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Developing the present. Balances, challenges and proposals to build a regional financial architecture for the integration and development of Latin America and the Caribbean.

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I am honored to participate in this meeting, which I think raises a decisive question for the future of the revolutionary process in Latin America and for the ambitious project of unifying this continent under the flag of socialism.

I have really appreciated the relations of the comrades that have preceded me. They show me that the issue I would like to discuss with you today have already produced important theoretical analysis and real political processes. But I also see some ambiguities.

As an economist, or rather as a Marxist economist, I have some preoccupations. The issue we are discussing today is problematic in itself but it is even more serious in the actual political context, characterized by a deep crisis in the capitalist world, with imperialist powers, led by the United States, becoming more and more aggressive.

The goal of my speech is not to offer any solution to these complex issues but rather to raise some questions that might help to better define the terms of the problem.

I am here with political humility to listen and to learn. But I am also tired of listening politicians, economists, financial analysts, comrades and people in the street condemning the way capital strangles peoples. You cannot fight a lion and then complain when it tries to kill you and eat you. If we don't manage to proceed on the revolutionary process toward socialism, it is only our fault, not the fault of our enemy.

My speech is structured in four parts.

I start by discussing the relationship between finance and the economy. At the risk of being trivial, I argue that it is the definition of a strategy for economic development that should lead the search of the most appropriate financial architecture.

Then, I focus on two main economic issues, which have direct consequences on the role of finance in this economic transformation: 1) the relationship with private capital in the revolutionary process; 2) the importance of central planning and the role of workers self-management.

With these premises, in the fourth part, I finally approach the central topic of this symposium, i.e., the development of an appropriate financial system for revolutionary Latin America.

My thesis is that building a new financial architecture is a powerful tool for coordinating national

economies. But we must be clear with ourselves. The only way to fight neoliberalism is to fight capitalism. By looking at other capitalist partners in commercial and financial transactions we can fight neoliberalism and respond to the US-led attack against Bolivarian socialism. But this can at best re-establish more fluent economic and financial transactions with other capitals. It does not automatically reinforce the revolutionary process.

If we will have the political courage, the technical capacity and the support of the people, building a regional financial architecture for Latin America and subtracting this continent from the dominion of capital will be part of the very same revolutionary process.

1. Economics and finance

There is much talk about dollarization, hyperinflation, currency depreciation and the ways of circumventing the US embargo. In other words, there is discussion of circulation, without tackling the problem of production, of which the question of circulation is a consequence.

As in bourgeois economics, we look at the sphere of the circulation of commodities, as if it were separated from the productive sphere. Production, however, logically precedes circulation. What do you want to exchange if there is no production?

The problem appears as a collapse in circulation but this collapse is only the consequence of a distorted economic structure, which has developed for centuries under the logic of capital.

I'm not saying that financial problems don't deserve attention. On the contrary, they become the most urgent problems precisely when the production system fails.

But by reasoning and acting in a context of emergency we will hardly be able to develop a plan to overcome the emergency. Interventions in the sphere of circulation will at most be palliative in order to survive but will never resolve the profound causes from which they arise.

If today Venezuela tends towards dollarization and the population suffers from the embargo, it is because the economic structure of the country is still, to a great extent, the product of the role capitalism and imperialism assigned to this country in the international division of labour. If all problems about inflation, currency depreciation and financial chaos are so decisive for daily life, it is because they reflect a productive structure designed by capital for its purposes.

—> The first point I would like to raise is then the following: the real challenge for Venezuela and Latin America altogether is not to find the best financial architecture but to reorient the structure of the economy towards the satisfaction of people needs rather than the needs of capital.

2. Relations with private capital

I move thus to the second part of my presentation. Today capital is present in many aspects of our life. From what we eat to how we live and often also how we die.

A process of transformation of the economic structure as part of the revolutionary process towards socialism should follow, in my view, two main criteria:

- 1) It should start from the sectors in which the population can immediately perceive a real material change; not simply salary increases ... with which to buy commodities on the market; but rather the production of goods and services that satisfy basic needs.
- 2) It should start from the sectors from which private capital draws its strength. As long as there is capital, the attempt to govern market prices — the price of the workforce, of the currency, of a house, of bread — generate always the same phenomenon: the development of the black market. And this is obvious. Because capital needs the market to circulate. To prevent capital from controlling society we must take control of production and progressively reduce the role of market relations in the different spheres of our life: home, health, education, work.

As you can see, these criteria are ultimately two sides of the same coin, because it is by fighting against capital in key sectors of the economy that the most concrete results for the population are obtained and that capital is pushed out of society.

If we think about a financial architecture within an international and internationalist project, I think we should coordinate it with such a process of de-marketization — or de-commodification — of society.

To fight capital and go against the market is not a formal issue but the only way to proceed on the way of socialism.

International finance can be a way to raise and distribute funds with some equitable criteria. But if then people spend this money for buying capitalist product, capitalist power will not be really touched.

—> The second point that I wish to emphasize is that international finance might be a way to fight capital. Only if we move away from a defensive stance and take the explicit goal of developing socialism, can this search of an effective financial architecture really develop its potentiality.

3. Relationship planning — cooperatives

In discussing the production problem that I have insisted so much on, I would like to focus on the relationship between central planning and decentralized cooperative production.

First of all, I maintain the superiority of planning over market exchange. The general reason is that planning means the conscious control of the productive sphere, whereas market exchange means unconscious subjection to capital.

The academic and political debate however is highly mystified. Here I would like to focus on two issues.

1. Entrusting workers with the control of production units if the goods produced then circulate through the market does not solve the production problem. Prices of goods will remain subject to the anarchy of the market, without workers being able to do anything about it.

And if the price of the good they produce falls, they will be forced to work harder to obtain the same wage. They will finally become the architects of their own exploitation. It is no coincidence that Marx puts them on the same level as joint stock companies, as ways for capital to get rid of the supervision task of the capitalist in the process of exploitation. Only with a coordination of single productive units within a general economic plan can society take conscious control of the economy.

2. The second issue is less political and more technical. Different sectors of the economy have different organic compositions of capital. In some sectors workers use modest amounts of capital whereas other sectors are strongly mechanized. Entrusting workers with the management of such diverse activities without the coordination of a conscious plan and collective ownership generates strong inequalities between workers and tend to divide the workers movement. By contrast, the understanding of being part of a coordinated economic plan strengthen workers solidarity and its dialectics with a revolutionary state.

When we think about a financial architecture that is part of a process towards socialism, we must explicitly address the production model we have in mind.

—> The third point I wish to stress is that when we reason about a new financial architecture we should be explicit about our goals: in a market socialist framework, finance can at best enhance transactions and help the circulation of commodities. In a framework of economic planning finance should instead serve the goals of the economic plan, which requires a completely different kind of financial architecture.

The problem is not merely to finance individual projects and push back the International Monetary Fund. Instead, the real challenge is to use finance as part of the overall economic transformation of the economy under the conscious guidance of economic planning.

4. International financial architecture

The economic conditions in the various Latin American and Caribbean countries are very different, as they are the historical result of their submission to capital. Now, the issue is to take control of the economy, while respecting both the ambitions of the various Latin American peoples and their common Bolivarian identity.

Political balances in the area are subject to rapid change and the Alba project can play a key role in this process of economic transformation.

Strategic rigidity and tactical flexibility are needed. But tactics will never resolve strategic issues. This is why I think these occasions of debating these crucial issues concerning the role of finance in the revolutionary process are so important.

But precisely because the potentials are high, financial capital does not stand by and watch. Building a new financial architecture is not merely a problem of solving the most urgent problems caused by financial isolation. The problem is rather to sustain a long-lasting and wide-ranging economic war against capital and build solid international relations as the only way to realize further steps towards socialism.

Conclusions

To recap and conclude:

I start from a conception of the financial system as a powerful tool for coordinating the process of economic transformation.

Many financial architectures can be imagined, but if the productive base of the economy is not transformed, the urgency of remedying financial imbalances will always prevail.

To develop its full potentials, the financial system should fight capital overtly and help developing forms of economic planning.

Only with the transformation of the economic structure of the country, is it possible to break free from the logic of capital. Only if we will be able to take conscious control of the economy can we liberate society from capital.

Capital is the enemy and the market is its medium to dominate society. The market is not neutral and my suggestion is that a new financial architecture should not aim to develop further market relations but, on the contrary, should aim to marginalize their role in our society.

Health, housing, education, culture, scientific research do not belong to capital but to us. Let us take them back and let us organize the economy and the financial system for this purpose.

This is the way in which I set my reasoning about a regional financial architecture for the integration and development of Latin America and the Caribbean.

I think Alba is proceeding on the right path. I hope my considerations will help to strengthen this revolutionary process.