

**FIRST SELF-EMPLOYED WORKER'S MANIFESTO
CTCP-FNT**

**The Solidary Social Economy in Proleterianised Nations
and the
Role of the Self-Employed Proletariat
in the
Transformation of the System**

Dr. Orlando Núñez Soto

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Is there room for national capitalism in a globalized economy? Is there an industrial working class in Third World countries strong enough to bring about a post-capitalist revolution, or are industrial workers an insignificant minority? If we play down the importance of the industrial working class, are we thereby denying capital gains, the proletariat, capitalist exploitation and the socialist revolution? Can we speak of exploitation at the level of international trade and therefore of proletarianised countries? Is it possible to move directly to socialism, or is it necessary to pass through a stage marked by a solidary social economy and a process of comprehensive democracy?

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**Confederation of Self-Employed Workers
(CTCP)**

**National Worker's Front
(FNT)**

and

StreetNet International

**The Solidary Social Economy in Proletarianised Nations
and the
Role of the Self-Employed Proletariat in the Transformation of the System**

Dr. Orlando Núñez Soto

CTCP–FNT - Focal Point of StreetNet for the Americas
(South America, Central America, Mexico,
the Caribbean and the United States)
CTCP–FNT–STREETNET

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Foreword

We are pleased to bring out the fourth edition of the First Self-Employed Worker's Manifesto, written by Dr. Orlando Núñez and titled "The Solidary Social Economy in Proletarianised Nations and the Role of the Self-Employed Proletariat in the Transformation of the System."

The significant level of demand and acceptance of this Manifesto among self-employed workers, social movements, leftist political parties, university students and academic institutions in Nicaragua and other countries, encouraged us to join efforts for the purpose of publishing this fourth edition and translating it to English so a more broad-based sector of society, both in Nicaragua and other countries of Latin America, the Caribbean and Anglophone readers anywhere may gain access to and learn of the experience of the Confederation of Self-Employed Workers (CTCP-FNT) in Nicaragua and the construction of a theoretical framework to accompany this process, systematized herein by the renowned Nicaraguan social thinker, Dr. Orlando Núñez.

This fourth edition is sponsored in part by the Latin American Council of Social Sciences (CLACSO), an international non-governmental organization created in 1967 which maintains formal advisory relations with UNESCO. It currently brings together some 239 research centres and undergraduate and postgraduate social sciences programmes at universities in 25 countries in Latin America and the Caribbean, the United States and Europe. Our other sponsor for this edition is the Mauricio López Inter-University Centre for Latin American and Caribbean Studies (CIELAC) at the Nicaragua Polytechnical University, a member of CLACSO whose mission is to investigate and disseminate knowledge regarding Latin America and the Caribbean by encouraging critical thinking and using a multidisciplinary perspective.

We would like to thank the CTCP-FNT for sharing its experience and disseminating this proclamation regarding a strategic alternative to capitalism, as well as its combative role in the struggle for the restitution of rights and the economic empowerment of workers by means of associative organization and self-management.

Managua, 1 June 2011

Emir Sader

Executive Secretary
CLACSO

Preface

The Confederation of Self-Employed Worker's (CTCP) is an affiliate of the National Worker's Front (FNT) in Nicaragua, as well as of the Street and Market Vendors Federation (StreetNet International). We hereby offer for consideration and discussion a paper which our organization asked Dr Orlando Núñez to write on the concept of a solidary social economy and the role of self-employed workers in such an economy. Dr Núñez's thoughts on the matter later appeared as an article in the magazine "*Correos de Nicaragua*" (No. 6, 2009) under the heading "The Social Revolution and the Self-Employed Proletariat."

The delegation of self-employed workers from the CTCP-FNT introduced the paper at the StreetNet International World Congress, held from 8 to 16 August 2010 in Benin, Africa, for the purpose of making known the Nicaraguan proposal on the solidary social economy and the role of the self-employed proletariat. We were particularly interested in clarifying our position on the idea of a solidary social economy, as it is a term being used by several organisations and institutions.

In the case of Nicaragua, and it is likely much the same in other countries, self-employed workers are to be found throughout the economy and have begun to take strides in their organizational processes of struggle, advocacy and self-management. For example, the CTCP-FNT in Nicaragua is an organization founded on 17 June 2002 as the Association of Traffic Light Workers; today it has a membership of 46,000, of which 52% are men and 48% are women. Most of the latter are single mothers. The workers are organized in seven federations and 116 unions – a term used because the CTCP grew out of a broad-based union organization, the National Worker's Front.

When we refer to a solidary social economy, we mean an economy that is politically, socially and economically organized by workers and keyed to their interests, born from the popular economy, and which today is gradually taking over a significant part of the means of production, transportation, credit and commerce, thus generating the largest number of jobs (self-employment) in both urban and rural sectors. Albeit thus far only at a small scale, this is a sector of the economy which is in the process of organizing itself in an associative manner, based on self-management and aware that it poses an alternative to the capitalist system – that it is, in other words, geared towards a communitarian form of socialism.

The current capitalist system is one that generates more unemployment with each passing day, forcing workers to find their own means of survival, to the point that today most workers in the so-called Third World who survive by their own effort are self-employed, while the traditional working class is shrinking. This goes also for the brand of capitalism now rapidly emerging in large and medium-size nations in Asia, the Middle East and Latin America, or being rebuilt in eastern Europe, Russia and its former republics. This process is converting self-employed workers into the largest social class worldwide.

Workers who do not receive a set wage, such as women in the home, small farmers, fishermen, artisanal miners, carriers, artisans or street vendors are sometimes referred to as “small entrepreneurs”, in an effort to distance them from the world of work. But as long as they generate wealth and surpluses which are seized by capital through the capitalist market, their condition is exactly that of a worker exploited by capital, that is to say, they are proletarians – albeit not salaried workers.

The CTCP therefore rejects the effort to invisibilise or deny the fact that these people are *de facto* proletarians (that is, generators of capital gains who are capable of taking responsibility for the economy of millions of workers), simply because they do not earn formal wages. Now then, if these workers do not enjoy the social well-being they deserve, it is because they are a sector impoverished and exploited by the market, much as the proletariat in the factories, and indeed to a much worse degree, as they receive no wage, enjoy no minimum work conditions, are not part of the social security network and are not subjects of credit.

These are the people who give rise to the identity and concept of a self-employed proletariat, much as Third World countries are proletarianised nations. And although the concept originally was used when referring to urban organizations, it is in reality extensive to other sectors as well, such as small farmers or fishermen.

While self-employed workers do not wish to continue being proletarians, they do not believe either they are going to become entrepreneurs. The aim is rather to become economic subjects by means of associativity, whether through self-managed unions, cooperatives or any other form of associative organization. Insofar as this proves possible, the self-employed would leave behind their condition as isolated workers and become part of an associative economy of workers-producers who directly manage the different branches of the economy.

The leaders of the capitalist system are well aware that if all those who consider themselves to be part of a self-employed proletariat join forces, they would represent a formidable challenge to the system. This is why they continue to wage war against workers and popular sectors in general, using hostile laws and repressive methods in order to undermine or hinder the activities of its organizations, while stoking an on-going and intense ideological campaign meant to encourage individualism and vilify collective action.

It is becoming ever more evident there is a media campaign underway designed to discredit any rallies, public protests and other street demonstrations by progressive and revolutionary forces, while magnifying organisations and expressions which work in favour of the system.

The predatory conduct of transnational corporations, consumerism, the spread of alcohol and drug use among the young, the implicit encouragement of male chauvinism or *machismo* as a means of submitting working women, the exacerbation of technical and professional differences and remunerations, the discrimination and overexploitation to

which immigrants to the countries of the metropolis are submitted, often by taking advantage of their illegal alien status to overexploit them, are only a few of the mechanisms used to exclude workers from the social and political struggle in favour of their claims.

Therefore the StreetNet International's First Meeting of the "Solidary Social Economy of the Americas", held on 27 and 28 September 2009 in Nicaragua, approved the proposal to strengthen the work from our perspective and advance the idea of a solidary social economy.

We are also proud that the StreetNet World Congress in August 2010 in Benin, Africa, ratified our organization as the network's section representative for South and Central America, the Caribbean, Mexico and North America.

Adrián Martínez Rodríguez

CTCP-FNT Secretary General and StreetNet Focal Point Coordinator for the Americas

Managua, December 2010

**UNITED, TRAINED AND
ORGANISED WE ARE INVINCIBLE!**

Seal

Introduction

The overriding aim of this Manifesto is to clarify three categories that may prove helpful in advancing a more rigorous analysis of the context in which people exist in the Third World, both within each country and globally. These are as follows: a) the idea of proletarianised nations; b) the idea of a self-employed proletariat; and c) the idea of a social work economy or solidary social economy, as a means of transiting towards a communitarian form of socialism. A number of questions and uncertainties which have arisen since the disappearance of the Soviet Union and its particular form of state socialism need to be dealt with, and this work is intended as a contribution in that direction.

The main underlying thesis is the assumption or hypothesis according to which economic exploitation takes place not only on the factory floor or in the immediate process of production, but rather finds expression in each and every mercantile exchange. In capitalism, not only a minority made up mainly of industrial workers is exploited, but rather the billions who are condemned to subordinate their labour to the hegemony of the capitalist market. Secondly, it is thought that the exploitation mechanism can be explained by the difference in remuneration existing between classes and between countries. As Marx showed in the case of the garment industry, in the market equivalent prices are exchanged, but not equivalent value. The former reflects the cost of production involved in manufacturing a piece of merchandise, but the end price to consumers covers the total value, meaning the cost of production of the merchandise plus the value incorporated by the workers. The work force (workers, small farmers, artisans) as such is the only commodity which is paid for what it costs to produce or reproduce an article. Further on in the value chain the object produced is sold for its full value. The difference expressed in the final market price reflects the cost of production plus the mean profit of capital. As we know, capital is a monopolized resource and therefore capable of imposing its remuneration on the market. Thirdly, social, economic or cultural injustice does not end with economic exploitation alone, but rather covers the entire gamut of unequal opportunity existing in our civilization, including relations of marginalization and exclusion, which ultimately determine the difference in the standard of living among the planet's inhabitants. All three assumptions rest on economic factors, but there are also extra-economic factors resulting from the correlation of forces which moves every class, ethnic group, gender, region or country.

The new categories used here can be summarized as follows: in the international division of labour there are exploitative and exploited nations. Capitalist economic literature calls the former "developed nations" and the latter "developing" or "less developed nations", terms which mask the exploitation and divestment of the latter by the former. In this text, the so-called "developed nations" will be referred to as hegemonic capitalist nations and the "less developed nations" will be described as proletarianised nations, meaning they are subordinate to globalized capitalism. Nor must it be overlooked that there is significant social differentiation within each nation.

Along the same lines, there exists a majority and still growing number of workers who are not immersed in capitalist relations of production as such, insofar as they do not earn a wage or depend on an employer, as does the conventional proletariat. However, they are equally subordinate to capital, now directly through the market. These workers have been described as the “informal urban sector”, “street workers”, “micro-entrepreneurs” and so on. But they find themselves in much the same situation as women in the family nucleus, or as artisans, small farmers, small fishermen, small miners, small merchants and all sorts of cooperatives and associations which handle resources. Also included may be consumers and the population at large when they are consciously organized into economic units linked to production, credit, trade, distribution, consumption and community services. Many of them have taken a class position, regardless of origin or the social background they come from, against the system and around issues such as gender, the environment, racism, discrimination and the like. In other words, the confrontation between capital and labour has been generalized to encompass the majority of workers, consumers, and even large swaths of the general population. There are, for instance, struggles over prices between consumers and transnational companies who run public utility monopolies in fields as diverse as energy, education, health or water. These consumers are challenging capital over the surplus or capital gains in the rates charged for these public services. Furthermore, there are cases in which consumers have boycotted and even bankrupted capitalist companies who were enemies of the environment or merciless exploiters of Third World nations. The most interesting aspect of all is that there already are people who are taking over electrical energy distribution, with every participant being a co-owner of the project (citizen associations). Clearly, the struggle over surplus, power and hegemony between capital and labour takes place not only in factories, nor is the solution found only in that setting. Rather, today it is so that any class or strata with an anticapitalist stance and awareness becomes a trench from which to fight and redirect the economy and society toward the true historical role conceived by Marx for the proletariat.

It is proposed herein to call this entire conglomerate the self-employed proletariat, insofar as they are being impoverished and pauperized by capital while contributing in one way or another to the generation of wealth and surplus value with the toil of their bodies. The capital gains they generate are sent to the metropolises, much as once was gold and silver during the age of conquest and colonization. Today, this surplus is seized by the factory or market, meaning large transnational companies and globalized capitalism. Perhaps this is why the term ‘fair trade’ is used to describe commerce among equivalents, thus differentiating it from the non-equivalence which has prevailed in the mercantile exchange between capital and labour. When the term ‘market’ is used here, reference is being made to the sphere of circulation and indirect exploitation; in the context of a factory, there is a direct mercantile exchange between capital and labour.

It is also worth noting that the capacity acquired by workers to manage the means of production and provide services, “albeit on a small scale”, as well as the establishment of a way of producing, exchanging and associating in which relationships and interests are more amenable to a social labour than to a capital-based economy. When these sectors work and live in isolation, they belong to a *popular economy*, impoverished by the capitalist market.

However, when they reach associative or self-management levels in the value chain, they reach a higher rung of the solidary social economy, and become a truly revolutionary proletariat.

Currently, some thinkers, social and political leaders are once again posing old and polemical questions: Is it possible to carry out a revolution geared toward socialism in a country that is industrially undeveloped or whose working class represents only a minority of the population, or is it necessary to wait for the ever less realistic industrialization which is to offer full employment to industrial workers? Is it possible to think in terms of other revolutionary classes or revolutionary subjects, in addition to the industrial proletariat? What would the revolutionary program and strategy look like for these countries and its social conglomerate? If it is agreed there are capitalist and proletarianised nations, can it be thought from an economic sciences perspective that all citizens, or at least the impoverished sectors of the population in the latter nations, are part of the world proletariat (whether working for an employer or for him/herself)? Based on the aforementioned hypotheses and later considerations (see below), an effort will be made to answer these queries, but fundamentally the questions are well worth asking because impoverished countries and sectors encompass the majority of the world working population and they are being plundered by transnational capital.

The proposal contained in this Manifesto maintains the socialist tradition of the twentieth century, in which people proposed and struggled for the possibility that agrarian countries should be not only able to undertake political revolutions, but also guide them toward social and cultural transformations. The experience records not only state-planned economies, but also economic models based on associative modes of production managed directly by the people, whether these were workers, small farmers, artisans, fishermen, merchants, professionals, consumers or citizens at large, coming together in cooperatives, associative or self-managed entities. This entailed alternative ways of thinking, feeling and working, thus creating solidary economic relations and forms of awareness which were different from the competition promoted by capitalism, based as it is on exploitation, unequal exchange and other types of individualist thinking generated by the civilization of progress and mercantile growth. Socialism today cannot limit itself to fighting exploitative labour relations, but rather must struggle against all types of inequality or discrimination, thus advancing not only toward a socialist economy, but also a socialist society.

The insistence on using the notion of a proletariat both as concerns nations and workers can be ascribed to the revolutionary tradition the term harbours. Furthermore, the term is used only as a point of departure for the analysis, given that the proletariat, insofar as it consists of workers exploited by capital, is not bound to remain thus forever. Rather, the aspiration is that together with the remainder of the population, workers become the direct managers of the economy, policy making and culture in the broad sense. It is worth remembering that for the working class to once again become a revolutionary and proletarian class as such, it must understand that through a series of specific demands and claims it must climb the rungs leading to awareness as a revolutionary class capable of taking charge of the economy and replacing the bourgeoisie and the social production relations of the current

capitalist market. It is also important to take distance from positions which describe them strictly as poor, a denomination which denies their status as economic and social subjects with serious revolutionary potential, both from a political and economic point of view. There are, to be sure, both poor persons and poor nations which favour the capitalist system, while there are others who oppose it. But it must be remembered that the struggling classes define themselves in terms of the political and economic positions their members take in the different trenches. Of course it is undeniable that they are subjects impoverished by capital – this is precisely our point of departure – and therefore have the potential to become candidates for acquiring the class conscience necessary, as well as the awareness and capacity to organise and mobilise around an alternative project.

Now then, all this implies placing on the agenda and updating the meaning of the transformational, evolutionary or revolutionary processes, and this in turn requires reviewing and rethinking the theory of exploitation and revolution. Such a reflection will provide coming generations with a synthesis of the accumulated analysis and information, for the purpose of counteracting the prevailing levels of disinformation and confusion.

Beyond exploitation in factories

The theory of exploitation leads coherently toward a theory of revolution and above all a social transformation strategy. There follows a brief description of the assumptions upon which the theory of exploitation rests at class or national levels, and in the world arena of international trade. At the same time, the concept and reality of exploitation is expanded to incorporate all forms of social inequality, going beyond traditional relations of exploitation to include the plunder of the environment by humans as well as dispossession and discrimination among humans for reasons of race, religion, gender, social origin, way of thinking or indeed the divestiture of any other right based on particularity and identity.

Despite the fact that exploitation has existed for thousands of years, it wasn't until the mid-nineteenth century that Marxist theory uncovered its workings by exercising a critique of the political economy of the capitalist system. The analysis centred on worker-owner relations in the English factories of the period. The idea was as follows: in the capitalist system every economic process is subordinate to capital and its agents, the industrial bourgeoisie; in such a system, mercantile relations are generalised and include the workforce as yet another form of merchandise. The relations of exploitation are made manifest in the market between capital and labour. Marx's thinking, even inside the factory, takes for its starting point a peculiar type of exchange, in which capital buys or rents labour available in the market for a determined amount of time and sells the value generated by this labour at a higher price. Marx went on to demonstrate that the mercantile cost of the work force, that is, the wage paid or the cost of reproduction by the worker is inferior to the value generated by his/her labour. Therefore, the difference in surplus value, or capital gain, serves to unleash a permanent process of capital accumulation, with no object other than more capitalist accumulation.

Marx also stated that in this system, work relations tended to proletarianise most of the population, in such a way that only two classes would be left: the bourgeoisie and the proletariat, as all other classes and social strata would tend to disappear.

Today, our appreciation of the situation has changed. To begin with, now it would be inaccurate to limit the concept or reality of exploitation in the capitalist system to the salaried relations between owners and industrial workers. Already Marx himself had pointed out that within some capitalist nations, such as the United States of America, there could be other relations of exploitation, such as slavery, but that this did not mean the country's economy was based on slavery. It was, instead, a capitalist system within which there existed differing relations of production.

Along the same lines, but thinking at world level, Marx explained a process he called "originary capitalist accumulation", with reference to the exploitation of the colonies by the metropolitan empires. In these colonies too there prevailed different productive relations. The truth is that today everything appears to indicate that originary accumulation continues indefinitely in Third World countries, while capitalist relations of production (industrial wage-earners) have not become generalised, and indeed tend to diminish in number. With each passing day, the productivity of technological capital competes advantageously with labour, thus generating ever-increasing levels of unemployment. Already Marx had pointed to the drop in worth of the value-work relation in industrialised societies, and nowadays many of the more advanced economies use robots instead of people.

Later on, already in the twentieth century, other Marxist thinkers put forth the concept of indirect exploitation, a modality existing in world capitalism through international trade and the unequal and asymmetrical credit or exchange arrangements between nations, regardless of the social relations of production within each country. In the early twentieth century, upon the triumph of the Russian revolution, Lenin introduced to Marxism the theory of capitalist exploitation among countries, and with it the idea of socialist revolution in countries considered not industrialised but subordinate to world capital. This is sufficient backdrop to confirm the existence of what is referred to here as "proletarianised countries", that is, countries which are exploited by world capital by means of the current international mercantile exchange system. In brief, capitalist exploitation is not limited to the factory floor only.

In addition, under capitalism today, the appropriation of surplus, current or historical, no longer necessarily takes place in the immediate process of production, but rather expands progressively toward circulation. It is thus the case that producers (small, medium and large) tend to be expropriated through the market, not only by a few transnational companies, but also by commercial and bank capital. Put otherwise, indirect exploitation has become as important, if not more so, than direct exploitation.

Another item to be placed on the agenda is the struggle for previously produced surpluses accumulated by all of mankind and which today are monopolised by capital. It is, after all, not only the surplus acquired this past year but rather the surplus amassed by the workforce

over the centuries, including knowledge and technology, that is concentrated in fewer and fewer hands each day. There is also a “historical surplus”, a topic discussed at length elsewhere (see The Dictatorship of the Market).¹ What is meant is that all the infrastructure, technology and equipment, as well as knowledge and other intangibles, worth many trillions of dollars, are permanently concentrated among a few very large capitalists. As is known, the entire process has given way to a commercial and financial war, both local and international, over the concentration and centralisation of capital. The main effect this has had is to pauperise or proletarianise most of the world population.

This new reality means it is crucial to describe what is happening as accurately as possible and to fine-tune class struggle concepts, or, more exactly, the struggle of interests, while explaining the tendencies inherent to these processes and updating the new social, economic and political subjects of this exploitation and revolution, carrying claims beyond immediate economic demands and raising banners against the marginalising, repressive, discriminatory, exploitative system and current civilisation.

Summary of the foregoing, main conclusions of this chapter

- a) The first assertion, advanced in the introduction, is that Third World economies and societies, subordinate as they are to the world market, generate surpluses which are drained by corporations and foreign countries. Therefore, and regardless of existing internal class differences, the countries on the periphery must be considered proletarianised nation states, that is, they are exploited by capital because world society as a whole transfers surpluses to the metropolises.

This means these countries produce the surplus value plundered by world capitalism, once they receive what they need for a precarious survival, with no consideration for the labour status of workers and the remaining social strata, whose roles and differences are discussed below. This statement is only viable theoretically if exchange in the market is considered to be a space in which the exploitation of labour by capital can also take place. Traditional Marxism considers the exploitation or creation and transfer of surplus value as something which occurs only inside factories or in the various production processes, and therefore cannot explain why a few countries are very wealthy, while others continue to become ever more impoverished.

- b) The second statement is that in our economies the industrial proletariat, including productive wage-earners (rented to make capital produce profits) is very small, and it clearly appears that the tendency is toward an even much greater reduction, as capitalism continues to generate unemployment.

However, there is a different type of worker, numerically far more common, equally as exploited and in the best-case scenario referred to as ‘self-employed’. These are

¹ Núñez, Orlando. The Dictatorship of the Market, unpublished manuscript.

the small farmers, small merchants, small artisans and so on, who under the direct or indirect guidance of capitalism generate surpluses which are drained by the market and which therefore must be considered proletarians, and more specifically, self-employed proletarians.

Thus, the proletarian today is not only the man or woman on the factory floor, but rather a broad swath of the population which has in one way or another been deprived of their means of production and livelihoods. Considering that capital is an agent of the system, it also has the function of subordinating every form of autonomy, keeping in place a *dictatorship of the established order*, which is exercised in all spheres of life and must therefore be fought against in all the different spaces. The capitalist system today manages the established order, recycling in its favour the repressive and unjust mechanisms on which it is based. In the *dictatorship of the established order* are included value-generating capital or wealth, market relations or the market as such, political power and the use of state apparatuses, laws and institutions in only a few hands, the predominant culture and thought, values, customs and other codes of daily conduct, the civil or religious programmes instilled at schools, all hierarchical or vertical command relations between citizens and countries, the messages broadcast by communications media, the idiosyncrasy of civil society, education in its shape and contents as it exists within families, the manipulation of emotions in the way language is used, and so on.

- c) The third statement is that exploitation is prolonged in each and every relation in which there is an unequal distribution of wealth. In this regard, class struggle or the struggle for the surplus that is created extends to all existing economic relations. It is expressed within each of the social classes, both among entrepreneurs and within the exploited or subaltern classes, and even among the marginalised sectors. The functioning of the capitalist market and the social differentiation it generates are limited not only to contradictions within capital (capitalist competition), or to capital and labour (capitalist exploitation), but extend also into the midst of the people themselves.

The market, as a competitive machinery which generates inequality and social differentiation throughout the population, is present everywhere, permeating everything from property and money to knowledge and culture. Unequal opportunity pervades all relations between classes, strata, gender, ethnic groups and nations. The capitalist economy is in the process of becoming a capitalist society. But this fact must not be allowed to mask its fundamental contradictions, lest this lead to implicitly supporting a theory of stratification or claims-based labour demands which would lead once again to raising the banner of efficacy or competition for survival in the market jungle.

For instance, an unjust differentiation exists between workers or populations in rural and urban areas. The countryside produces and is impoverished, while the cities produce less and have a higher standard of living, although in both cases there are large clusters of people, equally impoverished or exploited by national and global capital. The same can be said of the relations of exploitation of women by men within households. And again, the same can be said of popular consumers, who lose out in the mercantile exchange, where the same monetary unit (one dollar, for example) in the hands of a poor consumer, has more value than the same dollar when owned by wealthy consumers, as the former worked a full day to acquire it, whereas it may have taken the latter one minute, say, as an outcome of the differential in wages. However, each dollar has the same price, which gives the false appearance of equality in terms of mercantile exchange.

Proletarianised nations and the struggle for sovereignty

The theory of exploitation leads to the theory of change, whether by evolution or revolution, as well as to a theory of subjects and strategies by means of which to undertake the transformation of capitalism and replacement substitution by a different system. Marx stated that in form revolutions would be national, but that their contents would be international, believing as he did that among workers, class consciousness would prevail over nationalism. Hence the slogans encouraging proletarian internationalism. However, reality showed otherwise. The contradictions and economic injustices have overwhelmed the sphere of social classes proper. Failure to understand this situation has led to overlooking a set of contradictions and conflicts. For example, the breakup of the Soviet Union took place above all due to differences among countries which were part of it, rather than disputes among social classes. Wars between different ethnic groups or followers of particular religions continue apace in many parts of the world. Large numbers of persons join armies and participate in imperial wars in which they end up fighting for causes alien to their class interests, or for a homeland whose social and economic system in no way favours them.

Marx also thought the revolution would take place in the capitalist nations, or put otherwise, the proletarian nations, meaning those in which the industrial proletariat were a majority. Today, it is clear the revolution can also take place in proletarianised nations, in countries subordinate to the world market and prey to indirect exploitation through international commerce or unequal and unfair exchange. Capitalism today exists as imperialist capitalism. The metropolis continues exploiting the colonies or the world on the periphery. But this peripheral world is awakening and rebelling against the metropolitan world. The proletarianised nations are to the metropolis what the working class or factory proletariat is to the employer and his capital.

This implies, in the first place, that as long as there are conditions of despoiled subordination to the world capitalist market, the nation, the people, the popular alliance between the working classes and other marginalised sectors of the population which suffer under these conditions, must unite in solidarity and struggle for self-

determination, expanding this alliance to embrace all groupings in the country, without exception, who are willing to work for national sovereignty, including small, medium and large local capital. It is not a matter of strengthening national capitalism, but of bringing into the great struggle for emancipation any and all sectors suffering from relations of exploitation, subordination, theft or the pillaging of their wealth.

Furthermore, it is necessary that all workers, inhabitants, consumers and marginalised sectors embrace a common project in which everyone emerges a winner. Such a project is not and will not be exempt from contradictions and conflicts within each nation and among the people. The struggle for transformation is not limited to factories or to the strictly economic field, but must rather be fought in all social spaces. Nor is it a struggle limited to opposing productive exploitation, but again, must run counter to all types of inequality, marginalisation, depredation, chauvinism – in short, against all relations in which opportunities are not equal or in which unfair competition and a war of all against all is being promoted. In this effort there are a number of different fronts, ranging from a strike to an insurrection, from a speech against the mercantilisation of life to a change in the outlook of an individual or a family, from the protection of flora and fauna to the promotion of affection and solidarity.

As is known, the revolutionary theory which expanded the scope of battle and brought radical change to the Third World, implied also a qualitative step, as it added to the category of “class” the concept of “the people”, understood as an alliance between all classes and impoverished sectors.

An explicit expression of this analytical framework is used by the Latin American revolutionary left in particular, precisely in order to escape from the proletarian reductionism of some traditional communist parties and instead extend or include the concept of class to embrace a grand alliance among all members of the people. This is how Fidel Castro defined the idea of people in one of his early works, *History shall Absolve Me*:

In terms of struggle, when we talk about people we're talking about the six hundred thousand Cubans without work, who want to earn their daily bread honestly without having to emigrate from their homeland in search of a livelihood; the five hundred thousand farm labourers who live in miserable shacks, who work four months of the year and starve the rest, sharing their misery with their children, who don't have an inch of land to till and whose existence would move any heart not made of stone; the four hundred thousand industrial workers and labourers whose retirement funds have been embezzled, whose benefits are being taken away, whose homes are wretched quarters, whose salaries pass from the hands of the boss to those of the moneylender, whose future is a pay reduction and dismissal, whose life is endless work and whose only rest is the tomb; the one hundred thousand small farmers who live and die working land that is not theirs, looking at it with the sadness of Moses gazing at the promised land, to die without ever owning it, who like feudal serfs have to pay for the use of their parcel of land by giving up a portion of its produce, who cannot love it, improve it, beautify it nor plant a cedar or an orange tree on it because they never know when a sheriff will come with the rural guard to evict them from it; the thirty thousand teachers and professors who are so devoted, dedicated and so necessary to the better destiny of future generations and who are so badly treated and

paid; the twenty thousand small business men weighed down by debts, ruined by the crisis and harangued by a plague of grafting and venal officials; the ten thousand young professional people: doctors, engineers, lawyers, veterinarians, school teachers, dentists, pharmacists, newspapermen, painters, sculptors, etc., who finish school with their degrees anxious to work and full of hope, only to find themselves at a dead end, all doors closed to them, and where no ears hear their clamour or supplication. These are the people, the ones who know misfortune and, therefore, are capable of fighting with limitless courage! To these people whose desperate roads through life have been paved with the bricks of betrayal and false promises, we were not going to say: 'We will give you ...' but rather: 'Here it is, now fight for it with everything you have, so that liberty and happiness may be yours!'²

As can be seen, here the concept of people includes a conglomerate of alliances across class boundaries, an idea far richer than the narrow notion of the proletarian as industrial worker. Castro was not thinking only of the form and contents of a political revolution keyed strictly to achieving a bourgeois democracy, but rather he included the problems of land tenure, industrialisation, housing, unemployment, education – in short, issues which are not exclusive to the industrial proletariat and which, furthermore, cannot be solved by the semi-colonial capitalism in which Third World countries continue to subsist. Therefore he proposes to combine all forms of struggle across all fields, classes and strata, pointing to and condemning all forms of discrimination, beyond direct or indirect relations of exploitation. All the people are called upon to unite around a common programme, in which there is room for everyone. It is for this reason that the struggle against imperialism and for national sovereignty has become a core battle which brings together all struggles and unleashes all conflicts existing in the capitalist system at both national and global levels.

Before continuing with the discussion of the theory of revolution, it is worth defining, or rather, illustrating the idea of a proletarianised nation. In proletarianised nations the conventional proletariat, traditionally linked to industrial exploitation, coexists with self-employed workers (small farmers, artisans, fishermen and the impoverished sectors of the population and consumers) – in brief, the entire destitute and marginalised citizenry which suffers the devastation of living under conditions of imperial colonization. Indeed, even the national bourgeoisie may be considered part of a proletarianised nation, insofar as it appears as a mere intermediary of transnational capital, with no real possibility of accumulation, not even in alliance with the State. In the *Communist Manifesto*, Marx noted that in the process of proletarianisation and concentration / centralization of capital, even the bourgeoisie would end up becoming part of the proletariat, as it too would be dragged toward pauperization.

There is a good example, the coffee industry, which illustrates the proletarian status of a nation, by means of what in economic literature has come to be known as the “unequal

² Transcription / markup: Andrew Paul Booth / Brian Baggis. Online Version: 1997, Castro Internet Archive.

exchange” in international commerce between the impoverished and the enriched countries.

Reports issued by different international organisations have repeatedly stated that the poor in developing nations (as they put it) survive on two dollars a day. Meanwhile, in the first world the minimum wage is of, say, sixty dollars a day. This difference can be explained largely by the prices the First World pays the Third World for their commodities, which in turn bears a direct relation to the wage paid the workforce in either group of countries. Even the socialist countries, both in the imploded “real socialism” as well as those in its surviving form, are subject to the rules of trade set by the international capitalist market through the World Trade Organization (WTO).

In the case of coffee, the price for a hundredweight bag has lately averaged about USD 150 per 100 pounds of coffee. This same coffee is sold in the metropolis at a price of at least USD 2.00 per cup. If 45 cups of coffee, say, can be made from one pound of coffee, then 100 pounds would produce approximately 4,500 cups. This generates an income of USD 9,000 for every bag of coffee in the metropolitan nation in which the coffee is sold. Of course, the argument used to justify this is that the metropolis adds value to the coffee. This is indeed the case, but this added value remains in the metropolis, and the lion’s share of the difference resides in the prices imposed by the metropolis on the proletarianised nations based on the international correlation of forces. As Marx pointed out, the price of the workforce, seen as a commodity, depends on its cost in the market, or, much the same, the market price of a basic goods basket for one family. He went on to add that this in turn will depend on the correlation of political forces existing between owners and unions. On the international market, by analogy, prices will depend on the correlation of forces between the metropolis and the impoverished countries. Who decided that the price of oil would first sink to USD 5 per barrel and now, with a revived OPEC, stands at around USD 100? Who decided that the labour provided by a third-world *campesino* or small farmer is worth two dollars a day, while a Dutch worker costs at least 60 euros a day? The answer is simple: the same forces which for centuries decided that blacks and indigenous peoples should be slaves or indentured servants, work like animals and barely be given enough live on.

Certainly, the most exploited link in the coffee industry chain are the small farmers who produce the coffee, much like the workers who participate in its harvesting, processing, storage, transport and marketing, and whose average yearly income is of a little over three or four dollars a day, as coffee is seasonal and their services are used for only a few months. This difference in prices permeates the arteries of all society. The proletarianised State charges less taxes and as a result will build less roads and streets, offer less health, education and security services, and purchasing power will be lower. Entrepreneurs will get on, as they have access to bank credit lines, but will not be in a position to accumulate as do metropolitan entrepreneurs, who employ less labour and enjoy other built-in advantages. Thus, the transfer of value from a proletarianised to an imperial nation affects the entire Third World population, regardless of which place each citizen occupies in the cycle of production, circulation or consumption.

This situation does not exclude the fact that within proletarianised nations there are social differences, including often fierce competition, even conflict, between groups which fight desperately for the crumbs the metropolis tosses to the countries it has impoverished. However, the struggle for sovereignty, and economic sovereignty in particular, is not only necessary, but must be led by the popular sectors as part of class struggle. For example, when the subject of food supply is broached, the right talks only about food security, while the left refers to food security *and* sovereignty.

In this debate it is necessary to distinguish political from social, economic and cultural revolution; exploitation within a country from exploitation on a world scale; the tasks of the democratic bourgeois revolution and the tasks of a socialist revolution in the same process. In addition, it would be worth considering whether it may not be appropriate to employ other categories as tools for analysis and struggle, as suggested herein when talking about proletarianised nations, the self-employed proletariat, the social economy of labour or the solidary social economy and communal socialism.

A political revolution is not yet, nor does it guarantee, a social revolution. To think so is to succumb to the “democratism” preached by the metropolis and repeated by the local oligarchies. Nor can a social revolution limit itself to omnipotent state management, meaning the substitution of private companies and the bourgeoisie by State-owned companies and officials, although clearly strategic companies should be operated by the State. A social revolution exists when one class takes the place of another – politically, socially and economically – when organised workers are not only the legal owners of the means of production, but it is they who directly manage said means, as well as the State and the economy as a whole.

For its part, a solidary social economy is still a long ways from being a socialist economy, but insofar as it advances along the lines of associativity and self-management by workers and all popular organizations, it will be moving in a socialist direction. The State socialism of the twentieth century was a good start and a valuable experience on the way toward socialism, but it was mediated by the State bureaucracy, and this ended by negating direct management by workers and other organized sectors among the population.

There have been political revolutions in many Third World countries, undertaken by socialist organizations. This is not up for discussion. What is being proposed here is the possibility that political revolutions (takeover of government, the political-military apparatus and control over government management) may eventually transit toward a social revolution (takeover of economic power, construction of an alternative system democratically controlled and planned by popular councils). Given the correlation of forces, it is necessary to advance in all directions at the same time, by means of discourse, by forging alliances, by combining the revolution from above with the revolution from below, and last but not least, by building said revolution from below. This means creating organizations and popular councils, not only of citizens at large,

but also by sector, as in producers and workers organised as true economic subjects in cooperatives and self-managed federations, among others.

Taking political power is important in order to be in a position to use the State as an instrument of transformation. It is a necessary first step. But the socialist system must not be limited to an economy and society in which all productive and economic activities in general are in the hands of the State, with no participation or direct management of power and the economy by workers and the population. By the way, once the left decided to submit to electoral democracy to reach the executive branch (which is only one, although a very important aspect of the power structure), thus embarking upon a continuous dispute over the hegemony or political majority necessary to carry out social transformations, it exposed itself to occasionally losing an election, whereupon all the sacrifice that has gone into the process comes to naught. One of the flagships of neoliberalism is to privatize all public property and transfer this monopoly to transnational companies. To prevent this, it is therefore necessary to expand the idea of power by including, in the first place, the organized political conscience of a national majority (hegemony), and to ensure direct control by workers of the country's economic resources.

The social revolution is the leap or shift from a particular way of producing-exchanging-distributing to an alternative model. In this process conditions are created to substitute one mode of production for another, or one system for another. In the current situation, a social revolution means a project geared toward creating conditions for the substitution of global capitalism by a socialist system, over a long period of time, but inevitably begun and directed by those who suffer under the capitalist yoke. It must be a social revolution from above *and* from below, from the State and from the communities, from now onwards and from countries, peoples, nations, regions and classes. It is a change which transits on the path towards a solidary social economy, in the strict sense of an associative and self-managed economy, regardless of whether it coexists spatially and temporally with other forms of production and within the structure of the current exploitative capitalist system, and regardless of whether the popular State is given a significant weight in the management of strategic companies.

It is therefore important to consider the construction of a solidary social economy as part of the process of transition towards a social revolution, and a station sine qua non on the road toward a socialist economy. This is an idea that goes beyond twentieth-century State socialism and beyond the market socialism being proposed by countries such as China.

The revolution is a process in which the political and the social are closely interwoven. The process begins as a political revolution, which means, as noted, the replacement of one class by another. The incoming class takes over the levers of the State apparatus, the political economy, management of the new economy and begins work on establishing a new hegemony, a new culture. The best study ever written of a revolution is Marx's analysis of the French Revolution, which was a democratic-bourgeois

political revolution against the feudal order. The revolution was preceded and continued by the economic and cultural protagonism of a new class, the bourgeoisie, made up of merchants and urban citizens, entrepreneurs and financiers, as well as a cultural elite which was superior in all fields of thought to the previously dominant block.

Although the symbolic scenario was the taking of the Bastille, and despite the national economic scenario in which the new class began to build up industry, it is important to stress the importance which every revolution, whether democratic-bourgeois or socialist, has in the international arena. From the beginnings of world capitalism, and in particular since the conquest of the American continent in the sixteenth century, capitalism differentiated between colonialist and colonized nations, imperialist and imperialised nations, industrial nations with a significant industrial proletariat and rural or proletarianised nations in which the majority are peasants or small farmers. The onset of the bourgeois revolution cannot be understood without the contribution made by African slaves or indigenous servitude, in that they made possible the original accumulation of capital, something which continues to exist today at the country level, in which big businesses from the exploiting nations plunder the natural and human resources of the proletarianised nations.

It is therefore hardly a coincidence that since the nineteenth century, national liberation movements have been underway against the colonialist-imperialist metropolis and their local allies, the parasitic oligarchy. These were political revolutions who had to take charge of ordinary accumulation within their own countries from above, sometimes in situations structured so the towns were exploiting the peasant class or other subaltern ethnic groups, in much the same pattern of accumulation which the colonialist and imperialist nations used to extract raw materials and exploit the workforce of the so-called Third World nations. The legitimacy of the capitalist bourgeois revolution was based on the idea of progress and its material expression, the advances made in industry and technology, as well as the social pact reached between capital and labour (employment in exchange for surplus value).

As it happened, the socialist revolutions did not emerge in metropolitan countries, but in what has herein been called the proletarianised nations, the producers of raw material, based on seasonal agricultural production, in which urbanization took place without industrialization and without an internal market. Of course the capitalist exporters and the metropolis were never interested in the purchasing power of the local populations, as they were not buyers of raw materials.

As mentioned, throughout the past century a number of political revolutions have taken place in the Third World, meaning in impoverished agrarian countries which produce raw materials and in which the proletariat was a small minority of the working population. In these cases, the socialist or communist parties set themselves the task as executors, in order to mature objective and subjective conditions. As some Latin American communists thought, it was a matter of waiting for the productive forces of capital to grow and thus create the great army of proletarians needed to start a social

revolution. In other words, the socialist revolution in these countries sought only to transit to a democratic-bourgeois revolution, carried out by a national bourgeoisie or by a popular project led by Jacobins or radicalized officials. Some countries in the sphere of really existing socialism undertook a process of ordinary accumulation and were able to industrialize (the Soviet Union, China and North Korea, among others).

Today, the irrationality of capitalism is not illustrated by what goes on inside the industrialized nations, but rather by what happens in the entire world capitalist system, something which at the outset seemed a passing phenomenon, while progress eventually brought development to all nations. But it is in Third World nations that the irrationality of progress is most clearly visible: the impoverishment of humanity, the destruction of the environment and the impossibility of solving the problems created by the way in which the current system produces and grows. To state it quite clearly, the nations on the periphery of global capitalism are like a conglomerate of proletarianised neighbourhoods whose existence is keyed to a metropolitan hegemonic centre at which the brain of capital is located.

The crises caused by overproduction, commodities and people are becoming more recurrent and parasitical, due to the inexistence of a solvent demand for the commodities produced, a condition sine qua non for the appropriation of profit by capitalist companies. Drugs and weapons are the only merchandise for which there appears to be unlimited demand, regardless of whether these lead to the degeneration of human beings and wars of extermination, endangering civilization and life itself. The productive, commercial and financial haute bourgeoisie is subsidised, not only by the overexploitation of proletarianised nations, but also by taxpayers in metropolitan capitalist nations. The progressive exhaustion of the capitalist system is much more evident today, as it produces more and more, but is lacking in consumers, having impoverished most of the world. In recent years, large monopolies have had to be rescued by the State in order to remain profitable. So it is taxpayers who keep these companies going. Much like in primitive times, capitalism is once again becoming a tributary means of production.

However, the irrationalities of the system (the incapacity to reproduce its constitutive elements) may yet sink all of mankind without the necessary change taking place, unless those who suffer the system show the organized will and ultimately the capacity to articulate an alternative project.

In principle, Leninist doctrine recommended that a socialist revolution, even in economically backward countries, needed to pass through a stage in which workers replaced the bourgeoisie as the class which governed capital, while simultaneously taking charge of the management of the economy and society through the soviets or worker's councils. In most experiences of what came to be called "real socialism", the direction actually taken was that the party and the economic bureaucracy substituted those who were called upon to become the cells of the new social relations of production – precisely the worker's councils. The communists who held power declared

it was a matter of generating originary socialist accumulation led by the party, in representation of the workers, for the purpose of industrializing the country. To that end, profits were extracted from a high quota of sacrifice on the part of all workers, but mainly from workers living in rural areas. This form of exploitation also extended to countries on the periphery, as Ernesto “Che” Guevara noted at the time. It cannot be denied that in all existing socialist countries the standard of living and well-being of the poor among the population rose. But it also cannot be denied that most of the regimes failed to settle into a scheme that would allow for democratic freedoms and participation, so as to compete with bourgeois democracy in capitalist countries in this field as well, and thus garner favourable opinion and the sympathy of people everywhere. History showed that social well-being alone was not enough to make people fully embrace the political regimes based on State socialism.

Finally, and for a number of political, social, economic and cultural reasons, the model ran into difficulties and declined, despite significant efforts in the field of economic accumulation and the well-being of workers. Today, all the countries which underwent the experience have had to take recourse to transnational capital, in the best of cases, in order to survive in a world of open capitalist competition on the world market. In other cases, the socialist processes were rolled back entirely and the countries became capitalist again, managed by a resurgent bourgeoisie. Since these events took place, people have begun to talk about State socialism in politics and market socialism in economics.

After the first socialist experiences – what is to be done?

Some are of the opinion that orthodox Marxists were right after all when they argued that as long as capitalism hadn't developed all of its potential in terms of innovation and applications in favour of productive forces, and until a majority of the working population had become proletarians, nothing more could be aspired to than accompanying national capitalism, under the direction and guidance of a democratic bourgeoisie.

However, since the “conquest” of America, Asia and Africa by European and US capitalism, countries on these continents must be considered proletarianised nations struggling for national sovereignty or, much the same, self-determination, regardless of existing social relations of production and indeed the presence or not of an industrial proletariat. This is not only a theory of exploitation, but may also become the object of socialist strategies and programmes. These processes will have not only to complete the liberal programmes the local bourgeoisie or national capitalism were unable to put in place, but also must achieve the necessary accumulation to be able to fulfil Lenin's famous dictum that socialism was “soviets plus electrification”. Without an economic take-off it is impossible to talk responsibly about social well-being or freedom of opportunity.

In the international arena, a significant part of the struggle for profits takes place in the sphere of national sovereignty, specifically in the international treaties imposed by the metropolis at the World Trade Organisation (WTO), in the disputes over the conditionalities imposed by the International Monetary Fund (IMF) and in the privatisation policies promoted by the international donor community. This often takes place with the assistance of non-governmental organisations (NGOs) and sometimes even trade associations and unions are caught up in the NGO offensive as they exercise their will from the outside. Here it must not be overlooked that the social movements themselves are being influenced to weaken the national State while appearing to criticise the government. While it is true that governments are not exempt from criticism, this does not mean that the essence and objective of neoliberalism should be endorsed – namely the disappearance of the State in the countries on the periphery of the system – on the pretext that these countries are neither governable nor politically convenient when it comes to running the world in a way favourable to the interests of big business. This strategy is clearly bolstered by criticism of leftist governments, and it is interesting to note that the critique coming from democrats of the new postmodern right (usually former leftists) is as virulent or more so than the attacks levelled with such belligerence by national oligarchies and the voices of decision-makers and the media in US, Europe and elsewhere.

Of course, within our proletarianised nations there are classes that are clearly being exploited, such as salaried and self-employed proletarians, and other impoverished classes, as well as social classes which serve as intermediaries between the proletarianised and the imperialist nation. The latter may consist of enriched segments of the population which benefit from the leftovers of world capital. Thus the struggle of the exploited is twofold: a struggle of the nation against a capitalist world market and the countries which exercise hegemony over it, and a struggle of marginalized people in their societies against the local dominant classes. In other words, the fight for sovereignty or national liberation must take place both outside and from within.

This, however, does not mean that as an economy, as a nation or country, there isn't a common cause to defend vis-à-vis the world capitalist market. If the enriched countries continue buying raw materials at an unfair price based on the value contributed, then impoverished countries will never achieve the desired economic take-off or enter a sustained process of accumulation for the benefit and wellbeing of the entire population. Thus the possibility and need to forge alliances among all according to the different moments of the transition programme is not denied. To the contrary, it is important that everyone participate in the revolution, whether as radical or reformist, establishing alliances across classes keyed to the issues of sovereignty, the internal market and the industrialization of agriculture. What is currently happening in Latin America, where several countries are headed by leftist governments is a sample of what is possible and also of how complex these alliances can be. A slightly Manichean analysis is necessary to understand the complexity of these processes, in which leftist vanguards with a socialist discourse are governing or obligated to administrate not only capitalist economies, but capitalist economies in a state of crisis. Likewise, they are

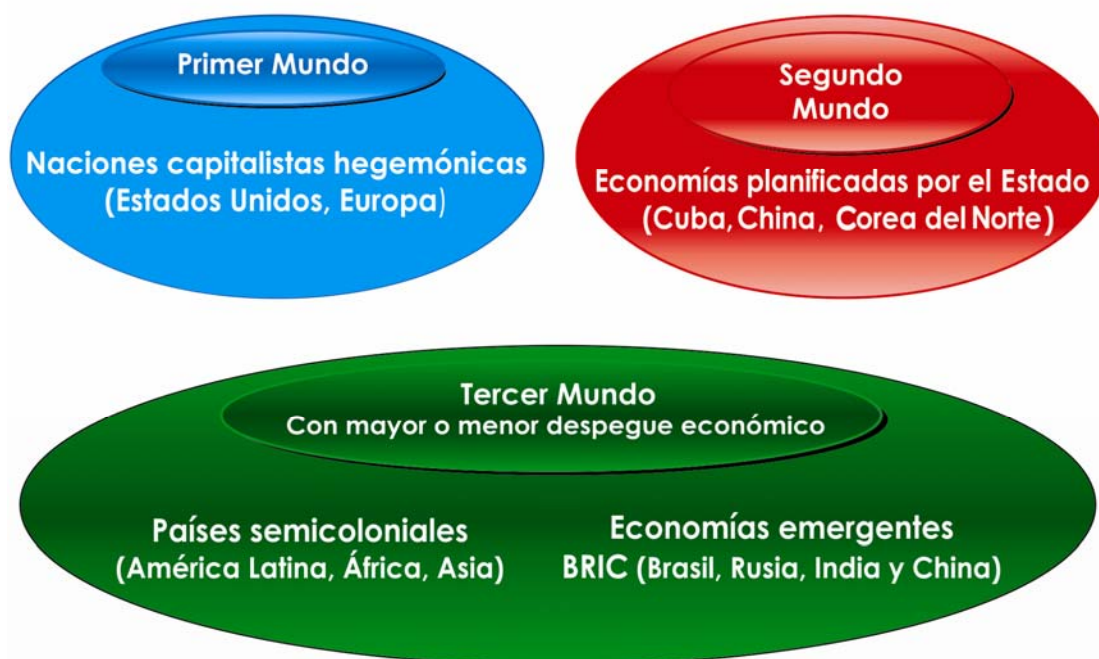
bound to govern neoliberal societies as concerns the generalised culture prevailing among the masses. In other words, the concessions which are made in a strategy based on alliances are not only of the necessary or mandatory type when dealing with the entrepreneurial classes (local, national and international), but also include concessions to popular sectors who in cultural terms have a mentality that is often quite conservative. This means parties on the left can indeed move forward, but are forced to do so at a pace compatible with the ideological-political journey being taken by the popular conscience.

Some authors now writing about XXI century socialism like to point out that to talk about a proletariat is obsolete and that it has become a matter of including all subjects in the revolutionary process, and that therefore it is enough to speak of the citizenry. Certainly this so, but if we don't wish to end up as a bourgeois electoral democracy project disguised as socialism, it is necessary also to talk about social differentiation (exploitation), the functioning of the dominant economic system (beyond the existence of poverty), of a strategy by which to gradually erase social differentiation (existing social classes), that is, the specific tasks facing the aim and achievement of genuine social transformation. It must be kept in mind that an economic system is defined or is different from another due to the way in which profits are extracted and distributed. Therefore, an alternative system must be drawn up, namely the one we are thinking about and for which we are struggling. Economic accumulation is a need for well-being, and alliances which must be forged at international level. It is worth remembering that the United States were born as a union of thirteen colonies and that Europe today is on its way to becoming a European economic community and eventually a European state. However, these supranations aren't in the least bashful about ranting against the Bolivarian Alliance for the Peoples of Our America (ALBA).*

There follows a graph which illustrates the context or position of proletarianised nations.

ALBA is a union of Latin American and Caribbean nations whose trade is based on complementarity and co-operation. It is currently made up by Venezuela, Cuba, Nicaragua, Bolivia, Ecuador, Dominica, St. Vincent and the Grenadines and Antigua and Barbuda.

Mundo Globalizado



GLOBALISED WORLD	
First World Hegemonic capitalist nations (European countries, USA, Japan)	Second World State-planned Economies (Cuba, China, North Korea)
Third World Uneven economic development	
Semi-colonial countries (Latin America, Africa, Asia)	Emerging economies (Brazil, India, Russia, South Africa)

The chapter which follows contains a discussion of worker-employer relations, given these have not disappeared. Workers cannot limit their claims and means of struggle to job and wage demands, but rather must prepare themselves to take charge of companies and the economy. Likewise, in the following chapters there will be a discussion of the self-employed proletariat and all the forms of associativity that allow for improving the correlation of forces vis-à-vis competition with typically capitalist companies. Experience has shown that it is not only a matter of confiscation, appropriation and redistribution, but also of workers taking ownership through their own efforts, based on their knowledge, technology, their capacity to manage the economy, the State and to hegemonies culture, all things that cannot be done by decree.

The industrial proletariat, the theory of direct exploitation and worker self-management

It is worth starting with the concept of proletariat because of its importance to the theory and practice of exploitation, as well as the theory and practice of emancipating and transforming the system. This theory began with Marxist criticism of capitalist political economy, which is based on the extraction of surplus through what Marx called surplus value, meaning the value generated by the worker, once the cost of his material reproduction and of the capital consumed is subtracted. This surplus value is appropriated by the capitalist, who is the owner of the means of production, and operates through a system of salaried relations in the context of a factory or productive unit.

The situation is very simple: a group of workers are rented by day or by piecework, and for their labour are paid what it costs to maintain them in the conditions prevailing in their particular country. Once the merchandise is produced, these are sold to the final consumer at their market price, namely the costs of production plus the mean profit on the capital invested. The owner of the capital takes ownership of the remainder, once the final operation takes place.

The legitimacy of exploitation or the transfer of surplus from workers to capitalists is that the merchandise is exchanged for what it is worth on the market, that is, recourse is taken in mercantile democracy or a “fair” remuneration on the market, the great arbiter of resource allocation. Under these conditions, the national workforce in semi-colonial countries has an exceedingly low cost, due precisely to overexploitation. The question that goes unasked and *should* be asked is as follows: Who decides that a worker in a *maquila* or Export Processing Zone in Nicaragua, for example, is worth USD 0.80/hr. when assembling blue jeans, while in the United States that same hour for the same type of work has a value of, say USD 11.00/hr.? Were one to ask, the immediate reply would be: “Why, it depends on the worker’s standard of living in the different nations.” But again, one might put the same question differently: “Who decides that the standard of living there is higher than here?” As stated earlier – and this is surely a topic for another essay – for poor countries everything depends upon the differentiation or world hierarchy of remuneration. As is known, there are trade relations at international level in which the nations which control the world market impose monopoly prices which are unfair and impoverish all subordinate countries in the world capitalist market.

Marx called the strata of labourers that generated surplus value the proletariat, an industrial working class exploited and pauperized by capital. For Marxists, the revolutionary virtue of that class is its organizational potential and the distinct possibility that workers might become aware that they are being exploited (that is, that they produce wealth, but are impoverished because of how they as a class relate to the means of production). More importantly yet, Marx understood they could become the direct administrators of production by forming worker’s councils, as happened in dismembered Yugoslavia.

Now then, as mentioned earlier, not everyone who earns a wage is a factory worker or part of the proletariat. Many salaried workers are in the services sector, as is the case, for instance, with public employees. On the other hand, factory workers are not the only exploited workers, as there are workers who aren't even wage earners and are nonetheless exploited by capital, albeit not directly, as in the case of small farmers, for example. Marxists refer to such instances as "indirect exploitation."

The proletariat and generalized self-management

The proletariat in any of its manifestations is a concept which emerged in connection with the functioning of the capitalist system, regardless of the prevailing modality or type of capitalism – competition capitalism or monopoly capitalism, bourgeois capitalism or State capitalism. According to Marxist theory, the productive forces cease to be a type of capital only when they are directly managed by workers. Even in State capitalism, in which the productive forces are in the hands of the State and all employees are State workers, the system is not overcome, and won't be until organised workers directly manage the means of production, the State, the country's economy and gain hegemony over the prevailing culture.

There are, of course, some borderline cases which need to be analysed. An obvious example was when the bourgeoisie did not own the means of production, which were in the hands of the State, as occurred in the socialist countries of the twentieth century. This arrangement came to be known as State socialism, and it was managed by a bureaucracy. Some Marxist thinkers even called this a State bourgeoisie, as it was that social class and not the workers who managed the economy, although property belonged to the State or nation.

In reality, it would appear that the difference between State capitalism and State socialism is that in the former case the State operates in such a way it favours capital, regardless of how many capitalist enterprises exist, while in the second, the private bourgeoisie is replaced by the State, and it is government officials who, with more or less participation by workers, administer the public interest keyed to society as a whole. Although in State socialism management is not yet in the hands of workers, it does represent an important step toward changing the system. In this regard, the disappearance of State socialism constitutes a major historical setback, in particular as it was replaced by neoliberalism, its exact opposite. According to the neoliberal model, all public utilities and indeed anything owned or operated by the State must be privatized, if at all possible in favour of transnational companies.

In Marxian terms, the proletarian in the capitalist system – although conceived of as the entire spectrum of factory workers – is considered a productive worker, insofar as he or she is productive for capital, regardless of whether this person is a plumber or a singer. This means that every worker ceases to be a proletarian when he/she works for the

community and receives remuneration based on the length of time over which the work has been contributed to society, once all social and economic costs have been deducted.

In Nicaragua today, Citizen Power Councils have been set up, and seem to be a step in the direction of updating the theory, strategy and practice of transiting towards [patterns of conduct](#) and productive social relations which are in effect alternatives to capitalism. This also signifies a return to the old and early Leninist idea of councils made up of workers, small farmers and soldiers, which existed in the first few years of the socialist revolution in Russia.

Today there are, in many countries of the world, hundreds, even thousands of companies which are owned and managed directly by workers.

The self-employed proletariat and indirect exploitation

As mentioned earlier, in proletarianised countries (as opposed to industrial nations with large populations of factory workers) there is a type of worker living in both the countryside and in the towns and cities, which today are known as self-employed proletarians (formerly referred to as “informal workers” or “street vendors”).

These people are simultaneously producers and workers. They are producers because they manage or are directly responsible for the economic activity in which they are involved, but because the volume is very small, they are very small producers – farmers, artisans, fishermen and merchants; they are workers because they carry out labour-related activities. In liberal thinking they are described as micro-entrepreneurs or informal workers. It is however, more accurate to describe them as self-employed or workers-producers, because despite the fact that a large majority owns their means of production, they do not contract other workers in significant numbers, and the work per se is done almost exclusively by themselves and their families. And unlike workers or wage-earners, they are not contracted directly, although they may perform piecework or be subcontracted by others. Now, of course within that class or sector there are differences in the remuneration they receive, much as these differences exist in the working or capitalist classes, and this does not hinder their being referred to as “working class” or “capitalist class.” The same goes for self-employed proletarians.

These workers-producers generate surpluses that are drained or transferred to other social classes through the market. Some argue these workers are self-exploited, since although they produce wealth, they are divested of it even though they have no formal employer. These are workers who do not make a wage, nor work directly for any entrepreneur, and many are producers who work with and directly manage their means of production. Still, they are incapable of holding on to their surplus. Others are small merchants and basic service providers who produce goods aimed at the poor population, which they sell at low prices for popular consumption. It is worth pointing out to those who propose the need for an exchange of equivalents, that within the popular economy

there exists precisely such an exchange, in the sense that popular products are exchanged based on an average of the labour involved.

Non-equivalence takes place when in the process of exchange other sectors come into play which receive above-average remuneration, while themselves purchasing merchandise that is priced beneath its real value.

Although worker-producers make goods for self-consumption, a large part of their production and services are intended for the market. They are mercantile producers or merchandise producers who deliver their goods to larger merchants/traders or owners of commercial capital. Many of them take recourse in credit to be able to produce and therefore must pay exceedingly high interest rates of 20% and even 40% to the owners of financial capital. In brief, self-employed workers must submit to market regulations and the mercantile process of surplus transfer under highly unfavourable conditions.

They are therefore referred to herein as proletarians insofar as they produce a profit (equivalent to a surplus value) which is transferred to other sectors through relations of indirect exploitation (commercial or credit-based). In the market they sell their merchandise at a price equivalent to its precarious production costs. However, this merchandise has a much higher value or takes a much longer time to produce than the sum they are remunerated with in the mercantile exchange. Unknowingly, they rent their labour out at a price inferior to the amount they receive for what they produce.

Now then, taking into account that merchandise reaches its final value only once it is actually placed on the market (whether it comes as raw material or with all the value added through the productive chain or value chain up until the point at which it is sold for final consumption), all those workers who work in the transformation, transport, storage, and final distribution to the buyer, must be considered value-generating or value-maintaining workers, which is much the same. The distribution of merchandise is part of this cost of production, including any publicity and distribution at street corners, in such a way that the less is paid for distribution the more money goes into the accounts of the large producer or merchant. In any case, it is productive work (for capital), as it contributes to increase the profits of the owner (of capital). Clearly, there is a significant inequality in the remuneration of each one of the participants in the chain from the workshop or home at which they make their products to the traffic light at which the merchandise is retailed.

Returning to Marx, if only because of his authority in the field of political economy, it is worth remembering that class exists insofar as it is organized, above all when it comes to class struggle. There is a famous passage in his writings on small farmers or peasants, in which he says that based on their common conditions and seen from an economic standpoint, they constitute a class, but that insofar as they remain isolated, with no awareness or organization, they are not a class. This means it is valid to consider all *organized* people (women, indigenous peoples, ethnic groups, population sectors and all sorts of networks) who struggle in one way or another against capitalism

and the vices of current civilization as part of the anti-capitalist social contingent. In this sense the category of self-employed proletariat could be considered potentially revolutionary, and this is ultimately what counts when thinking about sectors among the population capable of transforming the system.

By prioritizing organisation against the system, the unfavourable situation self-employed workers find themselves in could be largely overcome, given that as workers they receive no wages and as producers no profits. They live and work amidst a process of permanent impoverishment because they are in the first few links of the value chain. Socially they don't have the advantage of grouping together as do salaried workers. This makes it more difficult to achieve class identity and political cohesion. Fortunately, the experience of the past few years has demonstrated the organizational potential that exists in our societies. This means it is possible to escape from the exclusively economic swamp in which people have been bogged down for so long.

Once a citizen reaches the stage at which he/she is clear about the possibility of transcending the capitalist system, men and women must have sufficient space to participate in a great movement against said system, through a union, organizations of self-employed workers, associations of environmentalists and so on. This is how it has always been with political revolutions, when no one is asked about their class origin or current class status – only their political position is of interest. During the French Revolution, there were cases of aristocrats who struggled alongside the popular sectors against the feudal and monarchical regime.

When a revolution is brewing, it is not necessary to belong to a class or sector to struggle and work in the interests of a particular project. Much as there is no need to be a proletarian to fight for the emancipation of the working class, it is not necessary to be an Indian to support a revolutionary struggle of indigenous peoples, or be a woman to support women's liberation.

As concerns the self-employed proletariat, it can be stated with assurance that first of all is the woman in the home. They are legitimate self-employed workers, even when they don't necessarily work in the street. Through the market, these workers are exploited by capital, with men as the intermediary. Without them, it would be practically impossible for the capitalist system to operate, as they are the ones mainly charged with the material and ideological reproduction of future workers. They increase their partner's as well as their own income, which is crucial to the struggle for survival, the formation of a future work force and indeed to the human population as a species.

Relations between men and women have, since the first works on the subject by Marx and Engels and right up to contemporary feminism, been understood as the first scenario of class struggle thousands of years ago, much before the capitalist system came into being. The importance of women as self-employed workers is strategic for several reasons, as follows: a) she is the first unremunerated worker and main maker of a social economy, as hers is the main role in the home, where she is at the centre of the

solidarity net that holds the family together; b) women have been the barricade that has blocked the market or mercantile relations from entering the family economy, which is not mercantile but rather a typical social labour economy; c) much like small farmers and today's self-employed workers in urban areas, women ("housewives") do not make a wage or a profit, and work long days with no set hours.

In second place are small farmers, fishermen and artisans, who, like women, work out of their homes, don't make a wage or a profit and are inserted in community contexts. In this sector must be included ethnic groups and indigenous people who have been decimated, exploited, marginalized and expelled from their territories for over 500 years and continue to be so to this day. It is worth remembering that the community is very propitious soil for relations of solidarity, not only among indigenous peoples, but also in most rural communities. In the case of Nicaragua, these workers control more than fifty per cent of the land, the rural, artisanal, small industry and fishery sectors, as well as food production. They generate most of the hard currency and jobs. To these must be added the emigrants who send remittances to their families at a level of solidarity hereto unknown. More recently, self-employed urban workers, the main subjects of this analysis, have appeared massively on the scene. This type of worker exists since the emergence of capitalism, and currently in Nicaragua they control most of trade, credit, internal transport and distribution.

The bourgeoisie, originally small merchants and artisans who came to populate the European burghs, began as petite bourgeois free workers who did what it took to survive without having to render obeisance to a feudal lord. They often organised in guilds to defend their interests. Later, with the surge of the capitalist market a substantial social differentiation was generated, with a minority becoming bourgeois entrepreneurs while others took the role of proletarian workers (subcontracted to do piecework or to work directly for a wage in the factories).

Taking into account that, theoretically at least, self-employed workers in any of their many and varied expressions, can enter into competition among themselves and take up once again the capitalist road to development, thus generating more social differentiation or differences of income due to the various strata existing among them, the next section describes the strategy needed to keep this from happening – namely, through associativity.

The self-employed proletariat and associativity

Unlike the industrial proletariat, the worker-producers of goods and services or self-employed proletarians work individually and in isolation. They belong to what has been called simple mercantile production (individually or as a family). This is why in the Marxist framework they were described as petite bourgeoisie. In the economic structure of proletarianised countries, they constitute a majority and are as pauperised or more so than workers in the formal sectors. However, once they associate, they are in a position to reach the level of political awareness vis-à-vis the dominant system, which is one of

the features Marx used to define the proletariat: class in itself (economic strata, objective, measurable) and class for itself (organization with full awareness of its class interests).

As has been pointed out, in the Third World, self-employed workers are very numerous, and make up as much as 75% of the national economies by generating basic services, food, hard currency and employment. In recent years, and as the local bourgeoisie gradually goes bankrupt due to unfair competition with transnational corporations, the sector has begun to control larger proportions of the main lines of business in the local economies, thus ensuring the survival of thousands of families by generating massive employment and contributing to stability and governance.

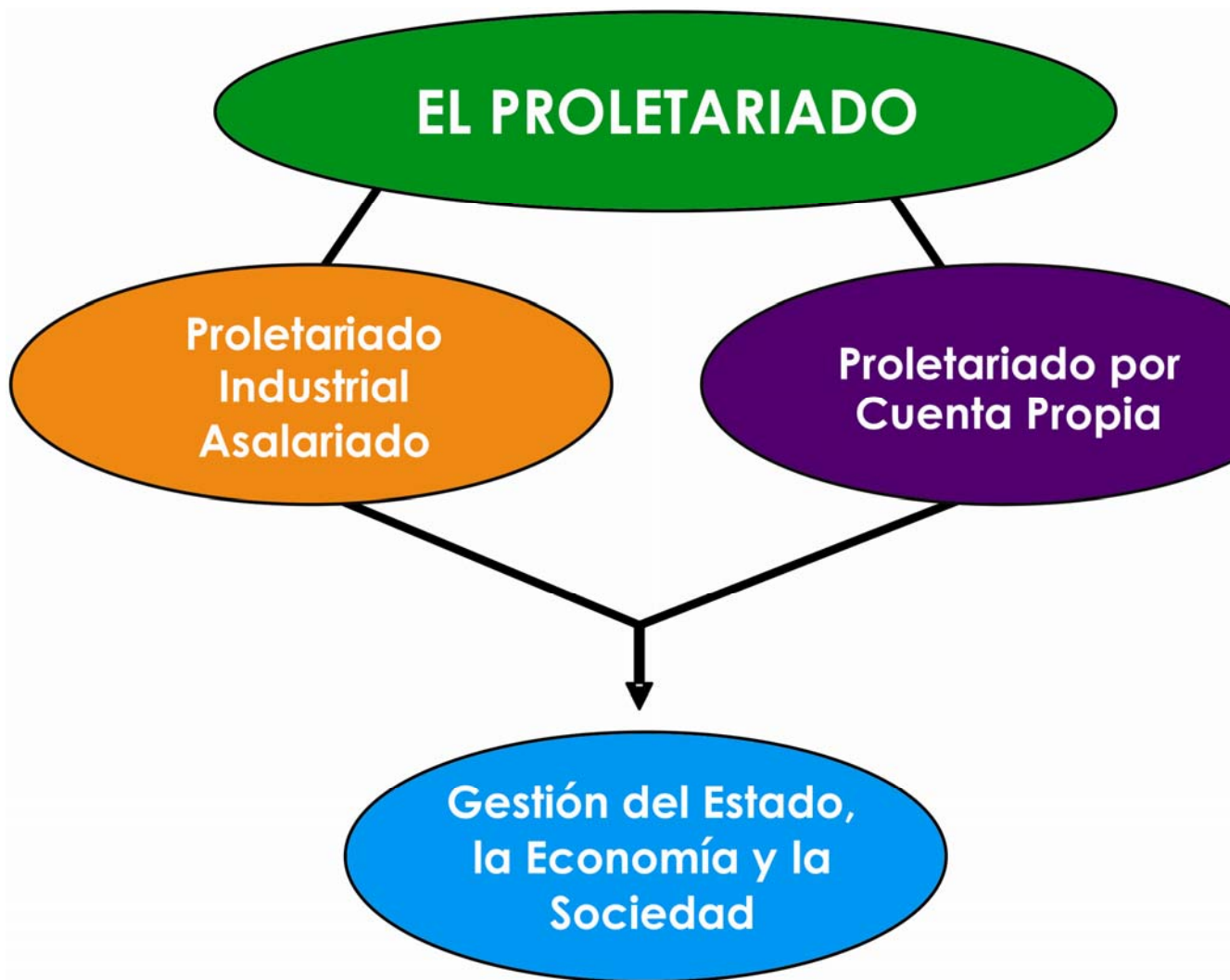
Despite the foregoing, these are impoverished producers, as by way of market relations they are deprived of the surplus they generate. Their individual mode of production doesn't allow them to gain access to economies of scale and thus to higher yields or accumulation, the achievement of which in principle does not run counter to their aims. Of course, there is a major difference between capitalist accumulation and alternative accumulation: for the capitalist, accumulation is an end in and of itself, while for these self-employed producers or workers accumulation is a means to an end, namely to improve their economic situation and create associative productive relations in order to cope with their capitalist setting.

This is a sector which is not only growing, but also becoming more visible through organization, as well as its capacity of exerting influence through advocacy and formulating proposals for alternative socio-economic development. Most self-employed workers are women, as these have been the most adversely affected by neoliberal deregulation policies (double workload within and outside the home, discrimination and maltreatment both at home and in the street, and so on).

The neoliberal model persecutes, humiliates and penalizes these workers, women and men alike, by denying them the right to property, a decent job, access to credit, social services and general wellbeing.

The only way in which they can improve their work and living conditions is by associating, the only way in which they can accede to the higher links in the productive chain is by associating, the only way to incorporate themselves to a technological integration process and the value chain is by associating, the only way to become a politically assertive class is by associating. In brief, they must set up a "union of freely associated producers", as Marx liked to define socialism – associated socially, economically, politically and culturally. Today we would say "union of freely associated workers-producers." Politically, such a union is at the vanguard of the struggle for sovereignty, independence and self-determination of our peoples, of respect for their traditions, customs and cultural identity.

Before concluding the section on the proletariat, a graph is presented which shows the proletariat as a whole, divided into salaried industrial proletariat and self-employed proletariat. This class will cease to be considered as such, to become a class of free workers – finally! – when it takes over management not only of production and the economy, but also of the State and society as a whole – in other words, when the hegemony or moral and intellectual direction of society reflects the interests of the people. Certainly this stage is a point of arrival it will take a long time to reach, but the work which will one day make this a reality must start now.



THE PROLETARIAT	
Salaried industrial proletariat	Self-employed proletariat
Management of the State, the economy and society	

The construction and consolidation of a social economy: programme, strategy and tasks

If to replace an economy or a system implies having an economic subject with the capacity to manage the State, the economy and society as a whole, an intermediate point considered by the proletariat as necessary is that of associating to administrate the different links in the value chain. For Marx, this was to be the role of the industrial proletariat, understood as the class opposed to capital, capable of generating wealth in the country and organized by councils in order to manage the new economy, the State and society. This is the role which lent proletarians the legitimacy needed to become the revolutionary class and make the class structure disappear. It was the class called upon to bury and replace capitalism, while building socialism, and on to communism, when not only classes would no longer exist, but neither would there be a division of labour, with distribution to take place according to need and based on the level of productivity reached.

As is known, and has been pointed out earlier, the industrial proletariat did not become, nor does it appear that it will become, the largest class in society. Nor have other sectors, described as petite bourgeoisie disappeared – quite to the contrary, the tendency is for more and more workers to belong to it. What can be observed then is that the popular economy is displacing the local capitalist economy. Today, capitalists don't produce food, because they claim it is a losing proposition, and if they are in the food production business, they demand a subsidy. Only the popular and social economy produce food without a subsidy, although at a tremendous cost, namely severe impoverishment caused by prices on the monopolised food market.

When reference is made here to impoverishment, it does not mean the poor are considered to be a work or struggle category. To be poor is not an economic classification, but rather a term coined by the church, now generalised by international organisations and intended to cover those who require social aid. They are visibilised not because they are poor, but because they are impoverished worker-producers, and as such belong in the world of economic and social categories.

A glass of milk may be given to a poor person, and there is nothing wrong with that, but a worker-producer needs to be the subject of credit, favourable economic policies, and equal opportunities in the spheres of production and the economy – as occurs today in favour of traditional entrepreneurs, although many of the latter are going bankrupt.

In this context, the transformation of capitalism itself made possible the birth of what today has become a self-employed proletariat which now seeks a place in anti-establishment theory and practice, rather than merely being counted as poor or as an electoral mass when an election year comes around.

Today what is needed is to define a historical project, in which the self-employed are the main actors and popularise the cause, although this does not exclude support from political and social leaders, analysts, intellectuals and artists.

After all which has been said thus far and the experience accumulated by political national liberation struggles during the first great effort to transition toward socialism, a proposal for debate is hereby posited to consider proletarianised nations and in particular the self-employed proletariat, together with their older brothers, the industrial proletariat, as part of the economic subject destined to confront the regimes and systems based on globalised capitalism.

The popular economy – individual workers, isolated and impoverished – is considered the great seedbed, or first link. These workers need to organise politically and economically, in both cases ascending to a higher level of existence. To come out from isolation implies acquiring an awareness of their identity vis-à-vis the capitalist society which marginalizes and exploits them, organising and mobilising around an associative and self-managed project, with the aim of forging, over time, a solidary social economy. The popular economy is the anteroom of associative and solidary relations; the latter is the forerunner of a socialist society. Socialism, then, arises from the ferment of the popular economy, as people associate and together scale to higher levels of organization, both in political and economic terms, until reaching the stage when it can begin to replace the old system.

In principle, since the capitalist market came into being, all production is by nature social, in the sense that there is economic interdependence between the links in the economy and society as a whole. However, when referring to a block of social alliances made up of self-managing unions, associations of workers and people, different networks mediated by associative or solidary relations, and so on, a solidary social economy is meant which is consciously opposed to social differentiation and the individual ownership of the social surplus, as is today the case in the national and global system.

The strategy for achieving a solidary social economy is that of any class which intends to emancipate itself, namely to help regular people arrive at an awareness that they are being exploited by the national and global capitalist system. This understanding must then be expressed in discourse and aimed at the trade and political organizations, based on the different professions or geographic territories, whether these are local, national or global. The mobilization phase converts the organised awareness of these sectors into a social movement which aims to improve the correlation of forces in their country of residence, struggling to improve their standard of living, not only in terms of their own income, but also by gaining access to national surpluses – specifically to the nation's budget, as they are the group that proportionally pays the highest taxes. This is so because in their countries indirect taxes are far higher than direct ones, a burden which must be carried by the vast majority of the population, among them the self-employed proletariat. But most important, as mentioned, is to advance toward the individual and

associative control of production, transport, local and international trade, distribution and consumption.

An extremely important part of the strategy is to establish alliances with all sectors, both urban and rural, in order to make common cause based on mutual interests, including national capital. The strategy of this social block implies coexisting and taking advantage of contributions made by the democratic-bourgeois revolution, State socialism and the recent associative and self-management experiences. Once organized by trade association it is necessary to rise to the political level in order to become a large social and national movement, and to exert pressure on public institutions and State social and economic policies, not only as concerns their demands, but also for the purpose of calling on the entire nation to support an alternative historical programme.

Despite the existing crisis in the capitalist system, which is encountering more and more difficulty as it tries to reproduce itself, let alone to generate the levels of employment needed to do so, it is not being proposed here that the solidary social economy be considered a type of socialist economy, with private property and capitalist entrepreneurs absent. That said, self-employed workers are from hereon in to make up a conglomerate of active and direct resistance, economically and politically speaking, to the capitalist system.

As regards property, the core issue in any discussion on the manner in which surpluses are extracted in any given society (and the main feature if we want to know what type of system we are looking at), the proposal is that a solidary social economy must advance in a pluralist context, aware that it is coexisting in a contradictory manner with a number of social relations or types of property that it opposes. Now then, while progress is made on achieving an equitable relation in the current national and international division of labour, the following strategy is put forth: acceptance of all forms of property, with the exception of those which are of public utility or in the national interest; defence of small property; and the promotion of public and associative property, including over land and capital.

From this it can be inferred that the goal is not that all means of production become property of the State, as happened in the State socialism of the past century, as these too would have to be expropriated. It is desirable that strategic companies be public, at national or municipal level, and furthermore be under some degree of democratic control of society as a whole. The point is to move forward in order to progressively incarnate the old idea that power should rest in the councils, from the economic, political and cultural points of view: councils of workers, women, soldiers and small farmers, employees in any of the services, consumer groups and other like-minded associations among the population at large. No one is excluded from setting up the organisation he/she wishes to in order to advocate for collective and common interests for themselves and the remainder of society.

Socialism is a process whereby social differentiation or the existence of several social classes in the prior capitalist mould is progressively shaped into a classless society. This is why in a truly socialist society, such as Cuba, for instance, there is no bourgeoisie, but rather a social conglomerate operating daily under conditions of equal opportunities. It is, however, a system which due to the enormous difficulties encountered by the State to accumulate and maintain all citizens, is having to recur to international capital and is proceeding to convert millions of State employees workers into self-employed workers. Otherwise, and above all under current circumstances, it is practically impossible to keep a socialist project afloat, without access to capital, understood as available resources and necessary to the wellbeing of all societies. Without equal economic opportunities at national and international levels, socialism would be limited to simply generalising misery and overseeing the economic collapse of a sector or country that attempts to change the world. Hence the importance of keeping up the banner of struggle for national sovereignty and of forging internal as well as regional alliances, given that the capitalist system operates as colonialism, imperialism and as neo-colonialism.

Historically, conditions for socialism were established by way of revolution, but in thought and in practice the possibility of advancing by means of evolution has never been discarded. By this are meant a series of gradual reforms in all spheres: through representative democracy as an educative and competitive way of disputing public opinion and building hegemony for the new project; through a participatory democracy that demolishes the privileges and vices of power in all its manifestations; and through direct democracy, based on territorial and sectoral councils, for the purpose of exercising the right to associativity and self-management. And this is what is quietly happening in our proletarianised societies, in which the popular economy, whether in its individual or associative stage, is beginning to contend with the bourgeoisie for direct control over the economy on its own turf.

The main lesson learned as concerns revolutionary transformation, from the French to the socialist revolutions of the twentieth century, is that it is necessary to combine the taking of political power by an alternative project and the management of the economy by the State, with access to property and management of the means of production by the class which incarnates that project. It was so with the bourgeoisie in capitalism, and it must be so with self-managing workers, cooperatives of self-employed workers, and consumer networks in socialism. Oftentimes, when talking about class struggle, the conditions and itinerary necessary in political work lead to a concentration on demands for rights, which is of course indispensable in order to “train” in the democratic struggle for hegemony. Furthermore, the strategy makes it mandatory to aim at taking political power and control of State management for the sake of associative interests, in alliance with other social movements and in particular the political parties. But above all, it is important not to minimize – as indeed rarely happens – the revolutionary agenda *par excellence*: the control of production and progressively the control of the economy by a new social block, led by its own associates.

The political revolution solves the problem of political democracy, and can even contribute to solving the issue of national sovereignty, wellbeing and the democratically planned guidance of the economy by the State. However, the real revolution lies in the opportunity workers have to directly manage the means of production in a manner that is keyed to their own interests and to negotiate favourable economic policies in a market monopolized by local big business and transnational companies.

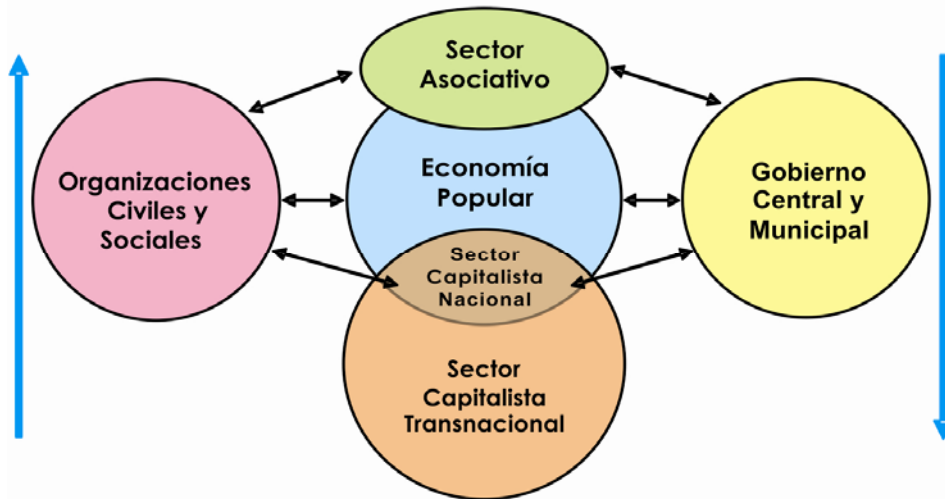
Officially, the record is scarce as concerns the significant role played by these sectors, and even their identity continues ill-defined. They are not the subject of study even at universities, although the first pieces of research are now beginning to appear which indicate what their relative weight is and analyse the performance, scope and importance of the popular and social economy. Hence the importance of a policy based on the forging of alliances with all forces in society (the political parties, leftist governments, the mayor's offices, governmental, civil and religious institutions, intellectuals, professionals and artists, the universities, NGOs, the international donor community, social movements, organised entities and so on). The social movement which is spreading across the world is made up of a plethora of different organisations which seek emancipation from the social situation in which they have been living. It is a sui generis movement, often with the support of leftist governments, on occasion even becoming leftist governments themselves, as is the case in Bolivia, where the *Movimiento al Socialismo* (MAS) was able to organize as a party and win elections nationwide.

In the social economy there are leaders from several organizations who have taken posts in mayor's offices and governments and now have the opportunity to give expression to this identity and work for the interests of their sector. These are persons in official positions who have been militants of cooperativism and come from self-managed companies or other organizations in opposition to the prevailing system.

While it is true that currently there are countries governed by left-wing parties, it is necessary to be clear about the fact that we continue in opposition to the system, and expect leftist governments also to remain in opposition to the system as a whole. It must be understood that the neoliberal system is still in place. The struggle must therefore continue, from above and from below. If leftist governments intend to be different, they must prioritize producer's associations and the social economy, even when this is not always easy, as they are bound to represent the entire nation.

The graph below shows the context in which the different economic sectors find themselves. It also reflects the orientation of the new social project, which coexists with capital but favours national development by supporting and guiding the popular economy toward associativity and self-management.

Contexto de la Economía Social dentro del Sistema capitalista



↑ Movimiento a favor de la Economía Popular Asociativa	La idea es que la Economía Social y Solidaria se apoye de las instituciones civiles y de gobierno y al mismo tiempo las influence.
↓ Movimiento a favor de la Economía Capitalista	

Setting of the Social Economy within the Capitalist System		
	Associative Sector	
Civil and social organizations	Popular Economy	Central, provincial and municipal governments
	National capitalist sector	
	Transnational capitalist sector	

Movement in favour of the popular associative economy	The idea is that the solidary social economy receives support from civil institutions and the government, while exerting influence upon them.
Movement in favour of the capitalist economy	

At the base of the diagram is the capitalist sector, under the hegemony of transnational capital. It is a hegemonic block because capitalist market relations are dominant in the economy, regardless of the degree of control they have over currency, employment, land, production and the growing and marketing of food. At the centre of the diagram is the popular economy, also as a block and the largest in terms of the number of families involved, the generation of employment, its contribution to the gross domestic product (GDP) and the generation of currency. Although this block controls a large part of the land and production in agriculture, manufacturing and trade, it is part of the early links in the value chain, and this makes it impossible to capture the surpluses it produces, as these flow through the market and drain into those sectors which operate at higher levels. The way out of this situation of impoverishment is to associate and move up the industrial, financial, credit and commercial value chain in the economy (in the latter case, into both internal and external markets). This cannot be done without support

from the State (central and local governments, academe, technical institutes), as well as social and civil organisations, among which are intellectuals and professionals, universities, research centres and NGOs.

In the upper part of the diagram is the associative sector, which is part of the popular economy which has been able to organize economically, not only by rising through the different links in the economy, but by organizing collectively at these links (credit, trade, agribusiness, exports and imports), as well as by gaining access to national and municipal governments, or allying themselves with socialist-oriented parties.

At one side of the diagram are state institutions, while on the other are institutions and civil/social organisations which currently support or should be supporting the growth of a social economy. As it now stands, the popular and social economy have only two alternatives:

- a) to remain subordinate to capitalist relations and the monopoly of big business;
- b) to organize and reach the stage of agro-industrial associativity, in order to improve the correlation of forces in an economy which continues to be capitalist.

The objective conditions are given for the latter to occur, mainly because the dynamics of the capitalist economy has been characterised by two phenomena over the past few years:

- a) the bankruptcy of local capitalists due to fierce competition from transnational capital;
- b) progress made in the associative popular economy as regards control over land and production, although not of surplus, social thinking and the overall economy.

Flanking the graphs are two arrows, one pointing upward, the other downward. If the forces of big business stay put, the dynamic of the economy will move downward; if the forces of the popular associative economy makes progress, the dynamic of the economy will move upward, as illustrated in the graph.

The following graph illustrates and lists the main and support actors in the solidary social economy:

- a) The popular economy block (self-employed individuals, small farmers, householders, owners and employees of microenterprises, artisans, and the mass of unemployed and underemployed persons);
- b) The associative and self-employed sector (solidary social economy as such): cooperatives, indigenous communities, unions, federations, companies managed by workers, associations of consumers, interested citizens, and so on);

- c) Those central and municipal governments, not-for-profit organisations, guilds, social groups, civil society organisations, communications media and institutions in the donor community which support the solidary social economy.



MAIN ACTORS IN THE SOLIDARY SOCIAL ECONOMY
Associative and Self-managed Sector: Cooperatives, worker's unions, federations and confederations, companies run by workers, associated SMEs, mutuals, indigenous communities and so on.
Popular Economy: the urban self-employed, individual small farmers, women householders, microenterprises, permanent and temporary workers, the underemployed and unemployed population.
Civil Society and Governments: NGOs and non-profit organisations, development agencies, universities, networks and social movements, trade organizations and chambers of commerce, communications media, professionals, central government, provincial and municipal governments, public policy makers, among others.

In addition to being identified with a project and a strategy, the people (self-employed workers, small farmers, salaried workers, small and medium producers, interested citizens, consumers, students, women, indigenous and other ethnic groups) must form a revolutionary block which proposes to undertake the tasks necessary for the construction of an alternative economy, State, society and culture. It is a programme which goes back to some issues left pending by earlier revolutionary efforts, as well as current experiences underway in many countries in the world, including some in the metropolis. There follows a description of a few measures which must be taken under current conditions in order to continue advancing and consolidating the movement.

Some of these were in fact put forth in the 1848 Communist Party Manifesto, and have been adapted to the currently prevailing correlation of forces in which the Latin American left has undertaken its political revolutions.

- 1) It is of the utmost importance to re-establish the leadership of the State, which was decimated by the damage caused in the past three decades by neoliberal policies, specifically the monopolic and oligopolic expansion of transnational companies and European and North American interference in the internal affairs of other countries.
- 2) Public enterprises which have been privatized should be returned to the government. Companies run by local governments can be managed jointly with the federations of workers and cooperatives, including organized citizens interested in managing some of these services. It is necessary to decree the gratuity of public services, in particular health and education, coordinating the latter with national production. The centralisation of credit at State level and at other public institutions will allow for setting up revolving credit schemes in the hands of worker associations and cooperatives. The foregoing must be based on planning in the common interest, in which exclusionary market tendencies and their **concentrating** and are intervened and democratically neutralized.
- 3) Achieve an electoral majority by means of ideological struggle. This means disputing the hegemony of power in order to be in a position to implement the programs and tasks of the solidary social economy. This implies that workers must be able to study and reach the level of economic and cultural education the bourgeoisie enjoy.
- 4) Establish an alternative social block, to include not only associative and self-managed organisations, but also leftist political parties. This block must be made up of councils or parliaments at all levels, through organisations made up of workers, students, women, indigenous and other ethnic groups operating at the municipal, territorial, sectoral and national levels. The people who make up this block belong to both the popular sector of the economy (self-employed workers, small farmers, fishermen, artisans, and so on) and workers already at the associative stage of the solidary social economy (cooperatives, unions, federations of unions and mixed companies, whether municipal, provincial, regional or national).
- 5) Coordinate the struggle at continental and world levels, in particular among the countries of the Global South. The scales of these economies, the degree of poverty in all fields and the correlation of forces vis-à-vis imperialism make it absolutely necessary to operate as a continental and worldwide block, in order to accede to a minimum level of joint action, from both the economic and political point of view. Also important is the creation among socialist-oriented countries of what are being called *grandnational* companies, with the participation of popular economic federations.

- 6) Undertake comprehensive agrarian reform (land, credit, inputs), and a tax reform based on progressive taxation, in which the direct taxes collected by the State outstrip indirect taxes, and income taxes are collected on all domestic expenditures, including inheritance taxes.
- 7) Eradicate racism towards and marginalization of indigenous peoples and other ethnic groups, as well the gradual elimination of the differentiation between people living in the city and in rural areas.
- 8) Eradicate the subordination of women in the household and all spaces in which power is exercised in society.
- 9) Defend the environment and promote biodiversity.
- 10) Eradicate corruption, drug addiction, delinquency and child labour when performed under illegal or onerous conditions.

If we take the solidary social economy model currently being advanced by different leftist movements in Latin America, Africa and Asia, there are several experiences which demonstrate and synthesize what has been said here concerning the social economy, the self-employed proletariat and the transformative foundations being laid for an alternative society.

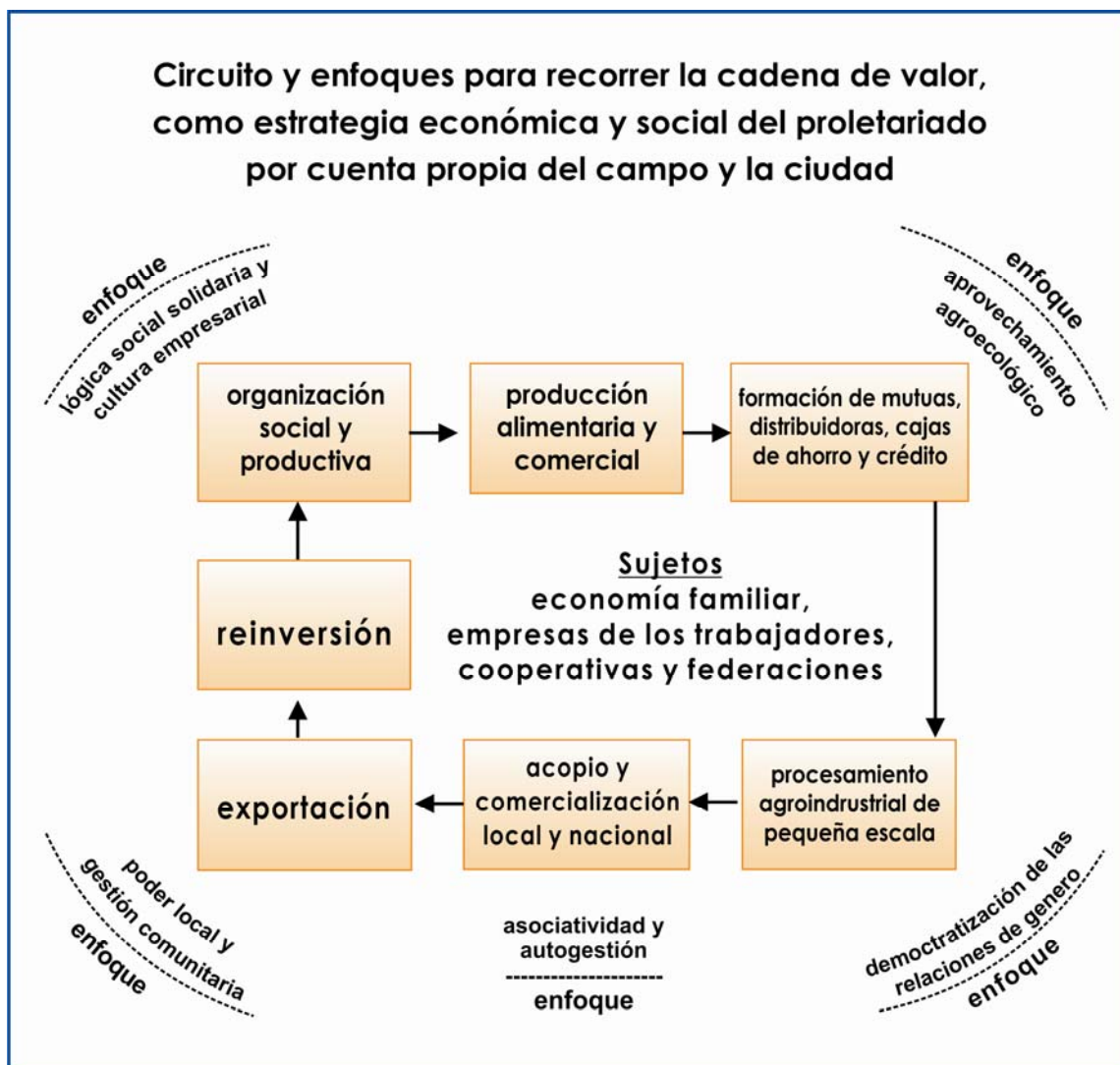
It is necessary to begin to research, study and disseminate all the experiences of struggle, achievements and advances made by self-employed workers in their respective countries, as well as those of consumers involved in important endeavours against price increases or the ways in which municipal and national budgets are being distributed. Above all, it is important to collect the experiences by means of which citizens are taking charge of utilities companies, especially those involved in electricity and water distribution, by setting up citizens-consumer cooperatives, on occasion in alliance with local governments (mayor's offices). In addition, there are already experiences in which workers directly manage their own economic units through the organisations they belong to.

It is also worth studying the level of hegemony reached by the different revolutions in proletarianised nations, for the purpose of achieving a permanent political majority by electoral means as the ultimate guaranty to incarnate, develop and consolidate the alternative project. In all these processes, it can be observed there is massive participation by the people of proletarianised nations – the industrial working class, the self-employed proletariat and the different citizen organisations who are managing means of production and services.

There follows a description of some specific and necessary tasks, offered here as examples, and pertaining to the self-employed proletariat, whether they subsist in the context of right or left-wing governments.

- Organized self-employed workers must begin, continue and consolidate the process of associativity through production, trade or services councils, cooperatives, solidary groups and so on.
- Exert political influence on the structures of the central and local governments so they support the development and transformation of activities carried out by self-employed workers.
- Advance the process of affiliating men and women workers to unions. This implies increasing their awareness in terms of class, project and struggle.
- Contribute to strengthening the solidary social economy through access to fundamental social services such as health, education, social security, credit, technology and new markets.
- Consolidate an entrepreneurial model for self-employed workers by developing a solidary alternative market offering fair prices to the population and accompanying central and local governments, as well as State institutions.

Ultimately, however, the most strategic aim is that self-employed workers be able to transit from control over their small means of production to processing of their goods and commercializing them in national and international markets. In addition, this must be done by way of new approaches, including environment-friendly production, gender democracy in all walks of life, association as credit cooperatives, organisation in the communities and advocacy work at the various institutions. The graph below reflects an economic road map and the alternative approaches being taken by workers in the popular economy, both individually and collectively.



Economic road map and approaches taken along the value chain, as a social and economic strategy of the rural and urban self-employed proletariat				
<i>Approach: both social solidarity and business culture</i>	Social and productive organization	Food and commercial production	Creation of mutuels, distributors, savings and loans associations	<i>Approach: Use of agro-ecological resources</i>
	Reinvestments	Subjects: household economy, worker-managed enterprises, cooperatives and federations		
	Exports	Local and national collection and marketing	Small-scale agro-industrial processing	
<i>Approach: local power and community management</i>		<i>Approach: associativity and self-management</i>		<i>Approach: democratization of gender relations</i>

Graph: O. Núñez

Everyone can work at these tasks, as a member of a class or sector, or simply as a revolutionary. It is possible to be a revolutionary individually and locally, not only in relation to the economy, but in all social expressions – women and men struggling against *machismo* in the home; the neighbourhood struggling against prices and rates set by transnational companies; people participating in popular councils; people struggling for the interests and self-esteem of all those who are marginalised in their societies; people working politically in favour of leftist parties, and within these parties, advancing a national and social project, in which the self-employed proletariat, regardless of whether it is made up mainly of small farmers, fishermen, artisans, vendors or micro-entrepreneurs, has an ever more important and recognised place. Women and men must advance together, in discourse and in practice, toward the launching of communal socialism, in which public apparatuses, the government and the parliament are subordinated to local governments and popular councils.

Agenda for a debate

This being a political document – the first Manifesto of the Confederation of Self-Employed Workers - National Workers Front (CTCP–FNT) in Nicaragua – it is worth summarizing the main thesis which workers and the people at large, as well as leftist intellectuals and academics, should adopt and expound in their assemblies, discussions and proposals, with the aim of transforming the debate into actions intended to attain higher levels of awareness, organisation and awareness.

- ❖ Consider the solidary social economy as a stage in the transition toward socialism (more than a socialist stage as such), which gradually improves the well-being and political correlation of forces within our countries. There is a need to combine the experience of State socialism or ‘socialism from above’, with participatory and community ‘socialism from below’, the latter being an outcome of the experiences and values of associativity and self-management, as well as other forms of popular power in the political, economic and cultural fields.
- ❖ Not all forms of property can be considered to be exploitative. In this regard, if socialism is defined as the absence of private property and the abolition of the hegemony of the market and capital, the sheer numbers of self-employed workers who own property and produce for the market in which they participate is such that it is impossible to place the expropriation and confiscation of all really existing property on the agenda. Furthermore, the strong presence of medium-scale farmers and national capital, the latter cornered by transnational companies, means it is not viable to consider these sectors absolute adversaries of a leftist social revolution, above all if it is taken into account that the struggle for sovereignty and national self-determination against imperialism, neoliberalism and the policies of transnational companies, is still the main agenda in this second great struggle for independence and for which the participation of as many sectors as possible is vital.

- ❖ Therefore, our position as regards property is as follows: a) acceptance of all forms of property, except in the cases of public utilities and when the national interest is involved; b) defence of small properties; and c) promotion of associative and public property (national, provincial, regional and municipal). Furthermore, it must be taken into account that not all Third World countries have the possibility of depriving themselves of transnational capital (technology and knowledge), which in any case contributes to reaching a level of economic take-off that ultimately improves the population's social standard of living. This by no means denies the inclination, priority and need to strengthen the associations of small and medium farmers or the recovery of public companies privatized under neoliberalism.
- ❖ Traditionally, not all wage-earners have been considered proletarians. Today we are saying that not all proletarians must be considered wage-earners. It is proposed, therefore, to maintain and expand the concept and reality of the proletariat, not only at local but also at international level. Alongside the industrial proletariat there coexists a self-employed proletariat, made up of workers and citizens who exploit themselves, suffer the consequences of an unequal distribution of wealth, and who being involved in the production or circulation of goods are exploited and dispossessed of the value they produce. This is a proletariat which lives in the jungle of the market like the remainder of the population, and depends upon the dictates of capital (productive, commercial and financial).
- ❖ Our countries are proletarianised nations, in that they are stripped of the surplus they produce. This surplus is then transferred to the metropolitan capital via the market or direct exploitation by transnational companies operating in the territory, where they overexploit the workers and pillage our natural resources. These are nations in which the entire population, from small farmers, artisans, fishermen or small merchants, all the way to consumers and local entrepreneurs, are subject to an unequal distribution of wealth at the level of globalized capitalism. The concept of proletarianised nations leads to a focus on the struggle for sovereignty, and more specifically on the economic policies which are imposed from outside, as well as on unfair international trade, in which countries that are subject to direct and indirect exploitation by the world capitalist market must join efforts and reverse the trend.
- ❖ Not all inequality, impoverishment or social differentiation is generated by relations of exploitation. It is therefore necessary to carry the struggle further and beyond exploitation, direct or indirect, including all damage caused by the dictatorship of the established order (civil or military dictatorships, exploitation, consumerism, impoverishment, low wages, unfair trade relations, exclusion, discrimination, marginalization for ethnic or gender-based reasons, racism, delinquency and organized crime, state terrorism, depredation of the environment, values of superiority and inferiority promoted by local oligarchies, and the xenophobia of hegemonic countries).

- ❖ We recognize the popular economy as the seedbed and first link in the solidary social economy, starting with home and family production as carried out by women, small farmers, fishermen, merchants and urban carriers, artisans and other groups of worker-producers in general. Associativity and self-management are considered a step ahead and a higher level in the solidary social economy.
- ❖ The popular economy must develop levels of associativity and self-management which allow for advancing along the links of the value chain, with the aim of recovering the surplus which capital takes from it through the market. This includes the surpluses previously accumulated by humanity, such as infrastructure, technology and knowledge (historic surplus value), and which today are monopolized by big business and a few banks and hegemonic capitalist countries who enjoy the usufruct of a standard of living so high it is not sustainable, as can clearly be seen by the depredation of the planet's environment.
- ❖ The formation of social blocks is proposed, based on a system of alliances with social movements and leftist political parties which allows for all marginalized and impoverished sectors, organised politically or associated economically, to improve the correlation of forces.
- ❖ It is important to take advantage of local, national and international meetings to disseminate and visibilise the experiences of our organisations, the struggles undertaken and the goals attained in their respective countries or regions by those who are in agreement with this Manifesto.

NOTE FROM THE CTCP-FNT

This Manifesto contains a set of theses and experiences to be debated and, it is hoped, enriched through dissemination to and analysis by all organisations belonging to StreetNet International and other like-minded organisations.

We believe this text deserves to be read and studied, keeping in mind the diversity of each of the countries and organisations participating in the debate. It is an instrument to be used in the struggle which must not remain limited to a mere interpretation of reality, as it can serve as a tool to guide the debate and struggles which lie ahead on the road to transformation and the creation of a project which overcomes the contradictions which capitalism is unable to surmount.

The leaders of leftist political parties and left-wing organisations and social movements committed to the struggle for change in the system are invited to join in the exchange of ideas and thus enrich the document, apply those aspects pertinent to their own settings, and contribute to its local, national, regional and international dissemination. In this way we would make progress in terms of both revolutionary theoretical and political practice.

We are pleased to say that we are very much encouraged by the reception accorded this Manifesto thus far. It is being discussed at different international congresses and is in the process of translation to several languages. Used as a text in worker's seminars, popular versions are in print for discussion at unions, cooperatives, self-managed companies, universities, associations and popular neighbourhoods.

To conclude, we would like to thank the StreetNet International Executive Committee and other sister organisations for their militant and solidary support, not only in the struggle for hegemony, but also for their support to associative experiences, which is where the struggle against capitalism over surpluses and economic spaces takes place.

SELF-EMPLOYED WORKERS OF THE WORLD UNITED!

Proleterianised nations, self-employed proletariat and community socialism are some of the new categories put forth in this First Manifesto of the Confederation of Self-Employed Workers, an affiliate of the National Worker's Federation (FNT) in Nicaragua, and a focal point of StreetNet for the Americas, an organisation active in the construction of a Solidary Social Economy.

The author of this text is Dr Orlando Núñez Soto, an active militant in the alternative project to the *dictatorship of the established order*. In his youth he was an activist in the struggles of May 1968 in France and a participant in the 5 May Camp (Marx's birthday) in the *Sierra de los Órganos* in Cuba in July of that same year. Months later, in January of 1969 he was expelled from Spain, accused of being an anarchist, and exiled to France. During the Sandinista armed insurrection in 1979 he organized the Small Farmer Communes in liberated territories. Dr Núñez was a founder and secretary of the National Agricultural Union of Associated Farmers (UNAPA) in the Nineties, and a founder and leader of the Social Coordinator this past decade, both in Nicaragua.

Academically, he read political science and sociology, and earned a Ph.D. in Political Economy from the University of Paris. Dr Núñez has been a director at several research institutes, including the Centre for Social Rural Promotion, Research and Development (CIPRES) and a director of university faculties and magazines. He is the author of over thirty books, several of which have been translated to different languages. He was awarded the Ramírez Goyena and Rubén Darío orders, and won a Latin American essay prize. Currently he is an *ad honorem* advisor to the Office of the Presidency of the Sandinista government. (direccion@cipres.org.ni)