuclear energy.

For the next thirty years (1957-86), there was little or no further European integration. The most significant event was the 1972 signing of a monetary agreement, which in 1978 became the European Monetary System. This was an attempt to stabilise the relationship between the different currencies of the EEC. It was a response to the American government's unilateral withdrawal from the Bretton-Woods agreements (1944-1971),

which introduced a greater degree of turbulence into monetary and financial markets.

The shift to the European Union

A major shift took place between 1989 and 1992. The adoption of the Single European Act (1986) introduces 3,000 practical measures, designed to implement the general objectives specified in the Treaty of Rome. It specified a target date, 1 January 1993. The French social democrat Jacques Delors, President of the European Commission, convinced western Europe's dominant classes of the political importance of the project, and transformed it into a series of plausible policies. The neo-liberal wave of the Thatcher-Reagan years, and the major shift in the world situation represented by the fall of the Berlin Wall, the defeat of the working class in the East, and the political triumph of capitalism, cleared the path for the introduction of the single market.

Then came the Maastricht Treaty, adopted in December 1991, signed in March 1992, and coming into force in November 1993. Just as the European Monetary System explodes. Despite this, the Maastricht Treaty succeeds in giving the bosses' and governments' offensive sufficient coherence and energy to continue.

The de-regulation imposed by the Single Europe Act was not counter-balanced by restrictions and obligations in the social field. This places the working classes of the various member states in generalised competition with each other. The Maastricht Treaty's monetarist convergence criteria begin systematically undermining the welfare state.

The latest treaty is the Dublin Stability Pact, which aims to prevent future deviation from or challenge to this strategy.

The situation today

Monetary union implies the creation of real supra-national mechanisms, with a transfer of national sovereignty to an independent European bank. Monetary union is due to begin in 1998. Meanwhile, the adhesion of several central and east European countries to the European Union implies extending the area covered by the single market.

These two processes give rise to a crucial question. How to maintain the political cohesion of a Union which is facing contradictions within the core group over monetary union and its consequences, and which must at the same time deal with an immense geopolitical region stretching from the Atlantic ocean to the frontiers of Russia, and from the North Pole to the Mediterranean?

The Inter-Governmental Conference has not answered this question. The challenge is huge. Barely 100 years after they established independent, imperialist states, will the German, French and British bourgeoisies now be able to take an unprecedented leap, abandoning part of their power, and creating a stable, supra-national state authority? ★

Notes

1. Prepared in 1950, and signed in 1951
2. An acronym for BELgium, NEtherlands, LUXemburg.
3. Introduction to the Treaty.

The Europe of big capital

Concrete demands from big capital have always been one of the main driving forces behind European integration.

Capital was behind the 1986 European Single Act, which created the single market, and the 1991 Treaty of Maastricht, which began preparations for a common currency.

The European Commission pays very close attention to the policy proposals and demands which are regularly published by the European Round Table of Industrialists (ERT). This influential group brings together the presidents of the main European multinationals. More generally speaking, most major companies, and associations representing most branches of industry, organise their influence directly, through lobbyists and 'corporate embassies' in Brussels.

The single market has been a very profitable development for big capital. The EU is the biggest single market in the world. Closer harmonisation and standardisation offers the major capitalist enterprises immense opportunities for increasing sales and cutting production costs.

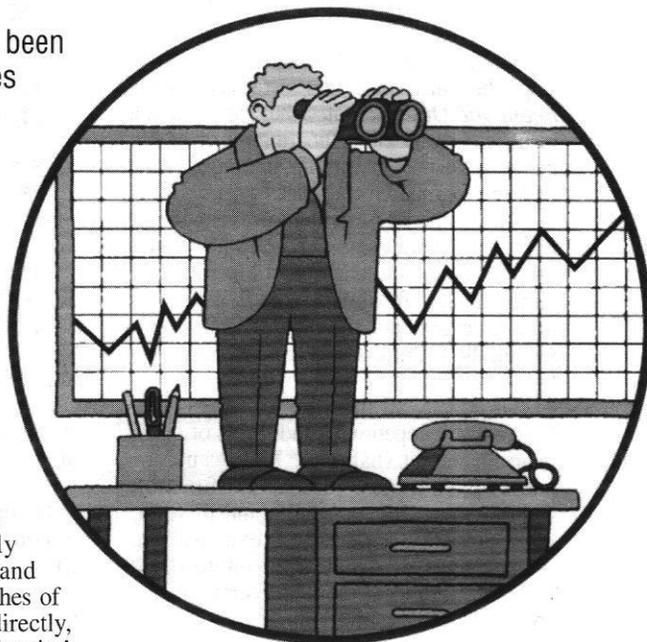
The imposition across Europe of "free market" policies of deregulation and privatisation is leading to increased competition. This is causing an increasing number of mergers and take-overs, and a significant concentration of capital.

For industrialists and traders, the main direct advantage of the single currency is that it will reduce the cost of buying and selling 'abroad'. Most also expect that the single currency will create a more stable business climate, by making it impossible for any one country to devalue its currency, making its exports cheaper, while discouraging its own population from buying imported goods.

Any currency union would have the above effects. But the Euro project is accompanied by a monetarist straight jacket (the "convergence criteria") imposed through the agreements that regulate the introduction of the common currency. The Treaty of Maastricht, and the Dublin Stability Pact (December 1996) imply generalised austerity policies across the EU. As Leon Brittan, External Trade Commissioner of the EU, recently admitted, "European Monetary Union is forcing European countries to adopt Thatcherite policies."¹

The edge of the cliff

Every day, it seems, we are told that European companies are involved in a life or



death struggle with competitors in the rest of the world, especially in the USA and Japan. Every week there is a new study, warning about the loss of competitiveness of 'our' companies. They all contain roughly the same analysis, and exactly the same policy proposals.

In one, "83 business leaders... from all over Europe" told Eurostudy, and *Fortune* magazine, that Europe is "standing on the

The world's top 1,000 companies

Country	Companies	Sales in \$000 m.	Profits in \$000 m.
Austria	1	--	0.1
Belgium	11	46.1	4.6
Britain	97	783.9	74.3
Denmark	7	11.1	1.9
Finland	2	19.4	2.0
France	43	511.7	7.4
Germany	35	651.3	13.0
Ireland	3	3.0	1.0
Italy	17	177.7	9.5
NL	18	268.9	12.0
Spain	12	51.5	6.6
Sweden	19	139.9	11.6
Total EU	265	2,664.4	151.9
Japan	227	2,930.1	234.0
USA	422	3,494.7	276.4

Calculated by market value. Data from 1995. Source: *Business Week*, 8 July 1996.

edge of a cliff"; "running out of time"; "not aware of the rules of the game" and "about to lose its leading position in the world economy". "The language is apocalyptic", said the *Financial Times*. In fact, the study proposed little that has not already been endorsed by the European Commission and many individual governments, like moves to increase labour market flexibility and increase cross-border competition.²

The International Monetary Fund (IMF) sings the same song. Its most recent *World Economic Outlook* states that the rigid and insufficiently flexible functioning of labour markets has become clearly the most urgent problem for the rich countries.³

The same argument is present in the European Commission's recently formulated "10 Commandments for economic virtue." Labour market flexibility, more flexible work time arrangements and wage flexibility are among the Commission's concrete proposals to the Amsterdam Summit.⁴

Of course, all these horror stories about the loss of competitiveness and threat of disappearing market shares for European companies have a clear ideological function. Capital wants bigger profits and therefore more austerity, lower social expenses and lower wages. It is not at all interested in fighting unemployment, poverty and increasing social polarisation.

Globalisation?

By blaming globalisation and competitors in the rest of the world for the social tragedy in the EU, employers and politicians are trying to evade responsibility for the consequences of their own macro- and micro-economic choices

A look at the facts makes clear that those stories do not hold water. As the table on the previous page shows, the European Union has more multinationals among the 200 biggest in the world than Japan or the USA. And 265 of the biggest 1,000 companies in the world can be found in the EU.

The debate on globalisation is scattered with myths and exaggerations.

- companies have very different, sometimes contradictory internationalisation strategies;
- very few multinationals are really globalised (most are regionalised);
- in fact, wage costs are often not the first or even second important factor determining where investments are made.

Even the European Commission relates many of the more wild caricatures about globalisation. Its' latest *Annual Economic Growth Report* demonstrates that exports and imports between the EU and the rest of the world are stable or even declining. These figures are summarised in the table to the right.

"The degree of openness of the Community to the world economy is relatively small and broadly similar to that of the United States and Japan,"⁶ the report continues. "This implies that the globalisation of trade directly affects only a limited part of the Community economy."



The Commission also notes that trade with low-wage countries is small part of total EU trade. "Extra-EC imports from low-wage countries amount to less than 3% of Community GDP at present and the Community's trade with these economies is broadly in balance."

While trade with the rest of the world is stable or declining, there is a sharp increase in Foreign Direct Investments (FDI) among EU member states: "The Single Market Programme has also provoked unprecedented amounts of Foreign Direct Investments between EC member countries. As a proportion of total EC FDI outflows, intra-EC FDI flows soared from 20% in 1983 to 59% in 1994."

The EU has "done fairly well in international competition for direct investment as witnessed by both the strong growth in inflows and its moderate surplus in net FDI flows." The Commission even questions the never-ending demands by employers for wage restraints to avoid delocalisations to low-wage countries.

The *Annual Economic Report* asserts that "there are no signs that the foreign transfer of production is predominantly determined on wage-cost grounds, even if this might be the case for some labour-

intensive sectors such as clothing, footwear and toys."

So much for the decline of 'European competitiveness' that we are permanently brainwashed with! The Commission report reveals that the EU has had higher labour productivity growth than the United States and, in recent years, Japan, while maintaining external equilibrium.

Also very revealing is the calculation that part of the deterioration of the EU's share of export markets has been "a consequence of the substantial appreciation of its real effective exchange rate"; in other words: a consequence of the absolute priority given to strong currencies and low inflation in the Maastricht Treaty.

Change of priorities

From Aachen to Athens, the supposed consequences of globalisation and the threat of competition from low-wage countries are used to force trade unions to make even more concessions. But the European Commission's own statistics show that the European Union is a virtually closed economy. An economy in which reflationary policies *could* stimulate the public sector, and a general reduction of the workweek without loss of pay *could* be implemented relatively easily.

With 20 million unemployed and 50 million poor people in the European Union (from a total population of 360 million) the need for such a radical change of priorities is obvious. It will not happen as long as Europe is dominated by big capital. Only when the left, trade unions and other social movements join hands to mobilise for a different social and economic agenda, and take initiatives to Europeanise struggles and campaigns will such a policy shift become possible. ★

EU external trade

	1976	1982	1995
	as % of nominal GDP		
Exports			
OECD	4.6	5.0	4.9
Non-OECD	6.2	6.4	4.9
Total	10.9	11.5	9.8
Imports			
OECD	4.9	5.7	5.1
Non-OECD	7.2	7.2	4.5
Total	12.1	12.9	9.6
Trade balance			
OECD	-0.3	-0.7	-0.2
Non-OECD	-1.0	-0.7	0.5
Total	-1.3	-1.4	0.3

Extra-community trade in goods. Source: *European Commission, 1997 Annual Economic Report: Growth, Employment and Convergence on the Road to EMU* (02/97)

Notes

1. *The Economist*, 15 March 1997
2. *The Financial Times*, 7 April 1997
3. *World Economic Outlook*, April 1997
4. *Financial Times*, 24 April 1997
5. *1997 Annual Economic Report: Growth, Employment and Convergence on the Road to EMU*
6. In 1995, the degree of openness of the EU (average of exports and imports of goods and services as percentage of nominal Gross Domestic Product) was about 10%, as compared to 12% for the USA and 9% for Japan.

The price of the Euro

Across the European Union, expensive propagandist campaigns are being organised to convince the population that the common European currency is a good thing. The introduction of the Euro is presented as a technical operation, and to everyone's advantage.

When you go abroad on holiday, you won't have to change money any more. That's about the level of argument.

This cheap story masks the logic on which European Monetary Union (EMU) is built: an austerity programme, which is not at all beneficial for the majority of the European population.

Countries that want to join the common currency have to abide by the Treaty of Maastricht (1991) and the Stability Pact of Dublin (1996). These two agreements make the price of the Euro very high.

A few years of austerity and then...

For years now, all the EU countries have been caught in an almost permanent cycle of cuts and austerity, because the Maastricht Treaty requires among other things that the budget deficits of countries that want to join the common currency be reduced to 3% of Gross Domestic Product (GDP) before 1 January 1998. The five convergence criteria of Maastricht are exclusively about money: not unemployment, social security or ecological norms. In other words, Maastricht style convergence of levels of inflation, interest rates, government debts and deficits will not lead to a decrease of the big gaps between EU members in unemployment and productivity rates or GDP per head.

The cuts are not over. At the end of 1996, EU states had an average budget deficit of 4.4%.¹ Only Luxembourg fulfilled all five of the Maastricht convergence criteria. These figures imply that EU member states will have to cut their expenses by a total of more than 1% of the all-European GDP, by the end of this year. Such an operation can only be done at the cost of a rise in unemployment and further destruction of social and collective services.

These cuts will also stifle the EU's (already mediocre) economic growth. One of the most cynical aspects of the whole business is that no economist can explain why a common currency can only function with budget deficits below 3%, or why deficits of 4 or 5, or even 6% are such an economic disaster.

... a few more

Those countries that manage to reduce their deficits to 3% and that fulfil the other

Maastricht Treaty requirements about total government debt, inflation, interest rates and exchange rates, will still not be finished with austerity packages. The member states are forcing themselves and each other into a permanent state of budgetary anorexia that will not end until well into the next century.

The Stability Pact that was adopted during the Euro Summit in Dublin stipulates that state budgets must be reduced to 'close to balance' or balanced, so that when member states enter a recession, they will have room to manoeuvre. If they do cross the sacred 3% budget deficit limit, financial penalties as high as 0.5 percent of GDP will be imposed. The proceeds will be divided among the 'good' countries.

These austerity arrangements will continue to strengthen recessionary and deflationary dynamics in the EU after the introduction of the Euro, just as the convergence criteria of the Maastricht Treaty have done since 1992.

Uncontrollable bankers

The new European Central Bank (ECB) will take all important monetary decisions totally independently. This powerful new institution will not be controlled, even formally, by governments or parliaments: the Maastricht Treaty explicitly forbids attempts to influence the ECB's policies. The Treaty also decrees that the ECB has one priority at all times: price stability (=low inflation) above all. This reflects the monetarist dogma that low inflation will automatically lead to more growth, and more growth will automatically lead to more employment.

A race to the bottom

There will actually be a great increase in competition between countries inside the Euro zone. The introduction of the Euro means that countries will no longer be able to manipulate interest rates, exchange rates, and budget policies in the pursuit of their economic policy priorities. The Maastricht and Dublin agreements forbid it. But at the same

The Maastricht criteria

	Inflation		Deficit	
	%	Interest %	%GDP	Debt %GDP
Austria	1.8	6.3	-3.9	70
Belgium	1.8	6.5	-3.4	130
Britain	3.0	7.9	-4.1	55
Denmark	1.9	7.2	-1.7	70
Finland	1.5	7.1	-2.6	59
France	2.1	6.3	-4.1	56
Germany	1.2	6.2	-3.8	61
Greece	7.9	14.8	-7.4	112
Ireland	2.2	7.3	-0.9	73
Italy	4.0	9.4	-6.8	124
Luxembourg	1.2	6.3	2.7	6
Netherlands	1.5	6.2	-2.2	79
Portugal	2.9	8.5	-4.0	65
Spain	3.6	8.7	-4.4	70
Sweden	0.8	8.0	-3.8	78
EMU target	2.6	8.8	-3.0	60

Interest refers to long term interest rates. Deficit and debt are Source: Netherlands Central Bank Annual Report, April 1997



time, there are no pan-European fiscal, monetary or co-ordination policies for coping with economic shocks or recessions after the Euro is introduced.

Labour, the least mobile production factor, will pay the price, in the form of unemployment, wage cuts, and more flexibilisation. And countries will compete even more than they do now to attract investments. The only tools available will be tax cuts for companies, megalomaniac infrastructure projects, cheapening the welfare state, and reducing ecological regulations. This will be a race to the bottom: to harmonisation at the lowest level.

Dangerous illusions

Social democratic and trade union leaders argue that a common currency will become a means for a re-launch of economic growth. More jobs and social policies, they claim, can no longer be guaranteed on a national level. Therefore we need to accept the Euro, and then work to change the priorities of the EU.

This argument is impossible to maintain, because the neo-liberal logic of the convergence criteria, the stability pact and the future European Central Bank is inextricably woven into the various juridical rules and treaties.

Some social democratic politicians are beginning to become a bit nervous as they realise that the European Central Bank will determine to a large extent the margins within which social and economic policies can be financed. The new idea is to propose more 'political control' by Econfin, the EU council of Ministers of Finance and central bankers of the member states. But this would only mean more power for another supranational executive organ: just as undemocratic and uncontrollable as the ECB.

Euro? No thanks!

For all these reasons, we should continue protesting against the introduction of the Euro. Opposition to a common currency is not a principled question, but a social and political choice. In itself a common currency

and co-ordination of monetary, fiscal and budgetary policies could have big advantages. But the current project, the Euro project, leads only to more unemployment, increasing social polarisation, and the dismantling of the public sector. The Euro is being used as a crowbar for neo-liberal policies, for more deregulation, flexibilisation and austerity.

Opposing the Euro and the European Monetary Union because of their disastrous social consequences has nothing to do with

nationalism or chauvinism. On the contrary, opposition is an essential part of working towards co-ordinated European-wide policies for a shorter work-week without loss of pay, more money for useful work in the public sector (transport, housing, education, health, environmental investments) and taxing of capital flows. ★

Note
1. Estimate released in April 1997 by the European Monetary Institute (EMI), the predecessor of the future European Central Bank.

Netherlands

Economists against EMU

A statement by 70 Dutch economist against the EMU, published February 13 in *De Volkskrant*, a major Dutch dailies, has spectacularly opened a real debate about the Euro in a country where, until recently, almost everybody seemed to support the Euro project.

The economists state that they "anticipate with increasing concern the moment at which Europe's Economic and Monetary Union (EMU) enters its third phase.

The Maastricht Treaty, which took effect on 1 November 1993, is imperfect in many ways, particularly in the areas of democracy, employment, income distribution, environment, and poverty reduction inside and outside the Union. In addition, the Treaty was based on dubious economic assumptions.

Nothing has changed in the intervening years.

On the contrary, implementation of this EMU is being accompanied by high costs, including growing unemployment and social tensions. The EMU is proving to be little more than a monetarist project. The "Stability Pact" agreed to in

Dublin has confirmed this tendency, and even aggravated it: the manoeuvring room for fiscal policy, particularly for social and ecological purposes, has become narrower than ever.

Rather than signalling the birth of a modern European welfare state, this EMU is creating the institutional framework for a further dismantling of national social and fiscal policy and of the European public sector. From a social, ecological and democratic point of view, this is undesirable.

And the economic benefit is questionable. In itself a common currency could have benefits, but with this project the European Union is taking the wrong road. It is time to reflect, reconsider, and begin a critical discussion of Europe's economic agenda."

In co-operation with economists in other EU countries the initiators of the Dutch appeal have drafted an Open Letter that will be published on the eve of the Amsterdam Euro Summit, signed by economists in all EU countries. ★

Interested economists should contact <epe@fee.uva.nl> for more information.

International Viewpoint — half price until 31 July!

The Fourth International's hard-hitting monthly magazine

YOUR NAME

ADDRESS

CITY CODE

COUNTRY E-MAIL/☉

One year subscription(11 issues)
regular special offer

Belgium	BEF 2000	<input type="checkbox"/>	BEF 1000	<input type="checkbox"/>
Britain/Ireland	£25	<input type="checkbox"/>	£13	<input type="checkbox"/>
Denmark	DKK 380	<input type="checkbox"/>	DKK200	<input type="checkbox"/>
Germany	DM 110	<input type="checkbox"/>	DM 55	<input type="checkbox"/>
Greece	6000 dr	<input type="checkbox"/>	3000 dr	<input type="checkbox"/>
Holland	ƒ95	<input type="checkbox"/>	ƒ50	<input type="checkbox"/>
Spain	6000 pts	<input type="checkbox"/>	3000 pts	<input type="checkbox"/>
Sweden	SEK 400	<input type="checkbox"/>	SEK 200	<input type="checkbox"/>

Send no cash with order. We will invoice you.

☎ PECEI, PO Box 85, 75522 Paris, cedex 11 France

e-mail 100666.1443@compuserve.com fax 331/43792961

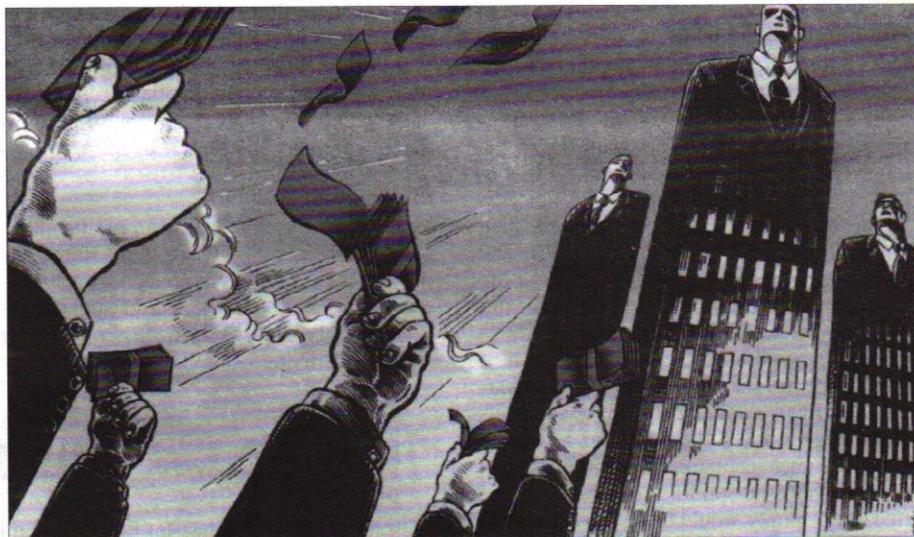
Australia/NZ	\$ 33	<input type="checkbox"/>	\$ 17	<input type="checkbox"/>
Canada	C\$ 80	<input type="checkbox"/>	C\$ 40	<input type="checkbox"/>
USA	US\$ 70	<input type="checkbox"/>	US\$ 35	<input type="checkbox"/>
Rest of world	US\$ 70	<input type="checkbox"/>	US\$ 35	<input type="checkbox"/>

A monthly analytical review published under the auspices of the Fourth International. Published by Presse-Editions-Communications Internationale, 4 PECEI, BP 85, 75522 Paris cedex 11, France. e-mail <100666.1443@compuserve.com>, fax (+33) 1/43792961, 01/43792960, Directeur de publication: Jean Malevski. Commission paritaire n° 64324. Printed and distributed by Spartakos, Eressou 34, 10681, Athens, Greece. ☉ (+30) 01/3300675. Signed articles do not necessarily represent the views of the editors. ISSN: 1294 2925

Political Europe and its institutions

Top officials of the European Union have noticed the rising opposition of the population. Their response is often to argue that "Europe needs to be bigger, rather than smaller," and "We need to complete the economic and monetary Europe with a political Europe."

In the name of this "political Europe", they appeal for a reinforcement of state power. Reviving old memories, they suggest that this would be the path toward a social Europe.



The reality is quite different. The EU is not confronting dark economic forces (financial markets, multinational corporations). It defends them. The "political Europe" that is underway does not mean more, but rather less democracy. The EU does not provide support for a social Europe, but undermines it.

A hidden process

Since this is a matter that touches the future of the peoples of Europe and the daily life of millions of men and women, it might have been expected that the stakes would be clearly defined, the proposals discussed publicly, and the "laws" adopted by a democratic procedure (such as universal suffrage). This has not been the case.

The EU is engaged in an ongoing constitutional process. "The construction of Europe is an ongoing process," as Klaus Kinkel, the German foreign minister put it. The institutions adopt norms, and structures evolve and develop, in a pragmatic manner. The three levels of decision-making power in the EU (community-wide, intergovernmental, and national) intertwine, confront each other, and win or lose ground. The EU is a fragile structure riddled with contradictions. This is a process in which prudence and patience are the key words. Each real step forward, usually in a crisis, requires careful evaluation of relationships of forces, guarding the interests of the national states, and to a lesser degree, between capital and labour.

This also requires that the process be closely supervised by a tiny team made up of a few government ministers in each national administrations and a tiny nucleus of countries (the French-German pair with one eye on Britain). This is how the Intergovernmental Conference (IGC, composed of the prime ministers or heads of state) is moving toward a revision of the Constitution of the EU (the Treaty of Maastricht). And beyond!

The very institutional structure of the EU is undemocratic. To believe the official speeches, the EU's institutions make up a harmonious and well-balanced triangle: the Council (cabinet ministers of the member countries) represent the states; the Commission embodies the "community" spirit (the EU as such), and the European Parliament speaks for the citizenry. But in reality, who decides what, and how?

An authoritarian structure

In parliamentary democracy, power is vested in the sovereign people. This sovereignty is expressed through election of (parliamentary) representatives under universal suffrage, for a (parliamentary) assembly. This is where the preponderance of power is lodged within the state apparatus. There is a separation of powers into legislative (Parliament), executive (the cabinet and administration), and judicial branches. The Constitution and the Parliament define the rules of each of these institutions (rules for constituting, determining composition, domain, and prerogatives) and their reciprocal ties. To define and amend the Constitution (the fundamental law of a country) there is a Constituent Assembly. (The parliament may eventually play this role, according to particular rules.)

In the EU, separation of powers does not exist. Moreover, the administrative branch (the European Council of Ministers) concentrates in its own hands the legislative power, the constitutional power, and part of the judicial power. Thus it is the Council of Ministers that imposes sanctions on a country that deviates from the norms. There is no possibility of appeal. This is particularly true for Ecofin (The Council of Ministers of Economy and Finances) where the convergence criteria for monetary union are concerned. The Council can even go beyond its explicit prerogatives to seize control of the "co-ordi-

nation of the general economic policies of the member states." (Article 145).

A weak parliament...

Of course, the European Parliament is elected by universal suffrage. But it lacks the elementary prerogative of a parliament: designating and dismissing the cabinet (ie the Council and the Commission); amending, approving, or rejecting the budget; adopting laws in general and in particular those laws that regulate the functions of the executive and judiciary branches, and constitutional amendments. In other words, the European Parliament is not sovereign; it is reduced to a role of consultation and advice.

This is a sharp departure from traditional parliamentary democracy. In many ways it resembles the situation before the French and English revolutions of the 17th and 18th centuries.

...and "flexible" justice

This authoritarian mode of functioning is made worse by the disturbing role played by the ECCJ (European Community Court of Justice, in Luxembourg), the least visible of the EU's institutions. This flexible and manoeuvrable body has exceedingly far-ranging responsibilities, often with supra-national reach. These responsibilities expand spontaneously to fill the intentional or unintentional gaps in the other structures and institutions of the EU.

The ECCJ has a monopoly on interpreting the Treaties and the entirety of the Community's legal system. It judges the EU's and national states' violations of treaties, reaches verdicts, and imposes penalties. It is the judge of the appeals court. Judges in the member countries are obliged to submit to this court any problem relating to community law; the interpretation of the ECCJ prevails. The ECCJ is explicitly endowed with constitutional power. The treaty

(Art. 4) encourages it to undertake tasks of European unification. As there is a great deal of imprecision in the treaties, and the other institutions regularly find themselves in an impasse, the ECJ is allowed to substitute itself for them, and break the deadlock!

Worsening tendencies

Nothing in the current preparations for the 1997 Amsterdam conference, or after, indicates any change of course. The Parliament by all accounts will remain out of the loop. The EU governments' main wish is to push for more cohesiveness and efficiency. This is tantamount to putting more executive power in the hands of fewer countries. The idea is to remodel the Commission and the Council according to the economic and demographic weight of the member countries (especially with an eye to the expansion of the EU toward the east). This would embarrass the small countries, but still be an insufficient response to the need for a central executive nucleus (in effect a directorate) and a single spokesperson for foreign affairs. The rule of unanimity would be replaced here and there by that of a particular kind of majority.

What is being presented as a great democratic step forward, that is, the founding of an "economic government" to counterbalance the omnipotence of the European Central Bank, means a new bolstering of executive power. To fill in the "social deficit," the "social protocol" (of the Maastricht Treaty) would be inserted into the new European treaty. But its contents will be far less than the social rights that exist at the level of the national states, but which are not carried over to the "community" level. This will also be true for the national systems of bilateral or trilateral co-ordination (unions and employers, or unions, employers, and government). In spite of their slide towards co-management, these structures do permit a degree of information access, control, intervention for the labour movement.

The EU is designed to exempt the "European institutions" from the democratic and social pressure of the populations, and to prevent or at least slow down the extension of rights won and the impact of national "civil society" to the "Community" level. The forced march toward monetary union worsens the democratic and social "deficit".

Reform the Treaty or dismantle it?

The EU is based fundamentally on the principle of intergovernmentalism, or interstatism. All major decisions are made, and all institutions (except the Parliament) designated by the member-states. This is true even for the Commission, which has only limited autonomy, and consults on a daily basis with accredited representatives of the national governments. The Monetary Union (convergence criteria, Stability Pact, and European Central Bank) represents an important step toward the establishment of a beginning of a very antidemocratic and anti-social super-national power. It would remove monetary policy from the province of national governments, and with it whole layers of budgetary, economic, fiscal, and social policy.

There is an often-confused discussion over whether or not the EU is super-national. No serious plan exists that has the support of the big bourgeoisie. By all appearances, the EU is not destined to become a complete super-national state, comparable to existing national states. It can be defined as a strong, institutionalised inter-state co-ordinating body with the beginnings of a supra-national state apparatus, but whose relative autonomy and current activity are tightly constrained by the (main) member states.

An unstable structure

The EU does not rest on a European nation-in-formation. There is no European big bourgeoisie of any homogeneity whatsoever to sustain it. And its current policy unhesitatingly attacks in a harsh way the standard of living of the popular masses (as

do those of the national governments that make up the Union). The EU does not act as a transmission belt for democratic, political, and social demands. It has proven incapable of solving the great problems of the day. As a result, its national and social legitimacy is extremely limited.

It is impossible for such a state apparatus to become a tool for a socialist transformation of society. Neither is it possible to impose on it the great social and democratic reforms which occur at the national level.

To create a social Europe and to reverse the current trends, it will be necessary to mount large mobilisations in many countries. The realistic objective of this movement should be to dismantle the EU — its Constitution, its "laws" and its institutions. In order to open the way for a different policy and different institutions. ★

Into a new and better century!

The International Institute for Research and Education in Amsterdam is a research and training centre that is meeting the challenges of the neo-liberal world order by renewing and re-founding an alternative perspective. Fields under study at the IIRE include economic globalisation, 20th-century history, ecology, feminism, ethnicity, racism and radical movement strategy.

The results of our work are made available to a larger public mainly through our publication series, the Notebooks for Study and Research.

No.1 The Place of Marxism in History. Ernest Mandel (40 pp. £2, \$3.50, 20 FF)

No. 2 The Chinese Revolution - I: The Second Chinese Revolution and the Shaping of the Maoist Outlook. Pierre Rousset (32 pp. £2, \$3.50, 20 FF)

No. 3 The Chinese Revolution - II: The Maoist Project Tested in the Struggle for Power. Pierre Rousset (48 pp. £2.50, \$4, 25 FF)

No. 4 Revolutionary Strategy Today. Daniel Bensaïd (36 pp. £2, \$3.50, 20 FF)

No. 5 Class Struggle and Technological Change in Japan since 1945. Muto Ichiyo (48 pp. £2.50, \$4, 25 FF)

No. 6 Populism in Latin America. Adolfo Gilly, Helena Hirata, Carlos M. Vilas, and the PRT (Argentina), introduced by Michael Löwy (40 pp. £2, \$3.50, 20 FF)

No. 7/8 Market, Plan and Democracy: the Experience of the So-Called Socialist Countries. Catherine Samary (64pp. £3, \$5, 30FF)

No. 9 The Formative Years of the Fourth International (1933-1938). Daniel Bensaïd (48 pp. £2.50, \$4, 25 FF)

No. 10 Marxism and Liberation Theology. Michael Löwy (40pp £2, \$3.50, 20 FF)

No.11/12 The Bourgeois Revolutions. Robert Lochhead (72pp. £4, \$6, 40FF)

No. 13 The Spanish Civil War in Euzkadi and Catalonia 1936-39. Miguel Romero (48pp. £2.50, \$4, 25 FF)

No. 14 The Gulf War and the New World Order. André Gunder Frank and Salah Jaber (72pp. £2, \$3, 15 FF)

No. 15 From the PCI to the PDS. Livio Maitan (48pp. £2.50, \$4, 25 FF)

No. 16 Do the Workers Have a Country?,

Jose Iriarte Bikila (48pp. £1.50, \$2.40, 12 FF)

No. 17/18 October 1917: Coup d'Etat or Social Revolution. Ernest Mandel (64pp. £2, \$3, 15 FF)

No. 19/20 The Fragmentation of Yugoslavia. An Overview. Catherine Samary (60pp. £2.50, \$4, 20 FF)

No. 21 Factory Committees and Workers' Control in Petrograd in 1917. David Mandel (48pp. £4, \$5, 35 FF)

No. 22 Women's Lives in the New Global Economy. Penny Duggan & Heather Dashner (editors) (68 pp. £4, \$5, 35FF)

No. 23 Lean Production: A Capitalist Utopia?, Tony Smith (68 pp. £4, \$5, 35FF)

No. 24/25 World Bank/IMF/WTO: The Free-Market Fiasco. Susan George, Michel Chossudovsky et al. (116 pp. £6, \$8.75, 45FF)

In the second half of this year we will be publishing three more Notebooks:

Claude Gabriel on South Africa.

Michael Löwy on the national Question.

On the Holocaust.

Subscription: for four issues (in Europe), £10 or 100FF; for four issues (outside Europe), US \$20, £12 or 120 FF; for eight issues (in Europe), £20 or 200 FF; for eight issues (outside Europe), US \$40, £24 or 240 FF. Individual back issues are also available (ADD 20% FOR POSTAGE OUTSIDE EUROPE). All payments must be made to P. Rousset. Preferred: French francs payable in a bank located in France. Postal giro to CCP, Paris 11 541 97 T. Next best: sterling payable in Britain or dollars payable in the US. Contact us if you would like to pay in Dutch guilders or Belgian francs. Please avoid Eurocheques.

IIRE, Postbus 53290, 1007 RG Amsterdam, The Netherlands. Tel: 31-20-67 17 263 Fax: 67 32 106. E-mail: iire@antenna.nl

Towards a different Europe

The European Union means the reign of the multinationals, based on profit, and the sacred principle of private property. The European Union means a neo-liberal Europe, where monetary union and the "stability pact" lead us towards more and more austerity measures.

The alternative is a Europe where Labour is more important than Capital, and where the collective is more important than private interests. A social Europe, where the top priority would be abolishing unemployment, the greatest social sickness of our times. A social Europe would be oriented towards the satisfaction of the social needs of the majority of the population.

Opinion polls, and struggles, confirm the progression of this perspective. Broad unity in action, and the collaboration of various currents of the social movement is becoming possible around concrete demands. The question for the labour and social movements is, how do we direct this resistance against the EU and the employers, who are, of course, opposed to social Europe.

At the risk of being too schematic, let's look at the arguments of other currents in the movement

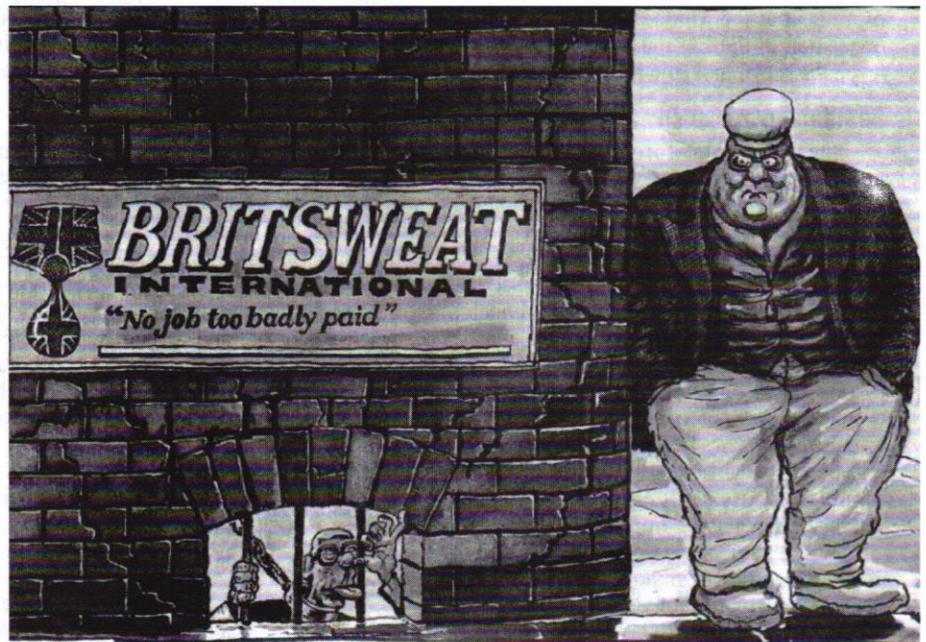
Social Democrats

The European labour movement is dominated by the strategy of the social democratic parties and trade union leadership. Their decisive support for the EU, and their permanent coalition with Christian-Democratic [centre-right] currents has provided the European Union with a parliamentary base, and the necessary social and institutional consultative forums. Without this support, the EU in its current form could not exist.

Social democrats have seized the EU, by deliberate choice or by illusion, as their only workable perspective. They have draped the EU, and the broader "European model" of a social and democratic society, with all kinds of virtues.

Recognising the EU's "social and democratic deficit," social democratic leaders have pleaded, without much conviction, for reforms, for a "democratisation". They have insisted on the need for strong, reinforced EU institutions. They claim that the EU is a barrier to nationalism and the far-right. In fact, the far right is gaining support among the population because social regression imposed in the name of the EU is discrediting the European idea.

This strategy has clearly failed. The current rescue operation involves "inscribing" the social protocol in the new treaty, and



boosting the confidence of the social democratic voters by stressing the new contributions of Tony Blair and Leonel Jospin in France. All this will change little.

Opposition to the labour movement and social democratic leaderships is increasing. These currents all want to struggle against the disastrous effects of the new Europe which is forming. But their strategies for opposition are varied.

A "nationalist" left in the socialist and communist parties objects to the total Europeanism of the social democratic leaders. Fairly strong in some countries (France, Germany, Britain) this current criticises or rejects "Maastricht," in the name of national sovereignty. It denounces the non-democratic character of the EU, the common currency, the European Bank, and the "Brussels Commission," its pet hate. This current thinks it is possible to get out of the crisis through an economic relaunch programme at the national level.

Inevitably, this goes hand in hand with illusions in the national state, the national parliamentary system, the national bank and the national currency. Nor does it avoid the occasional national-chauvinist degeneration: a source of division between the workers and the peoples. If followed through, this strategy proves illusory and dangerous.

"Europeanists"

A second, Europeanist left (in the socialist, communist and green parties) also opposes the effects of the EU and its neo-liberal policies. But it is reluctant to make a radical critique of the EU system, and to follow its opposition all the way. This is because this current is politically and practi-

cally paralysed by the fear that an institutional crisis of the EU would lead to a growth in nationalism, and the far right in particular.

As a result, and against good sense, this "Europeanist" left continues to defend, and propose reform of the European institutions, the common currency, and the European Bank, as necessary pre-conditions to an alternative social, ecological policy for the citizens of the EU. This current has recently sharpened its criticism, but it hesitates about breaking from its support for the institutions. As a result, it fails to offer a coherent, convincing strategy.

The radical left

The radical left, in the trade unions, social movements and political groups, totally rejects the EU, justly denouncing it as a capitalist and imperialist construction. But not as a supplementary instrument in the hands of Big Capital. This superficial analysis under-estimates the obstacle which the progress, and possible success of the European Union would represent for the everyday struggles of the labour movement, and the anti-capitalist struggle.

As in the reformist left, there are two symmetrical attitudes. The first attitude is that, since Europe is a long way away, the working class should confront capitalism by struggling at the base, against the bosses in one's own workplace, and the government of the country where one lives, without worrying about the "superstructure." This strategy confines itself to a national political framework which, obviously, increases the risk of a nationalist slide. The second current develops internationalist and socialist propaganda, and acts in solidarity with struggles

elsewhere in Europe. This kind of abstract internationalism does not offer a political response to the crisis of the EU.

Attitudes like these cannot lead to the elaboration of a clear strategy and programme for confronting the EU, not to a sustained effort to build the labour and social movement at the European level. But a real opposition to the EU must exist at a double level: the social movement, and the state.

Building an active social movement...

The balance of forces will be transformed through the struggle of the labour and social movement, the mobilisation of public opinion, and the activity of civil society.

This political and social dynamic is still above all at the national level. But, since the EU is the co-ordination centre of neo-liberal policies, these dynamics also, spontaneously, enter into collision with the EU. The European dimension appears, in solidarity, in demands, in types of action and forms of organisation. Way behind the governments and the dominant classes, the social movement, in all its sectors, is beginning to establish itself at the European level.

We are at the stage of building an active, combative trade union movement. The European Trade Union Confederation is not a real union, but an empty shell, which the national trade union bureaucracies use as a "pressure group" on the European Commission and the Council of Ministers.

A more positive evolution can't be ruled out, particularly if the EU continues with its neo-liberal policies. This should lead to rebellion not only by the rank-and-file, but by sectors (enterprises, industries, regions) of the trade union movement, which will be pushed, by their worries and concerns, towards initiatives at the European level. The formation of (powerless) European enterprise committees in a series of multi-nationals has had one positive consequence: enabling militants to establish horizontal links between the delegations representing the workforce from different national operations of the multinational.

Apart from the labour movement, the social movements have less weight in the balance of forces, but more active links, and more, and more energetic initiatives. Common activity going beyond the national boundaries should be encouraged, through common campaigns and activities, and in solidifying the links through common lists of demands.

...at the European scale

One positive example is given by the trade unions in the Renault group, which are now demanding a collective bargaining agreement covering all the group's factories and, eventually, the whole of Europe's auto industry. In other sectors (notably the printing industry), trade unions have federated across Europe on the basis of a common list of demands. Railway workers have taken co-ordinated industrial action. Gradually, a common core of minimum demands is being established for the entire EU, including a minimum guaranteed wage, minimum social

protection systems, valid across the EU, maximum working hours, and standardised norms for safety and hygiene.

National crises, international solutions

This first aspect of a European strategy is insufficient: we also need a political perspective concerning the EU as such. This perspective can take different forms, depending on the situation and history of the member-states.

In some countries, particularly in Northern Europe, adhesion to the EU is only recent, and identification with the EU is still weak. The main opposition to integration is from the left. The economy is less integrated into the EU than among the core countries, and the EU norms which are being imposed often represent significant worsening of the social, ecological and democratic situation. In these conditions, the fight to withdraw from the EU will weaken the EU. But this struggle also requires a clearly internationalist, left programme.

In the heart of the EU, where the economies are particularly integrated, the mass of workers understand that there is no sense in confronting the EU, unless one proposes social and economic alternatives which are also 'European.' In these countries, the demand of withdrawal from the EU in defence of national sovereignty is above all supported by the right and the far right.

Where does power lie?

In any case, a radical re-orientation of the economy and society requires another government, another political power. For the last 150 years, this approach has been clear and effective at the national level. Today that is no longer true, for three reasons.

- Political power is elusive. It is no longer entirely within the nation state, nor entirely transferred to the EU. Indeed, all the important decisions within the EU are taken by the national governments.
- Economic power is now in the hands of the multinationals. The financial markets directly punish all dissidence in choice of social and economic strategy at the national level. The EU reflects and reinforces this situation.
- No major problem (economic re-launch, mastery over the financial markets, ending unemployment, major infrastructure projects, unbalanced development, migratory flows, nuclear weapons, main transport networks, social, economic and ecological problems) can be solved at the national level. All demand reinforced, even institutionalised co-operation.

Most people realise this evolution quite clearly, since they are confronted with it on a daily basis, in the media, at work, and as consumers...

But the practical result, is the growth of a huge feeling of political powerlessness. The workers movement is not, and will not be for a long time, an efficient means for overcoming these handicaps. Although it was

built with the blessing of social democracy (the parties of the second international and the national trade union bureaucracies), the EU has resisted the transfer to the European level of the assorted social rights and tactical gains which the workers' movement had achieved at the national level, through a century of hard struggles (for collective bargaining, democratic and trade union rights, the right to be informed, and have an influence on working conditions and the production process, bodies of consultation and participation at all levels of economic and political life, access to legislative work through the traditional parties, and the "pressure-mobilisation-negotiation" tactic, which was once quite efficient, but which, under the EU, has become obsolete.

We should draw a strategic conclusion: the political rupture will probably take place in one EU country first, even though the solution to the crisis will be at the level of the EU.

What kind of rupture?

In the short term, we cannot count on the traditional labour movement (which does not exist at the European level) to organise a struggle for the major social demands, and confront the EU. Nor can we expect a revolutionary confrontation in one country, which will spread rapidly to several other EU countries. A more realistic hypothesis is that a political crisis in one country will shake or overturn the government there, either because of a strong, massive social movement, or by parliamentary or presidential elections which lead to a strong social mobilisation. The echo of such a mobilisation will be heard beyond the frontiers of the country.

Such a breakthrough at the national level will immediately be confronted with the neo-liberal policies, the rules and institutions of the EU (Maastricht criteria, stability pact, and independence of the European bank.

A crisis like this will almost automatically shift to the EU level. Since the EU is run by "intergovernmentalism," it will be the European Council (of Ministers) which will ensure that a government which threatens, or is forced, to break ranks will continue to respect the Treaties. This means all of Europe will be concerned: the EU institutions, each national government, the dominant and working classes, and all the social and political movements. Depending on the force of the movement, a political-institutional crisis of the EU may develop. It will be necessary at this point to present an internationalist, anti-capitalist response which is adequate to the situation. A proposal for a social Europe, which radically changes the priorities, and, to this effect, takes all the necessary political and economic measures.

What would a social government, a real left government do at such a moment? First of all, it would reverse neo-liberal priorities, and put social policies at the centre of its work. It would invite all of Europe to join with it. It would immediately, at the national level, take a series of concrete measures in favour of the workers, women, young people, immigrants, and the most disadvantaged

among them. These measure would cover incomes, housing, health care, education, social infrastructure, and public transport. Such a government would propose these policies to the people of Europe, over the heads of their government, as an alternative for Europe as well as for each member-state. Obviously, the economic and political policies of such a government would be closely linked to a political strategy aimed at provoking and amplifying social mobilisations across Europe.

The key to this programme would be the real desire to eliminate unemployment, through a plan based on the radical reduction of the working week, without loss of pay, in the framework of a reorganisation of an economy which would be re-launched into growth. To do this, such a government would take control of monetary policy, and put it to the service of its social objectives. This would mean non-respect of the single convergence criteria and the stability pact, and ending the independence of the national or central bank.

This government would make three proposals to the other peoples of Europe:

- the extension of these new policies to the other countries, to begin the construction of a Europe of social rights.
- challenging the free circulation of speculative capital. Best of all would be an agreement with the USA and Japan on the taxation of speculative transactions. But Europe could decide to implement such a tax on its own, since the EU has a strong, relatively autonomous economy.
- ending the implementation of convergence towards a single currency, and proposing the creation of a zone of monetary stability, based on quite different criteria of economic and social convergence.

This different Europe would be a continental space, harmonised on the basis of a model of growth based on the satisfaction of the social needs of the society, full employment, respect for the environment, and international co-operation.

The people should decide

Throwing the EU into crisis and advancing towards a social Europe implies re-defining the relationship between the member states. This requires a democratic approach, respecting the self-determination of each people, breaking with the despotism of the EU. It is not the governments, but the populations which have the right to decide how they wish to live together. This is not just a question of deciding what degree of supra-nationality people want: federalism, confederalism, or simple inter-state co-operation. Nor in what institutional form this political power will be expressed: what type of body and election, whether there should be a common parliament, if so what powers should it have, which powers should remain in the orbit of the national administrations, transparency, control functions, and so on. It is also about agreeing the basic principles which any society must have: what property regime (private and social), what fundamental social

rights, what relationship between man and women, what labour code, what democratic liberties, what central state bodies, what rights should employers and employees have within the workplace, what links with the outside world, and so on.

In this field, like in the socio-economic field, a left government would implement the appropriate tactics to mobilise maximum popular support and mobilisation across Europe, so as to widen the breach as far as possible. Whether or not to re-negotiate the existing treaties, whether to proceed slowly or quickly, whether to denounce the status quo in the EU or manoeuvre, these are purely tactical questions.

The approach must be clearly and deeply democratic. It is for the peoples of Europe to decide, and to approve, together, a constitution which will define their co-operation. Such a government could propose a congress of the peoples of Europe, elected by universal suffrage in each country, which would

discuss one or several draft constitutions, which would then be submitted to the vote in each country.

This kind of radical democratic approach would also be appropriate if a political crisis developed in the EU, even without a working class offensive, such as could occur during a crisis over monetary union, or if one country rejected the treaty in a referendum.

Breaking with capitalism

The dominant classes will not hesitate to react to any challenge to the EU and, above all, to any attempt to create a real social Europe which would threaten their interests. This may result in a trial of force: economic sabotage, financial sabotage, political boycott and external intimidation.

A left wing government, supported by mobilisations within the country and outside its frontiers, would reply to this provocation, and go forward in its struggle against Capital. ★

Undermining Fortress Europe

On July 19-26, revolutionary groups from 15 countries will organise the 14th European youth camp in solidarity with the Fourth International.

This year's camp focuses on the European integration process governed by the Maastricht and Schengen accords. The development of the "bosses and cops Europe" involves the looting of the public sector, privatisation of universities, attacks on women's rights, restricting entry across Europe's external frontiers, massive waves of redundancies, and the replacement of full time jobs with part time and precarious contracts.

Attacks on wage-earners, young people, women and immigrants are the same in all countries of Europe. And in most countries we can see the development of similar struggles: to defend the public sector, women's rights, and justice for immigrants. This camp is an occasion to share our experiences of these struggles, to co-ordinate our activities, and to come together in opposition to the bosses and cops Europe of Maastricht and Schengen. This camp is about preparing the social and political movements which are the only way to impose another kind of Europe: open, social, ecological and democratic.

This year's camp is hosted by the French group JCR-RED in the Haute-Loire region, near the Mediterranean coast. Over 600 young people from all parts of Europe will come together to exchange their experiences, discuss

the social and political struggles in their countries, and to identify the possibilities for co-ordinated international struggle against the capitalist system.

We will share our experiences of the struggle against the Debré immigration laws in France, the international protest of Renault workers against the closure of the Vilvorde plant, the recent mobilisation of university students in Portugal and high school students in Luxemburg, anti-fascist activities, opposition to nuclear power.

We will discuss the European marches against unemployment, exclusion and precarity, in which participants from all countries will have participated.

We will also discuss European solidarity with those fighting the imperialist system elsewhere, particularly the Zapatista revolt in Chiapas.

As well as our current struggles, we will also discuss our project for a better society, the need to be a revolutionary today, and how to organise so as to bring about the changes we want.

But this camp is more than all that. For one short week, we will try to unite leisure, politics, and celebration. At this event, doing politics is also experimenting with a new way of life. Trying to put our ideas into practice.

Register now, for Europe's largest international revolutionary festival! Contact your International Viewpoint seller, or write to any of the addresses on page 36

For a social Europe

There are more than 18 million unemployed people in the European Union, even according to official statistics. The average unemployment rate is 11% (13% for women and 9% for men), and 50 million people live in poverty.

This terrible situation is the balance sheet of more than a decade of neo-liberal promises. The common market has not created the jobs that were promised, and it is difficult to see why the single currency would do any better. When charted, the rise of the unemployment rate looks like a staircase rising sharply with no place to catch one's breath.

The only exception was the second half of the 1980s, a recovery whose gains were quickly erased. Six million jobs were destroyed between 1991 and 1994. What's more, official figures have to be adjusted upwards to account for "discouraged" workers and those seeking full-time work but forced to take part-time jobs.

The worst thing is that those countries that had best managed to protect themselves from unemployment are now "catching up"

to the European average. "Bad" capitalism is elbowing out the "better" variants. The most significant example is Germany, where there are more than 4.6 million unemployed today. Before re-unification, the unemployment rate in West Germany was 4-5%. Today it stands at 9% in former West Germany and 15% in former East Germany. The leap in unemployment is particularly marked in the Scandinavian countries that recently joined the European Union: in Finland, the unemployment rate jumped from 3.4% in 1990 to 18.4% in 1994; in Sweden it went from 1.8% to 9.8% during the same period.

Flexibility

The rise in unemployment is intertwined with the generalisation of job insecurity and growing flexibility that have led to a substantial gutting of the right to work. Unemployment exerts tremendous pressure on the status of workers, whether employed or not.

In all countries individual forms of employment are on the rise: independent work in Britain, homework and the informal sector. On the most insecure end of the scale, work in the informal sector often involves immigrant workers with neither residence or work permits (particularly in Italy and Spain).

Labour legislation has been overhauled, making all manner of "atypical" work contracts the norm, especially temporary work contracts. As a result, temporary work is on the rise throughout the EU. Spain holds the record; in 1994, one in three jobs was temporary. This type of employment now accounts for a large majority of new jobs created in all EU countries. This is not a transitory phenomenon, but a process aimed at making the entire labour market just as flexible as these new contracts.

Most European countries have implemented employment policies aimed at preserving or creating specific jobs for "targeted" sectors of the population, such as unskilled young people and the long-term unemployed. These "assisted" job categories put pressure on standard employment categories, and create a second-class status for young workers.

Labour legislation has been gradually reduced to an empty shell. Limits on workforce reduction have been eased, using the absurd argument that this will help companies hire workers. As the flexible work week has recently become the main demand of many employers, the legal definition of the length of the work week has been watered down. Now, hours are increas-

ingly counted on a yearly basis and part-time work has been deregulated. Restructuring has led to a reduction of average company size and a generalisation of contracting out. A growing proportion of workers work in small companies, where it is more difficult for them to ensure their rights are upheld. Labour laws make it difficult for workers in small companies to get the appropriate representation.

Growing insecurity also affects wages, through the erosion of minimum wage and social standards, and the elimination of mechanisms such as salary indexing. The two-fold attack on the public sector and social security accelerate the overall decline in living conditions. Unemployment insurance programmes are themselves being eroded, with cuts being made to the duration and amount of benefits. All these factors taken together create discrimination on a number of levels.

Women and young people first

Youth unemployment adds disproportionately to the average rate of unemployment; one in four young people in the EU is currently unemployed.

Women account for 40% of the European workforce, but 48% of the unemployed. The rate of employment among women is rising faster — or, at least, dropping less quickly — than that of men. The rate of workforce participation for women aged 25-49 rose from 39% in 1970 to 69% in 1993. This rising tendency continues, but it is now characterised by an increase in part-time work, and a concentration of women workers in a few areas of the service sector and low-wage positions.

One in three women in the EU holds a part-time job, but this figure is 67% in Holland, 44% in Britain and 36% in Denmark. This increase in part-time employment is accompanied by a heightened segregation of women, who are forced to take part-time work, and kept on the lowest rungs of the hierarchy.

The classic argument that part-time work allows for greater compatibility between a woman's professional and family life, does not stand up to an examination of what is actually occurring. The work day and work week constantly change, and women are expected to work irregular hours including weekends. It is rather difficult to argue that this is the result of a woman's "free choice".

More to come

Armed with a neo-liberal analysis of the crisis, the EU's institutions are in favour of going even further in the same direction. "As far as the length and organisation of work are concerned, there is above all a need to expand the flexibility of work time. A mandatory, generalised and massive reduction of



the work week would not be the appropriate solution." Neo-liberal thinkers promote the idea of growth "rich in job creation" achieved by the expansion of "variable" (Jacques Delors) and "differentiated" (French employers) work. They counterpoise this to any "top-down restrictive measures aimed at introducing a shorter work week through legislation." The goal, therefore, is to further increase job insecurity, especially part-time work for women.

Wages have to rise more slowly than productivity in order to re-establish profit levels. Social spending has to be reduced in order to balance state budgets. As for the unemployed, there is a need to "eliminate anything that might prevent a welfare recipient from accepting a job, and monitor more closely the recipient's desire and ability to take a job."

All signs point in this direction, especially the "stability pact" recently signed by EU members.

The Europe of the Maastricht Treaty is by its very nature an anti-social Europe. And so, to propose "social" amendments to Maastricht is therefore wrongheaded and against the basic logic behind the treaty.

Even defending basic goals such as a minimum right to work, quality social programmes and social housing, involves head-on confrontation with the current designs of the bourgeoisie.

The working class movement needs a Europe-wide plan for struggle, which responds in a co-ordinated manner to policies which are themselves highly co-ordinated on a Europe-wide level. To the criteria laid down by the employers, workers must spell out their own. Beginning with the struggle against unemployment.

35 hours (or less)!

The key component of such a struggle is the massive and co-ordinated reduction of the work week on a European level. An immediate decrease of about 10% of the work week could create an equivalent proportion of jobs. But only if it is accompanied by clauses like those proposed by social movements in all the countries: no loss of salary, no intensification of work, no generalisation of irregular work schedules. This in turn requires that workers oversee the organisation of the work process and ensure that new workers are indeed hired.

A generalised reduction of the work week is clearly the main answer to the rise in unemployment, for a very simple reason: it is the only rational way to use the gains in productivity and to share them equitably between working people, within and between countries.

It is the best way to counteract the different forms of exclusion and discrimination which are running rampant. It provides for a co-operative solution to the unemployment

problem in Europe, in opposition to the neo-liberal approach which essentially amounts to exporting unemployment to neighbouring countries.

This approach in no way contradicts the goal of economic efficiency. If carried out in a co-ordinated fashion on a pan-European level, the effects on the relative competitiveness of EU partners would be neutralised — especially since EU members largely trade amongst themselves.

The idea of co-ordinated, restrictive legislation — a European framework law for a 35-hour work week — could be the starting point for a co-ordinated, generalised reduction to a 30-hour work week. The right of women to work — against the marginalising reduction of the work week represented by mandatory part-time jobs — must be a cornerstone of this struggle. Any campaign must fight the increase in part-time work.

An economic recovery package

The reduction of the work week has to be part of an economic recovery package aimed at fulfilling social needs.

Urban renewal, for example, would involve programmes that give a boost to employment. It must be a non-productivist recovery that seeks to meet elementary needs, to improve living conditions, and not to boost private consumption per se nor to build new highways.

Jobs created in the public sector: health and education, for example, should be decentralised, principally to the municipal and local levels. These jobs, however, should not be part of a subsidised second-class sector where workers do not enjoy the same rights and benefits as elsewhere.

Deregulation must be rolled back. The rights of working people should be firmly entrenched in a European system of minimum wage standards, guaranteed income and sectoral collective agreements.

The same harmonisation should be applied to social security — for example, through the creation of a European fund derived from the income of companies, aimed at levelling social programmes upward throughout the EU.

In the same way, public sector services should be harmonised. This applies to the postal system, telecommunications, transport, and so forth — all just as important as a single currency.

Where would the money come from?

All these projects raise the question of financing, although the term isn't really appropriate since we are dealing in part with a reallocation of already existing funds, and catch-up measures aimed at reducing inequalities which successive governments allowed to accumulate over the last decade.

While the situation varies from country

to country, financing must come from four main sources.

- Funds for unemployment insurance can be reallocated to ensure hiring takes place.
- New wealth would be created as a result of the resulting economic recovery and the jobs added to the public sector.
- Financial earnings and super-profits would be directly taxed. These funds could be returned to companies that hire, and would also serve to put pressure on companies and redistribute resources between sectors and regions.
- A special tax would be levied on the assets of wealthy families in order to mop up quickly public debts accumulated as a result of the drop in taxes on capital gains.

Such a programme is obviously not compatible with the free movement of capital. We cannot let employers decide the future of working people by exerting downward pressure on their working and living conditions. The freedom of capital movement — like all genuine freedoms — must be regulated so that it no longer means the right to impoverish people and to create social insecurity.

This regulation can be achieved by placing a tax on financial transactions. Speculators make their profits by playing on minute differences in interest rates, and so a small tax would be highly dissuasive. Of course, such regulation can only be effective if it is applied and co-ordinated throughout the EU. For this reason, individual countries have to prepare to implement very strict measures of control and retribution.

Then there is the question of the single currency. It should go without saying that such a currency is a tool, created as a means to specific ends.

Devaluation or an exit from the European Monetary System are not goals in themselves, but rather steps to be taken if a country feels they are essential for confronting competition on a level playing field. The establishment of a single currency is not an end in itself, but rather the finishing touch to a much broader endeavour. ★

INTERNATIONAL INSTITUTE FOR RESEARCH AND EDUCATION

◆ 48 bed conference centre with six channel interpretation system, library and television room, ten minutes from the centre of Amsterdam and 2 minutes from a park

◆ Contact Robert Went or Peter Drucker to discuss holding your event at the IIRE tel. (+31) 20/671 7263 fax 673 2106 PO Box 53290, 1007 RG Amsterdam Netherlands. e-mail <iire@antenna.nl>

Women in the European Union

The persistence of inequality

The current profound restructuring of European capitalism includes a widespread attack on a woman's right to work. One of the primary elements of this attack is the spread of part-time work.

However, when one looks closely at the situation of wage workers and more generally at the status of women in each country, it is clear that the structural effects of part-time work have varied greatly in their impact on the social regulation of women. There is a general trend towards restricting women's right to work, but the tactical angles of attack taken by the different national bourgeoisies have often differed.

Since the beginning of the recent phase of restructuring, and especially since the middle of the 1980s, the position of women in the job market has deteriorated at an accelerating pace. This deterioration flows from the worsening situation of wage workers in general under the twin blows of austerity policies and deregulation. But the attack on women workers has been greater, because of the general discrimination women still face.

Throughout Europe, a gap of around 30% still yawns between men's and women's wages, and the general erosion of buying power has been felt particularly by women, who tend to have the worst paying jobs.

At the beginning of the 1990s, women's level of unemployment was higher than men's everywhere except in Britain. In Sweden the difference has been negligible. But in other European countries, women are two or three times as likely to become unemployed as men. The same general picture is true when one looks at the plight of young women. Spain holds the scandalous "record," with 42.1% unemployment among young women.

In general women are unemployed longer than men. Though here there are three exceptions:

- countries which have low levels of unemployment and a high level of women in the workforce, like Denmark or Sweden.
- countries which have a very high level of unemployment, and where it is difficult to find another job quickly, like Ireland, or Britain.
- countries where there is a low official level of unemployment but also a smaller proportion of women active in the workforce, like the former Federal Republic of Germany or the Netherlands.

In these cases, the lower difference between male and female unemployment levels is probably due to women's withdrawal (retreat) from the labour market. Women in these countries become what the OECD



(Organisation for Economic Development and Development) euphemistically calls "discouraged job-seekers" In some countries, married women with children are not even considered unemployed. In Ireland, these women receive less than the full unemployment benefit.

Unorganised resistance

Nonetheless, throughout the '80s and '90s, there has been a steady growth in women's participation in the workforce, continuing and in some countries accelerating a trend which began in the 1970s. Despite the crisis, despite unemployment and despite government pressure, women continue to go out to work. This suggests that even in the absence of a visible struggle around this issue or a specific campaign by trade unions on woman's right to work, there is still strong, mass, resistance, however unorganised, to any attempt to roll back this hard-won right.

Earnings differentials between women and men persist (and in some countries are widening) despite a series of European directives and legislation. This is in part because these laws are not restrictive enough to affect employers, and partly because effective control mechanisms do not exist. Gaps also persist because men and women only rarely hold the same jobs. Often, we don't even work in the same sectors.

Since the early 1980s, there has been a general structural shift, with jobs being displaced from industry into the tertiary, or service sector. This re-distribution of paid work has had contradictory consequences for women's employment. On the one hand, it has been "positive" in the sense that, because of the sexual segregation of the job market, the level of unemployment among women

Women at work

The percentage of women who work has increased in all parts of Western Europe

	1980	1988	1995
Belgium	47	51	52
Britain	58	64	76
Denmark	71	78	75
France	54	57	61
Germany	20	54	60
Greece	33	42	45
Holland	36	44	59
Ireland	36	38	48
Italy	40	44	43
Portugal	57	59	61
Spain	32	39	46
Sweden	74	80	78

Women aged 15-64. German figures are for former West Germany. The 1995 figure for Germany shows the situation five years after re-unification.

has risen more slowly than among men. This has been particularly the case in Britain, the European country where the trend towards de-industrialisation and the growth of the service sector has been strongest. In Britain the gap between female and male unemployment is the inverse of the situation in other European countries. On the other hand, the struggle of women workers at Moulinex in France illustrates quite clearly that women industrial workers have not been spared from the effect on jobs of the relative decline of the sector.

Globalisation has also had vicious effects on working women. Capital's continuing search for lower labour costs in Third World countries only explains a small part of the increase in European unemployment. But these "mobile" jobs are usually concentrated in so-called "traditional" industries, like

textiles and electrical appliances. These sectors are labour intensive, rather than depending on sophisticated technologies. They are often organised along strict "Taylorist" lines. Workers are invariably poorly paid, unskilled, and exposed to wretched working conditions.

In other words, women lose at both ends of globalisation: in Europe they lose their jobs, and in Asia and Latin America they get jobs, but only under draconian conditions of super-exploitation. What's more, the new jobs created in the "service sector", particularly in sales, have jerry-built a ghetto of underpaid, insecure, part-time "female" jobs. Britain is the extreme case, but France is not far behind, at least in its chain stores and supermarkets.

Part-time work...

In many countries the only area of net growth in job creation in many years has been in part-time jobs.

Although part-time work has been a recognisable phenomenon for more than fifteen years, it has lately begun to spread almost everywhere, including in countries like Greece, where formal part-time contracts were until recently rare. This expansion has been encouraged by government policy initiatives.

There is great disparity across Europe. In southern Europe, Luxembourg and Finland, part-time work represented less than 10% of all employment in 1995. At the other end of the spectrum, more than 20% of all jobs in Scandinavia, Switzerland, Britain and the Netherlands are part time. France, Belgium, and Germany are in between, with around 15% of jobs being part-time.

...a sign of modernity?

Everywhere, however, part-time work is overwhelmingly female. Fully 85% of part time workers in Germany, Belgium and Luxembourg are women, as are 80% of part-timer staff in France, Norway, Switzerland, and Britain. One analysis popular in ruling circles presents part-time work as a necessary criteria of "modernity": a statistical classification which allows the neat partitioning of Europe between these northern countries where the levels of women's employment are very high but with a strong tendency towards part-time work, and southern European countries (Spain, Portugal, Greece, Italy and, to some extent Ireland, where the involvement of women in the workforce is low, often because of their role in the family, and part-time work is poorly developed.

Other "experts distinguish between an industrially dominated "Rhine" capitalism, defined, as in Germany, by a low level of female participation in the workforce, and an "Anglo-Saxon" capitalism, where the relative de-industrialisation and development of the service sector has as its corollary the opposite: a high level of female participation!

Reading the official reports today, you get the impression that putting numbers on part-time work is practically an implicit extension of the EU convergence criteria!

This type of employment offers bosses

and governments a number of short and long term advantages. The relative weight of these benefits may vary depending on the country, and on the concrete forms which part-time work has taken, but what is common about part-time work is that it represents a virtual guarantee that women will never be workers like "everyone else" (men). Women will always have one foot out the door, and one in the kitchen.

Of course, a massive wave of women returning to the home, that eternal dream of the right and the far right, is an impossibility from the strict point of view of a rational capitalist, in the same way that the dream of sending immigrant workers back to "their" country is impossible. What employers need is exactly what these groups today provide: manual labourers made vulnerable by the very conditions (both legal and social) which allow them to work. Workers whose qualifications can be ignored and who can be paid less, precisely because of who they are.

This is what employers get with the administrative harassment of immigrant workers; and this is what they get with the latent indictment of women in the conservative discourse on the family and women's "natural role". A discourse which still resonates for a large number of women, faced with the daily reality of a double workload: on the job, and at home. In this regard, part-time work is plausibly presented as the ideal reconciliation between paid work and family duties.

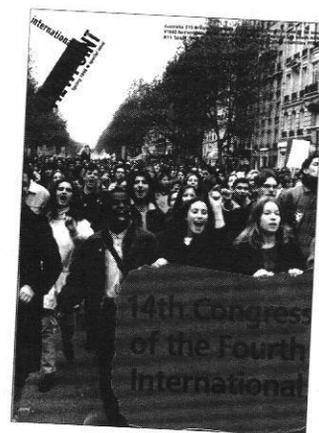
The same old story

In capitalist Europe, women are still considered only in terms of their function within the family. Thus, wherever part-time work takes root, it is inevitably accompanied by measures which bring into question women's economic autonomy. In Belgium, a "partner" (invariably the woman) gets only half the regular unemployment benefit. In France, the allowance for parents (mothers) who choose to stay at home with young children is being extended to the second child, and there is a campaign to create a "parental salary for free choice"; in former East Germany, the right to full time employment is being abolished, to conform with the model in Western Germany. The Netherlands is the model: combining of low female participation in the workforce, and a high rate of part-time employment for those who do.

Part-time work must therefore be understood as part and parcel of "family" policies: a method of managing the potential contradictions between taking advantage of women's manual labour and the justification of women's role in the social reproduction of the labour force, in the best interests of capital.

The expansion of part-time work leads to an increasing tendency to "manage the male and female work-forces differently". The "soft" version is clear in northern European countries where there has been a certain social liberalism, where women have long had access to abortion and where the definition of a family has become more flexible, with acceptance of divorce, of living toget-

her, and of children born outside of marriage. You see the "hard" version further south, where anti-abortion forces are gaining ground, governments are establishing aggressively restrictive family policies and "norms", and the partisans of a public "Moral Order" refuse to accept the evolution of family types towards the "northern" model. Britain's last Conservative government launched a hypocritical "back to basics" campaign, and continued to scapegoat single mothers. In France, economic policies and social benefits unashamedly favour married couples, and large families.



Transformation and regroupment

The collapse of Stalinism and the continuing capitalist crisis has contradictory effects. Myths and illusions connected to the restoration of capitalism in the post-Stalinist societies have dissipated, faced with the actually existing market economy. But reactions to the socio-economic crisis all too often take the form of reactionary tendencies of an ethnic, nationalist, racial or religious character. Hence the urgent need to rebuild a world-wide movement of anti-capitalist struggle, taking account of the recomposition of the workers' movement which is underway as a result of the double failure of social democracy and Stalinism.

Regroupments of forces determined to learn the lessons of the historical abomination that was Stalinism and to continue, against the winds and the tides, to fight against capitalism are being realised in a number of countries.

In all the countries where such possibilities exist, the organisations of the Fourth International are ready to be part of the re-groupment process. We consider this as an important step towards the recomposition of the anti-capitalist left on a world scale. At the international level, the Fourth International is an active participant in re-groupment, bringing with it the advantages of a long tradition of combat against capitalism and Stalinism.

★

Price: £5/\$10/60FF plus 10% postage charge for orders of 1-4 copies. Order from your local agent, or directly from International Viewpoint, BP 85, 75522 Paris cedex 11, France

Maximum flexibility

The struggle against part-time work must also take into account the major role it plays in strategies for deregulating the labour market. Part-time work, which has never been a "social demand" on the part of women, or a better way for them to enter the work world, is something which women endure rather than choose. It meshes well with the general strategies adopted by companies desiring to adapt better to market fluctuations and minimise their labour costs.

Part-time work is central to the extension of labour flexibility, and to the employers' dismantling of earlier expectations of a normal, full-time job, with relative security, inherited from the post-war economic boom.

Thus, part-time work is often bound up with other elements of job insecurity: temporary work, subcontracting, and fixed-term contracts; and why it often involves irregular schedules at the discretion of the employer, especially in chain stores and supermarkets.

This is why the majority of part-time jobs are unskilled, with potential neither for training nor promotion; and why part-time status is not only imposed on workers as the only alternative to total unemployment, but often irreversible: a return to full-time work is almost impossible.

This type of part-time work is dominant in France, in Belgium, and especially in Britain, which is in the forefront of labour market shifts. It is in these countries, in fact, that jobs last the shortest amount of time, and that below a certain level, any vestige of equal treatment (prorated pay or bonuses, guarantees) disappear.

While the level of women's employment in Britain is relatively high, the socially approved norm is a two-income household where the man brings home the primary paycheque and the woman works a few hours a week to make up the rest, since she is entirely responsible for childcare in the absence of affordable alternatives.

It should be noted that even if in this case we are talking about a sort of "savage" part-time work, left totally to the discretion of the

employer. The Conservative government nonetheless offered financial incentives to the introduction of this type of work.

A new model

Official reports have begun to stigmatise this type of part-time work, judging it discriminatory, and discouraging. The analysis is the following: part-time work should no longer be considered underemployment, or a cut-price job, but should, on the contrary, be regulated and benefit from all of the guarantees of a full-time job. Part-time status should be voluntary, with equal treatment, and access to training and promotion.

This was the gist of the general accords which have just been signed between the European Confederation of Trade Unions, the European Community Industrial Union, and the European Centre for Public Sector Enterprises. These recommendations include eliminating discrimination suffered by part-time workers, and identifying and reducing the obstacles which limit companies ability to increase part-time work.

The long-term goal is that part-time work should be "normalised," regulated and governed by regulations and guarantees, as it is already in Sweden or in the public sector in France. As a result, it is hoped, part-time work will become acceptable, perhaps even desirable, for a majority of workers.

A false choice

In fact, even under these conditions, the expansion of part-time work for women still rests on a false ideology of "choice". Accepting part-time work as a "choice" means deliberately obscuring the real conditions of working women: the lack of any real male participation in household labour, insufficient or non-existent childcare alternatives, a lack of time, and pathetic jobs, most of which are unskilled and poorly paid.

All of which comes back to the still dominant idea that paid work for women is only subsidiary and temporary, and that women's salary is a complementary "extra" in the family budget.

The extension of part-time work is a way for employers and governments to avoid being forced to shorten the length of the work day for all, which would entail redistributing profits and re-organising social life.

Increases in productivity and Europe's continued weak economic growth mean that fewer hours of work are necessary. And these hours of paid labour are being distributed among the working population in a harsh and regressive manner, through mass unemployment and the imposition of part-time work.

The central struggle in Europe today is the struggle around defining what work should be: defending the idea that people's desire to work less and live better must not be "settled" at the individual level, by factors like poverty, insecurity and discrimination.

This struggle, which is also a struggle of ideas within the trade union movement, is taking the form of a struggle for the 35 hour, or maybe even 32 hour week, throughout Europe, immediately, and without any loss in salary. ★

How the EU



Tax policy is an important lever for transferring wealth from the working class to capital, particularly finance capital. In this grand strategy, it is an essential counterpart to other 'levers,' like public debt policy and toleration of mass unemployment.

The implicit average rate of tax¹ for workers in Europe has grown steadily, from 34% in 1980 to 40.5% in 1994. Taxes on self-employed workers, and other factors of production, like capital, energy, and natural resources fell from 44.1 percent to 35.2 percent. Between 1980 and 1994, taxation on the interest from savings fell by 10%.²

The EU is not a powerless observer of this transfer of wealth, but an active participant. The EU has created the framework at the heart of which this injustice can prosper. It has done so consciously, cynically and deliberately. So it is not by strengthening the EU that we can expect a reversal of the process under way.

Free circulation of capital and tax

There is very great diversity of fiscal

International Viewpoint

1996 collection

The 1996 collection costs £10/\$20.
Bound volumes for previous years ('90, '91, '92 '94, '95) cost £5/\$10.
20% Discount on orders of four or more volumes. Full Index included.

rganises fiscal injustice.



regimes across Europe, particularly concerning the taxation of savings. Luxemburg and Germany have no specific regulations ensuring that the interest paid to EU residents is identifiable for tax purposes. Others, such as Denmark, the Netherlands and, in most cases, France have a "reporting system," under which banks must inform the Treasury of interest payments on capital. Belgium, Spain, Italy, Ireland, Britain and, in certain cases, France) prefer to tax revenue from capital (interest) at source.

The result of this diversity is that, ever since the free circulation of capital became effective on 1 July 1990, there has been a dramatic move away from local savings in the core countries of the EU, and a competitive avoidance of tax by capital.

Theoretically tax revenues from savings are payable in the tax-payer's country of residence, after an aggregation of all income, whether originating inside the country or elsewhere in the EU. In theory, then, taxation of savings should occur independently of where the capital is invested. In practice this doesn't happen, because most EU tax administrations do not have the investigative means to discover what happens to capital owned by "their" residents. Consequently, collecting tax on investments placed abroad

depends on the declaration of such revenue by the tax-payer.

Since, at the same time, savings by non-residents are tax free in a majority of EU states, the free circulation of capital has created a situation where income from the mobility of capital can, perfectly easily evade taxation.

Fiscal policy and Maastricht

The other jaw of the fiscal injustice trap is the budgetary stabilisation prescribed by Maastricht. The EU has created a framework which allows capital to avoid tax. But at the same time, it requires member states to reduce debts and budget deficits. It is now clear that the burden of stabilisation is being transferred on to the working class – in the form of reductions in expenditure (Social Security etc) and through the introduction of new methods of raising revenue (like Value Added Tax).

This competitive avoidance of tax on the revenues from investments has a number of effects. To avoid the cessation of local investment by its residents each government is introducing tax measures favourable to 'its own' rich. It is in this context that we should regard recent steps, such as the abolition of the inheritance tax in Germany and its reduction in France. But these sort of measures have been taken in the majority of countries between 1989 and 1993.³

In every country the rate of tax on inheritances is declining whilst their volume is increasing and, at the same time, there is a concentration in the hands of the richest, especially the banks.

Fiscal competitiveness of firms

This competitive reduction in taxation doesn't just affect finance capital. Other capitalist sectors do not want to be left behind and the EU is striving to give them satisfaction. Take the question of 'parent' companies. Previously a deduction (tax) at source was made in the country of the subsidiary firm on the dividends paid to the parent company in another country. But the EU decided that this was an intolerable "tax discrimination" since there is no such deduction when both the parent and subsidiary firms operate in the same country.⁴

This logic of abolishing supposed "tax discrimination" is still at play. The consequence is a progressive lightening of taxes on capital. For example, the Commission is drafting a directive which will ensure that losses run up by a subsidiary in an EU state will be treated in the same way as if the subsidiary were located in the same country as the parent company. A group of companies will, therefore, be able to locate its investments in a country where tax relief is most appealing and then transfer them on paper to one of the group's enterprises in a country

with less generous tax benefits, with the advantage that the loss thereby created will be tax deductible.

Since the fiscal rules governing amortization and taxes on company profits vary almost as much as those on tax deductions to investment income, the result can only be an increase in competition between EU member states, "bidding" against each other with fiscal presents to attract investors. All, of course, in the name of promoting employment.

From now on, official statistics on the rate of tax on profits must be examined with the greatest care, because, in every country, governments have developed a wide range of deductions and exceptions which reduce, or even completely write off, taxes on profits. As a result, very few people have an overall view of these mechanisms in the different countries any more.

A deliberate policy

Even the EU's own specialists predicted these perverse effects of the free circulation of capital combined with criteria for budgetary stabilisation.

On the decisive question of taxation on savings the Commission proposed in 1988 a common regime: a 15% tax on interest payments, to be deducted at source, and better collaboration between the fiscal authorities of the member states.⁵ Nevertheless, eminent tax experts have estimated right from the start that these proposals will be inoperable or, at the very least, completely insufficient.⁶

- A system of deduction at source cannot be limited to affecting the tax interests of the residents of one of the EU member states: it must also apply to residents of a third country.

- The exemption of Euro-obligations from deduction at source risks making a mockery of the idea of European fiscal harmonisation. Instead, it will promote Euro-obligations as a substitute for traditional bank deposits and government bonds.

- Taxation on global income cannot be installed without putting into question Belgium's system of taxing interest payments at source, which entitles depositors not to declare this interest as part of their taxable income. This is contrary to the principle of aggregation of income, of taxation of people in relation to their contributory liability;

- The deduction at source envisaged was lower than the rate of taxation on interest from savings practiced in the majority of countries. In the context of free circulation this proposal will lead to a lowering of the rate of tax on income from investments.

The most important criticism concerns the European Commission's refusal to

recommend to the member states the adoption of the "Reporting System" – i.e. the lifting of banking secrecy throughout the whole of the EU. The Commission claimed that such a move "would, in all probability, run up against serious obstacles in those member states which have a long tradition of banking secrecy which, very often, receives the full protection of the law".

A blind eye

Not only did the EU take no account of these predictions, but the proposed directives were not even adopted: Britain and the Luxembourg were opposed, in the name of liberal economic principles, whilst the Netherlands insisted on the generalized adoption of the 'Reporting System'. Despite this setback and despite all the fine words about the necessity for accompanying measures to prevent the liberalisation of the movement of capital provoking an explosion of fiscal fraud, free circulation was set in motion on the prescribed date.

In 1990 Germany unilaterally decided to implement a levy of 10%, deducted at source, on interest, but had to repeal this

measure a short time later because she was confronted with organised sabotage by Big Capital. After this episode the European debate on "measures to accompany free circulation" was frozen until 1993.

In 1992 the Ecofin Council was obliged to concern itself with the scandal at the Luxembourg-registered BCCI (Central Bank of Commerce and Credit International), which was revealed to be a focal point for the laundering of drug money. This scandal underlined the relevance of radical measures such as the lifting of bank secrecy. But EU Finance Ministers adopted a document claiming, against the evidence, that "the system consisting of control at the level of the country in which are situated the registered offices and common surveillance instituted by Community legislation which has been adopted in the last few years is a system of fundamental value which requires no important revision". On the contrary, the ministers still openly insist on "the necessity for a solution favourable to the capitalist market".⁷

In the most recent period the Commission has begun to insist on the need to reduce

the burden of taxation on employees. But this is not in order to correct the fiscal imbalance between labour and capital, since any discussion about increasing the level of taxation on capital is excluded. Instead, the objective is the radical reduction of employer's payments for Social Security. In other words, the reduction of the cost of wages. As usual, the aim of social regression is hidden in beautiful but false words about the fight against unemployment.

Our proposals

The radical left generally ignores the fiscal aspects of our anti-capitalist alternative to neo-liberalism. But this is an extremely important chapter. The road to follow is not that of fiscal harmonisation through the EU. On the contrary, we have to challenge every government to use its right of veto on these matters. Moreover, we need to put forward demands on taxation which form the bridge between the question of public debt and that of employment.

In this regard more attention needs to be paid to an exceptional tax at a high rate on the inheritance of the richest 10% of the population, and businesses. The creation of a fund to finance a generalised reduction in work time in the public sector and small enterprises (big firms can pay out of their own pocket) is one of the possible uses for these new budgetary measures.

Coupled with more 'obvious' demands, such as the generalised lifting of banking and insurance secrecy,⁸ the suppression of off-shore tax havens linked to EU states and the establishment in every country of a register of large inheritances, radical fiscal demands are capable of making concrete an important aspect of any alternative policy which is centred around the satisfaction of social needs. ★

Notes

1. The implicit average rate of tax is calculated by dividing tax actually paid by the taxable base.
2. *Taxation in the European Union, Report on the Evolution of Tax Systems*, Commission of the European Community, October 1996.
3. In Belgium, since 1980, the tax on interest has entitled depositors not to declare that interest as part of their taxable income. The rate of taxation was reduced from 25% to 10% in January 1990 (it was raised to 13.39% in 1993-1994). In Denmark revenue from capital is exempt from the surtax on incomes above 231,800 Danish Krone. In France the rate of obligatory deductions has been reduced from 26% to 15% for government bonds and from 46% to 15% for other negotiable bonds and bank deposits; a Belgian-style system has been introduced for the benefit of capitalisation. In Italy too, a Belgian system has been introduced. In Luxembourg and the Netherlands tax free allowances have grown.
4. European Directive, 23 July 1990
5. COM (89) 60 final/3, 12 May 1989
6. These particular criticisms were formulated by Belgian Professor Max Frank, former Inspector of Finances
7. Ecofin *Communiqué à la presse*, 27 July 1994
8. As demanded by the Geneva Appeal of magistrates.

Analysis with Attitude

There is only **one** magazine in the English language where

- the leaders of France's trade union left debate how best to articulate the new mood of resistance to public sector cuts and unemployment.
- Tahiti's NGO activists explain why they feel Greenpeace marginalised them during the campaign against French nuclear tests.
- Indian activists argue that we shouldn't ban imports on countries with deficient environmental and labour legislation.

Founded by Ernest Mandel, **International Viewpoint** is the world's largest international Marxist news and analysis magazine.

Correspondents in over 50 countries report on popular struggles, and the debates which are shaping the left of tomorrow. Direct from the front line in the fight against neo-liberalism.

This magazine is a window to radical alternatives worldwide.

For a free trial subscription (three issues), call us now, or mention this advert to our local sales agent!

Australia: International Viewpoint, PO Box 1638, Collingwood 3065, Victoria
Britain: Outlook International, PO Box 1009 London N4 2UU ☎ (081) 800 7460
Canada: Socialist Challenge, PO Box 4955, Main P.O., Vancouver V6B 4A6
USA: International Viewpoint, PO Box 1824, New York, NY 10009

✉ BP 85, Paris cedex 11, 75522 France ☎ +33 1/43792961
 Fax: +33 1/43792961 E-mail: 100666.1443@compuserve.com

- Australia \$33 • Britain £25 • Canada \$80 • Denmark 380 DKK • Ireland £25 •
- South Africa R100 • Sweden 400 SEK • New Zealand \$35 • USA \$70 •



INTERNATIONAL INSTITUTE FOR RESEARCH AND EDUCATION

◆ 48 bed conference centre with six channel interpretation system, ten minutes from the centre of Amsterdam.

tel. (+31) 20/671 7263 fax 673 2106
 PO Box 53290, 1007 RG Amsterdam
 Netherlands. e-mail <iire@antenna.nl>

Public services for the common good

All industrialised countries are facing a two-fold process of deregulation and privatisation, affecting both public services and social security. The ultimate goal of this offensive is to put public sectors of economic and social activity back into the market.

In health care, education, pensions, the post office, telecommunications, transport, water and energy, there is an overriding logic demanding the "re-commodification" of the goods and services involved.

This universal offensive is backed up by international institutions. The latest World Bank report on pensions is essentially a how-to-do-it kit for private pension schemes, to be used in the North, the South and the East.

The specifically European dimension is that privatisation and social spending cuts are being carried out in the name of the Maastricht Treaty. Successive white papers have laid down a programme for privatising post offices, telecommunications and other sectors. Resistance, however, has forced a reluctant recognition of the notion of public service, now referred to as "universal service".

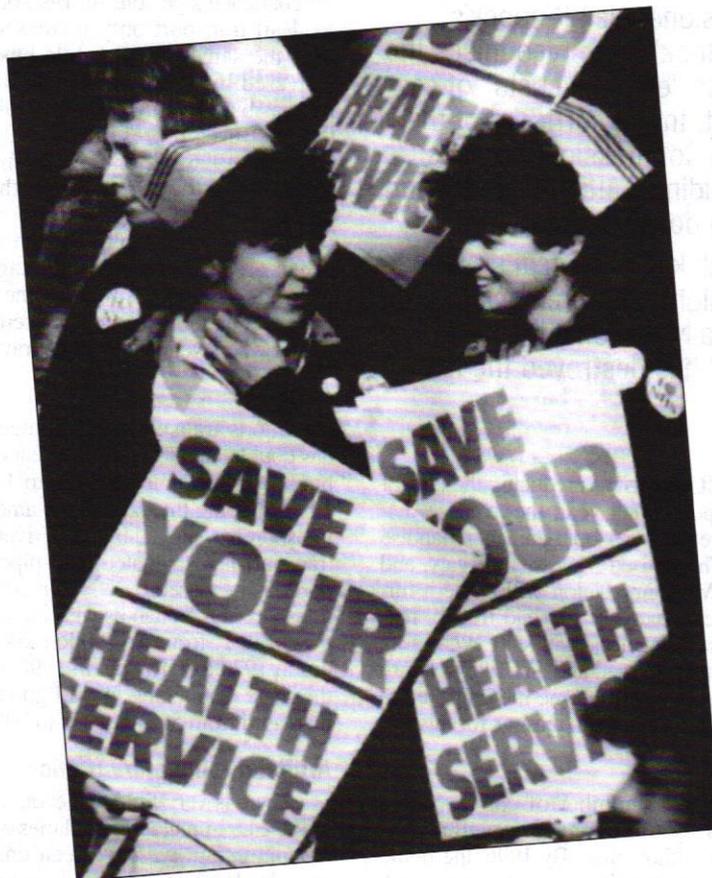
In France, Belgium, and some other countries, the defence of public services is a popular touchstone for the working class movement. But even here the bourgeoisie is waging an aggressive ideological and political offensive. They raise the question of efficiency where public services function poorly — the Italian postal service is a good example. More recently they have raised technological arguments (new products, new demands). In the (nationalised or subsidised) airline industry, they point to competition in a globalised economy.

A two-tiered system

We must stress the dangers of privatisation. By abandoning a system of transfers between regions and sectors, a two-tiered system will be established. Profitable sectors will have priority, while others receive the basic minimum. Any truly European project should do the opposite: expanding such transfers in the interests of social equality and regional balance.

Privatisation increases the quality of services to wealthy and powerful "customers". But if we define quality in terms of the common good, then ensuring direct workers' and users' control over the organisation of public services will probably do more for quality than handing profitable operations over to the market might.

Profit is a short term criteria. The public purse usually picks up the tab for infrastructure investment and research, and, as we



know, private companies pay scant attention to the environment. Only by socialising public services can they play a key role in ensuring long-term sustainable development.

Competition leads to the absurd splitting up of "natural" networks and connections. It is wrong to say that the market provides the necessary regulation. If European construction is to be something real, the need is for more and not less regulation in this field.

The bourgeoisie benefits from the low regard the public often has for the state sector (a low regard stemming from bureaucracy, social-democrat style nationalisation, and technocratic monoliths like the French electricity utility EDF, which has aggressively pushed nuclear power on the country).

These state enterprises are hardly models; they do not bring the state closer to the local level, they do not involve consumers, and they are blind to environmental considerations.

A new definition of rights

But rather than defending state enterprises in their current or past form, the working class movement should fashion a

renewed vision by advancing demands and new forms of organisation — using a transitional approach and a new definition of citizens rights.

National traditions and consideration of the actual state of affairs in each country should be combined with an over-arching universal vision. The idea is not to defend an antiquated form of nation-based capitalism nor to build European mammoth bureaucracies. The guiding principle should be democratic subsidiarity.

The whole working class movement must take up these demands. The idea of defending and extending public services must not be left to workers in the concerned sectors, struggling on their own. The struggle must also be European in nature.

Organisationally, trade unions and community groups should find a common framework to defend and extend public services.

Programmatically, the idea of a Charter of Rights for the Citizens of Europe should take shape around a renewal of the notion of rights — including rights to housing, transport, communication, health care and education. ★

The automobile society

The European Union prefers the train. Officially, at least. Transport Commissioner Neil Kinnock's "Green Book" even recognises the enormous "external costs" of car transport. In the corridors of the Brussels Commission, phrases like "avoiding traffic build-up" and "slowing down" are common.

But we all know the real situation. Trains might be more socially and ecologically reasonable, but EU "reform" has destroyed the rail system.

The real EU priority is reducing the cost of road transport. Each year, the average distances travelled by people and merchandise increase. The revised Maastricht Treaty, and European Monetary Union will cause a further, artificial increase of road traffic, increase journey distances, and shift even more traffic from rail to road and air. Like in North America, trains will become more and more rare. There are three main reasons for this.

Car traffic

In 1970, the number of car travellers multiplied by the distance travelled was 1,580 person-kilometres. By 1996, the figure was 2.5 time higher: an incredible 4,000

person-kilometres. And there are less people in each car nowadays. In 1970 the average car contained 2 persons. In 1996 only 1.5.

Rail transport only increased by 30% over the same period, while bus transport increased by 50%. Even in 1970, rail was responsible for only 10% of total transportation. Buses represented 23%, and cars 77%. By 1996 rail only represented 6% of total transport, compared with 15% for buses, and 85% for cars.

These figures don't include travel inside urban areas. But given the stagnation in metro and tram construction, the weight of private automobile transport is certainly even higher when we include urban travel.

Trucking

Goods transport (in kilometre-tonnes) has doubled over the last 25 years (from 850 bn. kilometre-tonnes in 1970 to 1,500 bn. in 1996). During this period, the amount of rail transport has slipped by 15%, river and canal transport has stagnated, and pipeline transport has increased by 30%. In contrast, road transport of merchandise has increased by almost 150%, from 420 billion kilometre-tonnes in 1970 to 1,100 bn. in 1996. As a result, the share of trucking in total goods transport increased from 50% in 1970 to 70% in 1996.

Artificial, obligatory traffic

There is very little real economic growth in the EU. In real terms, salaries are stagnant or falling. But we have seen uninterrupted growth of automobile traffic, which the EU

even defines as a "growth-stimulating sector." More and more person-kilometres are "produced" every year. The European Commission's new Green Book on transport calculates that "the daily travelling distance of the average European citizen has increased from 16.5 km (10 miles) in 1970 to 31.5km in 1996. This increase in demand has mainly been satisfied by an increase in the use of the private automobile... The number of private cars for every 1,000 inhabitants has increased from 232 in 1970 to 435 today."

Over the same period, what the EU calls the "intensity of transport" has increased by more than 50%. In other words, each tonne of merchandise travels 50% further than in 1970, before reaching its buyer.

As in so many other areas of capitalism, in the transport sector we are witnessing the transformation of productive forces into destructive forces. Technology and equipment which once brought mobility for people and diversity in the merchandise available is now engaged in artificial "growth," and average journey lengths are being stretched.

In goods transport, average journey length is increasing because of an absurd division of labour, and greater distances between producer and customer. The engine of an Opel Corsa automobile is produced in Vienna, Austria, and the body is made in Zaragossa, Spain. EU-inspired subsidies to the cost of commercial transport contribute to this ecological nonsense, destruction of regional economic structures, and miserable working conditions for professional drivers.

Individuals are commuting further and further to work: one consequence of the concentration of capital. The closure of so many small shops has increased the length of the shopping circuit, and the destruction of the urban tissue obliges people to travel further and further for their leisure activities.

There are obvious ecological and economic reasons to put a stop to these developments. And democratic reasons too. In 1995, only 40% of European households had a car. Larger families, those with young children, young people and women are all over-represented in the 60% of households that do not possess an automobile. In other words, policies which favour road transport and the private motorcar are by definition against the interest of a majority of the population.

An increase in the density of car ownership (more cars per 1,000 people) will not mean an improvement in this exclusion. In the United States, increased car ownership has gone hand in hand with the deterioration of the public transport system (bus, tram, metro, rail).

Total automobile society

There are powerful interests opposed to the development of a reasonable, responsible and human transport system. Twelve of

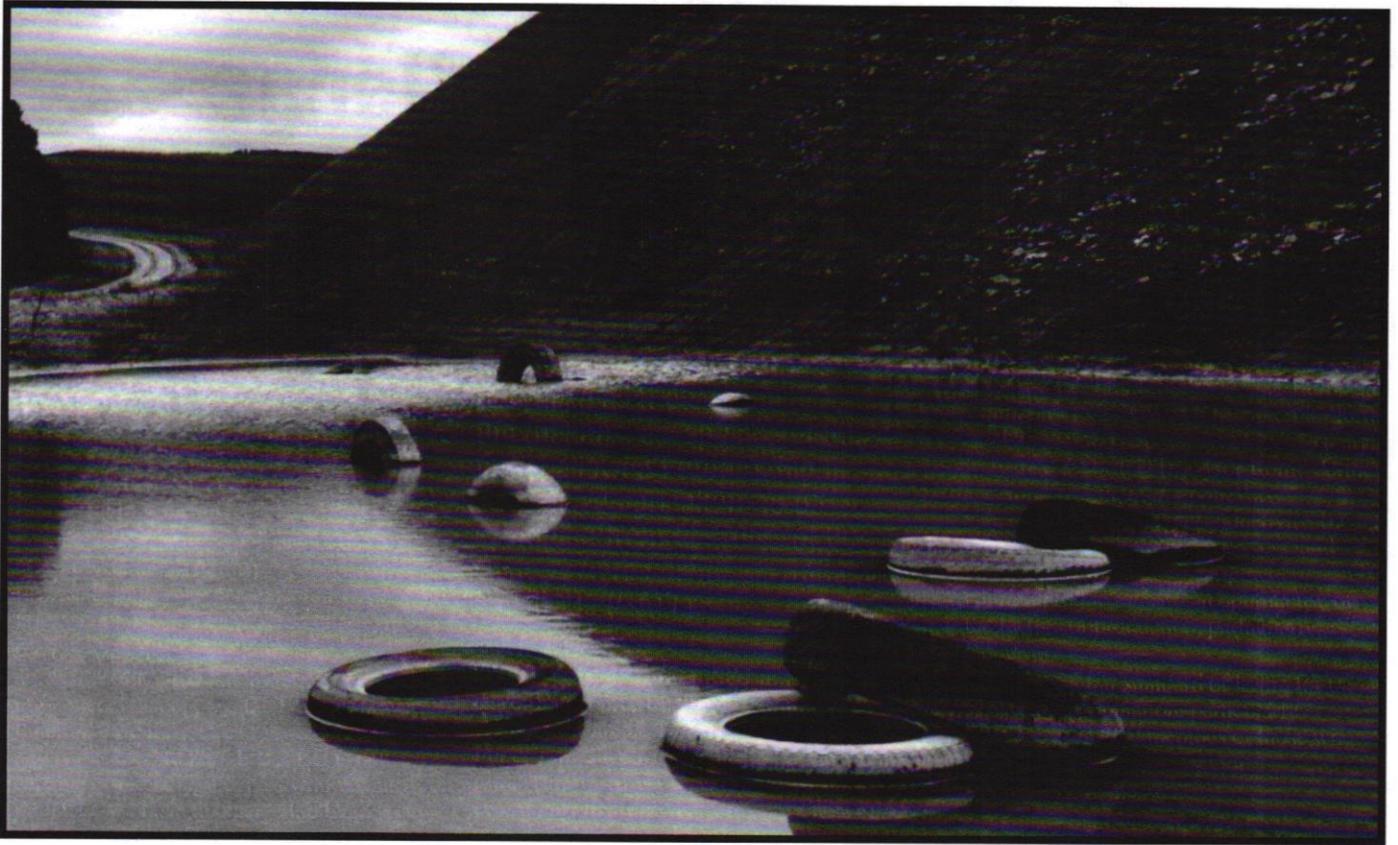
"Automobile" Europe

The weight of "automobile society" ¹ in the top 12 industrial corporations of the largest EU economies. Turnover is calculated in billions of DM/year

	Germany	Britain	France	Italy
	turnover	turnover	turnover	turnover
1	Daimler 95	Shell ¹ 170	Elf Aquitaine ¹ 59	Fiat ¹ 76
2	Siemens 76	BP ¹ 95	Renault ¹ 49	Eni/Agip ¹ 67
3	VW ¹ 75	BAT 40	Peugeot/PSA* 47	Enel 26
4	Vebea ¹ 60	ICI 36	Alcatel-Alst. 47	Montedison 21
5	Hoechst 45	Aerospace ² 31	Total ¹ 42	Feruzzi 24
6	BASF 47	Gen El. 26	Usinor-Sac 26	Pirelli 13
7	Bayer 42	Ford UK ¹ 18	Rhone Poulenc 25	Olivetti 12
8	Thyssen 36	Br. Steel 13	Peciney 22	Alitalia ² 8
9	Bosch ¹ 33	Guinness 12	Thomson 21	Tamoi ¹ 7
10	BMW ¹ 29	IBM UK 12	Michelin ¹ 20	Efim ¹ 6
11	Opel/GM ¹ 27	Esso UK ¹ 11	Saint Gobain 22	Esso It ¹ 6
12	Ford AG ¹ 22	Rolls R. ¹ 10	Schneider 17	Erg Petrol ¹ 6
Total turnover	589	474	397	272
<i>of which, auto</i>	<i>341</i>	<i>304</i>	<i>217</i>	<i>181</i>
% of turnover	%	%	%	%
<i>auto</i>	<i>58</i>	<i>64</i>	<i>55</i>	<i>67</i>
<i>auto + aero</i>	<i>58</i>	<i>71</i>	<i>55</i>	<i>70</i>

1. "The automobile society:" vehicle production, petrol and oil refining, tyres

2. Aeronautical production and air transport



Europe's 20 largest trusts are in the oil refining, petrol distribution and vehicle construction business. These companies represent 2/3 of the total turnover of the 20 major trusts on the continent. A rich and influential enemy... [see table above]

The European Commission and the member states are planning on the assumption that air and road transport of merchandise will double by the year 2010, and that there will be a 30-50% increase in person-kilometres of private automobile transport.

Three EU programmes are working actively to create this total automobile society. EU Structural Funds are supposedly an aid to poorer regions. In fact, a large part of spending goes to road building, particularly in "little-motorised" regions. In 1994 these funds were worth 43.3 billion DM (\$29.5 bn). In 1999 they will be 63 bn. DM.

Transnation networks

Most of these high-profile projects concern new "high-use" connections, to "fill the gaps" in the continental transport network. They include the Eurotunnel between Britain and France, a tunnel under the Alps between France and Italy, and the Skanlink bridge between Denmark and Sweden.

There are also a number of destructive High Speed Train projects. Gigantic investments in these rail lines will almost exclusively benefit businessmen.

Nine out of ten rail trips in the EU are on trains with an average speed of 50 km/hour

or less. For the majority of rail travellers, speeds of 250 km/hour are absurd. The average longer journey is about 200 km. A high speed train could only reduce the time of such a journey by a few minutes.

In June 1996 German Chancellor Helmut Kohl told an EU committee on transport that "a High Speed Train between London and Moscow would substantially increase the support of the citizens for the European Union."

This is grotesque. How many people actually travel between London and Moscow? Almost exclusively businessmen. Who almost exclusively prefer the plane.

Subsidising rail privatisation

At the same time as prioritising long distance, high speed travel, rail operators are dismantling the regional and local transport networks which most people use most. Cuts in staff are reducing the level of service and passenger security. Each application of "market forces" weakens the supposedly weakest section of the travel system: the public system.

In Britain, the "profitability" of bus operators increased after the 1985 liberalisation, even though the number of passengers decreased by 27.4% between 1985 and 1994. Prices increased by 25% during the same period. A clear example of the logic of privatisation: less buses travelling more kilometres, carrying less passengers, who pay more than before.

The working conditions of transport staff are also affected. The average age of buses in

circulation is increasing, and security norms are being loosened.

Left turn

We need to change the whole direction of transport policy.

- Reducing average journey time
- Putting strict limits on the destructive potential of the transport system on our environment.
- Stricter speed limits, and a reduction in the maximum tonnage of truck loads.
- Lorries should not be allowed to transport merchandise during the night.
- Find ways to cut significantly the amount of merchandise transported. What is left should be moved by rail.

We need to establish clear estimates of the total real costs of our transport system, including the social and ecological costs. This will inevitably mean increasing the cost of road transport of merchandise. But we should not allow transport companies, to "compensate" for this extra cost by reducing salaries or intensifying the work of their employees. States' increased revenue from these new tariffs should be used to develop public sector transport systems.

Above all, we must stop the privatisation and deregulation of the sector. Mobility should be recognised as a general, social right, like health, education, and the retirement pension. Some say this will inevitably increase bureaucracy. The solution is in the democratisation and decentralisation of this expanded public transport system. ★

directly anti-ecological way: chemicals, agro-foodstuffs, automobile, civil and military nuclear, construction, public works, leisure, market management of natural resources, and the powerful and reactionary hunters' associations.

Each of these lobbies intervenes actively in politics, mobilising enormous financial resources to squash any signs of ecological opposition, and block democratic choice.

When he came to power in 1981, President Mitterand promised French voters a "great debate" on the country's energy policies. It never happened. And for years, the country's nuclear bureaucracy has carried out a mass brainwashing campaign, based on paid television advertising, and aiming to wipe out all memories of the Chernobyl disaster, and the failure of the Superphenix generator, destined to become the jewel of the French nuclear industry. So much for the right of citizens to decide on their own future.

Governments rarely hesitate before breaking their own laws on the environment, where the interests of these powerful lobbies demand it. They have even less hesitation where European regulations are concerned.

In any case, the control of vital resources like water increasingly escapes any form of public control, at the local or national level. States have proved incapable of preventing the major agro-businesses from drawing excessive amounts of water from underground reserves, and increasing soil and water pollution. Where water is still under public control, its management is increasingly delegated to large private companies.

These same companies are expanding into the banking sector, and the communications industry. They are involved in huge international manoeuvres, where the search for profit and the search for power are closely linked. Any notion of public service is foreign to them. And yet, they are responsible for water, a public good. This privatisation of a vital resource has already had considerable ecological and social consequences: decline of the environment, large increases in the price of drinking water, and a loss of control of local authorities over their immediate environment.

Ecological demands confront the blind logic of the market, in which only "effective" (cash-backed) demand is important, which ignores the most pressing human needs unless they can be expressed as buying power, and which is completely uninterested in the 'price-less' equilibrium between human society and biosphere.

But ecological demands also confront specific capitalists, often the most powerful. Private interests which systematically intervene to prevent the implementation of public policies which threaten to reduce their profits and power.

In other words, political ecology is not something which intervenes on the edge of capitalism, or in an undetermined zone of consensus and reasonable compromise. Ecological demands touch the very heart of the system.

This is why they encounter such deep resistance. And why they can and should be

integrated into our project for an global alternative society.

Projects for an alternative society

A sector of the peasantry, which has resisted the destructive transformation of the rural world since the 1960s, today not only struggles for the protection of small producers against the major agro-industrial groups, but challenges the dominant notions of "progress" and "modernisation". Without falling into nostalgia, radical peasant groups have recently popularised a renovated concept of "peasant agriculture," at the same time as the larger rural unions, particularly those controlled by the big cereal producers, have completely accepted the dominant model of agro-industrial development. In the countryside, there are two clearly opposed projects for the society of the future.

The development of the agro-foodstuffs industry implies the standardisation of the countryside, and increasingly artificial methods of production. The creation of giant production units, and the exponential increase of chemical intervention in farming. The continued exhaustion of vital resources. All of which combines to reduce Europe's biodiversity, increase pollution, reduce the quality of foodstuffs, create new risks and new epidemics, and reduce the living conditions of the poorest.

It also implies the continuation of the massive rural exodus which feeds mass unemployment in urban areas. Entire regions of the European countryside are becoming a human desert. The socio-economic tissue of these regions is being torn apart, and public services are disappearing.

The necessity to export at all costs means making the people of the third world dependent on "our" food exports. This truly imperialist dependency is one of the most serious problems facing several third world countries. Vital markets are coming under the domination of the agribusiness barons. The law of profit is increasing its kingdom. Subsistence agriculture, political independence and original patterns of agricultural production are being overturned. A real cultural manipulation...

Progressive peasants' movements have the responses to these problems. The answer combines ecological questions (like diversity), social issues (like health and employment), democratic demands (limiting the control of agro-business over rural areas) and internationalism (recognising the right of the peoples of the south to food self-sufficiency and cultural authenticity).

This critique of the basis of the dominant model of development is applicable not just to the EU's agricultural policies, but to its overall conception of "growth," as something dominated and guaranteed by the largest conglomerates.

Former European Commission President Jacques Delors was obsessed with a huge plan of public works of doubtful social utility, and prohibitive ecological costs, but representing considerable profits for key interests, if only the EU could find the finances.

Unifying the struggles

Ecological demands have often been considered a "luxury," or at least a secondary priority, given the urgent social crisis. And yet, in the north and the south, we can already feel the implications of the ecological crisis, touching a growing range of aspects of our conditions of life.

Ecological issues are issues for today, not just the future. That was true yesterday, it is even more true today. The neo-liberal offensive contained within the Maastricht Treaty, and, at the global level, within the framework set by the International Monetary Fund and the World Trade Organisation, is an offensive in all areas of life. Logically, we should adapt the conditions of struggle in all areas.

This neo-liberal offensive facilitates the convergence of social, democratic and ecological struggles, which increasingly confront a universal, anti-human logic. "Ecological questions" are everywhere emerging, disguised as questions of public health, new social inequalities, and Europe's growing "democratic deficit." Consciousness is evolving! What Chernobyl did for the nuclear question, "mad cow disease" is doing for agro-productivism..

The project of an alternative society is slowly being re-born, though the road ahead is still long. This is a tremendous opportunity, providing that the ecological reference-point does not disappear, with environmental issues being presented as social and democratic issues. Because it is precisely the ecological reference which forces us to systematically rethink the evolving relationship between human societies and nature. A process of reflection which is far from complete, and from which revolutionary socialist currents must not be absent. ★

Electronic Viewpoint

Some of the articles for the next issue of **International Viewpoint** are already viewable at our web site. We are slowly adding a downloadable archive of articles published in previous issues

www.internationalen.se/sp/ivp.html

The **International Viewpoint** list server enables you to receive all our articles, as soon as they are translated into English. Several weeks earlier than they are available in paper form! As well as announcements and updates from our sister organisations around the world.

We also have lists in French and Spanish. Subscription is free.

To add *your* name, send a message to: <100666.1443@compuserve.com>.

International Viewpoint is at
<100666.1443@compuserve.com>

Fortress Europe

1997 has been proclaimed as the European Year against racism. But these commendable intentions are in total contradiction with the practice of Europe's states and their governments, which are applying policies of very strong discrimination concerning foreigners, immigrants and asylum seekers. These Governments don't hesitate to present foreigners as responsible for unemployment and insecurity.

The restrictive steps taken in different countries have one thing in common: Western Europe supposedly faces a threat of being 'invaded' by waves of immigrants and refugees from the whole world, especially North Africa, sub-Saharan Africa and Asia, but also from East Europe.

Facing this threat, we have to defend ourselves and prevent by all possible means that those who are dying of hunger or are fleeing from repression and war come. Including from 'nearby' countries like Bosnia

This nationalistic policy is now reinforced by European Co-ordination, in particular since 26 March 1995, when the Schengen agreement came into effect. That same day, an 'European expulsion charter,' a plan rented by the Dutch Government, landed at Amsterdam, Frankfurt and Paris. In each city police embarked refugees from Zaire, who's request for asylum had been turned down. The plane flew to Kinshasa, where the unfortunate passengers were handed over to the authorities of the Mobutu regime.

This agreement, extended by the Treaty of Dublin, symbolises the huge electronic barrier which is going up around Western Europe, backed up by a European super-police, and a enormous computerised surveillance system, designed to hold 10 million names of "suspects," and already programmed with 5 million.

This machinery is not limited to the countries which signed the Schengen Accord. Restrictive rules concerning immigration and asylum, introduced experimentally within the Schengen framework, have since been "communitarised," even "Europeanised." Strict norms have been imposed on the EU's neighbours, partly through financial blackmail.

Since the mid-70s, governments have been preparing for the opening of their frontiers, as a unavoidable consequence of the development of the EMU. They have tried to guarantee that there will be no free circulation of people, unlike goods and capital.

All this time, secret meetings of representatives of the member states have taken place, particularly 'anti-terrorist-experts' and police chiefs.

The Schengen agreement was signed in 1985, shaped by three years of secret preparations and police co-operation. The aims articulated in these secret meetings, and enshrined in Schengen, are a pre-cursor of what is becoming the common European policy in this field.

- Entry visas to be delivered according to restrictive principles, defined and agreed in common.
- Each Member State promises not to accept on its territory a person considered as "undesirable" by another member state. This measure has been invoked on countless occasions.
- Establishing an computerised information system, with precise identity information of "controlled" persons, particularly "undesirables."

4) Land, air and sea transport companies must assure themselves that their passengers have all the papers necessary to enter the Schengen area; otherwise the transport company will be fined, and be obliged to carry the rejected person out of the Schengen area. In other words, transport companies are being turned into police auxiliaries.

Since the signing of the agreement in 1985, the Schengen Committee has been working in several fields.

- enlarging the numbers of signatory states and achieving a ratification of these agreements by the different national parliaments: in reality the agreements are first adopted by the government, and only afterwards made public and discussed in the national parliament.
- to harmonise the police legislation in the different countries. Any country which wishes to join the Schengen area must first clearly show that strict controls on external borders are in place, and that legislation against immigration is sufficient restrictive. This is why Italy and Greece, both of which have signed the agreements, are still not integrated into the Schengen space.
- to harmonise the enormous computerised surveillance systems which are such an essential part of the Schengen space. The Schengen Information System super-computer already has files on five million people, mostly "undesirable aliens."

The Dublin agreement of June 1990 and the Treaty of Maastricht, signed in February 1992, systematise, for all Member States, restrictive measures in the area of asylum and visa policy.

All these agreements and treaties have

concrete consequences: in all European countries we see the introduction of laws meant to limit the rights of immigrants and asylum seekers. The police is assigned even greater powers, and foreign residents' legal security is reduced. Laws and even constitutions are being modified in this direction.

Governments have a grand discourse 'against racism and xenophobia' and 'morally' condemn the extreme-right, from which they takes a part of their programme. Conservative parties like the RPR in France, the British Tories or the German CDU don't hesitate to use extreme-right discourse, in a somewhat diluted form.

In other countries it is the Social Democratic Parties themselves which take a authoritarian and populist turn, leading to racism. This is the case in Belgium, where the most zealous supporter and executor of repressive measures against immigration and asylum right is the Socialist Party.

In Germany, the SDP plays a comparable roll in its participation in the majority which the Kohl Government needs to change the Constitution, in the direction of a drastic restriction of asylum rights. When it is the Social Democratic Parties that participate in this denunciation, the ideological confusion in the working class is becoming an important danger.

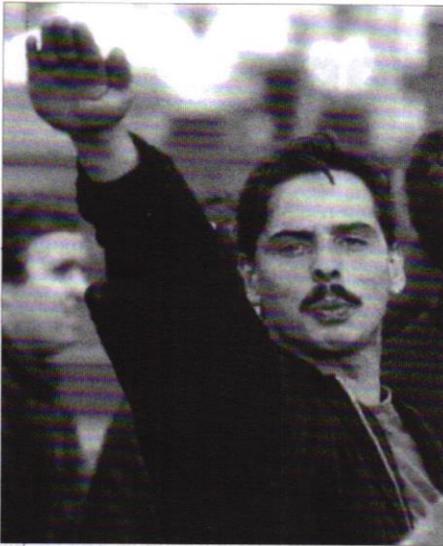
The division of labour is simple. The extreme-right points to the immigrants and refugees as responsible for the crisis, and even attacks them physically, while the governments introduce repressive measure against foreigners, and thereby legitimise the xenophobe agitation.

The migration phenomenon is being used as a political and economic weapon. On the one hand "illegals" are used as an underpaid and right-less segment of the labour force, on the other hand they are accused as responsible for the social problems.

The ripost

This huge repressive wave, across a Europe hit by mass unemployment, has provoked a important division in the working class, and in society as a whole. Furthermore, the traditional leadership of the working class has often let the poison of xenophobia establish itself, by putting the responsibility for unemployment on other countries where wages are lower, and calling for 'national production,' even limits on the number of authorised immigrants, in the name of some 'national preferences' as in Germany and Austria.

The offensive of the Government and the bosses to impose on the countries of the Third World a 'social clause', (to preserve 'our' exports and employment) will lead to increased xenophobia in Europe, and pit workers from the north against workers for



the south.

In this context the fascists have been able to multiply their audience, by concentration their agitation on the denunciation of the invasion of immigrants.

But these attack have also given birth to an anti-racist movement, and solidarity with immigrants and refugees. Many anti-racist mobilisations have opposed the discriminatory laws and far-right attacks, demanding equal rights.

New associations and organisations have been created, to give practice help to immigrants and to organise massive anti-racist campaigns, and in this way fight against the fascists.

Immigrants without papers and those who's asylum applications have been rejected, have entered the struggle, multiplying the demonstrations, hunger strikes and occupations, and refusing the clandestinity forced upon them.

An important phenomena is the self-organisation of immigrants, and the politicisation of young people from immigrant backgrounds and ethnic minorities. The appearance of a new militant generation played a central role in the anti-racist mobilisation in France in the 1980s, and is central today in Holland and Britain.

In many countries, specially Spain and more recently in France, the trade unions have taken up the struggle against racism, and practical defence of immigrants, included enrolling even those 'without papers' into the unions.

One important phenomena in this area is the number of huge demonstrations, often of tens of thousands of people, in different capital cities of Europe, against racism and the government's xenophobic measures. This is a real social movement

This is the Europe that stands up against Schengen, the Europe that fight for solidarity and democratic rights.

Besides these spectacular demonstrations, a network of help and defence committees have been organised. These associations particularly mobilise for those who have had their asylum appeals rejected, because of legislative systems that impose very strict

conditions, almost impossible to satisfy.

In France, Germany, Belgium, and Britain, there are even committees and associations that hide "paper-less" refugees, so that they won't be deported.

Despite the existence of these solidarity movements, and the obstacle they have imposed against some expulsions, the policies of the governments are increasingly transforming Western Europe to a real fortress, stuffed with laws and regulations, which work as barriers to entry.

Equal rights

To be able to create a Europe of liberty, democracy and equality, we must break with the logic of Schengen, which consists of harmonising towards the most repressive, xenophobic and discriminatory systems in operation. A Europe of equal rights means, on the contrary, alignment of national legislation towards democratic progress, the retreat of racism, and fraternity in a common struggle.

Demands

A few key measures show the way forward:

- Re-establishing asylum rights; abolishing the Schengen Convention; Europe must not be a fortress closed to those who want asylum, while taking only a very small proportion of the world's refugees, with the overwhelming burden lying on the countries of the South.
- Regularisation of the "paper-less", who have often spent years in an EU state, before current legislation forces them into clandestinity.
- Partial regularisation of the "paper-less" in different countries (Italy, Spain, Portugal, France in 1981).
- Birth in an EU state must give an absolute right to citizenship there. The "citizenship by blood" provisions of the German constitution are incompatible with the elementary norms of modern



civilisation.

- Young people of immigrant background are everywhere in a particularly precarious situation, without real possibilities for social insertion. We join with them in demanding equality.

- Free circulation: While capital, goods and information enjoy free circulation, men and women don't have the same freedom of movement. Most non-EU citizens need visas, even for short stays. We should demand the closure of all the detention centres and other closed areas, which are growing along our frontiers. Civil rights for all residents!

- The Treaty of Maastricht establishes an institutional discrimination between foreigners on the basis of their country of origin, and permits only limited voting rights (only local and European elections) to EU citizens resident in another member state.

Even this modest right is not fully applied. We demand the right to vote and to be elected on all levels for all those who live in Europe. The residents of a country constitute its collective citizenry. They should all have access to the totality of civil rights on that territory.

- Democratic and social measures: Abolish restrictions that prevent non-EU nationals from taking up employment in the public sector! There should be enforceable measures against discrimination by employers (access to employment) and landlords (access to housing).

These measures and these mobilisations form part of the whole struggle to united the working class and to defend the most oppressed and exploited layers in our societies. They don't only concern the anti-racist and anti-fascist movement, but the working class movement as such. They are a support to oppressed peoples in their fight for national and social liberation. ★

INTERNATIONAL INSTITUTE FOR RESEARCH AND EDUCATION

Do the workers have a country?

by José Iriarte "Bikila"

◆ £2.50/\$4. Cheque payable to P. Rousset, IIRE, Postbus 53290, 1007 Amsterdam, Netherlands.



The threat of military Europe

The Euromilitarisation of the EU is an undeniable reality, even if it is being done discretely and taking forms that are still uneven and incomplete.

Most progress is being made in the areas of bilateral co-operation between armies and military industry. On the institutional level, there are still major obstacles to changes which will involve a real transfer of national sovereignty to the supranational level. But behind the scenes, a series of measures have been taken, whose goal is to give the EU a more coherent, operational capacity for intervention. The Amsterdam Intergovernmental Conference is supposed to give its seal of approval to this dangerous development.

European military unification is been haunted by the memory of a traumatic setback in 1954, when the attempt to create a European Defence Community (under NATO auspices) failed spectacularly. The goal was German rearmament, which the US government had favoured since the late 1940s, as part of its strategy of tension and military confrontation with the USSR. But Europe, above all France, was not ready to see Germany rearmed, because of still-painful war wounds, and a desire to hold back Germany's spectacular economic recovery.

The only institutional result of that period was the Western European Union (WEU), an empty shell dozing from one parliamentary gathering to the next, without either powers or resources. German rearmament happened anyway.

The same powerful contradictions have determined military co-operation ever since. The military question is part of each member country's foreign policy. And foreign policy is a powerful means for opening markets, securing access to raw materials, protecting foreign direct investments and, more broadly, defending and extending each country's political sphere of influence. Each of the EU's ruling classes would certainly like the EU to speak "with a single voice", but political rivalries and economic competition within the EU are always enough to brake any major surrender of national sovereignty.

This explains the cacophony of EU military policy during the Gulf War, the conflicts in ex-Yugoslavia, the Rwanda crisis, and elsewhere. Disunity, and the interests of national states has dominated, rather than some community spirit. These stronger national interests include the privileged ties between German Chancellor Helmut Kohl and former Soviet and Russian leader Mikhail Gorbachev, German ties with Croatia, French ties with Serbia, British ties with Bosnia (in tight alliance with the US),

France's repeated solo operations: in the Middle East, nuclear testing in the Pacific; covert clashes in Africa between the US-British tandem and France-Belgium, etc.

Nuclear weapons make all this even more complicated. Not only are they the essence of "global diplomacy", they are the supreme weapon, symbolising ultimate power over the planet, and requiring a single centre to take the extreme decision to drop the bomb.

Different histories

The EU's "big three" are differently situated in the world arena, largely because of their specific historical trajectories.

France was a great neo-colonial power, but is now reduced to a second-rank capitalist country. It tries to make up for its weakness through a great measure of autonomy in foreign and military policy (with its own atom bomb, its overall military strength, and the quality and versatility of its army).

Britain, no longer the world's greatest imperialist power, has linked its future to a "special relationship" with the US. While maintaining its own nuclear arms, it tries to keep its status as a power by following in the wake of the US, which it sees as the only force capable of guaranteeing global stability. Germany, defeated in World War Two, is now the EU's biggest economic power, and the third biggest economy in the world. But, for obvious historical reasons, Germany cannot express its economic strength on the political and military level. It still needs the US and EU to camouflage its diplomatic and military advances.

The new world situation is increasingly unstable. This, combined with the EU's progress, have given new life to discussions of "Europe's defence". This immediately poses the fundamental choice: either western Europe stays under the NATO umbrella, which assures US hegemony, or else the old continent acquires a substantial measure of operational, technological and financial autonomy through an independent structure, giving "muscles" to the WEU and making it the EU's armed wing.

The Eurocorps

Three developments on the purely military level have opened up new options. First is the voluntarist Franco-German effort, sealed by the creation of a joint military unit (the 50,000 man "Eurocorps") and of a "Common Defence Council" that brings the two countries' general staffs and experts together for regular, frequent meetings.

The lesson of the 1991 Gulf War has

played a role: In that conflict the US imperial power reduced some countries (including France and Britain) to an auxiliary role, and relegated others (Germany and Japan to the role of financial support. France accepted; Paris has since been retreating in the face of insidious attacks by its US competitor in its own African backyard (where an "Anglophone" north-south corridor now spans the continent).

Meanwhile, Germany has shaken off the restrictions on its army, imposed by the Allies and written into its constitution. The German army can now operate outside the country's borders. Hesitation and resistance from the German reformist left (Social Democrats and Greens) proved no match for humanitarian demagoguery, underpinned by the EU's impotence in ex-Yugoslavia, and political thrusts by US imperialism in Europe and the Mediterranean. However discrete, Germany's new military role is a highly significant turning point.

The military meets the market

Thirdly, globalisation has hit the military-industrial sector full-force, in Europe as well as the US. This has accelerated military-industrial co-operation and integration in the EU. This sector depends overwhelmingly on state intervention. No aspect, from research and development to marketing, escapes state command. Restructuring has been imposed due to drastic cutbacks in production (and employment) and budgetary restrictions (thanks to Maastricht).

The most advanced sectors, particularly those oriented towards aerospace, have come through relatively unscathed. But the classical arms industry is going through a major crisis. This explains the appeal, under cover of bi- or multilateral intergovernmental co-operation, of bi- or multilateral joint ventures for the production of new weapons systems. In fact, programmes set in motion by the main European "cannon merchants" - Britain, France, Germany and Italy - are no longer to be counted on. We are seeing in this sector the silhouette of an emerging, authentic "European capital".

The real turning point was the Franco-German agreement signed in Nuremberg in November 1996. Prolonged, ad hoc co-operation gave way to the detailed definition of a genuine joint defence policy. This has consequences for both Franco-German relations and the EU. It is based on a double upheaval. France has accepted the end of a myth: the operational effectiveness of its independent nuclear arsenal. It has abandoned the equally illusory and ruinous perspective of an independent European defence founded on the French and British nuclear arsenals. Suddenly, France is re-joining the NATO military command.

France and Germany are joining Britain (which never had any doubts on this score) in placing their nuclear weapons, as a “complementary” force, under the US umbrella. Germany has broken the taboo and is giving itself the means to operate outside its borders, particularly in order to contribute to “stability in the Mediterranean basin”. France and Germany “commit themselves to participating [together], in very varied forms, in crisis-management missions”.

A European pillar in NATO

The perspective of transforming the WEU into the EU’s independent armed wing has been given up for good, to be replaced with a “European pillar” within NATO. The reasons for this are strictly military, technological and financial. The complex organisational chart (the chain of command, division of geopolitical zones and material resources, operational leadership, etc.) that results from it will have to pass the practical test of reliability and effectiveness. For the key EU countries, the way has thus been opened to move forwards together towards a growing complementarity in the fields of “means of command, intelligence, logistics, long-range transport, as well as education and training of personnel”.

This military rapprochement is based on a mixture of supra-nationality and inter-governmentalism. The practical consequence will clearly be a military reinforcement of the EU, if ever the member states’ political intentions should coincide. This substantial *rapprochement* on the military level requires a reinforcement of the “common foreign and security policy”, which should be decided by “qualified majorities” rather than by unanimity, as presently. This is the counterpart of the “common police and judicial space”, which goes together with military unification.

This advancing Euromilitarisation is a real danger. The danger is all the greater because fear of war and instability (in the EU’s eastern and southern periphery), Europeanist ideology (against the US’s new offensive spirit) and humanitarian hypocrisy towards the Third World have destroyed the peace movement of the 1980s, devastated the organisations and NGOs that were its backbone, and broken the opposition of the (political and intellectual) reformist left among the social democrats and Greens.

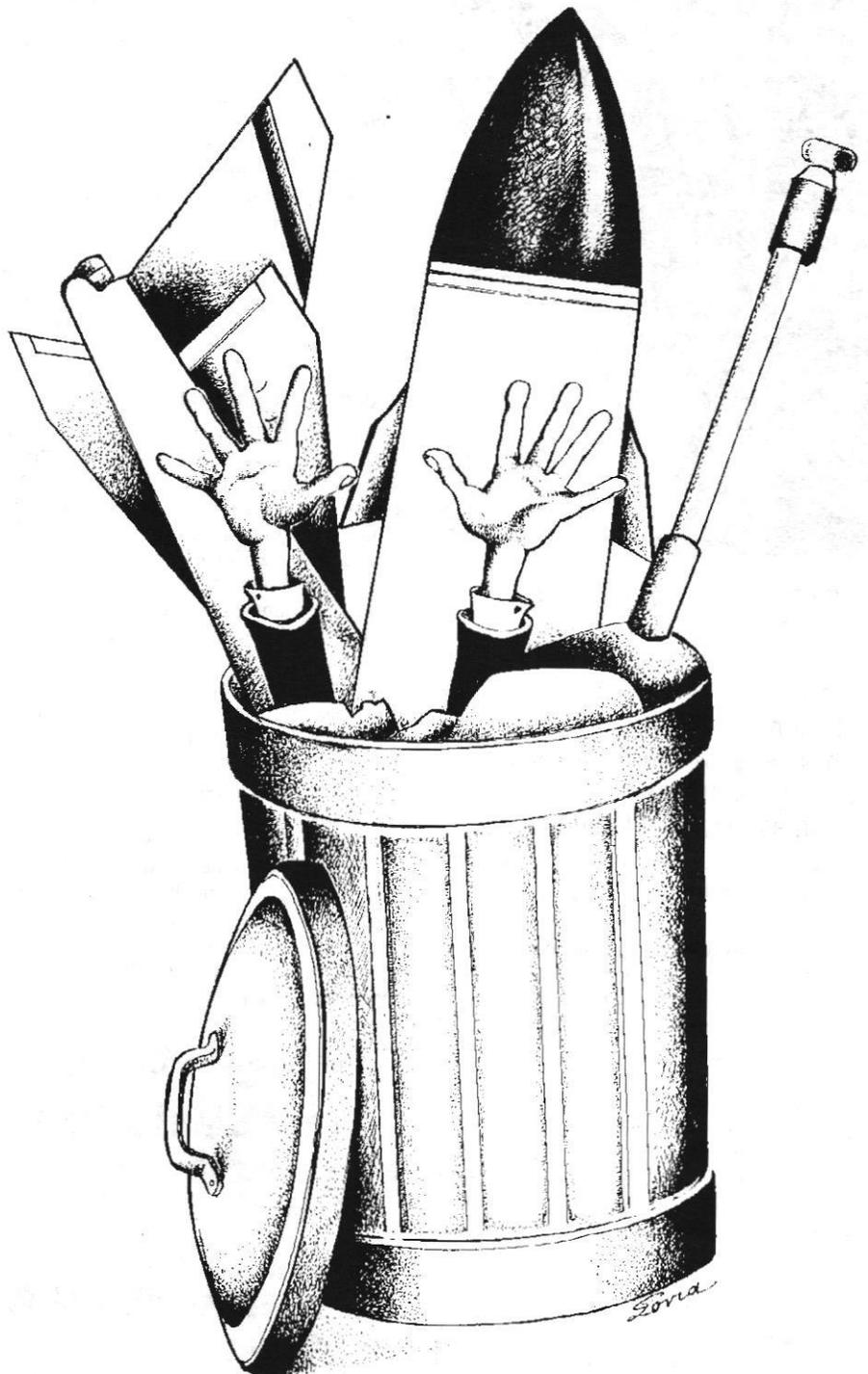
Demands

For all these reasons, we must begin a project of activist re-mobilisation and political rearmament, which must combine “old” slogans that have unfortunately lost none of their validity with new proposals:

- Against NATO, particularly against its European pillar.

- Dissolve the Eurocorps, not in the name of national defence but in the name of anti-militarism.
- US 7th Fleet out of the Mediterranean. - Reorientation of military research towards civilian, social goals.
- Drastic cuts in the military budget so as to meet social needs.
- Total, immediate and unconditional nuclear disarmament.

- Openness and public control over the whole weapons industry and more broadly over all military industry (orders, production, trade), so as to move towards peace conversion.
- Systematic demystification of military intervention under cover of humanitarian aid.
- Towards universal disarmament.



The EU's eastward expansion



When the Berlin Wall fell, the peoples of Eastern Europe were told that privatisation and the market would bring them economic efficiency and freedom. They were also told that as soon as they set up democratic regimes they could join the "civilised, normal world." In other words, "back to Europe."

As if they weren't Europeans all along. As if the only experience worthy of being called "European" was the West's. As if Maastricht Europe was democratic and "civilised". And as if Maastricht Europe was ready to open its borders in order to share the blessings of unification with the poorer, more agricultural Central and Eastern European countries (CEEC) and the Baltic states.¹

The collapse of Comecon and the USSR accelerated a radical reorientation of CEEC trade towards the European Union, which Germany was the first to profit from. This was the result of political choices made by the new ruling groups. Central and Eastern Europe's rulers (however much the composition of its governments has shifted back and forth lately) have all portrayed joining the EU as the only possible way forward. Their

peoples, whom they never dream of genuinely consulting - about joining the EU any more than about the economic "transition" - express many reservations and worries when they are polled. As in Western Europe, all the "structural adjustments" already associated with the "transition" are justified more and more often by the need to meet EU "norms". But since the EU exists, and there is no coherent alternative to it, it is the only pole of attraction for these countries, which are economic and ideological orphans. People associate the EU with the hope of economic development - or rather, they are afraid that not joining the EU would mean increasing marginalisation.

The "Visegrad group" (Poland, Hungary, the Czech Republic, Slovakia and Slovenia) constitutes a free-trade zone between those countries that are "furthest along" in the transition. They distinguish themselves in particular from Bulgaria and Romania (both of which have just acquired new governments that threaten to speed up shock therapy).

Expansion is planned

The Copenhagen European Council meeting in June 1993 decided in principle to admit all the Central and Eastern European countries and Baltic states to the EU. The Council meeting in Essen in December 1994 mandated the European Commission to produce a White Paper laying out the tasks that these countries must carry out in order to harmonise their laws and institutions with the Union's. There is no doubt that Central and Eastern Europe have put their shoulders to the wheel. Between now and the end of 1997 the Commission should prepare reports on the various problems blocking East European membership. France's Balladur government has added to these procedures a "Stability Pact", which is supposed to make these countries settle the differences among them by treaty (particularly differences over minority rights and borders) as a precondition for joining.

In practice, Association Agreements have been the only moves to modify the EU's

relationship with Central and Eastern Europe (except for the Phare programmes, which are supposed to help restructuring). The Association Agreements move towards establishing a free-trade zone with these countries, from which - judging by Central and Eastern Europe's growing trade deficits - the EU (and within the EU mainly Germany) reaps most of the benefits. We are entitled to ask, in spite of all the hypocritical speeches about openness, whether this is, in reality, the EU governments' preferred substitute to actually letting Eastern Europe in.

For some countries, including Britain, the broadest possible opening to the East would be a way to reduce the European Union itself to a free-trade zone. Other governments argue that the need for "cohesion" of the "hard core" justifies keeping the Mediterranean countries, let alone Central and Eastern Europe, outside the Economic and Monetary Union.

But at what price?

Measurements of the costs of enlargement, based on the assumption that existing criteria for the Structural Funds (for aid to the Union's less developed regions) and for the Common Agricultural Policy would be applied to the Visegrad group, estimate that the Union's budget would have to double. If the whole of Central and Eastern Europe were let in, the budget would quadruple. Though this would still be only 0.4% of the existing EU's GDP, i.e. much less than the Marshall Plan after World War Two. In any case these "calculations" are more than conjectural. Depending on different hypotheses about dates, the number of countries involved, the unemployment rate, the growth rate, prices, etc., the results can vary by a ratio of 1 to 8.

Such calculations are used to support three kinds of proposals, each of which we must reject:

Option 1) Postpone the idea of integrating Central and Eastern Europe into the EU until the region is less poor - and meanwhile impose adjustment policies that will make them poorer.

INTERNATIONAL INSTITUTE FOR RESEARCH AND EDUCATION

Women's lives in the new global economy

Penny Duggan & Heather Dashner (editors)

◆ £4/\$5/35FF. Cheque payable to P. Rousset, IIRE, Postbus 53290, 1007 Amsterdam, Netherlands.



INTERNATIONAL INSTITUTE FOR RESEARCH AND EDUCATION

The Fragmentation of Yugoslavia: an overview

by Catherine Samary

◆ £5/\$6.50. Cheque payable to P. Rousset, IIRE, Postbus 53290, 1007 Amsterdam, Netherlands.



Option 2) Change the Structural Funds rules so that fewer countries benefit from them - this is a way to play Southern Europe off against Eastern Europe.

Option 3) Get rid of any development funds and agricultural policy, according to the logic of creating the least (European) state possible and giving free rein to the market.

In reality the issues involved in eastwards enlargement are the same as those that we raise in general about the EMU and Maastricht criteria:

- European choices must be made openly and democratically. So we must open up pluralist debates about alternative European choices and policies to the peoples involved, including those in the South and East.

- We must support an approach of democratic consultation of the peoples of Eastern Europe, which means full information for them and referendums.

- While we must make known our criticisms of the EU and the social movements that oppose the EU as it now functions, we must equally avoid vetoing any application to join. If this EU is not capable of including peoples who want to join, then we have to change the Union and the way it functions.

- We oppose both the logic of a market without borders and the logic of "Fortress Europe", a hard core functioning on the basis of monetarist convergence criteria. This is just as true for the East as the South.

- Yes to European structural funds for the reduction of real development lags, for building infrastructure, for education, research and job creation.

- Yes to a redefinition of an agricultural policy that stops encouraging a productivism that devastates the environment, human health, and the least developed regions of Europe and the world.

- Yes to funds that ensure balanced regional development and support the creation and diversification of rural employment.

- Yes to development aid to Eastern Europe, which would ensure people's "security" much more than the billions that will be spent to incorporate them into NATO. ★

The Common Agricultural Policy

The Treaty of Rome claimed to strengthen the unity of the Community by gradually harmonising the development of member states. Agricultural policy aimed to make sure the Community produced all its own food.

International acceptance of this target allowed Europe's highly subsidised agriculture to be exempted from the rules of the General Agreements on Traffic and Trade (GATT).

The Treaty also included aid for underdeveloped parts of the Community, especially rural areas. But the European Social Fund, introduced in 1960, had a very marginal role during the years when national economies had efficient budget policies and economic growth. Part of the "European Fund for Agricultural Orientation and Guaranty" became a new Structural Fund in 1972. Never the less, until the period of growth ended in 1973, most intervention was done using Common Agricultural Policy (CAP), introduced in 1958. The structural funds have been developed in line with the need to lessen differences which have grown for lots of reasons: the end of long-term growth in the 1970s, successive enlargement of the single market and more market competition.

Monetary crisis in 1992-93, deep recession in 1993 and the high costs of German unification dramatically changed the blueprint for the "Union". The Maastricht "convergence" criteria do not really aim to harmonise the economies: they exclude countries which do not fit the monetarist criteria and actually increase inequalities between regions of Europe. Smaller budgets for both member states and the EU makes it more difficult for countries or regions to get the restructuring and public finance they need to develop infrastructure and attract private investment.

Now the rationale for the Structural Funds of the European Union (EU) cuts against the austerity budgets implied by the Maastricht criteria. For the first time ever, the European Parliament decided last October that European budget for 1997 will grow by almost nothing (0.7%). Even worse than the limited growth proposed by the Council of Ministers last July. They wanted 1 billion ECU less for the CAP, another billion ECU less for the Regional Development Fund, 550 million ECU less for other common internal and foreign policies (1 ECU = £0.69/\$1.13).

The CAP was reformed in 1992. It must now deal with the austerity logic of the

Maastricht criteria and the neo-liberal pressure placed on agricultural world markets by the US during the last GATT negotiations.

Conquering the world food market

The CAP was the only real common policy used to build the Economic European Community (EEC), which became the European Union (EU) after the Maastricht Treaty.

Article 39 of the Treaty of Rome defines the common agricultural policy as

- increasing agricultural productivity, by developing technological progress, and ensuring the rational development of agricultural production and an optimal use of the factors of production, particularly labour.

- Ensuring a fair standard of living for the agricultural population, particularly through raising the incomes of those who work in the agricultural sector.

- stabilising the markets.

- guaranteeing the security of food supplies.

- ensuring reasonable prices at the point of delivery to consumers.

Four main principles were established, with the aim of regulating agricultural markets:

- Free movement of agricultural goods, creating a unified single market.

- Stable prices: created by intervening in the market. "Intervention prices" harmonised prices and kept up the incomes of food producers. Public bodies bought everything farmers could not sell at, or above, the intervention price. Incentives for export were introduced, to subsidise incomes threatened by lower world market prices.

- "Community preference:" buying goods produced inside the common market in preference to imports. Taxes were used to "protect" Europe from imports.

- Financial contributions to specific funds to implement the policy.

This interventionist policy did not respect world market prices. Nutritional self-sufficiency and independence from imports became the victim of their successes. In the 1970s the European Community became one of the dominant exporters of agricultural products. While it still stimulated exports and productivity, quotas and other measures to reduce supply were increasingly introduced.

The surplus was sold as "aid" at very low prices to the Third World, with conflicting and controversial effects. This increase of surplus and exports became very expensive. Between 1975 and 1988, expenditure from the "Guaranty Fund" grew at an average annual rate of 7.5%. After 1988 budgetary discipline limited growth of agricultural funds.

Note

1. The ten countries that are candidates for EU membership are the Central and Eastern European countries (CEEC) - Poland, Hungary, the Czech Republic, Slovakia, Slovenia (all counted as Central European), Romania and Bulgaria (both counted as Balkan) - and the Baltic states: Lithuania, Latvia and Estonia. As a group they have a total agricultural acreage amounting to about 44% of the existing 15 EU countries, and an agricultural work force amounting to nearly 27% of their total work force (as opposed to 5.7% in the EU today, or almost 20% in Greece). Out of the ten, the country with the highest per capita GDP is Slovenia (nearly \$9000), which is barely half the EU's average per capita GDP today (though close to that of the EU's least developed regions).

A reform in 1992 cut the "guarantee" fund to 55% of the budget, down from 65% in 1988. Meanwhile, the share of the budget allocated to structural funds increased.

The CAP combined with similar protectionist policies in US to create a historical increase of agricultural productivity in the most developed countries of the world. The "green revolution" in some Asian countries is the only similar trend in the Third World.

Fewer farmers produce more and more

Over the last forty years agricultural production has been multiplied by 7 1/2. This is one and a half times more than during the 150 years before the Second World War! Half a century ago, each French peasant could feed two and a half people: In 1960, seven people; By the early 1980s, 30, and today, 50. Between 1961 and 1992 the world population grew 75%, while total agricultural production grew 105%. Just after the Second World War, about 30% of French workers were employed in agriculture: today the proportion is less than 5%.

The cost of subsidising European agriculture while world prices collapsed helped the US to pressure the CAP. The 1992 reform is probably the first part of a u-turn in European agriculture policy. Prices now have to move towards to the world level. This will reduce income from direct aid. As in the US, subsidies are more channelled through the budget, and financed by taxes, and less through prices paid by the consumers.

The dominant logic remains the stimulation of productivity to increase exports. Aid is still distributed unequally, with the most productive part of agriculture receiving the highest share. Production is more and more "de-localised," closer to urban and transport infrastructures. Cost-cutting has led to the "mad cow disease", CJD, and raises new, worrying questions about genetic manipulation and its effect on human health. The CAP has increased, and not decreased, social gaps in agriculture.

Elements of a different orientation are being discussed in the European Commission. This new logic would change the aims of agricultural policy, stressing an environmental and territorial emphasis. It is opposed, of course, by those who oppose any public policy.

From CAP to GATT

Hunger has nothing to do with insufficient production. There are still hungry people in the European Union and the United States.

While the European Union built the CAP with the aim of self-sufficiency, it can now export. The EU is in hard competition with the USA, with real similarities in the context of the crisis of the 1970s and reduced world demand. The huge US trade deficit was increased by the strong dollar between 1980 and 1985. That led the US government to launch a highly protectionist "neo-liberal" offensive during the Uruguay round of GATT talks.

Putting agriculture on the GATT agenda, while most Third World and East European

countries were out of the negotiations, was an important turning point. It marked a new feature of "globalised" capitalism. The negotiations partially concluded in Marrakesh will be reopened in 1999. In future, the World Trade Organisation (WTO) will control trade in agricultural products.

In this neo-liberal logic, subsidies and measures aiming at reducing supply disappear. The US Agricultural Trade Advisory Council (made up of 40 private firms), put pressures on Clinton for him to destroy any protectionist barriers in the so-called "Developing World". Such pressures explain the recent decision to put back into production 20 millions hectares left fallow for ecological reasons by the Conservation Reserve Programme

The CAP faces an American offensive. The export capacities of the EU are now more and more taken as a positive fact for the satisfaction of needs elsewhere. As this is a result of increased productivity (increased efficiency) it provides a strong argument for accepting a free market in the sector.

But agriculture is a heterogeneous sector. The question is social (small-scale lands and family property as opposed to agro-industrial capitalist firms), physical (the adequate size to produce potatoes and other vegetable is not the same as for corn) and ethical: be it for cattle or for fruits, the purpose to export and increase profitability can lead to choices of production (technology, fertilisers, feeding) conflicting with environmental and human criteria for better health. This logic is behind world competition.

Listen to the progressive peasants

The analysis and demands expressed by progressive peasant associations are worth listening to. They stress the possibility of a convergence of different targets of a world agricultural policy: those of the Third World against poverty, for more distribution of good land to small peasants and against the destruction of traditional capacities of production in food-crops as the main answers against starving and bad-nutrition: which means opposing the domination of agriculture by the two super-powers (European and American) and by their agro-industrial firms, opposing the wrong idea that market can solve starvation and bad nutrition or that "aid" have positive effects.

The priority is therefore to be given to new "green" revolutions in third world countries with all rights to protect them against destructive imports; a regulation of agricultural trade subordinated to ethical, ecological and socio-economical criteria; and the necessity to control the productivist logic so destructive of health and environment and supporting small producers efficient not only for certain type of small-size and high quality production, but also for rural and regional development, or protection of environment.

The CAP still has to be reformed. But the choice must not be reduced to a false alternative of either defending the CAP (as it was or in its reformed version) or accepting the American concept of a free market in agriculture. ★

Against the

The Maastricht Treaty solemnly proclaims that it will pursue "enduring social and economic progress for the developing countries" of the Southern hemisphere, "ongoing and peaceful integration of developing countries into the global economy", and "a struggle against poverty in the developing countries." The Treaty even states that its "general objective" is "the development and consolidation of democracy and the rule of law... to ensure respect for human rights and basic liberties." The distance between words and actions is vast.

Europe, the birthplace of capitalism, is also the cradle of what is called the "Third World". Starting in the late fifteenth century, many European powers set out to conquer the rest of the planet. The conquest and pillaging of what Europeans called America led to the death of almost 70% of the indigenous population. The slave trade emptied the African continent of its labour force and dislocated its societies: 40 million men, women, and children were kidnapped, and many other millions were killed. 13 million children were taken in slavery to the Americas. This mass extermination was accompanied by a generalised attempt to wipe out the history and the identities of these peoples.

In 1800, Western Europe and its American extensions controlled a third of the planet. The second wave of colonisation, beginning in the 1870s, brought this ratio to four-fifths of the planet by the eve of the First World War. This ferocious process of exploitation concentrated enormous riches in the North. It made possible the take-off of industrial capitalism. From then on, there was a centre and a periphery, dominant states, and states which were dominated. The Third World had been born.

Two steps forward...

Viewed as a reserve of raw materials, of cheap labour, and of markets for finished goods, in the last quarter of the nineteenth century the "Third World" was invaded by Northern capitalists' surplus capital. These direct investments required military protection, which became the foundation of a new and terrible phase of colonisation.

Beginning in the 1930s, it also gave rise to a rebirth of the peoples on three continents, in Latin America, Asia, and Africa, who

south

undertook the long march to independence and national liberation in the 1960s and '70s. Some of the most advanced of these nations sought non-aligned status and tried to evade imperialism's direct domination. Others, like China, Vietnam and Cuba, broke completely from international capitalism.

...and one step back

Today, the new stage in the internationalisation of the global economy is provoking social regression across the board, and total disaster in the South. This globalisation is characterised by:

- Strengthened domination by the multinationals, which now employ over 73 million workers. The top one hundred of these companies, outside the banking sector, control assets worth \$340 billion dollars, or nearly a sixth of the estimated value of all assets in the global economy. The two hundred largest multinationals (only four of which are headquartered in the Third World) control business assets equivalent to more than one quarter of the Gross World Product.
- In this conglomeration, financial capital, a sector for which the driving logic is more and more that of short-term profits, has acquired the dominant position. The Big Three governments have knowingly prioritised this development, imposing free trade and the unrestricted free circulation of capital across the globe.
- The creation of international quasi-state bodies through the enlargement of the powers of the International Monetary Fund, the World Bank, the World Trade Organisation (successor to GATT), and the Bank of International Settlements. All supervised and guided by periodic meetings of the G-7, the global super-powers.
- This globalised capitalism has developed in the absence of any economic expansion, because it is based on the generalisation of wage austerity (in the North, as well as the South, and the East). The cyclical upturn has not gathered strength because there has been no interest in massive investment in the productive sector. Instead, enormous profits (money-capital) are used to speculate in the market, on rates of exchange, on raw materials and on commodity futures...

Triad rule

In the ferocious competition of the Big Three, the United States has consolidated its dominant position in terms of military strength, finance capital, a strong economy, and a strong currency. The USA still leads in political terms.

European multinationals operate under a double handicap: much less efficient state ap-



paratuses, since the EU is not the equivalent of either the Japanese or the American governments; and a much stronger workers' movement which is still resisting the capitalist offensive and which has succeeded in putting the brakes on neo-liberal adjustments.

Privileged relationships

This context determines a large part of the "foreign and defence policy" of the EU. The EU and its member countries maintain privileged relationships with the authoritarian regimes on their immediate Southern periphery, particularly the dictatorships in Morocco, Algeria, and Tunisia. They also have good relations with the Turkish authorities, who oppress their Kurdish minority. At the same time, European borders are being closed against North African and Turkish immigrants. These regimes have for years now guaranteed an end to the flow of immigration from their countries to Europe.

In March, 1997, the EU granted the Moroccan dictatorship a non-repayable package of economic aid worth 120 million Ecus (£174 m./\$136 m.) to help King Hassan's regime implement the IMF and World Bank's structural adjustment plan. For Morocco, this involves removing its tariff protections against (mainly EU) exporters. This will entail the closing of Moroccan companies, and massive growth in unemployment.

The South is held in the iron fist of an unholy alliance: IMF, WB, and WTO. This global capitalism has relieved the Third World of the two "comparative advantages" with which it is often credited: low wages and protected agriculture and raw material sectors.

Low wages in the Third World have not led to a massive flood of investment, despite

the mobility of production). The core of investments are still in the heart of the Big Three countries, and between them. These markets are larger, more profitable, nearer, more stable, and better protected. Labour in the centre is more skilled, more highly trained, and is able to adapt to new technologies more quickly.

Combined with a high level of labour productivity, these advantages outweigh the attractions of low wages in the Third World. The main exception to this trend is the globalisation of some branches of the textile industry, and their relocation from the advanced industrial countries to areas with extremely low wages.

Penetrating the south

The large multinational blocs are also attacking the Third World on its own terrain. They have succeeded in driving down the price of raw materials by producing commodities using synthetic substitutions. And the spectacular growth of agricultural productivity in the North has meant that now the Third World is a net importer of foodstuffs!

The struggle against protectionism has been reversed. The barriers against products coming from the South remain proportionally higher than those of Northern exports into the Third World. The total annual cost to Southern economies is around \$500 billion, according to the UNDP annual report on human development. The duties on products manufactured in the South are five times higher than those on their raw materials.

The export policies of the South, imposed by the IMF and the WTO, have not created jobs in the South. On the contrary, they destroy them. Competition forces a lowering of already very low wages across the Southern countries.

Internal markets can't develop. Instead, imports rise. The "elites" prefer the "more elaborate" goods of the North. The spread of a market economy (with the junking of subsidies for basic necessities, privatisation, etc.) and the abandonment of protectionism in the South destroys local production and ignites a vicious race to the bottom.

To take just one example: the EU wants to authorise the replacement of cocoa butter (produced in the South) in chocolate products with EU fat, up to a limit of 5% of the total weight not produced there. Result: a drop in cocoa exports to Europe, a drop in the price of cocoa on the world market, and a drop in cumulative revenues for the South.

Pitting zones with extremely unequal levels of productivity against one another in competition has led to economic stagnation everywhere, to a levelling downward, and to growing, virulent social inequality. In the North, the rise in productivity has allowed a decrease in workers through modern technology. In the South, the destruction of one part of the economy has increased unemployment, and further stimulated the exodus from the countryside to urban areas: undermining the very basis of these societies.

This is not simply the result of the "free play of market forces" but the result of blackmail and the pressures of international institutions, acting in the interests of the northern governments.

We must fight the policies of the IMF-WB-WTO. These institutions are expressly designed to defend the interests of the multinationals. It is impossible to reform or democratise them. They must be dismantled.

The debt must be cancelled.

Structural Adjustment Plans are the iron shackles for the continued subjection of the Third World. The enormous debt of the Third World countries made this subjugation possible. Debt exploded from \$77 bn. in 1970 to \$567 bn. in 1980. The deteriorating economic situation in the south, and years of high interest rates, made it simply impossible for many countries to repay in full. And yet, between 1980 and 1992, \$1,672 bn. was paid to the rich countries. In other words, three times the debt in 1980!

Despite this massive transfer from the south to the north, by the end of 1995 total Third World Debt was an incredible \$1,921 bn. Interest rates have been lower, but trade and balance of payments deficits have made it impossible for many countries to keep up.

Neo-liberal logic is being applied ruthlessly by the imperialist governments and their specialised bodies like the International Monetary Fund, World Bank and World Trade Organisation.

Repayment of the debt has been imposed as an absolute priority, alongside the struggle against budget deficits. Three universal solutions have been applied indiscriminately: ending government subsidies, particularly those on essential items, reorganising the economy towards exportation, and privatisation. The multinationals have snapped up the best bits of the Third World economies, at rock-bottom prices.

We are witnessing a process of re-colonisation, with aggravated exploitation, reinforced domination, and an absolute (not just relative) degradation of the living conditions of hundreds of millions of people. Health care and education are disintegrating, and many women face additional burdens, in survival-conditions. Even slavery is on the increase again. Including the slavery of children.

We must demand that our governments unconditionally cancel Third World debt. We should show solidarity to those groups in the Third World which struggle in the same direction, in this particular aspect of the anti-imperialist struggle. In doing so, we should naturally respect the tactical choice of progressive and revolutionary organisations in the third world, in the particular way they integrate this demand into their overall strategy for national and social liberation.

No social clauses...

No to the social clauses imposed by the World Trade Organisation and the EU! Impose international social rights through the international struggle of working people!

Social clauses, as they are proposed and applied today, are a part of international commercial strategy. Northern institutions and governments assume the right to impose minimum social rights, using "sticks" like cuts in aid, tariff barriers and import quota restrictions, and "carrots" like increased access to northern markets for those who comply.

Since 1971, the EU has renewed its import tariff system every five years. The current Generalised Preference System was approved by the Council of Ministers in 1994, and is in force until the end of 1998. It sets the conditions under which manufactured and semi-manufactured goods, and raw materials, can enter the single European market at zero or reduced tariffs.

Article 7 establishes a special regime of subsidies on the basis of social and environmental criteria, which will enter into application in 1998. Under this provision, countries will receive preferential treatment for their exports to the EU if they prove that they effectively implement International Labour Office (ILO) norms on trade union rights (Convention #87), the right to collective negotiations (#98) and minimum age of workers (#138).

In general, these "social clauses" directly benefit the multinationals. They are a form of hidden protectionism against the countries and workers of the third world.

They make it easier to push northern workers into conflict with southern workers and, in the north, to create an alliance between workers and employers, which can only be against the interests of the workers. To make matters worse, this policy is being applied under the supervision of the secretive, anti-democratic and uncontrollable World Trade Organisation.

...but social progress

Opposition to this type of "social clauses" does not mean automatic rejection

of any legal measures, "on principle." We could for example impose on the multinationals, in the country where they have their mother-company, a legal code of conduct which would oblige them to respect the ILO conventions in all their plants and sub-divisions. EU leaders talk a lot about the European "social model," but they have shown no signs of wanting to go *this* way.

The real solution to the unequal social conditions of workers in different countries will be found through solidarity between working classes, north and south. And, in particular, by the strengthening of the trade union movement in the dependent countries.

Solidarity to this end should not be limited to material and organisational "aid," although these are indeed important. It is important to support the struggle of unionists in the third world to achieve elementary social and trade union rights. This would open the door to a rapid improvement of working conditions in the south, progressively eliminated factors of "unfair competition" within the world of work.

Proletarian unity

As part of the workers movement, we don't ignore the social contradictions which exist inside the countries of the south. This gives us a particular duty to extend solidarity to the very difficult struggles of workers and the poor in these countries for their immediate social demands (wages, employment, social protection, health care, and environmental protection).

Despite the difficulties, our perspective remains that of the necessary and possible union between proletarians of the north and the south. Yes, there are great differences in living standards and working conditions. And this does not make it easy to build "borderless" solidarity. But the fact remains that workers in the north and the south do not have different, separate interests to defend.

Their struggles are parallel. They face the same enemy. The third world is not the cause of unemployment in the third world, and the relatively high living standard of the workers in the north is not the cause of poverty in the third world.

Low paid workers in the south are not responsible for "dumping" attacks on salaries in the north. "High" salaries in the north are not the cause of the non-development of regions of the south.

In fact, the growth of mass unemployment in the north has occurred in parallel to the increase in poverty in the south. North and south, the standard of living of the exploited classes is falling, relative to that of the capitalist class.

We are witnessing a massive redistribution of wealth, which is making the rich richer, north and south, and the "poor" poorer, north and south. Reducing wages in the north will not reduce misery in the South.

We need a globalisation of solidarity to match the globalisation of world capitalism. And an anti-capitalist strategy for the labour and social movements, to match the anti-social strategy of the multinationals and their states. ★

The socialist alternative

There is no need to exaggerate the failures of capitalism. They speak for themselves. The system's destructive capacity is as great as its economic, political and military power.

The market economy is now sole master of the world. And the planet itself is threatened. Misery is spreading, and democracy is on the defensive.

This is a system that ensures freedom to do business for a few, and a straight-jacket for the rest of us.

This disaster is not anonymous. It has faces and names. The list of top multinationals is public knowledge. The names and addresses of top directors and top shareholders are in the records. Their responsibility is clear. So is the responsibility of the politicians who, oh so democratically, manage their interests for them. The European Union (EU) is part of this system. It's modest ambition is to add a few "humanist" trappings.

The "New World Order" born from the collapse of "communism" and the Gulf War promised peace, democracy and universal prosperity. The illusion only lasted a few years. But what a period! 1990-95 was a brief but decisive moment in the 20th Century. Not "midnight" in the century, but a terrible silence. Big capital's ideas machine seriously tried to convince us that we had reached "the end of history." To wipe clean the memory of the workers movement. To destroy our historical references. To uproot the very idea of an alternative society.

The zealot hack ideologists of the capitalist system sincerely believed in the New World Order and the end of history. The confusion was much more widespread. And the fog is only slowly lifting. After the disaster in Eastern Europe, many people now doubt the "feasibility" of socialism. Many still identify socialism with the Stalinist system.

Deep demoralisation

The demoralisation even affects those who never fell for the old mystification. The popularity of socialist ideas has shrunk massively, after 150 years in which socialism, precisely, gave hope and perspective to everyday struggles. That isn't the case any more. Particularly among younger people, for whom ecology, peace, aid to the third world and the marginalised of our own rich societies provide the contours of a better society, and it is the anti-racist and anti-fascist struggle which is the principle source

of radical militancy.

This decline in the popularity of socialism is also due to the deep loss of credibility of the labour movement.

The Mitterand years in France symbolise the incapacity of elected social democrats to respond to the aspirations of workers and young people. "Easy money" did the rest. The traditional leaderships are increasingly perceived as part of the "system" we must struggle against. They are part of the problem, rather than part of the solution.

The working class doesn't, at the moment, appear to people as the generous, rising force which will deliver society from all forms of oppression and exploitation. Instead, the proletariat is rocked by transformations in the labour process. And the labour movement is on the defensive: struggling obstinately for its immediate interests, without any alternative project for society.

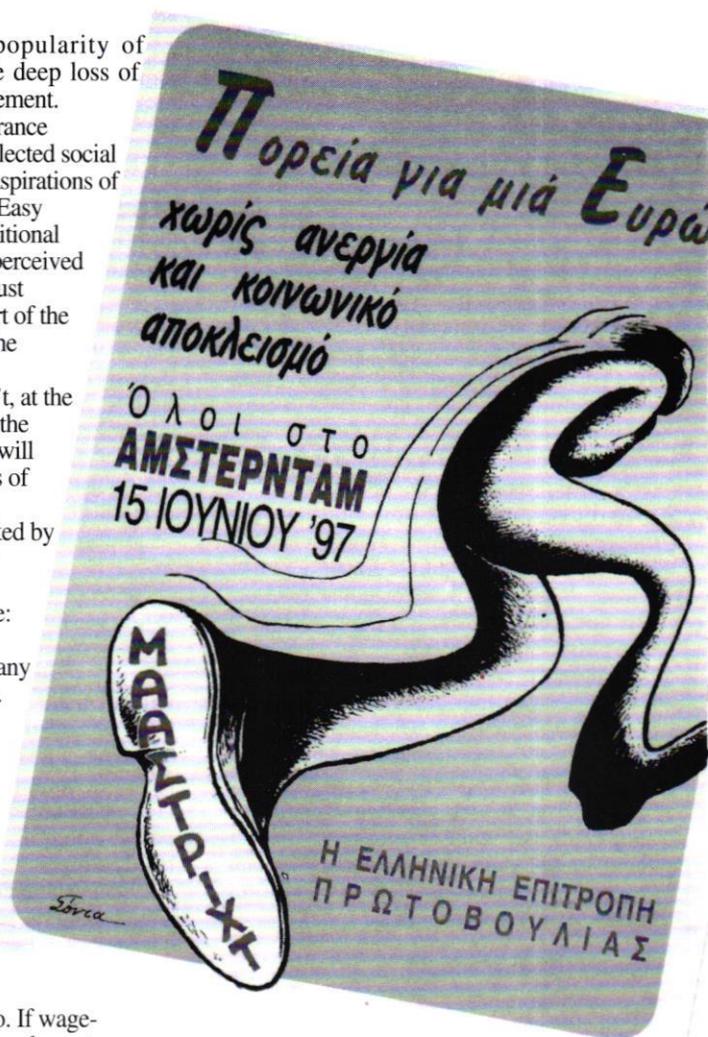
Revolt is vital

Workers and all the oppressed will always resist and revolt. This is a vital need, not a question of ideological motivation. This class struggle, in the widest sense, has never halted. Today there are more, rather than less reasons to struggle against the status quo. If wage-earners, women and young people are to re-appropriate the socialist project, they will do so through new major struggles, new experiences which will shape the radical movement to come, and new kinds of organising.

This new socialism will be a combination of the fundamental aspirations of the world of work, and modern aspirations like the desire for rewarding and useful work, control over our free time, ecology, continuing education, responsible citizenship in a multi-ethnic and multi-cultural society, a new relationship between men and women, equality, justice, and a radical, active, democracy, close to the concerns of the citizen...

The new radicals

This will be mainly the struggle of a new generation, which will carry the socialist project forward with all the energy and audacity that characterises youth. Like each previous generation, they will adopt their own symbols, slogans, songs, ways of working together, and organisational structures. It will take some time to re-knit the bonds of solidarity, revitalise organisations, collectively re-imagine the world to come, and set off on the revolutionary offensive.



The future has already begun, in the current struggle to impose new social priorities. In the end, this can only be done if society itself takes control of the major levers and instruments of the economy.

This means seizing them from a private sector which has totally failed to do what we need and desire. These powerful interests will resist, and Big Capital will have to be expropriated, whether we call it "nationalisation," "socialisation," or "putting into public service."

This is not an end in itself, but an indispensable means of ensuring true efficiency. A means of proceeding to the complete renovation of the state, in the direction of active, daily democracy, in the workplace and in the places where people live.

For the first time in history, people's votes will have immediate practical effects. A system in which all social relationships can evolve towards more equality, more conviviality, more humanity, and more happiness for everyone. ★

Our International

Ours is the Fourth International. The fourth, "Trotskyist," because the other three disappeared – by political abdication, or organisational collapse.

So far so good. But in fact the Fourth International has a much broader historical, theoretical and practical foundation.

Ours is a movement in direct continuity with the socialist left which existed before the first world war, and the democratic communist left which existed afterwards. If citing our historical references helps clarify who we are, we identify with Marx, Engels, Luxemburg, Lenin and Trotsky. The many others who have enriched our analysis and theoretical work include Tchernichevsky, Plekhanov, Hilferding, Otto Bauer, Gramsci, Lukacs, Pannekoek, Kollontai, Che Guevara, and our leading comrade Ernest Mandel, who passed away in 1995.

Naturally, one can only build organisations which can fight for socialist revolution by rooting oneself in each national context, and drawing on the best traditions of all the currents of the local workers movement.

It also means participating in, and learning from, the main revolutionary experiences of this century: Castrism, Maoism, *Sandinismo*, revolutionary populism, liberation theology, and others.

Open, critical Marxism

The Fourth International is characterised by an open, critical approach to Marxist theory. As a result, we have absorbed and adapted to face the economic, social, political and cultural transformations which, over the last 20 years, have changed the face of the world.

We live in a world based on exploitation and oppression, inequality and social injustice. Less than ever can the "class struggle" be reduced to a simplistic confrontation between Labour and Capital inside the workplace. This is certainly where the working class, the only social force capable of overthrowing capitalism and leading all of society towards emancipation, establishes a balance of forces with capital. But, more than ever, the proletarian movement works in association with other social movements: feminist, ecological, "third-worldist", anti-racist, multi-ethnic, cultural and scientific. Movements for equal rights, against discrimination on the basis of race, sex, sexual orientation or nation. Movements all of which confront the generalised comodification of life, which devalues things, people, ideas and values.

The Fourth International was born in the 1930s, at the darkest point of the 20th Century. Stalinism had taken power in the Soviet Union and in all the Communist

Parties abroad. Fascist or authoritarian regimes were in power in Italy, Portugal, Germany, Spain and France. A militarist, warmongering wave was sweeping through the Socialist Parties. All this was leading towards a terrible world war.

Determined resistance

The Fourth International recognised this situation, and resisted. We made many sacrifices, because we never did a deal with the rulers of the world: the despotic Soviet bureaucracy, or western capitalism, in either its fascist or democratic variants. We held tight to our double motto: democratic "the emancipation of the workers will be the work of the workers themselves," and internationalist, "socialism will be international, or it will not exist."

Today, the Fourth International is present in over 40 countries. Not from nostalgia, but because of militant, political convictions. Wherever there is exploitation and oppression, there is resistance and struggle. These permanent struggles take their full power whenever they carry the perspective of a socialist emancipation of humanity. They will have a chance to succeed if and when the most conscious and energetic militants group themselves in a revolutionary socialist party, which discusses, reflects, acts, and builds roots.

Stalinism has disappeared, and the social democrats have gone over to neo-liberalism. This leaves a large space on the left. To fill this space, and go forward, we need practical co-operation and frank debate between all the anti-capitalist currents, despite their



differing historical origins, trajectories, and political cultures. Such co-operation is possible, and urgently necessary. In this non-sectarian, radical spirit of unity, the Fourth International is preparing for the struggles to come. Join us! ★

Belgium

SAP/POS: 29 rue Plantin, Brussels 1070.
Tel: (32 2) 523 4023 Fax: 522 61 27

Britain

Socialist Outlook: PO Box 1109, London N4 2UU
Tel: (44 181) 800 7460, Fax: 880 1846
e-mail: outlook@gn.apc.org

Denmark

SAP: Norre Alle 11 A, Copenhagen 2200 N
Tel/Fax: (45 3) 537 3217 e-mail: socinfo@inet.uni-c.dk

France

LCR: 2 rue Richard Lenoir, Montreuil, 93100
Tel: (33 1) 4009 8022, fax: 4009 1093

Germany

RSB: Verbindungskanal Linkes Ufer 20-24; 68159
Mannheim Tel/Fax: (49 621) 156 4046
e-mail: rsb-ma@link.ma.cl.sub.de
VSP: Dasselstr. 75-77, 50674 Cologne Tel: (49 221)
923 1196 Fax: 923 1197 e-mail: soz@link-lev.dinoco.de

Greece

OKDE: 34 Eresson St, Athens, 10681.
Tel: (30 1) 383 6609. E-mail: kskordul@cc.ui.gr

Italy

Bandiera Rossa: via B. Viarchi, 3, Milan 20158
Tel/fax: (39 2) 3932 3665

Luxembourg

RSP-PSR: Boite Postale 1182, L-1011- Luxembourg

Netherlands

SAP: St Jacobsstraat 10-20, Amsterdam, 1012 NC.
Tel: (31 20) 625 9272, Fax: 620 3774
e-mail: saprebel@dds.nl

Poland

Dalej!: PO Box 76 ; 03-912 Warsaw 33.

Portugal

PSR: Rua da Palma 268, Lisbon 1000, Tel: (35 11) 886
4643 fax: 888 2736

Spanish state

IA: c/Embajadores 24, 1º Izq. 28012 Madrid.
tel: (34 1) 530 7538, fax: 527 9652
e-mail: viensur@nodo50.gn.apc.org
Zutik: Travesia de las Escuelas, SNº 1-1º-Izq. 48006
Bilbao, Euskadi. Tel: (34 4) 342 1608, fax 416 7731

Sweden

SP: Box 60 87, 102 32 Stockholm. Tel: (46 8) 31 08 50
fax: 337 530, e-mail: intis@internationalen.se
www.internationalen.se/sp/

Turkey

c/o Delikrasu İçin Yeniyl, Turnacibasi sok 31/1, 80 050
Beyoglu, Istanbul