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From the editors

Permanent Revolution 7 Winter 2008

A quarterly review of
revolutionary politics and theory

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This issue of *Permanent Revolution* appears in the wake of one of the most dramatic splits on the English left for years – that of Respect. Launched with a great fanfare only a few years ago, all the promises of “electoral breakthroughs” lie in the ashes.

The last issue of this journal looked at where Respect came from and its political weaknesses. This journal looks ahead and asks: what are the lessons to be learnt from trying to build “broad parties” and how can the left take forward the challenge to Labour?

In addition, we return to the central issue of climate change and how socialists should campaign against global warming, and we start a series of articles analysing modern imperialism with a study of UK finance capital. Finally, we continue the debate over developments in Venezuela.

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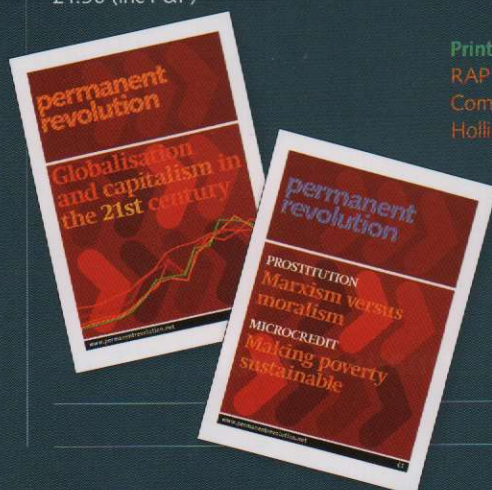
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Respect lies in two halves and even Humpty Dumpty can't piece it together again. Mark Hoskisson takes issue with the whole "broad party" approach and explains why Leninist organisation doesn't have to be as nasty as you think.

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After Respect – what sort of renewal?

WHEN THE autumn issue of Permanent Revolution led on the headline “Respect staring into oblivion” we debated whether to put a question mark after it. We didn’t – because it was pretty obvious given the forces involved, that once George Galloway had dared to criticise the Respect and SWP National Secretary John Rees, and by implication the leadership of the Socialist Workers Party, there would be no going back. A split was inevitable.

By mid-November two separate conferences were held on the same day, in the same city: Respect Renewal, led by Galloway and Respect, led by the SWP. Both claimed their rival gatherings were “the one and original” Respect. Both claimed to have had marvellous conferences at which grass roots Respect members turned up en masse and came away, according to the organisers, feeling rejuvenated, liberated, and ready for the political fray. Some even shared a cake decorated “Respect” together.

In the real world, after the factions have celebrated being liberated from one another they will both suffer a terrible hangover. The two sides will inexorably follow the trajectory of the two parts of the Scottish Socialist Party after the split in that organisation, and fade into oblivion. Within a couple of years activists will start asking the same question about Respect as they do now about Arthur Scargill’s Socialist Labour Party – “Does it still exist?”

Permanent Revolution opposed the cross-class populist project that became Respect. We opposed it in the Socialist Alliance (SA) when the SWP made it clear that they planned break up the SA in order to launch a new alliance, not just with Galloway but with all sorts of non-socialist forces. And we opposed it at the Respect founding conference when we spoke out against the blatant downgrading of socialism within the organisation.

This does not mean we glory in the disaster that has now befallen it. The collapse of the Respect project discredits the whole of the far left, just as the apolitical split of the SSP did amongst militants in Scotland.

Working class militants looking for an alternative to the right wing neoliberal Labour Party will be confirmed in the belief that the far left is incapable of building an alternative. They will take from this, with some justification, the message that the far left is more interested in apolitical struggles to control organisations than in honest political struggles to build one.

Every trade union bureaucrat, every Labour loyalist in the movement, will point to the examples of the Socialist Alliance, the SSP, Respect, the SLP etc, as evidence of TINA – “there is no alternative” to Labour. And Galloway and the SWP, just like Sheridan and the SSP, have lent credibility to this claim. They have, in an important sense, set back the struggle for an alternative to Labour.

So what will happen to the terrible twin Respects?

“Respect Renewal”, George Galloway’s outfit, will continue its tradition of scuppering any moves towards a genuine socialist and working class party in favour a broad electoral vehicle that adapts at the moment to the Mosque and local Muslim small businesses as its means of survival. In the future it may find other non-working class layers to win votes from. But socialism will move further down its list of priorities for as long as Galloway remains in charge.

For all the talk about “making its leaders accountable” Galloway will continue to go his own way, making outrageous sexist comments, as he did recently about Kylie Minogue in the *Daily Record*, conniving with anti-abortionists in Parliament and making the occasional, good anti-imperialist speech. It is already clear that the International Socialist Group (ISG), British Section of the Fourth International, will play the role formerly carried out by the SWP – apologist and defender of Galloway, all in the interest of building a “broad, pluralist party”. Already the paper the ISG control, *Socialist Resistance*, has been put at Respect Renewal’s disposal.

And the SWP’s Respect? It will have a short shelf life. Perhaps it will manage to stagger through to the London GLA elections after which it will be folded up like other failed “special united fronts” – Globalise Resistance comes to mind.

More important than the fate of the two organisations is whether sections of the SWP membership, still the largest organised group of socialists in Britain, will draw the right conclusion from this debacle. Will they reject the politics behind the rightward turn in their organisation that underpinned the Respect tactic?

It was a turn that involved dumping such principles as opposing immigration controls, defending gay and lesbian rights (“shibboleths” that were not to stand in the way of broad alliances with the Muslim community) and defending abortion on demand. All were sacrificed on the altar the “broad alliance” – but to no avail.

Will the SWP members learn the lessons of the uselessness of a bureaucratic internal regime that greets the first argument against the Central Committee with expulsions of leading members to get them out of the way before a conference?

The danger is that the response of many critical and disillusioned SWP members will be to wash their hands of the party and of left politics in general – this would be a loss to the organised left in Britain. The alternative to this is to engage in some real socialist renewal. It is to try to form an organised opposition to the current leadership of their party to discuss what went wrong and campaign to change it. Given the bureaucratic internal regime of the SWP, to organise such an opposition might

well have to take place outside of the framework of the party rather than within it. But real socialist renewal demands that formalities must not stand in the way of a debate, of a fight to rebuild the left and make it a worthy contender in the struggle to win the allegiance of the working class.

Whatever happens in the SWP and in the two Respects it's time for the British left to take a long hard look at itself. The last ten years of New Labour government should have been a time to rally the militant vanguard against neoliberalism. The far left has squandered the opportunities. It's time to re-think and re-organise.

Their Europe and ours

IN THE last few weeks we have seen two counterposed visions of Europe come to life. One, bureaucratic and reactionary, is embodied in the draft Lisbon Treaty agreed in October at an EU intergovernmental conference. The other, militant and progressive, has engulfed the streets and campuses of France during November, as public sector workers have struck to defend their pensions and demand a living wage. They both offer a path for the future of Europe, but which will prevail?

On 13 December in Lisbon the European Union heads of state will endorse the reform treaty. It is a thinly disguised re-hash of the draft constitution that was scuppered in 2005 when French and Dutch voters rejected it in separate referenda.

The revised treaty recalibrates the powers of the European Commission, European Parliament and heads of state in both foreign and domestic policy. It takes the form of a series of amendments to existing treaties, rather than setting them aside and starting from scratch as with the 2005 draft.

But it imports most of the measures of the old draft so, since it walks and talks like a duck, it is a duck. The Parliament and Council get new powers and there will be a Council-elected foreign policy guru to allow the EU to speak "with one voice" in key areas of international conflict, such as Palestine or Iraq, thus increasing the EU's supposed diplomatic leverage.

After Lisbon, the treaty-cum-constitution will go to a referendum in Denmark and Ireland for ratification, but in the rest of the EU states, including Britain, it will be debated and voted upon only in parliament. This is to minimise or eliminate the possibility of the people of Europe rejecting it a second time; it really is a case of asking the question repeatedly until you get the right answer. The EU commission now hopes the new treaty can come into force at the start of 2009.

Seven years ago, again in Lisbon, the EU heads of state adopted a ten year neoliberal action programme, devised to dynamise European capitalism and enable it to better compete with the US in global markets.

Specifically, it proposed measures on labour market reform, research and development, educational attainment and deregulation of product markets that would close the productivity and output gap with the transatlantic superpower. Many of the measures centre upon diluting the security of employment enjoyed in many member states, as well as reducing taxation on business (and hence state spending on welfare).

The British government once again wins first prize for being the member state that insists on wielding its veto over anything that threatens to impose something more progressive than exists in national legislation. So, for example, the Charter of Fundamental Rights will be made legally binding, but the UK has secured a written guarantee that the charter cannot be used by the European Court to alter British labour law, or other laws that deal with social rights. The Brown government fears that if it becomes legally binding, the judgments of the European Court of Justice could force changes to British labour law, one of the most anti-union in the democratic world.

Brown has drawn a red line under issues such as: the right to information at work, collective negotiation rights, the right to strike, employment services, individual dismissal, working conditions, child labour, family life, social security and social assistance, health, access to services of general economic interest, protection of the environment and consumers. Brown does not want the EU to improve the rock bottom standards on these matters that prove so attractive to foreign investors in Britain.

But the workers of France have also drawn their own red line around the gains achieved over the last few decades. They do not want UK standards imported into France or the EU as a whole. If they are allowed to fight for it, without the trade union bureaucrats tying their arms behind their backs, then the Lisbon agenda could be thrown straight into the dustbin where it belongs.

As 2008 unfolds the people of Europe are unlikely to be transfixed by the parliamentary scrutiny of this draft. The lack of popular endorsement for this whole process reflects the widespread scepticism of what our rulers are up to and the well-founded belief that the EU's institutions are remote, bureaucratic and passing laws and decrees that increase economic and social insecurity and inequality.

The recent actions of workers in France show that the main terrain for opposing the Europe of the bosses and their attacks on our trade union rights, our welfare provision and on immigrants, is on the streets. The main methods are not petitions to parliament but mass strikes, blockades, occupations and demonstrations.

Indeed, the one part of the new treaty – Article 28 – that deserves support outlines the right "... in cases of conflicts of interest, to take collective action to defend their interests, including strike action."

We may not get to vote on this in the year ahead but we should certainly act upon it without delay.

ABORTION RIGHTS

As early as possible, as late as necessary

Permanent Revolution interviewed Ann Furedi, Chief Executive of the British Pregnancy Advisory Service, and a contributor to Spiked Online

PR: How did the 1967 Abortion Act change women's lives in England?

AF: Since the Abortion Act received Royal Assent on 27 October 1967, almost seven million women have benefited from safe legal abortion in Britain and tens of millions more have been able to enjoy sex knowing that an unwanted pregnancy need not result in motherhood.

Despite being one of the most restrictive abortion laws in the developed world on paper, it is one of the most liberal in the way that it is interpreted. Although the Act does not formally permit abortion "on request" that is what it has allowed in practice. Today doctors confidently refer women for

This is not the same as abortion as a "right" and British law is often criticised and compared unfavourably with other European countries that acknowledge women's rights in the earliest weeks of pregnancy. The criticism about women's lack of right to abortion is apt.

However, the unfavourable comparison with most other national laws is unfortunate since invariably when abortion is conferred notionally as a "right" it is qualified and limited usually to the early weeks of pregnancy. Often, in practice, access is more restricted than in Britain. For example, French and Italian law provides for abortion on request in early pregnancy but severely limits later procedures.

A major advantage of the 1967 Act is that it draws no distinction between the grounds for abortion in first or second trimester. Doctors are as free to refer women to end an

pre-feminist 1960s and was shaped by the debates of that time. It predates most other national laws that developed in a climate where women's rights and equality were finding their place on the social agenda. Although the 1960s were a time of social reform and liberalising of attitudes, it was a pre-feminist era. The Labour government was seeking to promote a consensus that social problems could be solved through welfare policies.

Abortion was framed as a means to help women who could not cope with pregnancy. The Act was essentially a means to minimise the numbers of unfit mothers and unfit children rather than a means to liberate women or to allow them to enjoy social equality. There was more than a whiff of neo-Malthusianism in the air and this was articulated in the pages of medical journals and voiced in parliament. Dr John Dunwoody, a Labour MP and general practitioner, expressed the sentiment of the times when he argued for legal abortion because:

"... in many cases today when we have over-large families the mother is so broken down physically and emotionally... that it becomes quite impossible for her to fulfil her real function, her worthwhile function as a mother holding together the family unit so that all too often the family breaks apart, and it is for this reason that we have so many problem families."¹

Concern about unfit parents, the emerging thalidomide crisis (which raised concern about the management of identified foetal abnormality) and the need to regulate abortions already taking place were the drivers to reform – not feminism, concerns with equality or human rights.

Abortion was already a fact of life, estimates as to how many illegal abortions occurred each year varied from 15,000 to 150,000. The issue was how to regulate it and make it safe. The treatment of abortion accounted for a fifth of gynaecological admissions within the NHS.² Unsurprisingly, abortion

Despite being one of the most restrictive abortion laws in the developed world on paper, it is one of the most liberal in the way that it is interpreted

abortion because they believe that denying their request and compelling them to continue unwanted pregnancies would put their mental health at risk. As the risks of abortion have reduced with advances in medical practice, it is evident that the risks of abortion are relatively lower than advanced pregnancy and childbirth and so it can be argued that "continuance of the pregnancy" will always involve a relative risk of injury that is greater than if it were terminated.

unwanted pregnancy at 23 weeks as they are at six weeks. Given recently published evidence of the need for second trimester services this is a major benefit and it is the reason why women travel from countries with laws that codify "abortion rights" to benefit from our liberal access to services.

The reason the Abortion Act did not address the issue of women's rights is because it was a product of its time. David Steel's Bill reflected and codified the concerns of the

was seen as a public health issue rather than a woman's right to choose.

PR: *Since it was passed, there have been numerous attempts to further restrict rights – why do you think that abortion rights are so controversial?*

AF: I'm not sure abortion is all that controversial in society at large. Opinion polls show that Britain is a "pro-choice-but..." nation. People accept that abortion is necessary but they wish there were fewer of them. There's a strong sense in society that people should plan their families and should not be forced to have children they neither want nor feel they can care for. At the same time there is revulsion at what abortion involves, which is undeniably the destruction of a human life.

Abortion is an issue that few people feel entirely comfortable with. Even most people who work in reproductive health care see Britain's relatively high abortion rate as a problem, rather than what I believe it is: the solution to the problem of unwanted pregnancy. But the anti-choice movement remains tiny and lacks serious influence.

One issue is that the abortion discourse is conducted on two levels: one of public health (or a personal solution to a practical problem), the other of political/moral frame (the discussion of "rights" and "choice"), and people often tend to see only one element or they confuse them utterly. In the political context we have to see abortion as being fundamentally connected to women's ability to regulate their fertility, which is essential for participation in public life. It is a "right". But women do not exercise their right to abortion in the way they exercise their right to vote. No woman ever wants to be a client in an abortion clinic.

Ultimately, I think abortion has the potential to pose a political challenge to many people because it raises the fundamental question of what kind of society we want to live in. If we want to live in a modern society that allows people

considerable freedom to enjoy sex and separate it from child-bearing, and that aspires towards women's equality, then abortion is an essential component. Abortion is part of a permissive society and that is deeply threatening to people who would prefer a more conservative future. Abortion

AF: I think it would be a disaster if there were this kind of "trade off" and there's no basis for it. The arguments for retaining the existing time limit are strong and should be considered on their own merits; similarly the arguments for progressive amendments. I think the discussion about a "trade off"

Increased NHS funding and performance targets relating to access means that the vast majority of women can obtain early abortions promptly, paid for by the NHS

challenges notions of when human life becomes significant and about how much we trust individuals to make moral decisions.

PR: *There is going to be a review of the Act – do you think this will lead to liberalisation or restriction?*

AF: It is difficult to predict where possible amendments might lead because the parliamentary process can throw up bizarre results. However, I am more optimistic than I've ever been that we may see some progressive change – possibly the removal of prohibitions on nurses carrying out certain procedures, and an end to some of the bureaucratic measures that impede access to services, such as the need for two doctors to certify the legal grounds for a woman's request.

I think it's telling that the recent Inquiry into the scientific and medical issues relating to abortion produced a report that was overwhelmingly supportive of progressive change – and the only MPs on the committee to disassociate themselves from it were, in principle, anti-choice.

PR: *Any liberalisation seems likely to be traded off against limits on the upper time limit for abortions. What is your opinion of the original women's movement position of abortion on demand – as early as possible and as late as necessary?*

dates back to times when problems in the funding of, and access to, abortion services meant that women were delayed. The assumption was that if it were possible for women to get earlier abortions more easily there would be less of a need for late abortions. In the past this was true, but not today.

Increased NHS funding and performance targets relating to access means that the vast majority of women can obtain an early abortion promptly that is paid for by the NHS. If restrictions that prevent nurses from carrying out certain procedures and the need for two doctors to certify that the woman meets the legal criteria are indeed removed then this will make it easier for us to provide services, but I doubt women will notice all that much difference.

Even an amendment that provided abortion on request in early pregnancy is likely to make scant difference given that the current interpretation of the law by most doctors allows for this already. On the other hand a reduction in the time limit would have devastating consequences.

My personal opinion is that women should be able to make their own reproductive decisions. The phrase as "early as possible as late as necessary" sums it up neatly.

PR: *Campaigns around abortion seem to have shifted away from the popular*

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movements of feminists, socialists and even the trade unions in the 1970s and 80s. Now the pressure for change seems to come from professionals and pressure groups. Why do you think this is?

AF: Simply that society has changed and there are no popular movements of feminists, socialists and trade unions.

PR: Abortion was an issue that motivated many women to become active in the 1970s and 80s. Do you think

it can do this again with young women today?

AF: I think abortion is an ideal issue to politicise young women – because it raises issues about state regulation and personal autonomy.

ENDNOTES

1. Cited in S Sheldon, *Beyond Control: Medical Power and Abortion Law*, Pluto 1997 p21
2. Report of the Committee on the Working of the Abortion Act (Lane Committee), Vol 1 para 35, HMS 1974

ROYAL MAIL

Rotten package in the post this Christmas

NOVEMBER SAW a ballot of some 130,000 CWU members employed by Royal Mail. Postal workers voted on a two year deal, agreed by the CWU general secretary Billy Hayes and his deputy, Dave Ward, in mid-October. The proposal was ratified by a majority of 9 to 4 at the union's national postal executive.

The agreement between the union tops and Royal Mail's management came after eight days of official strikes starting in late June, and amid a spreading wave of unofficial – and so “illegal” – action that had halted all mail on Merseyside and wide swathes of London. Hours before the announcement of an agreement, Royal Mail had applied for and obtained a High Court injunction against official strikes going ahead the following week.

From the outset of the dispute the key figures in the union's leadership had shown little appetite for a fight, with Billy Hayes apparently investing hope in a Gordon Brown premiership as a source of relief. In August the leadership suspended action for a six week period in exchange for renewed negotiations that yielded little that was new. The injunction appeared to offer a way out.

While the eventual pay offer was a slight improvement on the pay freeze Royal Mail bosses originally demanded, the total package still amounts to only 5.4% over two years from October 2007 – in short a real pay cut – and with any further increases tied to ever more “flexible” working patterns. Under

The effect of ratification would be to sanction an increase in the retirement age from sixty to sixty-five years, with a reduction in the average payout

the agreement, nine hour shifts on Fridays could become the norm.

In most every other key respect, the Hayes/Ward leadership has made major concessions to the company, while in the process abandoning long-standing CWU positions such as the 35-hour week. The implementation of this deal will do nothing to stop the threat of 40,000 jobs losses in the service. There is no prospect of blocking the closure of several mail centres. Coventry's centre is under immediate threat of closure and sell-off.

Likewise, the deal is silent about the fate of CWU activists who were suspended by Royal Mail management during the course of the dispute. Even before the deal went to the membership for a vote, Royal Mail had terminated Sunday postal collections.

One element of the agreement, which the CWU leadership had claimed was a question for another ballot, is the pension scheme. Both Royal Mail bosses and the TUC's general secretary, Brendan Barber, have insisted that the pensions issue was inextricably linked to the rest of the deal. The effect of ratification would be to sanction an increase in the retirement age from 60 to 65 years, with a reduction in the average payout.

Fortunately, the deal has provoked widespread and, to an unprecedented extent, organised opposition. Some 35 branch committees across the country recommended rejection of the deal in the wake of a leaflet issued by two long-standing activists, Dave Chapple from Bristol and Pete Firmin from London West End Amal branch. This position was adopted by a hastily organised national meeting of activists.

There is a realistic prospect of a very substantial “no” vote despite the leadership's attempts to sell the deal. Still more branches might have rebelled against the leadership's recommendation, but for the enduring personal loyalty in the London district of the union to Dave Ward.

Conspicuous by her absence from the campaign for a “no” vote has been union president and prominent SWP member, Jane Loftus. While she voted against the deal at the postal executive, she declined to join with two other

members of the executive in asserting the right to fight publicly in opposition to the agreement. She did not even disclose her own position on the deal at the 17 November delegates' conference of the SWP-backed version of Respect.

In sharp contrast, SWP members among rank and file CWU militants have been to the fore in campaigning against the deal. Once more, as in the case of SWP PCS executive members voting for a deal that increased the pensionable age in the Civil Service in 2005, it poses sharp questions about the accountability of SWP trade union tops. In the Royal Mail the retention of a bureaucratic title seems to have become more important than mounting the strongest possible

resistance to a deal that could well pave the way to the eventual privatisation of the whole organisation.

Meanwhile, in an encouraging development, key figures in the campaign for rejection have called for a further meeting in central London in December to assess the state of play after the ballot, and to lay the basis for a more durable national network of rank and file activists. This will be essential in backing any unofficial action over the coming weeks and months and could be the starting point for a serious challenge to a leadership that has proved itself to be anything but an "awkward squad" in recent months.

George Binette

were also banners from Unison branches from as far afield as London and Birmingham, with at least six other unions and several Trades Councils represented.

From this impressive demonstration two things are clear.

The first is the energy, creativity and resolve of the strikers and the breadth of support they enjoy, with the Manchester Evening News becoming almost a strike daily, and even Karen's local MP, Labour Party Chair, Tony Lloyd, feeling compelled to come out and support the demand for her reinstatement.

Secondly, it is going to take all of this and more to actually win: it is essential that the strike is run by the strikers themselves, allowed to escalate, and draw on the wide support already garnered in order to force the management to back down. It can be done. But the strategy of Unison's national officials, currently running the show, will almost certainly not be enough.

Talking to strikers both during the march and after the rally, many think they can win, but only if Unison agrees to their demand to allow the original 700 balloted for action to come out at least for some days, leading up to possible indefinite action across the whole of the branch's mental health membership, should an appeal hearing, brought forward to 3 December, uphold Karen's sacking.

"We've been overwhelmed with support," said one, "and we think

MANCHESTER

No return to work without Karen!

ON SATURDAY 24 November, while Manchester shoppers dodged the all too predictable rain to get in a bit of early Christmas shopping, they could have been forgiven for rubbing their eyes as they stumbled upon a scene from an apparently bygone age. Red flags, dozens of union banners, shouted slogans, blaring bagpipes, pounding drums, beeping horns, passers-by joining the march, leaflets flying like confetti, general exuberance and anger, but most of all confidence and determination: all were part of a colourful, 1,500-strong march that crowded the rain-sodden streets to demand the reinstatement of psychiatric nurse, Karen Reissmann, chair of the Unison's Manchester Community and Mental Health branch.

Despite 14 days of strike action by nearly 700 branch members, Karen was sacked on 5 November, twenty weeks after her original suspension for the crime of being a good trade unionist – speaking out

against savage cutbacks to mental health services. Worse than that, Karen had the audacity to not only organise a successful strike against cutbacks but to actually talk to the about it press as well.

Since 8 November more than 150 of her co-workers have been on indefinite strike to overturn the decision by Sheila Foley, chief

Despite fourteen days of strike action by nearly 700 branch members, Karen was sacked on 5 November for the crime of being a good trade unionist

executive of the Mental Health and Social Care Trust to sack her. These strikers led the march. Striking daycentre workers from the Glasgow City Unison branch, who had entered the seventh week of an indefinite strike over massive pay cuts, travelled from Scotland. There

we can win but it's going to be a hell of a battle because the stakes are so high. If we lose this strike then managers across the country will be looking to victimise the next Karen Reissmann. We have to win! I know many on the wards were gutted to not be called out but

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it's all down to the [Unison] industrial action committee. We'd asked for all 700 out on strike on 22 November but where was it? Where was [Dave] Prentis today? Why isn't Unison backing an upping of the action?"

What is needed is a fight within Unison, led by the strikers, to help escalate the action. There are signs of management weakness – the press laid into Sheila Foley for jetting off to a holiday in Dubai the day after sacking Karen. Even "talks" are being offered.

Bob Abberly, Unison's Assistant General Secretary, offered the "full support of Unison nationally" but apart from vague words of encouragement offered nothing concrete.

Rena Wood, Unison North West regional deputy convenor, said: "We will support members refusing to take on extra work created by this strike!" This pledge should be used to help spread the action, put pressure on the management and sanction ballots where members are being asked to undertake such work, as in the neighbouring Pennine NHS trust.

Karen said in a rousing speech: "I have been sacked not for anything I did in my job but for being a trade unionist and to that charge I plead guilty!"

It is important that over the coming weeks all trade unionists take up this fight and keep donations (now exceeding £120,000) flooding in. For the Unison United Left this is a golden opportunity to make links with the Glasgow strikers, the Newham local government branch (where Unison branch chair Michael Gavan has been sacked in a similar case to Karen's) and Barnet Unison members in battle with residential care privateer, Fremantle. These strikes offer the possibility of creating a rank and file network of activists looking to spread action and arguing for what is necessary, including effective defiance of the anti-union laws.

In Manchester and beyond the labour movement as a whole must work to ensure:

- The continued flow of financial

support to the strikers.

- Strikers' control over the dispute
 - Maximum public support for an overarching review of mental health and other NHS service
- Such a review would answer such questions as: Where has all the money gone? Why are PFI beds four times more expensive? Why are private beds being used to break a strike? Management demands £5million in cuts despite adult wards operating at 127% capacity.

This strike is crucial for the branch, for Unison and the defence of the NHS. It is essential the whole union movement says with one loud and active voice: "Reinstate Karen Reissmann now!"

Jason Travis, Bolton NUT

George Binette, Camden Unison, adds:

- ON WEDNESDAY 21 November, Michael Gavan, the Chair of the Newham (east London) Unison Branch was sacked by Newham Council in a case of blatant victimisation. He was dismissed for his efforts in organising against the threatened privatisation of refuse collection and street cleansing services in the borough. The Labour council's elected mayor, Sir Robin

Wales, had personally initiated the drive to oust Michael.

More than 2,000 branch members across the borough had walked out on 31 October after an overwhelming "yes" vote in a ballot for strike action against Michael's suspension. The Newham branch will undoubtedly be applying for official support for further strikes in the near future, while some shops were discussing the possibility of unofficial walkouts. Email messages of support to the branch office at: newham-unison@btconnect.com

- LEFT LABOUR MP John McDonnell has tabled an early day motion in the House of Commons in support of Michael Gavan and Karen Reissmann, as well as the privatised Fremantle careworkers in the London borough of Barnet, who have faced vicious attacks on their pay, terms and conditions.

McDonnell, alongside Unison United Left and Labour Representation Committee supporters, has also helped organise a rally for all three disputes at the House of Commons on Tuesday 11 December at 7.00pm.

FAITH SCHOOLS

Schools are for teaching, not preaching

- NUT DELEGATES met on Friday 23 November for a Consultative Conference on Faith schools.

How the NUT responds to the growing number of faith schools has been one of the more interesting debates at recent national conferences. This meeting was called to draw up an interim position paper on faith schools to inform our conference next Easter. Delegates heard from a number of organisations that had submitted evidence to the union's task group on faith schools.

The Conference opened with a

contribution from Oona Stannard, Director of the Catholic Education Service. If any trade unionist, in fact any one who stands up for equality, remained to be convinced about why we should oppose the right of religious organisations to run schools, then listening to Ms Stannard did the trick.

She defended the current situation where maintained Catholic schools receive 100% of funding from the state but have the right to opt out of any aspect of the curriculum that they deem may be in contradiction to the teachings of

the Catholic church. This means, amongst other things, denying young people access to meaningful sex education and teaching that lesbian and gay sexuality is wrong.

When a speaker from the floor questioned the rights of Catholic schools to ban school student groups of Amnesty International, as one school in Northern Ireland has done, because the charity supported the right of women to seek abortion after rape, Ms Stannard declared that she herself had written to schools "warning them" about Amnesty International. She defended her decision on the basis that the rights of the unborn foetus were sacrosanct and that it would be wrong for schools to allow access to their schools to organisations that challenged this view.

She went on to defend why Catholic schools had every right to control admissions and select children on the basis of their parents' faith and why Catholic schools should continue to have the right to discriminate against employing teachers of another or no faith.

Fortunately we then had the opportunity to listen to the views of the British Humanist Association, the National Secular Society (NSS) and Women against Fundamentalism all of whom explained why faith schools should be opposed.

Andrew Copson, from the British Humanist Association, explained how faith schools were about protecting privilege and maintaining inequality. He argued that until faith schools stopped their practice of discriminating against children and teachers on religious grounds, follow the national curriculum on sex education and take up issues of lesbian and gay equality, then they should have their state funding cut. He argued that in the long term all faith schools should be phased out, and that "reasonable accommodation to and tolerance of religious belief" was something all schools would need to take on board.

Keith Porteous Wood from the NSS explained why he opposed the

right of religious organisations to proselytise at the taxpayers' expense. An estimated 6% of British society attends a church or other religious institution during the course of a year, and yet 33% of maintained schools (state funded schools) are run by religious organisations. He voiced real concerns about the steady growth of faith schools which is being sponsored by the Labour government. The recent document Faith in the System published in September 2007 by the Department

academically successful. In a study of London schools in 2006, only 17% of pupils admitted to faith schools were entitled to free school meals compared with 25% in community schools. Faith schools were more likely to select high attaining pupils and reject low attainers. Only 19% of children were classed as low attainers in religious schools compared to 31% in community schools. The control that faith schools have over admissions ensures that covert selection is used to their advantage in over-

Far from encouraging "community cohesion" the evidence suggests religious schools encourage class and racial segregation and reintroduce selection

for Children, Schools and Families (DCSF) argues that faith schools have a unique role to play in raising standards and developing community cohesion. The pace of growth is disturbing – of the 47 academies already opened, 16 were faith schools and the government is keen to encourage more involvement from religious organisations in the expansion of the academy programme to 200 schools nationally. Around 100 independent Muslim schools are to be helped to join the seven already in the state sector, and the Church of England's ambition to add 100 more state secondary schools to its current 200 has been endorsed by education ministers.

Far from encouraging "community cohesion" all the evidence suggests religious schools encourage class and racial segregation and are a backdoor way of re-introducing selection. Recent research conducted by Dr Rebecca Allen of the Institute of Education and Professor Anne West of the London School of Economics and Political Science, who also addressed the conference, demonstrates how faith schools cherry pick the most aspirant pupils and in that way can appear as more

subscribed schools.

Pragna Patel and Julia Bard from Women Against Fundamentalism also nailed the myth that faith schools will develop greater community cohesion. They explained how the growth of minority faith schools will not provide a "refuge" from racism or social exclusion, but in fact will contribute to it. Julia argued that social segregation on religious lines has led to a greater sense of isolation within the Jewish community and that the religious leaders have used their control over schools as a way of maintaining control over what they view as a growing secularisation of their community.

Pragna explained how the funding of the first Hindu school is tantamount to the state funding reactionary right wing political organisations that use religion to control women and perpetuate patriarchal relations within the family and the community as a whole.

So how has the NUT responded to this debate? In their usual fashion, the Executive has sought to fudge the issue. It has produced an interim report which, while pointing out many of the problems

of faith schools, states that: "Where some faiths receive provision, any faith group which can demonstrate a reasonable need and demand for their own schools, has the right to equal treatment of provision" ("In Good Faith: an interim report position paper on faith schools", para 65)

In other words the NUT Executive is suggesting we should support hundreds more faith schools. The left in the union must oppose this view. Unfortunately the Socialist Teachers Alliance and the

SWP have taken the position that we should support the rights of minority religions to have their own schools because Christian schools already exist. In fact we should fight extending privilege to segregate on religious lines to all faiths. We should oppose all faith schools and fight for a complete separation of religion from education. That means abolishing all existing faith schools and re-establishing them as non-religious educational institutions.

Kirsty Paton, Greenwich NUT

The movement's strength was expressed in mass meetings of rank and file workers – unionised and non-unionised alike. But in those meetings, it was the local union leaders – most of them entirely under the influence of their national counterparts – who held sway. Despite the existence of strike committees and the determination of some local activists to continue and spread the strike, and in particular the dynamism displayed by members of the small SUD-Rail union, the local and national leaderships of the CGT, CFDT and FO were able to derail the movement.

The once-militant CGT union was pivotal to ending the strikes. Under the leadership of former railworker, Bernard Thibault, and in line with the position of the French Communist Party, with which it was once organically linked, the CGT has abandoned the revolutionary rhetoric and "class-struggle" orientation, which in the past cloaked its bureaucratic actions. With each round of strike action in recent years it has become more openly craven. When the CGT called off the strike, the local mass meetings rapidly followed suit, even though the CGT organises a minority of the railworkers.

The fact that the CGT's voice

FRANCE

Union leaders derail militant strike wave

DESPITE LARGE-SCALE strike action in France in November it seems the government has won the first round in the struggle between French workers and President Nicolas Sarkozy. This is not because of any brilliant tactical manoeuvres by Sarkozy, but due to the action of the union leaderships which, right from the outset, were determined to prevent a massive strike wave.

The display of strength by French rail and bus workers, who were on strike for seven days, came to an end in the same week in which 700,000 French workers took to the streets in nationwide protests over low pay and public sector job cuts. The obvious potential for uniting the action in a national movement that could stop the government in its tracks was consistently undermined by the action of the union bureaucrats. Rank and file workers were unable to prevent their misleaders from dividing the movement.

The railworkers' leaders were pleading with the government to open negotiations even before the strikes began. The government, sensing victory, insisted that no discussions would take place while the strike continued. The union

leaders, vying with each other to appear as the responsible face of trade unionism and therefore potentially privileged partners with the employers and government, pushed the local general assemblies to call off the strike within a week. Although negotiations are now taking place, these are not yet discussing the key areas of contention: increasing the number

Union leaders, vying with each other to appear as the responsible face of trade unionism, pushed the local general assemblies to call off the strike

of years to qualify for a full pension from 37.5 to 40; indexing pensions to prices rather than wages; and penalising those who retire early.

The inability of the determined rank and file workers to break the bureaucratic stranglehold reveals some of the profound contradictions of the French labour movement which must be resolved in order for the government's offensive to be successfully repulsed in the new year.

remains decisive reflects the weakness of the forms of workers' democracy, which sprang up during the strike.

The local mass meetings (Assemblées Generales), which ran the strike, were an excellent expression of local determination, but precisely because workers were isolated in their depots, the strike was only as strong as the mood of a few hundred workers in each area. With no national strike committee,

based on delegates from the local meetings, the strike was politically weak, and was vulnerable to a combination of media lies and bureaucratic manoeuvres.

Furthermore, the strike was never indefinite – it was a rolling strike, which had to be endorsed once more each day. This should have allowed for strikers to be continually involved in spreading and reinforcing the movement, especially by sending delegations to workplaces to build public support, as happened in some depots. In general, however, it daily opened the door to the union leaders pressing for a return to work.

The contrast between the apparent failure of this strike wave compared with the movement of 1995, in which railway workers helped to paralyse the country and which led to the collapse of the Juppé government, is remarkable. Two factors explain the difference.

Firstly, in 1995 the government foolishly launched a combined attack against public sector pensions and against the health service. There was overwhelming support for, and participation in, joint resistance to these dual attacks. Meanwhile, in the intervening twelve years, union strength in the private sector has diminished further.

This time Sarkozy has, for the moment, limited his immediate attacks to the pension issue. However, even here there was the very real possibility of a massive wave of action against the right wing offensive, as all the public sector unions should have united with the rail workers and come out on indefinite strike. After all, Sarkozy has made it plain he intends to “reform” all public sector pensions next year, not just remove the supposed “privileges” of the transport workers.

This did not happen because the union leaders were determined to prevent it. The public sector action was deliberately reined in and limited to a 24-hour protest; the railway workers’ strike was undermined before it even began, and once the symbolic day of public sector protest was past, the

bureaucrats did all in their power to stop the movement.

However, the rail strikers did not simply go back to work. The mass meetings agreed that, should the government fail to meet their demands, they would relaunch the strike. It seems probable that they will have to turn this promise into action, as the government shows no sign of backing down. The danger is that, having returned to work without any clear gains, and a block to a potential fusion with the rest of the public sector, it will be that much more difficult to remobilise effectively.

The solution to this problem lies in the creation of real, fighting workers’ democracy. The next strike needs to be built not just on the basis of local mass meetings, but on an active programme of spreading the strike and of creating a national strike committee composed of recallable and accountable local delegates, which alone could decide the future of the strike.

It is possible that the rumbling discontent amongst youth will provide a spark that will reignite the movement. For several weeks government plans to introduce neo-liberal “reforms” of the higher

education system have been answered by occupations and blockades of French universities. This is part and parcel of the Sarkozy plan to “modernise” French capitalism. The movement has spread to the French school system – high school students will be the first to bear the brunt of the proposed changes – and there is a long tradition in France of university and school students helping to dynamise the working class struggle.

However, here too the question of democracy and leadership is decisive. The student union, UNEF, actually negotiated and agreed the proposed new higher education law, while the media and the government have attempted to present the movement as the work of a politically motivated minority.

If the government succeed in stifling both students and railworkers, then Sarkozy will not only have won the first battle, he will have scored a major tactical victory in his offensive against the French working class. The stakes are high, and both workers and youth must rise to the challenge.

**By Emile Gallet and
Christina Duval**

VENEZUELA

Constitution splits Chavez coalition

VENEZUELA ENTERED another round of electoral and campaigning activity in the autumn, this time around the 2 December referendum on the new draft constitution. Voters were being asked to endorse or reject 69 amendments to the 1999 constitution put forward by President Hugo Chavez and the Chavista dominated National Assembly.

Venezuela was once again polarised, with the opposition on one side and Chavez supporters on the other, or in the more colourful

language of the President, “traitors versus patriots.” The problem this time was that many former “patriots” jumped ship and decided they could not support the measures.

Chavez presented the referendum as “the most important battle of the Bolivarian revolution.” If the amendments were passed, he said, they would “institutionalise” new forms of popular power and social property and provide the country with a “socialist constitution.”

Unfortunately, while there were

many positive proposals put forward – such as shortening the working week and lowering the voting age to 16 – there were many negative ones, most of which concentrate more power in the hands of the President and make popular recall and initiatives more difficult to bring about. Nor was it possible for the electorate to pick and choose which to support: it had to vote on two blocks of amendments, both containing good and bad proposals.

The overall thrust of the negative proposals were to add to the already strong elements of “semi-Bonapartism” in the Venezuelan state, reinforcing the executive power of the President over the National Assembly and the electorate. The presidential term was extended to seven years and the restriction on presidents’ standing for more than two terms removed.

The President is given control over all officer promotions in the army. Under the amendments the President can declare a state of emergency without the Supreme Court’s approval and it can last indefinitely (instead of the 180 day limit existing previously). During such times “the right to information” is suspended, as is the

age to 16 (enfranchising an estimated two million young people), and ban discrimination based on sexual orientation or physical health. Other clauses provide for gender parity for political parties, guarantee free university education, establish a social security fund for the self-employed and make it more difficult for homeowners to lose their main homes during bankruptcy.

Other amendments enshrined the new Community Councils, seen by Chavez as “organs of popular power”, in the constitution and allocate significant state resources to them. While rights to private property and the mixed economy capitalism remain enshrined in the constitution, it is declared that the state will promote “a diversified and independent economic model”, listing a series of forms this will take: “public, social, collective and mixed”. The armed forces are renamed the “Bolivarian Armed Force”, the reserves renamed as a “militia”, and the military is declared “patriotic, popular, and anti-imperialist.”

Hugo Chavez might think that this was the most “important battle of the Bolivian revolution” but a

the end of democracy as Venezuela knows it, the prelude to Castroite communism and bourgeois housewives being declared collective property. But it also provoked opposition amongst Chavez own supporters.

The Bolivarian coalition, a group of more than twenty parties that supported Chavez in his presidential campaigns, was already fraying at the edges even before the constitutional referendum. Chavez declared early this year that all these parties would have to dissolve themselves into the United Socialist Party of Venezuela (PSUV).

This caused consternation and opposition even within his own party, the MVR. PODEMOS and the PPT, two parties with deputies in the National Assembly, announced their reservations and unwillingness to join and were quickly moved from the file marked “patriotic” to the one marked “counter-revolutionary” in the President’s office. They now sometimes vote against the government in the National Assembly – which has no representatives from the right wing opposition parties, as they boycotted the last Assembly elections.

The Venezuelan Communist Party (VCP) is in a slightly different category. It is a Stalinist party that was founded in 1931 and has seven deputies in the Assembly and close links to the Cuban Communist Party. It too announced its reluctance to join the PSUV until its programme and structure was clearer, while at the same time declaring itself completely loyal to the Chavista project.

Its chairman, in London recently, said of the PSUV: “We don’t yet know if it will be a social democratic or a truly socialist party. We don’t know whether it will join the Socialist International, as the Sandinistas did in Nicaragua in the 1980s. We couldn’t accept the idea of joining the Socialist International, which has never done anything for the cause of socialism. Those social democratic parties get into power but then never really

The overall thrust was to add to the elements of “semi-Bonapartism” in the Venezuelan state, reinforcing the executive power of the President

right to due process before the courts.

The proportion of voters’ signatures needed to initiate constitutional changes and consultative referenda is increased from 10-15% to 20-25%, while the numbers needed to recall elected officials is increased to 30%, almost guaranteeing the impossibility of achieving such a large number of signatures.

On the positive side were proposals to shorten the working week to 36 hours, lower the voting

constitution is a constitution. As Lenin used to remark, “fine words butter no parsnips,” and the finest constitutions in the world are only made reality if the masses enforce their provisions through action. The likelihood is that the fine phrases will remain just that, while the new presidential powers will be used to the full – worse they hand an anti-working class weapon over to any future authoritarian, right-wing presidency.

The right wing opposition predictably screamed that this was

challenge the status quo. We could never be party to that."

Of course, the VCP is fully wedded to the idea of a mixed economy (capitalist) Venezuela and fully behind the idea of constructing a popular front with "patriotic and progressive capitalists" and pursuing "independent capitalist development". As a result Chavez has a more understanding approach to the party and has slipped it into his "pending file".

But the real bombshell of the referendum campaign was delivered by retired General Raul Baduel, who had been defence minister until July and who played a key role in defeating the April 2002 US-backed military coup against Chavez. In a press conference in early November he denounced the constitutional amendments, describing them as a "constitutional coup", and called on the army to "profoundly analyse" the proposals relating to the militia and presidential powers. He was immediately labelled a "traitor" by the President and denounced as "part of a plan to fill the streets of Venezuela with violence."

Baduel's call for a "no vote" certainly galvanised an otherwise lacklustre opposition campaign, which had largely decided to boycott the whole process because they thought they had little chance of winning.

Up to then the leadership of the opposition had been in the hands of its most anti-constitutional elements, with right wing student demonstrations physically attacking left wing universities. These events led to mass student demonstrations in favour of a "yes" vote; one on the 22 November had 50,000 students on it. Both the lowering of the voting age and a provision that allows workers and students on campus to vote alongside professors for representatives to the university authorities encourage students to support the proposals.

Whatever the outcome of the referendum (this issue of Permanent Revolution went to press before the results came in) it is clear

that Chavez's move leftwards and open espousal of socialism has alienated some of the more rightist elements of his early coalition. A similar process occurred in the Sandinista government of Nicaragua in the 1980s as sections of the popular front alliance closest to imperialism peeled off, fearing a radicalisation of the country.

It is to be hoped that their worst fears will materialise. The more the masses take the offensive to end rampant inequalities and poverty, the quicker the popular front alliance of "Bolivarianism" will fall apart. Then the working class can

assert its independence and come to the head of this struggle, able to impose its demands and desires on the nation.

Stuart King

LINKS

Venezuela's Constitutional Reform, an article by article summary by Greg Wilpert, www.venezuelanalysis.com 24 November 2007

Interview with Jerónimo Carrera, Chairman of the Communist Party of Venezuela (PCV), 20 October 2007, by Kate Clark – Red Pepper Venezuela Blog: <http://redpepper.blogs.com/venezuela/>

BOLIVIA

Morales and right wing face off in Sucre

AFTER 15 months of deadlock, the Bolivian Constituent Assembly (CA) finally passed the draft of a new constitution. It was only done by moving within the walls of an army base while right-wing protesters clashed with police outside. Eva Morales' Movement for Socialism (MAS) obtained a sufficient majority on the vote, courtesy of an opposition boycott over the re-siting of the Assembly. Previously there had been a three month suspension of the CA because of their violent demonstrations against it.

It would be wrong to think from this that somehow Eva Morales' government is unpopular – it still gets 60% approval ratings. Rather, the CA is sited in the heart of the most wealthy area of Bolivia. Morales' government is being subjected to a campaign of pressure and threats from the eastern business elite who control several provinces in the east of the country centred on Santa Cruz, provinces which also happen to have the bulk of the gas, oil and mineral deposits.

Morales became president following a wave of mass struggles against neo-liberalism which drove

the previous president, Carlos Mesa, from office. Morales was elected on a programme of change and was pushed to re-nationalise the gas and oil industries in May 2006, (handsomely compensating the multinationals of course). The CA was seen by the masses as a way of transforming the country – enshrining anti-neoliberal policies by making clear the natural resources of the country would be used for the benefit of all, that basic utilities like water and electricity would stay out of the hands of the multinationals, that the land would be redistributed to those who worked it and that the indigenous populations would be given autonomy.

The CA that was set up fell far short of a body that could deliver on these demands. The existing Congress, still dominated by the right, proceeded to hobble it, ensuring a two-thirds majority was needed to get anything passed. A revolutionary CA, which was what was needed to carry through the demands of the masses, would have been based on the fighting workers, peasants' organisations and social movements that had defeated water

privatisation and led a mass movement demanding the nationalisation of Bolivia's gas and oil. Instead of turning to these forces to establish such an Assembly, Morales and the MAS caved into the Congress demands and established a CA that excluded most of the militant trade union and social movement forces.

Seizing its opportunity, following this retreat, the right wing have been trying to blackmail the CA into conceding its demands. The eastern provincial governors have been demanding "autonomy" to prevent central government policies applying to them, threatening a breakaway if the lion's share of the oil and gas revenues don't go to them.

They have seized Santa Cruz airport in a confrontation with federal troops to assert their rights to impose their own "landing taxes". They have even raised the demand for the government to move from La Paz back to Sucre, the old capital, and have mobilised right wing demonstrators to terrorise the CA through armed and riotous protests in Sucre to pursue this demand – events that led to the CA having to meet on a military base.

This right wing mobilisation has not gone unopposed. Massive counter-demonstrations have been held in La Paz – some estimated as two million strong, and tens of thousands of workers, peasants and indigenous demonstrators have travelled to Sucre to support and defend the CA.

But the workers' and mass movement will need to show the same determination they showed in 2005 to impose their will on the right wing opposition. They cannot rely on a vacillating Morales and his MAS to defend the interests of the workers and peasants. They need to revitalise the organs of struggles that led the general strikes and mass mobilisations that drove the neoliberals from power. Only this way will the Bolivian masses assert the power to impose their own demands on the government and the Assembly.

Dave Esterson

LINKS

For background see "Bolivia Dossier: Scenes from a country in ferment", *Permanent Revolution* 4, Spring 2007
<http://www.permanentrevolution.net/?view=entry&entry=1479>

AUSTRALIA

Howard finally out! Now the fight begins

AFTER ELEVEN years of Coalition rule Australia is finally rid of John Howard and has elected an Australian Labor Party government with a substantial majority. The change of government is all the more welcome because for only the second time in Australian history it looks as if a sitting prime minister will lose his own seat.

The election itself ended up being fought over the economy and industrial relations, with the coalition's incredibly unpopular

WorkChoices legislation a key issue. The anti-union legislation has proved the coalition's downfall. Introduced last year, it has now had time to bite – with reductions in wages and conditions, and lots of sackings under the new unfair dismissal provisions.

The coalition tried to run a scare campaign, with TV ads filled with images of industrial action and angry union bosses – but if anything this backfired on them. Most people who have been affected by WorkChoices know their union

is the only form of protection against employers and the laws.

Alongside this, promises of strong economic management began to sound a little hollow as interest rates rose in the last few weeks of the campaign and as finance secretary Peter Costello – the soon-to-be new leader of the Liberal Party – swung wildly between telling us how strong the economy was and trying to frighten us with stories of the crash just around the corner.

So this was an election the Coalition clearly lost, but it is also one that the ALP won. Despite statements from Labor leader Kevin Rudd, only days before the election, that unions are just one more community group and have no special place in Labor policy, the ALP also ran a clever campaign focusing on how they would change WorkChoices to be more fair to ordinary people. Exactly what that means remains to be seen.

But the nation soon lost count of how often Rudd used the phrase "working families". Alongside ads funded by the ACTU showing how WorkChoices had hurt people, were the ALP's own ads talking about the real consequences of this legislation for individuals.

Rudd and the ALP clearly know where the solid base of Labor voters still are – in the unionised working class – hurting from anti-union, anti-worker laws, hurting from increased mortgages and worried about the quality of education for their children. But it wasn't just in the mortgage belts of the large cities where the ALP picked up votes. Rural Queensland – Rudd's own state – went almost entirely to Labor.

So Australia now has an ALP government, after a 5% plus swing and with a clear majority in the lower house. In the Senate there has also been an increase in the Labor vote, but the Liberals will retain power there until July and have already made it clear that they will block any major changes to industrial relations legislation in particular.

Of course, this assumes that the new ALP government will make

changes to the hated legislation. Rudd made references to WorkChoices in his victory speech and the campaign has focused on "fair" industrial relations legislation. But this has to be seen alongside the expulsion of several prominent union leaders from the ALP, in the lead up to the election. The ALP may use its roots in the unions for electoral advantage but any progressive measures in the months ahead are going to have to be wrenched from it by organised action.

For some time now state Labor governments have been attacking workers. In Victoria, something of a Labor and union heartland. Nurses have recently fought a protracted campaign to get a small pay rise and an equally small improvement in working conditions. They were originally offered a settlement that would have seriously compromised nurse-patient ratios and quality of healthcare.

Now the same Labor government in Victoria has offered public school teachers an insulting 3.25% pay increase with the provision that any other improvements must come with dollar-for-dollar cuts from other parts of the education budget. Teachers expect a protracted campaign of industrial action to get anything better than this.

All of which should make people very concerned about exactly what kind of changes the election of the ALP is really going to make to their daily lives. Certainly Labor has presented a much better policy in relation to the big issues like global warming and the environment. They've promised cosmetic changes like massive upgrades of broadband facilities and an increase in IT availability in schools.

The real issues for most Australians are jobs, wages and conditions, followed closely by civil rights and a real campaign to improve the living conditions of indigenous people. And on these things the ALP have been deliberately vague.

As the election campaign continued, Rudd was accused of being the "me too" candidate. In fact the ALP has tailed the Liberals

on a number of important issues. They supported anti-terror legislation, though occasionally criticising its specific usage. They support the Howard government's racist immigration stance, have given bi-partisan support to the police invasion of the Northern Territory and the linking of welfare to a series of conditions for indigenous people.

The other aspect that has not yet been taken into account is the role

Support for them is something that in most cases comes from either the inner-city middle classes or from those frustrated that the ALP doesn't seem like much of a labor party any more and yet there is no real alternative.

Any progressive in Australia will jump for joy to see the back of Howard and the hated Liberals; but now the real task at hand is to take on an ALP. Labor haven't promised very much, but what little they have

For the last two years the union leaders have told us to "wait for Labor" to get rid of anti-union laws. Well, the votes have been delivered and now it's payback time

of the Greens. Overall, the Greens increased their primary vote by less than 1%, but this time they directed their preferences to Labor. This is a significant change. In the last election the Greens split their preferences – some to the ALP but some to the Liberals. This was in line with their stated position that the two parties, Greens and ALP, had nothing in common. This time, the preferences of the Greens will have elected a number of Labor candidates in otherwise close seats.

In the lead up to the election and the wake of expulsions from the ALP, a number of prominent unions have directed some funding towards the Greens and prominent members have joined. The Greens policy has begun to reflect this, with industrial relations and civil rights policy that at least on paper looks a lot more progressive than the ALP.

This apparent move to the left has influenced much of the far left in Australia who now see the Greens as some sort of real alternative to the ALP. Some have called for a vote to the Greens. What they don't realise is that despite a few union leaders having joined, the Greens are not a party that have grown out of the organised working class, nor do they have any real links to it.

promised they have to be held to.

For the last two years the union leaders have told us to "wait for Labor" in order to get rid of anti-union laws. Their slogan for the last year has been "vote for your rights at work". Well, the votes have been duly delivered and now it's payback time. This means more than just a lot of behind-closed-doors lobbying – it means a real and necessarily industrial campaign to have WorkChoices thrown out and replaced, not with a watered-down version, but with something which is decided by the union movement itself.

Australia now has a parliament full of ex-union leaders. This should be a sign of hope for the Australian working class. Unfortunately the last 20 or more years, the Accord and the Hawke and Keating governments, have all made for a union leadership which is more than happy to conciliate with capitalism to keep its position. These are people who sometimes talk left but will have to be dragged, kicking and screaming, towards actually doing anything to change the conditions of ordinary people. It is that fight that the working class movement in Australia now has to ready itself for.

Carlene Wilson, PR Australia

CLIMATE CHANGE

A question of power

The world's leaders have finally woken up to the realities of the looming environmental catastrophe. They may argue over the speed with which it approaches and dispute their own culpability, but in Bali this December they will be falling over each other to show willing to do something. Helen Ward surveys the solutions on offer from political leaders and environmental campaigners and outlines a socialist alternative

THERE IS more CO₂ in the atmosphere than ever before, heading towards levels likely to produce severe climate convulsions within the next thirty years. The climate change sceptics have largely conceded on the scientific questions and debate now focuses on what level of reduction in greenhouse gases is required to avoid the planet reaching a point of no return.

Almost everyone agrees that the world needs to shift away from its current reliance on fossil fuel-based energy, and the need for a greater use of renewables, more efficient use of energy and, technologies permitting, the use of carbon capture techniques to reduce the damage from existing technologies.

Arguments start when discussion turns to which countries should change, and by how much. The forthcoming UN meeting in Bali will have to tackle this head on. The worst offenders like the US, Australia and Europe will try to defend their existing level of emissions, offering paltry reductions in the future. Rapidly growing economies such as China and India will demand the right to increase emissions to levels of the industrialised west, and therefore place the onus for change on the rich nations. Meanwhile, those economies that need to grow, in sub-Saharan Africa for example, will be largely ignored or perhaps offered a few leftover emission permits.

The second major area of dispute is how changes are to be achieved. The problem is global so local, or even national, solutions will not work. What can be used? The UN conference will look at various options – can they create a parallel carbon economy, a system of carbon taxes, tradeable permits? In other words, how can the magic of the market be used to solve this problem, with national and global institutions lightly regulating it to ensure it moves in the right direction? Environmental campaigners have more radical proposals in terms of pace and extent of change, but they also believe market mechanisms, albeit more tightly regulated, are essential to bring down emissions.

Few people, right or left, doubt the scale of the challenge. Gordon Brown, outlining his policies for Britain, believes, “it will require no less than a fourth technological revolution. In the past the steam engine, the internal combustion engine, the microprocessor, transformed not just technology but the way our society has been organised and the way people live. Now we’re about to embark on a comparable technological transformation to low carbon energy and energy efficiency...”¹

Brown is right. The changes needed do amount to a revolution, social and technological. But social revolutions do not take place with a few policy wonks producing reports. They involve major social upheavals, and the question everyone needs to ask is who is going to lead this revolution and who will end up paying?

George Monbiot writes passionately and convincingly on the environment and has put forward policies that he is convinced can effectively reduce carbon emissions. His book, *Heat*, was published in 2006, but barely a year later science has moved on and made some of its targets obsolete, an illustration of the challenges we face.²

In his book Monbiot sets out a programme for reducing carbon emissions in order to prevent warming of 2°C above pre-industrial levels. At that time he assumed a cut of 60% in global CO₂ emissions was required, with the UK needing to cut 90% by 2030. He has now revised this after new predictions suggest that a global reduction of 85% will be needed. To achieve this, rich countries like the UK must cut around 98% of their emissions. He still believes that the programme outlined in *Heat*, with some modifications, can deliver such a change through greater use of renewable energy, a massive investment in energy saving measures in homes and industry, changes in transport policy and restrictions on aviation in particular.

In recent publications he has amended his programme, placing less emphasis on local energy production, which he thinks will never produce sufficient energy consistently to allow people to retain a reasonable lifestyle. As he correctly points out, if a low carbon future is perceived as “shivering around a candle” then no-one will be won to the cause.

His new approach is to aim for the mass production of electricity using renewables, but on a continental rather than local or even national scale. He envisages a European grid which is powered by solar energy from massive panels in the Sahara desert and large wave and wind turbines in the oceans. This will produce as much electricity as we need to maintain much of the current

western lifestyle once we have adopted radical energy efficiency measures.

This new stance of Monbiot is controversial among climate change activists, many of whom think that “going local” is the central tenet of environmentalism. Whether the technology and capacity to “go continental” is fully available is disputed, but even if it were possible, other obstacles are enormous. Monbiot himself recognises some of the obvious difficulties, a major one being the privatisation of energy companies which thwarts the goal of a planned, Europe-wide grid supplying electricity.

Whatever the specific plan, how does he see this change being achieved?

“I am sorry to say that only regulation – that deeply unfashionable idea – can quell the destruction wrought by the god we serve, the god of our own appetites. Man-made global warming cannot be restrained unless we persuade the government to force us to change the way we live.”³

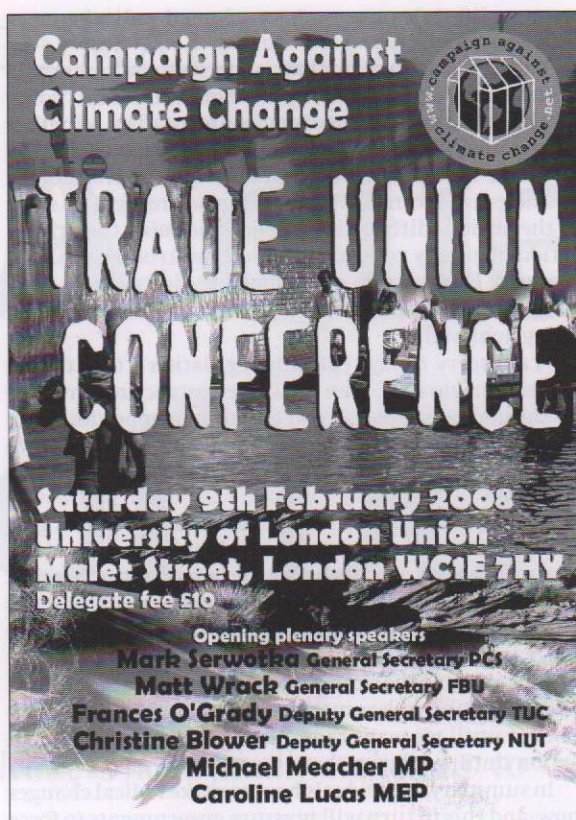
In the preface to the second edition he adds that government will not step up to the task unless we also demonstrate that we can all change. He bemoans the fact that individuals, including some environmentalists, will not change their own lives and continue to “want it all,” calling it another form of climate change denial. “But we can no longer blame the sloth of the global response to climate change only on governments and corporations. They cannot act until we want them to... They won’t take real action until we shown them that we have changed.”⁴

In summary, individuals have to make radical changes now, and this in turn will pressure governments to force everyone to live a low-carbon life. Variations on this approach, often with a greater stress on direct action, such as climate camps and demonstrations, are found in the plans of all radical environmental groups. Ultimately, the state has to curb emissions globally, nationally and locally.

This places great reliance on the state to act in a rational and progressive way. There are examples of this happen-

Arguments start when discussion turns to which countries should change, and by how much, and equally importantly, how changes are going to be achieved

ing, such as the introduction of limits on the length of the working day in the 19th and 20th centuries, health and safety legislation or even the imposition of smoking bans and speed limits. But in general the state at national level is there to defend the interests of the ruling class, the owners of the multinationals. Look at the way the Bush administration, and Clinton before him, defends the oil magnates at home, and their investments in the Middle East. Yes, governments will tackle climate change as it increasingly threatens economic interests, but we can be sure that they will do it in a way that makes money for



their business friends, while offloading the worse consequences on to those who suffer most already.

Most radical writers on climate change accept that underlying the whole sorry mess is the capitalist system, with its drive to ever greater production and consumption – as long as a profit can be turned. This system, with its obscene consumerism coexisting with dire poverty, is at the heart of the ecological problems. Expanding production for the sake of profit rather than need, while despoiling the environment and using up natural resources

The necessary investment in renewables and energy efficiency and the equitable distribution of resources can only be undertaken under a planned economy

with scant regard to sustainability, is not the policy of a few perverse capitalists, but the defining characteristic of the system.

In order to tackle climate change we need to tackle capitalism. Given what everyone says about capitalism's culpability, it is surprising that such a statement is so contentious. At an international climate change confer-

ence earlier this year, a Permanent Revolution supporter raised the question of getting rid of the global corporations. He was applauded by part of the audience, but platform speakers responded with the now familiar repost that "we haven't got time" to get rid of capitalism even if we wanted to.

Climate change is more urgent, they argued. Monbiot argues the same. He accepts capitalism is completely incompatible with what we need to achieve, but believes we can't wait for an alternative to capitalism, so we have to deliver solutions within a capitalist system in order to hold back runaway climate change.

This is where we differ with Monbiot and the rest of the environmental movement who argue that we have to tackle climate change within the constraints of the capitalist system, empowering the state to take action to cut emissions. If capitalism is at the heart of the problem then it simply will not produce a progressive solution. It is not a question of first tackling climate change, then capitalism; it is a question of tackling capitalism to stop climate disaster and to prevent it from offloading the costs onto the poorest in society.

If we allow capitalist states to deal with climate change it will be at the expense of the working class and the world's poor, and would strengthen capitalism. As socialists, we have to tackle climate change as an anti-capitalist struggle, using campaigns and action to build local workers' and community organisations to challenge the rule of the bosses and weaken, not strengthen, their state.

The necessary level of investment in renewables and energy efficiency and the equitable distribution of resources can only be undertaken under a planned economy: not the centralised, bureaucratic Soviet-type state, but one planned by and for the interests of the mass of the population. The middle class worriers in the environmental movement hate this idea – it is a socialist solution and that sounds threatening to their individual freedoms.

But millions of workers and poor people across the globe don't share such freedoms and lack even basic resources. Their need for decent jobs, wages, housing and education is just as urgent as the need to stop climate change; indeed the two are inseparable. We don't want a zero carbon economy if it leaves millions in poverty. At the heart of a socialist society is the plan to meet needs rather than generate profit, and this is the securest way to tackle climate change and ensure social justice.

But the idea that our rulers will cooperate at an international level to solve the climate problem is utopian. The capitalist class is inherently incapable of organising itself internationally at the cost of its own national sovereignty. Its nationally based capitalist interest forces each bourgeoisie to seek competitive advantage over its rivals. Look at the UN with its delicate balance of great power dominance and failsafe vetoes. Look at how painful, piecemeal and slow the process of building the EU has proved over the last fifty years. Look at how hostile the Bush government has been to internationally set, mandatory targets on climate change. Look at how, even in Europe, they cannot put aside the national interest of their fishing fleets to prevent the stocks being fished out.

It is inconceivable that the G7 and BRICs (Brazil, Russia, India, China) will construct an international supranational body with the authority, legitimacy and power to enforce change against individual states.

So the challenge facing us is not to set aside the struggle

to overthrow capitalism while we focus on the more pressing issue of climate change: that is simply self-defeating. No, we have to take measures to tackle climate change in a way that puts working class communities at the centre of the process, establishing the inner connection

FACTFILE: CARBON OFFSETTING

BOOK ANY flight online these days and you are likely to be offered the chance to offset your carbon emissions. Companies, individuals and even prime ministers are declaring themselves environmentally friendly as a result of offsetting all their emissions.

Tony Blair, for example, rather damaged his green credentials in January 2007 when he said of the proposal to restrict flying, "I personally think these things are a bit impractical, actually to expect people to do that – it's like telling people you shouldn't drive anywhere." In an attempt to save face the next day Downing Street announced that Blair would offset the holiday and personal travel of his family. For under £100, Blair could salve his conscience by "offsetting" the 12 tonnes of CO₂ the family contributed to the atmosphere by taking a return flight from Heathrow to Miami.

Put in some kind of context, 12 tonnes is the annual per capita CO₂ emission for each person living in the UK, and to tackle climate change we need to aim to reduce that to around one tonne.

The message is, don't worry everyone, you can carry on pumping out greenhouse gases just so long as you pay someone to mop up after you.

Even the biggest polluters on the planet are getting in on the action. Carbon Trade Watch describes the antics of BP in Australia, who launched a Global Choice scheme which promised people who bought their BP Ultimate petrol, that for every purchase "BP will automatically offset 100% of your emissions at no extra cost to you." Other companies linked to the scheme used it in their advertising: "Every time we re-fuel, we're

helping to care for Australia's natural assets... it's nice to know that your Australian adventure is giving something back to nature," boasted one Campervan rental firm.

In fact the scheme was later slowly and quietly, scaled down as BP admitted, "We were spending a lot of money purchasing offsets for a customer base who had no idea we were doing it for them." All it amounted to was an advertising campaign, and when they found it didn't work they ditched it.

So does offsetting work?

The principle is that for every tonne of carbon you emit a company will balance that with an equivalent amount either of carbon absorption, through planting trees, or energy efficiency schemes elsewhere. The carbon offsetting industry is growing fast with a three-fold increase in value from 2005 to 2006, and estimated to reach €450m in a couple of years. The Rolling Stones claimed that 2,800 trees would offset the emissions from their 2003 UK tour. More recently, bad publicity about the tree planting schemes has led offsetting companies to switch to other initiatives such as buying and distributing energy saving light bulbs.

Unfortunately for the many celebrities and well-intentioned consumers who buy into these schemes, they are not the answer. They don't reduce emissions as they allow people and corporations to continue with their behaviour. In some cases effective advertising will even encourage more emissions. Secondly, the science is often flawed. A tree or even a forest planted today will not start to absorb significant amounts of CO₂ for years. When the tree dies it will either be used for fuel, re-emitting

the CO₂, or will decompose and produce methane which is even more damaging in the short term.

Even if it did work, the scale of forestation required is impractical – to offset UK emissions would require a plantation the size of Devon and Cornwall to be planted every year and be sustained indefinitely! Thirdly, the companies are often not buying new forests, they are buying the carbon rights of existing trees, or ones that other people are planting. Even the Kyoto Protocol didn't include "carbon sinks" in its system of carbon credits due to uncertainty about how much forests actually compensated for emissions, but the EU is pushing for existing forests to be included in credits in the future.

The problem with tree planting (or not) scams means that most offsetting has turned to energy saving, but even there the claims have to be questioned. Distributing low energy light bulbs, for example, may not be replacing higher energy ones but providing additional capacity since the recipients are generally very poor. The schemes may not be sustainable and, as with the trees, most of the money ends up in the profits of the companies rather than benefiting either local communities or the environment.

At the end of the day, carbon offsetting is a highly profitable business aimed at salving the consciences of high-polluting individuals and companies, but it will obstruct real reductions in emissions. Planting forests, resisting deforestation and expanding energy saving are important initiatives, but are no substitute for cutting emissions and should not be used to justify more emissions.

tion between this struggle and their general exploitation under capitalism. Through the experience of this struggle we can generate an unstoppable international force that unseats the culpable leaders and their pro-business governments and can install governments not beholden to profit and rapacious exploitation. This is not a diversion, this is essential for success.

The changes needed

Reducing carbon emissions, whether by 60%, 90% or even 100%, requires a radical change in technology and lifestyle – the revolution that Gordon Brown mentions. On the technological side it means improving energy efficiency, investing in renewable energy sources and finding ways to reduce the impact of past and ongoing emissions through techniques such as carbon capture. There is plenty

of evidence to show that the science behind many of the new technologies is sound, but the level of investment is pathetic. Energy companies continue to make massive profits from fossil fuels and have little incentive to invest in cleaner technologies.

The technology exists to provide a huge amount of electricity from renewable sources, including wind, wave, hydroelectric and solar, but the capacity is pitifully small. For those hoping that the capitalists will voluntarily embrace progressive policies, the current stewards of the energy industry are not yet even on board. The International Energy Agency (IEA) doesn't anticipate a great technological change imminently, warning that: "The world faces a fossil energy future to 2030... I don't see a disruptive new technology that changes the game in the next twenty to thirty years. It is not the nature of this industry," said John Krenickie, chief executive of

CLIMATE CHANGE and environmental destruction are consequences of the drive for accumulation inherent in the capitalist system. Pulling the world back from environmental disaster is an urgent task that should be a priority for all socialists and working class organisations.

The only progressive way to solve these problems is through an internationally agreed plan for a massive reduction in emissions, while enabling the continued development of industry in less developed countries, linked to redistribution of wealth and resources to tackle inequality on a global scale. There needs to be a cap on emissions and rationing of energy and other resources based on need not on wealth (carbon or financial).

➤ We must oppose all moves towards a market in emissions as this will benefit the rich at the expense of the poor.

➤ There should be no flat rate carbon taxes but instead we should tax the polluters including the bosses of the energy and transport companies.

➤ Re-nationalisation of the energy industry under the control of the workers and users with no compensation to the parasitic owners and shareholders, and a massive investment in renewable energy. For a workers' and community enquiry into energy safety and sustainability, including

Solutions: plan or market?

nuclear power, to determine new investment priorities. We need to ensure investment in the research and development of new technologies both for renewable energy and, if possible, making clean fossil fuel energy. There should be an international workers' and poor farmers' enquiry into the use of biofuels to ensure that land is not turned from producing food for humans into producing food for cars, and to establish whether any biofuel options are sustainable. There should be an immediate moratorium on expansion of crops for biofuel production.

➤ We need to maximise energy efficiency though investment in new production and distribution techniques, improved design and maintenance of homes and buildings, better planning to reduce the need for transport where

possible – the list goes on. This kind of transformation needs to be controlled by action committees in local communities and workplaces, with regional, national and international co-ordination as necessary.

➤ We need nationalisation of the transport industries, with a massive expansion of public transport under collective ownership, with workers and users taking over the planning and investment to ensure an efficient and integrated transport system. These committees should discuss the appropriate use of all transport, including privately owned cars, with their transformation into community pool cars available to all as necessary. There should be an immediate moratorium on airport and road expansion in the UK, with investment diverted to the rail,

General Electric's energy business. "Everything that has been developed so far – wind, solar and so on – has taken decades to come to fruition. My expectation is that it will remain that way."

The need for investment in energy is not simply because of global warming – economic and population growth, the imminence of "peak oil", after which production will decline and prices rise further, means that major infrastructure development is needed. According to the IEA \$22,000bn needs to be invested in energy infrastructure by 2030 simply to replace outdated capacity and keep up with demand. If greenhouse gas emissions are to stop rising after 2025, a pitifully inadequate pace of change, the IEA estimates it will cost a further \$2,000bn.

Put together that is around \$140 a year for every person on the planet! China will add lots of extra energy generating capacity – it is expected to add 800,000 megawatts

over the next eight years, the equivalent of the entire electricity capacity of Europe. Almost all of this will be coal fired with lots of CO₂ emissions.

But expansion of fossil fuel based energy is likely to continue in Europe, according to energy analyst Colette Lewiner: "The investment decisions being taken, such as commitments to new gas-fired power stations, show how the private sector will choose the most attractive short term options unless it is pushed to do otherwise . . . For the short term, for electricity prices, there is good news, but if I think of climate change and energy security, I am a pessimist."⁵

As the *Financial Times* points out, to start to make any progress towards improved energy efficiency, development of renewables and so on, we "require political leadership to win public support and remove barriers to investment. At the moment that leadership is lack-

pedestrian and cycle routes.

► In all industries we need workplace committees to monitor and control use of energy and other resources. Inefficient and environmentally destructive industries should be nationalised and placed under the control of workers and local communities, with plans drawn up to make them efficient and, where necessary, transform them to alternative uses to meet the needs of the local community. There is a massive amount of waste under capitalism, as commodities are made with the hope of sale in the market rather than based on a plan to meet need. The level of waste can only be brought down if we have a rationally planned economy, where people can decide collectively if it really is desirable to have 240 different models of a microwave or cola drinks, or whether investment might be more useful elsewhere. We cannot predict what such planning will decide, and it should be as local as possible but co-ordinated on a larger scale as necessary.

► There needs to be a transformation of agriculture and food production to ensure sustainability and to minimise the impact on the environment. Greater use of local production and organic methods to reduce carbon emissions, greater investment and research into sustainable production.

Each of these areas, and many more, can be expanded to move towards a sustainable future. The problem, the environmentalists and liberals will say, is that there isn't enough time to reach this kind of socialist solution. We disagree – the world working class is bigger than ever, concentrated in cities and factories across the globe, and no one can argue that the current system is meeting their needs. Surely the best way to save the planet is by calling on the power and the creativity of this large and productive class to step in and take over.

By bringing us to the brink of environmental catastrophe the bosses have proved beyond all doubt that they cannot run the system in a fair and sustainable way. Yet the environmentalists want us to give them another chance by saying that "we haven't got time to wait for socialism." Of course we will struggle in the here and now for every reform and improvement that we can. But, in contrast to most activists, we think that all these struggles need to be leading in one direction, organising the fight for working class power. The programme we have started to outline is a transitional programme that embeds this struggle in the fight over immediate reforms.

By stressing at every point and in every struggle the need for workers' control, collective ownership and

decision-making, we have the best chance of stopping climate change through building a socialist alternative. The alternative of using the market, or calling on the capitalist state to solve the problem will not deliver anything except greater inequality and repression as global warming causes massive population migration and devastation. We don't have time to wait for carbon trading to work, we need to organise the alternative now.

That struggle for power is a fight against capitalism – a vicious fight, given the strength and resources of the state and international organisations that will defend their power to the death. It will take a revolution – a violent overthrow of the old order to have any hope of moving to the goal of socialism. Unlike Monbiot, who insists "the need to tackle climate change must not become an excuse for central planning", we say only centralised planning can guarantee the necessary level of co-ordinated and complementary action to reverse the path the planet is on.

A socialist federation of workers' republics across Europe, Asia, Africa, Australasia and North America alone can establish a democratic international plan that combines optimum levels of production compatible with fighting climate change along with the reduction of poverty and inequality.

FACTFILE: GLOBAL WARMING

➤ EACH YEAR we pump 30 billion tonnes of CO₂ into the atmosphere. Most of this comes from burning fossil fuels and destroying carbon sinks such as forests. About half is absorbed by the remaining sinks while the rest accumulates in the atmosphere. In the pre-industrial era CO₂ concentration in the atmosphere was 270 parts per million (ppm); it now stands at 380 ppm. High levels of CO₂ and other greenhouse gases lead to global warming by effectively trapping more of the sun's radiation. If levels rise to 450ppm (which they will by 2040 at today's rate of increase) then irreversible global warming is likely. Some of the consequences of continued CO₂ emissions predicted by the IPCC are:

- Around 20% to 30% of plant and animal species face extinction if global average temperatures

exceed 1.5-2.5°C over late 20th century levels. At 3.5°C, between 40% and 70% of species risk extinction

- Oceans and seas will become more acidic as they absorb rising levels of CO₂ and the impacts on "marine shell-forming organisms" like coral reefs will be disastrous

- There will be more extreme weather events, with projected increases in droughts, heatwaves and floods as well as their adverse impacts

- The poor and the elderly in low-latitude and less-developed areas, including those in dry areas and living on mega-deltas, are likely to suffer most

- By mid-century "many semi-arid areas, for example the Mediterranean basin, western US, southern Africa and north east Brazil, will suffer a decrease in

water resources due to climate change."

- By 2020 between 75 and 250 million people in Africa will suffer from drought, with a consequent famine due to decreased food production

- In Asia by 2050 there will also be water shortages as freshwater availability falls, and coastal areas, especially heavily-populated megadelta regions will be greatest risk from sea flooding

- In small island states rising sea levels will increase storm surges, erosion and other coastal hazards threatening vital infrastructure

- Global warming is likely to alter patterns of disease, with malaria and other infections becoming more widespread, more waterborne diseases from flooding and problems associated with famine and mass migrations

Trading, taxing or rationing?

➤ THERE ARE two broad policy approaches to reducing carbon emissions – taxing and rationing – and many programmes use a combination of the two. The UN International Climate Change Conference in Bali will be debating a post-Kyoto accord to come into force in 2012. It is likely to be similar to Kyoto and the EU Trading Scheme (EUTS), which set targets for reducing emissions – a pathetic 5.2% by 2012 in the case of Kyoto – and then share out the rights to emit based on existing levels.

This then establishes a market in carbon. The commodity is the right to make emissions, the idea being that companies have an incentive

to cut emissions so that they can then sell on their surplus. The EUTS, established in 2005, was a joke and is more of a polluters' charter than a green policy for fighting climate change. Carbon permits were so generously handed out that energy companies were set to make a £1bn windfall from them without making any reduction in emissions!

Taxing emissions is an additional way of trying to make the market the driver for change. While most radical groups criticise Kyoto and the EUTS, the principle of using market mechanisms is embraced in their support for more stringent agreements and in particular

"green taxes". Operating within the framework of capitalism, taxes are an obvious way of trying to change behaviour.

Congestion charges, road charging and aviation taxes are examples. The problem is that these are regressive taxes – they increase the cost for all consumers and hit the poorest hardest. While they will encourage some producers to shift to more environmentally friendly products, such as efficient cars, they still allow those with the money to continue to pollute as much as they want.

At a global level, putting a price on carbon emissions by taxation and emissions agreements, creates a market, and as with all markets, will lead to increasing inequalities. Rich countries and individuals will be able to continue to use energy as they wish and the poor will have to sell their rights in order to survive.

The most progressive take on the carbon market is the proposal of "contraction and convergence" (C&C). This was first proposed by the Global Commons Institute in the early 1990s. It involves an

ing." So even if we were not looking at ending carbon emissions, there needs to be a major change to the way energy is used.

What can we do?

Climate change can't be averted without a major global power shift, so it is tempting to conclude that changing the way individuals live will make little difference. In rich countries like the UK around 50% of our carbon emissions are from activities such as driving, flying and household chores. A further 25% are from the use of workplace power, 10% from public infrastructure and 20% from production, including food processing.

So if everyone in the UK stopped flying, abandoned our cars, turned the heating down, stopped leaving the TV on standby, put solar panels in the roof and got double glazing, there would be a substantial cut in emissions. The trouble with this as a "call to action" is that it just seems pointless to many people who think, "why should I sell the car and struggle with inadequate public transport when I see increasing numbers of people with gas-guzzling 4x4s on the road? Why should I give up my one holiday a year in the sun when the boss flies off round the world five times a year for a "working" conference in some fancy resort?"

The answer is not to abandon the idea of "behaviour change", but to make it collective, political and progres-

sive rather than individual, isolating and punitive. Action groups in communities and workplaces can start this process, planning better use of local transport, including shared car schemes. Trade unions can organise in the workplace and across industry to discuss better use of resources, more flexible working and longer holidays and better pay to reduce the reliance on cheap quick flights.

Improvements in housing, most desperately needed by the poorest 20% of people, should be at the top of demands by action groups on local councils. Waste can be reduced by the extension of "free cycling" schemes rather than the constant demand for new consumer goods.

Once people get together there will be endless ingenuity in reducing energy bills and ideas for transforming the way we live and work – and it will doubtless involve taking on the local council, transport chiefs, the bosses and other anti-social members of the community. But that's what revolutions are all about, Mr Brown.

ENDNOTES

1. Gordon Brown, speech to the World Wildlife Fund, November 2007, available at www.labour.org.uk
2. *Heat: how to stop the planet burning*, George Monbiot, Allen Lane 2006. See also: "Messages from a warming planet", review in *Permanent Revolution* 3, Winter 2007
3. *Ibid*, p xxv
4. *Ibid* p xvii
5. *Financial Times*, 9 November 2007

agreed timetable for contraction of emissions to a level required to halt climate change, with the final level involving convergence to the same per capita level for all countries. This has the great merit of addressing current inequalities in the use of energy.

At the moment the annual per capita CO₂ emission in the US is 20.4 tonnes compared with 0.1 tonnes in Ethiopia and just under 4 tonnes in China. Convergence would clearly be progressive. Most supporters of C&C argue that until convergence was reached, poorer countries and individuals would be able to sell their unused credits and this would address inequalities in the world.

It's a fine idea, but how is it going to happen? In June 2007, the Centre for Alternative Technology published a detailed programme, *Zero Carbon Britain 2007*. It endorses the C&C position and continues: "To do this, the economic drivers must be transformed from those of today, where the primary constraints are financial, to an economy in which

carbon becomes the overriding constraint. With such a shift, the most economically effective option is also that with the lowest embodied emissions. In this way the economy itself becomes an engine for rapid change and a race out of carbon."

This transformation occurs through a system of carbon allocation which would take the form of "tradeable energy quotas" – each household and business gets these free of charge and can spend them or trade them. A similar idea is included in the Liberal Democrats' autumn 2007 conference policy. Each person has a carbon allowance and each time they buy electricity, petrol or a flight they have to surrender credits. Any left over at the end of the year can be sold.

In some schemes everything has a carbon price – so that everything you buy has to be paid for with both money and carbon credits. In the scheme favoured by Monbiot, proposed by Mayer Hillman and David Fleming, each person gets a carbon debit card that they can

spend on, but it is only used for energy and transport. Other commodities have the carbon cost included in their price.

These programmes all depend on transforming the right to make carbon emissions into an internationally tradable commodity. Monbiot and others can see some limitations:

"In the UK, 30% of the very poor ... use more energy than the national average. The main reason for this is that they live in terrible houses. A carbon rationing scheme cannot be just unless it is accompanied by a massively accelerated programme to improve the condition of the poorest people's homes".¹ He also notes that the poor may have inefficient cars, another situation in which they need "help", since the carbon market will not solve all their problems.

NOTES

1. Monbiot, *op cit*, p 47



*In this article Keith Harvey
examines the evolution of British
finance capital under new Labour
and how this relates to the Marxist
theory of imperialism, first
developed nearly one hundred
years ago*

IN 2006, *The Economist* reviewed the rise of globalisation and noted how it had transformed the prospects of world capitalism: "A lot can happen in 15 years. At the start of the 1990s, China was largely a planned economy, and the Soviet Union still existed. Few people had heard of the Internet and e-mail seemed closer to science fiction than reality."¹

Britain is the same, but more so. Fifteen years ago Britain was still the sick man of Europe, not yet recovered from the trauma of Thatcherite shock treatment, which had seen the annihilation of vast swathes of manufacturing industry and its replacement by a gaggle of deregulated banks and financial institutions in the City of London; 15 years ago not many would have believed that Thatcher's vision of a British free market imperialist capitalism had much life left in it, or that with the rise of globalisation, it would be Britain, more than any other nation in the world, which would be best placed to take advantage of its opportunities.

But Britain has not experienced an economic recession since its unceremonious exit from the European Monetary Union in September 1992. The subsequent devaluation-induced export-led recovery, meant that the bulldog yapped again. Britain's GDP grew by an average of 2.9% pa between 1993 and 2006, compared with 2.0% pa between 1973 and 1992, and 2.8% pa between 1948 and 1972, a period that covered the 'long boom'.²

Neither the Asian currency crisis of 1997-98, nor the end of the dot com boom in 2000, when Wall Street crashed and burned, were serious enough to pull the UK down.

Despite this, liberal reformists and their Marxist echo³, continue to insist that the UK's £2 trillion economy remains terminally ill. Recently the *Guardian's* Larry Elliott has said that the hollowing out of manufacturing and rising and unsustainable levels of household consumer debt means "Fantasy Island is fast approaching a reality checkpoint".⁴

So what then accounts for the seemingly recession-proofed UK performance, given that Tony Blair's government has not only seen the continuation of Thatcherite industrial policies but their acceleration? (Between 1997-2006 one third of manufacturing jobs disappeared, leaving less than 3 million today.)

The answer is that the contemporary strength of UK capitalism derives from its imperialist character, that is, its drive to acquire more and more of its wealth from overseas investments, transforming the UK – especially London – into the global centre of finance capital. In the last twenty years UK finance capital has benefited from the deregulation of the financial markets, earning billions of pounds in brokering, trading commissions and asset management.⁵

These profits have been essential, especially under new Labour, in offsetting the weaknesses of domestic industry, and have provided significant revenues to underpin the huge state outlays of the Blair-Brown governments. In the process, new Labour's City-friendly policies have created or accentuated sharp social divisions.

At one end is a growing financial oligarchy and its beholden labour aristocracy, the City workers - banking,

Britain's place in world imperialism

trading, legal, insurance - not at least half as big as the remaining manufacturing workforce (see Box on Labour Aristocracy). At the other end is a flexible, privatised, low wage workforce, that finds jobs plentiful but insecure and poorly rewarded. In the middle, a large and expanded public sector workforce, 12% larger under Labour mainly due to increased public sector expenditure after 2000, which has a degree of job security but stagnant pay.

Britain's outward, expansive economic drive means that the UK is in an important sense, the most imperialist nation in the world, before even the USA. Dwarfed by its rival's power, it will always be subordinate to it, but no other capitalist nation - including the USA - has profited so much from the latest era of imperialist globalisation. This is why successive British governments have slavishly followed the turns and twists of Washington's foreign policy adventures, military and diplomatic, as they share a powerful common interest in keeping the world open for business.

Imperialism as monopoly capitalism

The imperialist epoch of capitalism is approximately a century old. Writing in the midst of the First World War and referring to the evolution of monopolies in capitalist economic life, the Russian revolutionary Vladimir Lenin said:

"[with] the boom at the end of the 19th century and the crisis of 1900-03 ... cartels become one of the founda-

tions of the whole of economic life. Capitalism has been transformed into imperialism."⁶

And one hundred years on the mergers and acquisitions boom at the end of the 20th century and the crisis of 2000-03 revealed that cartels and monopolies remain central to any definition of imperialism. The feverish and unprecedented wave of takeovers in the 1990s created ever more gigantic monopolies in old and new sectors of production and the service industry.⁷

By the 21st century the 300 largest corporations accounted for one quarter of the world's productive assets. Five firms control more than 50% of the global market in consumer durables, steel, aerospace, electronic components, oil, PCs, media, airline and auto-industries.⁸ Under the impact of the boom in oil prices the mining industry is undergoing a further bout of "consolidation". In Britain the banking sector is overwhelmingly dominated by the "big five" - HSBC, HBOS, RBS, Barclays and Lloyds - which control 80% of UK banking assets, placing them in the top two dozen British companies and top 500 in the world.

Lenin summarised the characteristics of the monopoly stage of capitalism in this way: "Imperialism is capitalism at that stage of development at which the dominance of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun, in which the division of all territories of the globe among the biggest capitalist powers has been completed."⁹

Imperialism was further defined by "the merging of bank capital with industrial capital, and the creation, on the basis of this 'finance capital,' of a financial oligarchy" and the dominance of a small number of financially powerful states over the world economy.

Not able to find sufficient outlets for their capital within the home countries, this financial oligarchy is driven to export more and more capital abroad to find what Lenin calls "super profits", profits over and above what can be earned by exploiting the working class of the home country.

Over time, while the volume and value of industrial output and merchandise exports continue to grow, "there is an increase in the relative importance of income from interest and dividends, issues of securities, commissions and speculation in the whole national economy... which forms the basis of imperialist ascendancy."¹⁰

Lenin reached his conclusions on the back of developments in the last decade of the 19th century, focusing on US, German and British experience. Yet, at that time imperialism was only just emerging and even capitalism had yet to implant itself firmly in much of the world. So imperialism was very much in its early, primitive, nascent form.

For example, monopolies on the eve of the First World War, however powerful, had only extended their reach over their own country. Multinationals (MNCs) – firms operating in several or all of the big global markets and trying to monopolise them – were music of the future.

Ford – one of the earliest to expand abroad – was established in 1900 and built its first overseas plant in Canada the next year. But when Lenin wrote his work none of the big monopolies were dependent on overseas markets for the bulk of their sales. Today that is no longer true. A number of the biggest British companies, such as the pharmaceutical

giant GSK and arms and electronics company BAE, rely for the vast majority of their revenue on foreign sales. Britain's number one bank, HSBC, is indeed the world's local bank, with outlets in 84 countries to supervise its £650bn worth of global assets and, as importantly, the trend of the last two decades is towards the powerful expansion of foreign markets in these firms' output, sales and profits.

Lenin's understanding of imperialism was further limited by his understanding of "finance capital" itself, or rather, his insights were restricted by the limited development of imperialism at that time.

At the heart of this concept of finance capital was loan capital, such as British loans to its colonies or ex-colonies to finance their capitalist development. While this was historically accurate it was only one form of the export of capital and was to be displaced in importance by other forms, industrial for example, as capitalism became more firmly established in the "backward" countries through the course of the 20th century.

Notwithstanding the nature of capital that was exported one hundred years ago, nonetheless Lenin's general point was spot on: "the export of capital as distinguished from the export of commodities acquires exceptional importance."

For most of the last century this proposition has been vindicated – especially in the recent and ongoing wave of globalisation since the 1980s.¹¹ But as the 20th century wore on it was more and more the case that income from abroad was derived less from interest on loans and more from profits repatriated from fixed industrial assets operated by MNCs in other countries. And it is in this feature that we have to locate the core of a modern imperialism.

Globalisation has been powered by multinational companies' searching to relocate as much of their production processes abroad as possible to take advantage of the much lower wage rates and hence improve their profitability.

As Steven Roach, chief economist at Morgan Grenfell noted in 2003:

"Businesses must be unrelenting in their search for new efficiencies. Not surprisingly, the primary focus of such efforts is labour, representing the bulk of production costs in the developed world; in the US, for example, worker compensation still makes up nearly 80% of total domestic corporate income. And that's the point: Wage rates in China and India range from 10% to 25% of those for comparable quality workers in the US and the rest of the developed world. Consequently, offshore outsourcing that extracts product from relatively low-wage workers in the developing world has become an increasingly urgent survival tactic for companies in the developed economies."

Put simply, the source of imperialist superprofits is to be found first and foremost in the exploitation of the labour of workers in the global south, in what Lenin called a series of "semi-colonial" or other "transitional" countries. The IMF estimates that the number of workers globally that are involved in export-related production stood at 800m in 2005, four times the figure of 1980, and 85% of them live in the global south. Moreover, four-fifths of the exports of the global south are manufactured goods,

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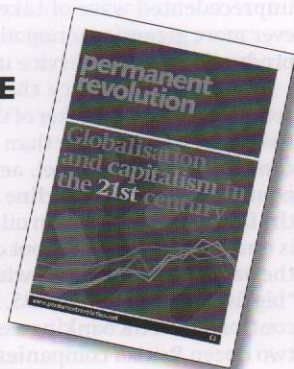
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many of them made for or by MNCs based in the imperialist "global north".¹²

Modern imperialism, then, involves the systematic extraction of surplus value from low-wage workers in the global south and the repatriation or relocation of that surplus back into the hands of the MNC.¹³ Moreover, this super-exploitation does not simply occur through subsidiaries of MNCs located in the global south, but increasingly through outsourcing to domestically owned producers by huge multinational buyers such as Tesco or Wal-Mart.¹⁴

But this is only part of the story. The production of super-profits is only the first stage. These are then distributed through the global financial system in a process of competitive redistribution between the major imperialist powers. This happens first through the process of mergers and acquisitions in which capital is centralised by agreed or predatory takeovers.

The greatest part of foreign direct investment (FDI) that takes place today is between the handful of major economic powers in the global north;¹⁵ and the best part of this is capital used to change the ownership of existing assets through the takeover process. It represents an attempt to capture existing market share, or create greater efficiencies and profits by removing duplication. This kind of investment does not create value but, rather, shifts the ownership claim on a portion of surplus value, even if it should lead to enhanced output and profits further down the line.

Advising and overseeing the process of mergers and acquisitions is a core component of financial capital – an essentially unproductive enterprise but one that is extremely profitable for the key banks and investment houses that dominate it. In addition, the operations of the finance houses in selling shares, launching new securities, raising capital for investment, overseeing foreign exchange transaction, asset management (e.g. pension funds) as well as a host of other services (e.g. insurance), makes a claim on the global profits and redistributes it away from industrial to money capital.

And it is in this role in particular that British capitalism excels and can claim to lead the world.

Britain then and now

When Lenin published his pamphlet on imperialism in 1916 Britain was the paramount industrial and financial power. It had been at the centre of the first great phase of globalisation after 1895, its capital exports rapidly developing transport and industry in the capital importing countries.¹⁶ For Lenin the UK was the chief creditor country that controlled the single biggest share of the world's foreign investments. As we have seen most of this was in the form of loan capital from banks to foreign governments.

In 1893 the capital invested abroad equalled 15% of Britain's GDP but by 1915 the capital invested abroad was two and half times the 1893 level. Moreover, the income from this capital invested abroad was five times greater than the net income received from international trade in goods and services.

Between 1865 and 1898 the national income of Britain approximately doubled, but the income (interest) from

investments abroad increased nine-fold in the same period.¹⁷

This ascendancy of finance capital had political consequences. Unlike the relatively loose relationship between buyer and seller of goods, the "parasitic" relationship between creditor and debtor is firmer and leads to the creditor seeking to increase their political influence over the debtor country in order to ensure the continued payment of interest on the debts.¹⁸ The extraction of trade concessions from the global south as a condition of securing loans was also common.¹⁹

So at the heart of the imperialist stage was the economic and political domination of a handful of states: "The world has become divided into a handful of usurer states and a vast majority of debtor states."²⁰ And at the top of the pack was Britain.

Now fast forward one hundred years to the 21st century.

A casual look at the structure of the UK and indeed global economy will reveal some important differences with Lenin's picture of British imperialism

A casual look at the structure of the UK and indeed global economy will reveal some important differences with Lenin's picture of British imperialism and with the relationship between the dominant and dominated states.

The balance of trade is very different for a start. At its pre-First World War height Britain ran a massive trade surplus with the rest of the world. And now? In September 2007 the UK posted its highest ever trade deficit in goods and services with the rest of the world at £7.75bn. And this deterioration is fairly recent. In 1984 the trade deficit in goods and services was less than £1bn and when Labour won the 1997 general election after another decade or so of "hollowing out" the country's industrial base, the deficit was still only £1.7bn. But last year it had mushroomed to £42bn.

The deficit would have been worse but for rising income from trade in services. The deficit in trade in goods went from £12bn to £65bn in the Blair years but income from services increased from £14bn to £26bn.

The UK's external economic assets have always been high as a proportion of the country's GDP, but they have grown fast in the era of modern globalisation. In so doing they have become ever more vital to the overall health of British capitalism, going a long way to compensate for the decline of the industrial base of the UK.

A second and crucial difference to 1913 is that Britain is no longer a creditor nation but a debtor country, whose foreign liabilities are greater than its foreign assets. Whereas the UK imported little capital from other states one hundred years ago, now it imports huge quantities, second only in scale to the US.²¹

So how does a debtor nation with a huge and growing trade deficit manage to remain an imperialist country?

The UK's expanding financial empire

Capital exports take three main forms: FDI, portfolio investment and "other investment", which is mainly UK banks' foreign currency holdings abroad. FDI is defined broadly as investment that secures either the ownership or a controlling stake of an existing asset – mergers and acquisitions (M&As) or establishes a new project – greenfield investment. Most FDI is of the M&A kind, especially the FDI that takes place between advanced capitalist countries (ACCs). On the other hand about 50% of FDI from ACCs to the global south is new greenfield manufacturing investment.²²

The second major type of capital export is portfolio investment – either the purchase of non-controlling shares of a listed company in another country or purchase of foreign government bonds. But the third and largest type of investment, accounting for more than half of the total, is the foreign currency holdings of UK banks, insurance companies and pensions funds, together with bank loans to foreign residents.

Investment abroad and into the UK increased dramatically from the mid-1990s (see fig 1, right), reflecting the continuing deregulation of the business environment by the Tories and then by Blair's Labour government. UK investment abroad reached a record £715.6bn in 2005, the highest for five years, with a record outward portfolio and "other investment" (see fig 1). As a result, by the end of 2006 UK capitalism had approximately £5.2tr worth of investments around the world. These earned income either directly from the labour of the workers of the global south in UK-owned factories, as a result of a share of the ownership of foreign companies exploiting the global working class or (and most importantly in terms of size)

through the buying and selling of securities, foreign currencies and commercial paper (debt).

Of the £654.5bn investments abroad in 2006, FDI was £69.45bn, of which two-thirds was made by private non-financial companies.²³ FDI has, over the last twenty years, ranged from 10% of total capital exports to a peak of 20% at the height of the M&A boom at the end of the 1990s.

The stock of direct investment held abroad grew nearly fourfold under Blair's government, to reach £753.2bn at the end of 2005. Investments by UK private non-financial corporations (PNFCs) accounted for 80% of this total, while banks accounted for 6% and other financial corporations a further 8%. Much of this is due to takeovers and mergers in Europe and North America, which involves UK companies increasing their claim over global profits, but also includes an increase in new plant and equipment investments in the global south as British companies sought to move elements of the production to low-waged countries in the global south.

More important than the stock of FDI however is the stock of portfolio investment, shares and bonds held by UK banks and non-financial companies. It reached a record £199.7bn in 2006, about 28% of the total. The stock of UK portfolio investment has doubled under Blair to reach £1.33tr in 2005, with two-thirds of this total being bonds, i.e. company and government debt, rather than shares. UK banks own the bulk of bonds, and pension funds and insurance companies the rest (see fig 2).

But even the rising mound of portfolio investment is dwarfed by "other investments" which accounts for fully half of the stock of UK assets abroad, about £3.1tr in 2005. In 2006, UK banks made deposits in foreign currency and loans of £393bn. This in turn comprised of £119bn in short term loans made by banks and buildings societies and £276bn in largely foreign currency deposits.²⁴

From these figures we can see that roughly 11% of capital exports takes the form of direct investment, but the rest, nearly 90%, takes the form of financial "speculative capital," betting on the price movements in shares, rate of interest and bond market and currency exchange.

Britain rakes it in

This accumulated stock of assets is the source of Britain's superprofits. In 2006 the profits from overseas investments amounted to £241bn. Breaking this down we can see that £90.5bn came from returns on direct investments, £54bn from portfolio investments and £94.6bn from the banks loans and deposits. So the total profits were equal to roughly 35% of the new capital exports made that year, or around 7% of the total stock of overseas assets.

At first glance these figures confirm the remark made by Lenin that, "Notwithstanding the absolute increase in industrial output and the export of manufactured goods, there is an increase in the relative importance of income from interest and dividends, issues of securities, commissions and speculation in the whole of the national economy. In my opinion it is precisely this that forms the economic basis of imperialist ascendancy."²⁵

From one side this remains true.²⁶ In 2006 the total income from trade in goods and services abroad was

WHAT THE OECD THINKS ABOUT ...

British imperialism's gains from globalisation

“There are a number of channels through which globalisation has spurred productivity. Openness to trade has promoted competition and encouraged economic resources to shift towards those sectors in which the UK has a comparative advantage. As a result, the manufacturing sector has shrunk as a proportion of total output, while knowledge-intensive and other business services have grown. This means that the UK is little affected by head to head competition from the emerging

markets. Offshoring has facilitated productivity growth by allowing UK firms to re-locate lower-value-added production and service functions (such as information technology) to lower-cost locations, while increasingly specialising in areas of comparative advantage. There is evidence that foreign direct investment and multinational enterprises – particularly those from the US – have also contributed to productivity growth, by facilitating the transfer of new technologies.”

£369bn, which meant that the profits earned on capital exports came to 65% of the income earned on commodity exports. This was up from 40% when Labour came to power in 1997. While this may not amount to the ratio of 5:1 in favour of investment income that Lenin noted in the early 1900s, it is large and indeed critically important for a country that imports far more than it exports.

In fact when we recognise that fully 11% of the income from UK trade is in fact derived from the financial services then the weight of finance capital in the UK is even more underscored.²⁷

However, further analysis suggests an important qualification needs to be made to Lenin's assertion as a description of contemporary British imperialism. For Lenin, who was dealing more or less exclusively with loan capital (a mixture today's portfolio and other investment), his observation was directed at the operations of interest bearing capital rather than productive capital.

As we can see from fig 2 (right), in recent years it is earnings on direct investment abroad that have been the largest component of investment income, accounting for over 40% of total overseas earnings, compared to only 28% in 1995. Earnings from direct investment abroad increased over 20% in 2005 to a record £79.1bn, primarily due to higher foreign earnings of both financial and non-financial corporations.²⁸

Earnings on portfolio investment abroad accounted for 24% of total earnings from abroad in 2005. Other investment income, which is mostly interest from loans and deposits, now only accounts for 33% cent of total earnings, down from 47% in 1995.

While some of this FDI income will be the result of simply "flipping" a company, bought cheap and sold dear, a lot of it will be retained earnings from the operations of MNCs working outside the UK. The picture of a purely speculative UK imperialism has to be modified. Much of it comes from a successful strategy of foreign mergers and acquisitions by British multinationals.

Investment in the UK

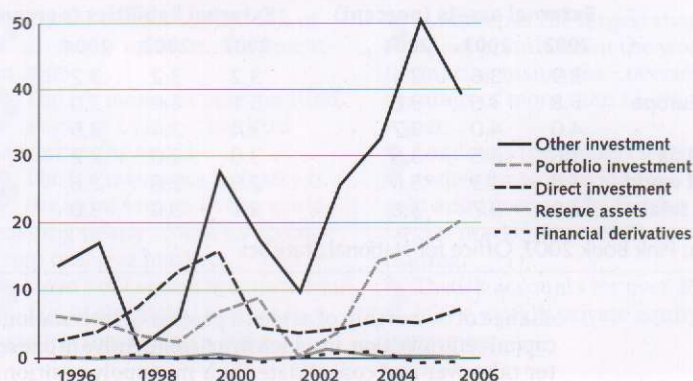
One hundred years ago, Britain's investment position was one way traffic: the UK invested abroad and very little investment came the other way. This corresponded to the very primitive stage of the imperialist epoch, with large parts of the world and most of its people not yet living under the capitalist mode of production.

Today this is different. The volume of capital imports into Britain is roughly the same as the amount exported and in fact the gross stock on investment liabilities (around £5.5tr in 2006) in Britain exceeds the gross UK assets abroad, leaving a net liability of £291bn at the end of 2004.

At first glance this should render problematic any definition of Britain as an imperialist country. After all, if the UK imports more capital than it exports how can it exploit the rest of the world?

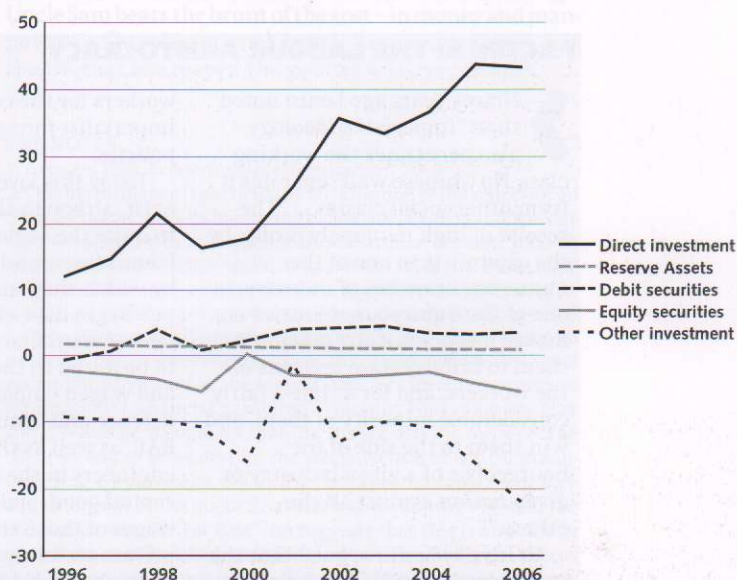
But the great trick managed by the UK and the US, alone of the imperialist powers, is to be net debtors but still generate net profits from this position. The income generated by UK-owned assets abroad is greater than the payments made on the larger stock of UK liabilities owed

Fig 1. UK investment abroad: credits less debts (£bn)



Source: Pink Book 2007, Office for National Statistics

Fig2. Investment income: credits less debts (£bn)



Source: Pink Book 2007, Office for National Statistics

to foreigners. The net profit in 2005 was nearly £26bn.²⁹

First, the yield that the UK pays on the bonds and equities issued to overseas investors — termed portfolio debt and equity — is lower than the yield it earns on the bonds and equities issued by the rest of the world. Second, a higher proportion of the stock of UK external assets tends to be made up of foreign direct investment, which generates a higher yield than the its predominantly debt-like liabilities.³⁰ This trend has been very pronounced in the last decade or so under New Labour. The differential rates of return that result, especially from the global south, can be seen in the table fig 3 (see overleaf).

Finally, it should be observed that this two way street of capital exports and imports into the UK — predominantly between the advanced capitalist countries — represents a

Fig 3. Regional rates of return

	External assets (percent)			External liabilities (percent)		
	2002	2003	2004	2002	2003	2004
EU25	3.9	3.6	3.4	3.2	3.2	3.2
Total Europe	3.8	3.6	3.5	3.1	3.0	3.0
USA	4.0	4.0	3.7	3.4	3.4	3.5
Total Asia	3.6	3.5	3.8	3.0	2.0	2.2
Rest of world	4.8	4.3	5.0	2.9	2.8	2.6
World total	3.9	3.7	3.8	3.1	3.0	3.0

Source: Pink Book 2007, Office for National Statistics

change of ownership of assets, a process of international capital centralisation, in which firms competitive in one sector take over and consolidate their monopoly position.

The mobile telephony industry is a good example of a UK MNC (Vodafone) leading a process of international consolidation of this sector. But similarly, foreign firms can and do take over British firms for the same reason, for

example, the energy industry. In essence this represents a competitive process between imperialist multinationals to redistribute global surplus value between them according to their relative strengths in different sectors.

UK: the world's financial centre

If the UK makes a substantial profit on its capital exports, it makes a further substantial amount on the financial services it provides for the rest of the imperialist club. Over the last decade the UK has increased its market share in these services – managing assets, advising on mergers, selling insurance among others – and as a result London has a fair claim to be the world's financial centre.

Add the rest of the growing regional financial services centres in Scotland, Leeds and elsewhere and it is hard to argue with the claim that: "The UK is both the leading global financial services centre and the single most internationally focused financial marketplace in the world."³¹ The pre-eminence of the UK as the world's

FACTFILE: THE LABOUR ARISTOCRACY

Ninety years ago Lenin noted that: "Imperialist ideology also penetrates the working class. No Chinese wall separates it from other social classes... The receipt of high monopoly profits by the capitalists in one of the numerous branches of industry, in one of the numerous countries etc, makes it economically possible for them to bribe certain sections of the workers, and for a time a fairly considerable minority of them, and win them to the side of the bourgeoisie of a given industry or given nation against all the others."¹

In his day Lenin argued that the vast overseas profits Britain made from the super-exploitation of its colonies like India allowed a strata of skilled workers in industry and the expanding civil service to receive significantly better wages, housing and working conditions, that allowed them to identify more with the social classes above them than their fellow workers. These skilled workers he called the labour aristocracy.

They provided the social basis for reformism, by sustaining a labour bureaucracy which was linked to the Labour Party, which in turn delivered the political support for large sections of

workers for the country's imperialist foreign and trade policies.

Today this layer continues to exist, although they are not found in quite the same sectors of the labour force, and the mechanisms by which they sustain their privileges have changed. Part of the labour aristocracy is undoubtedly to be found in the better skilled and waged employees in the defence and arms firms such as BAE, as well as the skilled engineers in the export-driven capital goods industries. And the wages of those employed in the private sector under New Labour have risen sharply in real terms.

But the fastest growing sections are found in the financial and business services sector. This industry employs 1.3 million people. The City of London employs around 380,000 people directly. Of course, a relative handful receive multimillion bonuses and several tens of thousands are low-waged routine clerical workers. But in between are possibly hundreds of thousands of employees who swap the precariousness of employment contract for substantial salaries many times above the median wage.

Today of course it is not just wages through which living standards are boosted by Britain's imperialist position. The production of clothes and mass consumption goods in low cost global south countries "enable workers in rich countries to achieve improvements in living standards without wresting higher wages from their employers."²

This point was confirmed recently by the OECD: "Living standards have also been boosted by terms-of-trade gains, because the UK has tended to import those goods which have experienced the largest price falls, while being a leading services exporter, where prices are rising."³

In addition, household incomes for hundreds of thousands have been boosted by drawing equity out of the rising value of homes under Labour. This phenomenon in part derives from a booming services driven economy and rising incomes set against a restricted supply of housing, leading to a tripling of house prices.

ENDNOTES

1. VI Lenin, *Imperialism, Progress*, 1916 p103 and p118
2. John Smith, *What's new about New Imperialism*, paper to HM conference, 2007
3. OECD, *Report on the UK*, 2007

leading centre of financial capital can be seen in the following table:

Financial markets in the UK under new labour

	% growth 1995-2005	UK share of global markets
Cross-border bank lending	207%	20%
Foreign equities turnover	296%	42%
Foreign exchange trading	70%	32%
Cross-border derivatives turnover (OTC)	769%	43%
International bond trading	n/a	70%
Hedge funds	n/a	21%

Source: Pink Book 2007, Office for National Statistics

London ranks first ahead of New York and Hong Kong in the global financial centre league table.³² London is the world's leading market for international insurance, with UK worldwide premium income totalling £166.7bn in 2005. Within Europe its position is unrivalled, with an estimated 41% of all the EUs financial services and around 50% of European investment banking activity being conducted through London. The City's share of European initial public offerings (IPOs) in the first nine months of 2006 was 47% of the value and 46% of the number of all European IPOs.

London's attractions to international finance are many. It straddles the time zones for markets in Asia and North America, allowing London to operate around the clock. It has the lowest main rate of corporation tax among the G7 economies and a relatively light regulatory regime. It also possesses the most concentrated cluster of financial, legal, accounting and management consulting companies which act as a magnet for overseas companies.³³

All this ensures that the net surplus on financial services is the biggest in the world, as the table shows.

Financial services trade balance (\$bn)

	2000	2004
UK	20.76	32.5
Switzerland	9.2	12.5
Germany	1.08	0.10
Japan	-0.88	-0.60
France	1.45	-1.70
USA	3.54	-6.40

Source: International Monetary Fund

Conclusion

No capitalist power has benefited as much from the period of globalisation that opened up in the 1990s as the UK. The expansion of economic assets abroad under New Labour since 1997, and the increasing weight these have in the overall economic structure of the UK since Blair came to office, mean that UK PLC more than any comparable country has to keep the barriers to trade and investment down.

The US, while it has greater volume of foreign invest-

FACTFILE: THE CITY

- The UK accounted for 66% of all funds under management in 2005
- The UK manages pension fund assets of £1.6tr – the third largest in the world
- The UK insurance industry is the third largest in the world, earning nearly 25% of its revenue from overseas markets
- Lloyd's of London accounted for 27% of the global market in aviation insurance in 2004.
- London has the largest share of net premiums in the world for marine insurance – overseas earnings of more than £1.3tr a year
- London is the global clearing centre for worldwide trading of gold and silver and by far the largest market for over-the-counter trading
- The UK accounts for over 25% of the world's private equity investment

ments than the UK, is less reliant upon them for its wealth. So paradoxically, it is the UK that benefits more from the alliance with the US than the other way around. Although Uncle Sam bears the brunt of the cost – in money and manpower – of keeping other countries' economies open, it is the UK that has reaped the greater relative rewards.

ENDNOTES

1. *Foresight 2020*, Economist Intelligence Unit 2006
2. This performance is particularly striking due to the reduction in UK growth caused by its increasing balance of payments deficit. Balance of payments as a proportion of GDP annual average: 2000-06 -2.2%, 1990s -1.6%, 1980s -0.9%, 1970s -0.4%, 1960s 0%, 1950s 0.4%
3. The Socialist Party, *Workers Power*, the SWP, the RCG et al
4. L Elliott and D Atkinson, *Fantasy Island*, London 2007(p x)
5. Chris Harman attributes the long recession free period of growth in the UK to "... the lucky accident that London is ideally based geographically to act as the biggest base for the crazy growth of international financial gambling." (*Socialist Worker Review*, May 2007) While he recognises that the "major driving force" of the UK economy to grow despite the steep decline of British manufacturing employment, lay in the "unexpected capacity of London to emerge as the major financial hub mediating between the US, Europe and the Far East", he suggests that this is also due to good fortune of London's geographical position and even argues that this pre-eminence is fragile, based as it is on financial bubble economy. (see "Gordon Brown; the economic 'record'", *ISJ* 114, Summer 2007, p63)
6. Lenin, *Imperialism: the highest stage of capitalism*, Progress, p202
7. Across the globe in 2000 a record \$3.470tr worth of mergers and acquisitions took place. The January 2000 AOL takeover of Time Warner for \$182bn was a highpoint of the merger mania. The USA led the way in the 1990s in the concentration and centralisation of capital, on the back of a long domestic economic upturn after 1991 and maturation of the internet-related technologies after 1995. In 1999 a record of \$1.730bn, worth of mergers took place following 1,630bn worth in 1998. A big centralisation took place in the energy sector, airlines, investment banks and newspapers
8. In the USA two or three corporations control 90% of the market in computer software and hardware, airline and aerospace
9. V I Lenin, op cit p84
10. *ibid* p96
11. The exception was, paradoxically, the years of the post-war boom (1950s and 1960s) when the rate of growth of international trade generally surpassed the rate of growth of foreign investment, as the growth of international finance was consciously designed



to be mainly the handmaiden of trade. But in the USA earnings from capital exports rose from 17% of income from trade in 1960 to 31% in 2000.

Exports of foreign affiliates in the host economy, 1980-2005 (\$m): China

1991	1993	1995	1997	1999	2001	2003	2005
12,047	25,237	48,876	74,900	88,628	133,235	240,341	444,209

Source: UNCTAD <http://www.unctad.org/Templates/Page.asp?intItemID=3277&lang=1>

A 37-fold increase between 1991-2005. As Chinese exports have increased by more than 50% since 2005, it is reasonable to predict this total has now passed \$700bn. In addition it has to be recognised that the scale of debt interest payments and profit repatriation from south to north is greater than FDI capital flows from north to south.

14. This also means that the FDI flows from the north to the south underestimate the scale of domination and exploitation, since this outsourcing is invisible in the FDI figures. See John Smith ?????

15. Although the proportion of total FDI to the "developing" and "transition" economies has risen from 18% of world FDI in 1990 to 39% in 2005, in a period in which total FDI has increased in 1990-2005 by 354%. Source: UNCTAD

16. "The export of capital influences and greatly accelerates the development of capitalism in those countries to which it is exported. While, therefore, the export of capital may tend to a certain extent to arrest development in the capital-exporting countries, it can only do so by expanding and deepening the further development of capitalism throughout the world.", Lenin, op cit, p62,

17. Lenin, op cit, p99. It flows from Lenin's concept of finance capital as essentially loan/banking capital that investment income is conceived entirely as income from "interest and dividends" and hence "speculation," rather than repatriated profits from the operation of imperialist-owned industrial capital abroad.

18. The classic example Lenin cites, drawing on Hobson, is the British invasion of Egypt in the 1880s to secure a government more compliant to paying the interest on the vast loans to that country.

19. Lenin, ibid, p62-63 for examples

20. p95

21. There is an argument about whether the UK is in fact a debtor nation. Some studies suggest that this is only true because the foreign assets of UK companies are undervalued and if properly valued the UK would be a creditor.

22. "The list of leading destination countries for FDI projects in 2006 differs somewhat from the list of leading recipients by FDI values. This is unsurprising, since FDI values are heavily influenced

by crossborder M&As, rather than greenfield investments. China, with 1,378 projects in 2006, is ranked first by the number of new FDI projects, whereas it was fourth by FDI inflows. India jumps to second place – although a distant second behind China – with 979 new projects, ahead of the US with 725 projects, the UK (668) and France (582)." Economist Intelligence Unit, *World investment prospects to 2011*, 2007, p8

23. This is well below the peak of £155.6bn in 2000 at the height of merger and acquisition activity.

24. Of this £276bn nearly £100bn was held as deposits by securities dealers, rather than banks. All figures from *Pink Book 2007* at [www.statistics.gov.uk/downloads/ theme_economy/PinkBook_2007.pdf](http://www.statistics.gov.uk/downloads/theme_economy/PinkBook_2007.pdf)

25. Lenin, op cit, p99

26. It is even true that there is an absolute increase in industrial output and export of manufactured goods – in all sectors, despite the "hollowing out" of industry. The output of UK manufacturing increased by 13% between 1992-2006. A much smaller manufacturing workforce produces more in value terms than 15 years ago

27. Indeed, if we include the closely related insurance and business services sectors' contribution to overseas earnings, this figure jumps to 28%. On its own the financial services sector – the "City" – brings in each year as much as the oil industry or more than half the profits made by the UK capital goods industry.

28. By sector, net earnings of UK monetary financial institutions (banks and building societies), fell by £2.0bn to £10.7bn in 2005. Over the same period non-financial corporations' net earnings on direct investment increased from £29.1bn to £37.2bn.

29. The profile of those regions and countries that invest in the UK and in which the UK holds its assets is very similar. Some 54% of investments were in Europe, 22% in the US and 12% in Asia (6% in Japan). In reverse, the EU held 43% of all investment in the UK, 23% in the US and 12% in Asia

30. Simon Whitaker, "The UK international investment position", *Bank of England Quarterly* Q3, 2006

31. www.city-uk.com. Scotland's financial services sector accounts for £7bn – over 7% – of Scotland's GDP and handles 40% of domestic UK corporate structured finance. The financial and business services sector in Leeds accounts for one in four jobs and 31% of its output.

32. Earnings and market share grew strongly in 2006 and 2007. See "Robust Growth of UK Financial Services in First Nine Months of 2007", 5 November 2007, www.ifsl.org.uk

33. "The GFCI Financial Centre Ratings", in *The Global Financial Centres Index*, March 2007, City of London Corporation

34. London is the most internationally accessible city by air, with five international airports flying to 273 destinations.

35. Of this about 332,000 people work in the insurance industry.

RESPECT

Another short cut, another dead end

The collapse of Respect, just over a year after the fatal split in the Scottish Socialist Party, should cause left activists to look again at what sort of party the British working class needs. Here Mark Hoskisson argues that coalition parties of the left are not the answer to the political crisis confronting the British working class and that a democratic centralist revolutionary party need not be a monolithic prison house of notions

GALLONS OF stage blood were spilt as the final showdown in Respect was acted out by the Socialist Workers Party (SWP) on one side and the George Galloway faction on the other.

Like tenth rate imitators of *The Sopranos*, the protagonists in Respect's rival factions gave the order to take out the opposition in the hope that whoever survived would be able to get control of the little guys in the organisation and build up the business again. But Respect is dead.

It is all very similar to the closing acts of the Scottish Play that unfolded over a year previously: Tommy Sheridan versus his old former Militant comrades. It was not a dispute over politics, policy, programme or perspective. That battle had at its heart who said what during a libel court case concerning allegations of visits to swingers' clubs. And at the close of fighting both the Scottish Socialist Party (SSP) and Sheridan's rival outfit, Solidarity, were both finished.

The immediate causes for explosion in Respect are different. Allegations about swingers' clubs have been replaced by arguments about whether or not George Galloway was right to dress up as a cat on Celebrity Big Brother (and some people still wonder why the British left enjoys so little support from the majority of workers!). But the outcome is the same. A development hailed as the "greatest achievement of the left" when launched ends up with the mutual ruin of the contending forces.

To be fair, the SSP was considerably more democratic than Respect. Respect was founded by a clique, at the head of which stood John Rees of the SWP and George Galloway. It was forged behind the back of – and in opposition to – the organisation the SWP was nominally committed to building at the time, the Socialist Alliance.

While John Rees now issues bitter missives about Galloway's lack of accountability, it was Rees, arm in arm with Galloway on the podium of Friend's Meeting House in London, who told the founding conference of Respect not to worry about the leaders' lack of accountability because the preceding period of struggle (against the war in Iraq) proved beyond doubt that they could be "trusted".

The gullible clapped. The stupid clapped louder. The dissidents were booed as they tried to warn that the whole

thing was an example of the democratic deficit that Respect claimed it was trying to overcome rather than a means of cutting that deficit. Trust without accountability is a recipe for disaster in politics. Look at Blair.

Large numbers of left activists are bothered and bewildered by the ignominious collapse of these two recent major attempts at left unity – the SSP and Respect. In *Permanent Revolution 2* we wrote of the SSP debacle:

“Finally the creation of left unity on the basis of a democracy that recognises platforms is all well and good. But unless the democracy proceeds from a certain level of programmatic unity in the first place, rather than an agreement not to disagree, then a serious test can easily blow the unity apart... In a nutshell, there is no substitute for a revolutionary party, united around a programme, governed by democracy and protected from the pressures of parliamentarianism by members who control their leaders and can remove them – including their parliamentary representatives.”¹

We think the same holds true for Respect. Both failures raise many questions, but the two that jump out – whichever faction you belong to – are what type of party you believe the working class needs today and on what basis should that party be organised?

The broad left party

Phil Hearse and Liam MacUaid, members of Socialist Resistance and supporters of the Galloway faction in Respect (now Respect Renewal), answered the first question – what type of party – in an article on Liam's Blog:

“The name or the exact form doesn't matter – you don't have to call it a party. But it has to act like one. This cannot be a revolutionary party, for which at the moment a broad political base does not exist, but revolutionaries can play a central role within it. Such a formation does however have to have a systematic anti-neoliberal and anti-capitalist campaigning stance on all the key questions of the day. Because of the central role of electoral politics in advanced capitalist countries, the left appearing there is vitally important, although made much more difficult in Britain by the undemocratic ‘first past the post’ electoral system, which marginalises the extremes.”²

The same article takes the SWP to task for restricting Respect to a “united front of a special kind” – in this case an electoral bloc mainly confined to working in elections – with the SWP building itself as the revolutionary party at other times. Its thesis is that this tension led to the clash between the SWP, for whom Respect was an adjunct, and everyone else for whom it was a nascent party.

Of course it's easy to be sympathetic to people who have been victims of the SWP's bureaucracy. And they are right about the frustration that the SWP's block on the development of a party in such a broad political formation as Respect (and before it the Socialist Alliance) can cause for those who want a party but don't want to join the SWP. But Liam and Phil's central proposition is wrong. They discount the possibility of building a revolutionary party and in its place urge the formation of a broad-based socialist party which “cannot be a revolutionary party”. Indeed Liam MacUaid has criticised us on his blog for

arguing that the Socialist Alliance should have adopted a revolutionary programme for the same reason given in this later article on Respect: “a broad political base does not exist” for such a party.

Before readers conclude that we are persecuting a fellow socialist for the hell of it, we have chosen this piece from Liam and Phil because it is a well-argued version of a belief that is dominant on the non-aligned, non-Labour left at the moment: namely, the working class needs a broad based non-revolutionary socialist party, especially in order to compete in the “vital” arena of electoral politics. Indeed, so widespread is this belief it has resulted in the SWP losing very senior cadre who have embraced it and been expelled as a result.

We are against this proposition. We believe the working class needs a revolutionary party. And we will use every opportunity to say so. We won't do this in the manner of the crazed zealots who utter their revolutionary cries with rolling eyes and exaggerated hand gestures before retiring to a life of well-paid middle class mediocrity. Still less do we – as many have accused us on the message boards – demand that the masses assemble around our lectern and dutifully join *Permanent Revolution* as the keeper of the holy truth.

These are caricatures. They do not address the substance of our argument. Let us make it clear so that future disagreements can be based on what we say and do and not on what people imagine we say and do.

The need for a revolutionary party does not depend on whether or not, as Liam and Phil claim, “a broad political base” exists for one. The need for a revolutionary party derives from the tasks that society poses to the working class. In a capitalist society the task a working class party faces is twofold: it must defend the interests of workers from attack and it must point to an alternative form of government and society that can finally bring to a close the exhausting struggle to defend what we have been able to win from a grudging system.

In fulfilling the former task the party – or even just the nucleus of revolutionaries who believe in the need for a party – are duty bound to build and support the broadest possible unity of the class in struggle. We are in favour of a large, vibrant multi-tendency working class movement – organised in unions, in social and sports clubs, in community campaigns, in organisations of the oppressed, in workplace committees, in campaigns against any and every imposition that capitalist society makes on the lives of people.

One of the most important, and most neglected tasks of the hour, is rebuilding the base organisations of such a movement after the years of defeat. The labour movement that exists today is dominated by an extremely top heavy bureaucracy. Too many activists are quickly sucked into the belly of this bureaucracy via union machines, run like businesses so that their initiative and creativity cannot be placed at the service of the rank and file. Too few are left to build anti-bureaucratic networks that can breathe new life into the movement.

A broad, vibrant left movement with “a systematic anti-neoliberal and anti-capitalist campaigning stance on all the key questions of the day” is needed now.



But is this the same as a party? And are elections as vital as the ballot box-obsessed left of today believe? No.

The idea that motivates the broad party comrades is, at its best, a desire to create something that can rally more people to socialism. But the crises that the two (three if you count the Socialist Alliance) most recent attempts at creating such a party have encountered are inevitable products of the concept itself. And instead of rallying more people to socialism they are discrediting the name of socialism.

The starting point in deciding what sort of party the British workers need (and we must start with them, not the forces of the left) is the question: what is such a party for? In our view the party exists, as we have explained, to build the broad movement, strengthen it and slowly but surely win support for the ideas of the party from it. But what ideas? What does the party want to do? Does it want to reform the existing society or does it want to overthrow it? And is it a good idea to have a party that wants to do both?

We believe that to be unclear on such a fundamental question, to try and build a party that evades answering this question – reform or revolution – from the outset, is to prepare new splits and disasters. We also think it is fundamentally dishonest. Instead of disdaining to conceal our views we become coy about them in the name of preserving unity with people who are less than coy about their own reformist politics, like Galloway for example.

We do not believe that being clear about wanting to build a revolutionary party will immediately win large numbers to our ranks at the moment. But the basis for such a party exists in the many different struggles that take place against capitalism today and they give revolutionaries prepared to be open about the need for revolution the opportunity to make steps forward.

Fatal abstraction?

Let us put this in two contexts, one trade union and one electoral, lest we are accused of simply being abstract about the whole question.

A plan is drawn up by a powerful corporation to close a Rolls Royce component plant on the outskirts of Liverpool. The argument for closure is that the company cannot afford to manufacture components in Britain because of the strength of the pound and the tax system.

This situation requires a revolutionary solution. It needs to mobilise the workers against the closure regardless of the economic consequences for the corporation because the workers' interests come first. In order to do this it must organise decisive action – most probably an occupation.

On the basis of the occupation it must appeal for support throughout the motor industry on a national and international basis. To get this it will have to fight the union bureaucracy and go to the rank and file as the Liverpool dockers demonstrated during their epic struggle.

But in the course of this, a constructive and practical alternative needs to be fought for involving workers' control of production, the inspection of the accounts and computer records, the need for production to be reorganised to meet real needs and so on.

In the course of the struggle other alternatives will be presented. Union officials will point to a lucrative redundancy package that has been agreed with the company. The local Labour MP will support a campaign by the workforce but only if it stops short of illegality and the seizure of the bosses' property. The base of support within the factory for a revolutionary fight may dwindle under the impact of such factors and retreats may be necessary by the most conscious militants in the plant.

To pose this situation poses the need for a revolutionary party – irrespective of the size of the base for such a party at the moment – because it is in the course of situations like this, multiplied a thousand times across the globe, that the revolutionary minority can win new

A broad, vibrant left movement with “a systematic anti-neoliberal and anti-capitalist campaigning stance on all the key questions of the day” is needed now

adherents to its ideas and possibly even achieve important victories along the way. But without the presence of a revolutionary voice – however limited – the chances of building support for a revolutionary alternative will simply not exist.

Why should there be any compromise on this? Liam and Phil and the many other proponents of the broad-based party – which would most probably include powerful supporters of reformist solutions in such a situation – provide no answer. Surely if they agree with the revolutionary solution they should argue for it. And if they argue for it they should organise for it. And if they organise for it they should try to win supporters to their cause.

And that is why it is necessary to argue in the here and now for a revolutionary party – because the need for it is posed now and the possibility of doing something about that need exists so long as people committed to revolution exist. Anything else is an elaborate cover up, an excuse for promoting a party the working class does not need – a broad based party that would not be able to offer a coherent revolutionary strategy to deal with the situation described.

Now let's consider the need for a revolutionary party from an electoral standpoint. The British left have developed an unhealthy crush on elections over the last ten years. Liam and Phil argue that this is justified because of “the central role of electoral politics in advanced capitalist countries.”

Elections are important and we are not in favour of boycotting them. But what is the case proving that they have a “central role”? They elect governments; that is their central role. That is why, under capitalism, they will always be undemocratic (the millions of pounds spent to win them, lack of access to mass media, first past the post systems, 5% hurdles on PR systems etc) and will always marginalise the left. And of course even if you won a “left majority”

real power lies outside parliament, in the boardrooms of multinationals, in the hands of the un-elected judges, police chiefs etc. That is why one of our central tasks is to expose the limitations of parliamentary democracy.

Yet today the left have turned this on its head and see battles in the electoral arena as vital. This is a reflection of the weakness of the movement, and of the extra-parliamentary struggles that characterised much of the 1970s and 1980s in Britain. And once again this suggests that far more vital than elections is the job of rebuilding the movement. Its battles will find their reflection in parliamentary struggles to be sure. And elections can – and should – be used as a means of popularising and organising campaigns and struggles that matter to the working class and as a means of promoting revolutionary answers to society's problems. Used in this way they will also be a measure of how well the left is doing at winning support amongst the working class and a means of building it in the campaign.

The electoral intervention of the "broad party" reveals the problem at the heart of the concept. It has to give a broad answer where a clear one is needed. Elections – general elections are the ones that matter – pose the question of government. Not in an abstract way but in a very direct way – what will you do in office if I vote for you? That question was asked a thousand times to every activist in the Socialist Alliance. And there are two ways of answering it.

One way is to say, well my party is a broad-based party in which people who believe you can reform society are pretty influential (namely Mr Galloway). In fact he is dead set not only against revolution, but against abortion on demand, against MPs being paid the average wage of the working class etc. But I believe it is necessary to unite with him so that I can knock on your door and say to you that we will at least have a "systematic anti-neoliberal and anti-capitalist campaigning stance on all the key questions of the day."

To which any intelligent voter will reply – for god's sake say what do you mean? When the question of government is posed you either say what your government will do or you will look like every other politician – a two-faced liar. And if you want to say what needs to be done with society why on earth not tell the truth – it needs to be overthrown by a revolution. And why not at least try to build an organisation, with as many like-minded socialists as possible, willing to say the same thing? After all, the broad-based party hasn't exactly proved itself a winner either (outside of exceptional circumstances).

At least by being openly revolutionary in an election you would have the chance to enter a dialogue with many thousands of people, gain a clearer idea of the key issues locally, lay down roots, prepare future campaigns and win wider support for your ideas. There is nothing – except the abstract prejudice that a broad party is a necessary stage through which the working class must pass (a schematic imposition by the way) – in current objective reality that is compelling revolutionaries to do anything other than this.

And if there was something – if there was a real move by real sections of workers towards a broad-based party

– then revolutionaries would participate. They would prove their worth by building such an organisation, without programmatic ultimatums. But in return they would demand their right to explain to fellow workers why a revolutionary party is necessary and why the party they are both trying to build should become one.

But today there is no such mass movement of workers pushing towards the creation of a mass workers' party. Unfortunate, but true. In which case what is the advantage of championing the broad-based party?

The disadvantage is clear from the carrion crows currently picking at the carcasses of the SSP and Respect.

A party which agrees to disagree invariably splits in the short term. It sends the wrong message to the working class. It sends the message that it is perfectly alright to have an MP who earns a fortune by agreement with the party, (including from media work entirely separate from his role as a politician) while the rank and file members on the streets campaign against poverty and fat cats.

It says it is alright to have a party that is led by an anti-abortionist who is at liberty to sabotage even the limited compromise support for abortion on demand that his party agreed to. It says it is alright to argue in your manifesto for a society based on the nebulous (and thoroughly New Labour) concept of social justice (as Salma Yaqoob and other leading liberal elements within Respect call their goal), but for a few of you to explain, in private, that you really mean revolution and the dictatorship of the proletariat.

The working class can see through this doubletalk. That is why they have not flooded into the two "broad-based" parties that Britain has played host to over the last few years. Such parties do not work.

The real basis for the revolutionary party is this: are you for reform or are you for revolution. That is a dividing line and unfortunately those of us for revolution are a tiny minority. But the leap to becoming a majority should not involve us dressing in the robes of St Peter and denying ourselves thrice or more in the hope of a quick escape from isolation.

It is far better to patiently fight for the truth – and at all times combine it with a willingness to act in concert on every campaigning issue the class faces with workers and activists of all persuasions – than to abandon the fight for revolution because . . . well, why exactly? Because it has become difficult? But then, no one ever said it was going to be easy.

Bloody Lenin

The unity beneficial to the working class – when it comes to parties – is one based on real agreement over fundamental politics and programme. A party united around a programme is more effective than a party that agrees to respond to every crisis in at least three different ways. The truth is that Labour's rock solid commitment to reformism (even with a neoliberal tinge) will always garner more working class votes than a broad-based party that looks as though it can't make up its mind on crucial questions.

Of course in a world in which left groups are as iso-

lated from the class as they are in Britain today even such agreement is not a vaccination against splits. But such agreement is at least a start, a foundation stone for building organisations that can endure, that can become effective in the class struggle and that will, as the class struggle develops to a higher pitch, grow in numbers and influence.

But how can such unity around politics be made politically effective in the wider world? This brings us to the question of the organisational basis of a party.

George Galloway made clear what he sees as the main problem – “Leninism”. The SWP are democratic centralists and “Leninists”. This is why they have wrecked Respect. They make decisions behind closed doors and then spring them on unwitting Respect members.

George favours the “trust” that has allowed him to do what he wants since he became a Respect MP. He is opposed to anything smacking of organised decision making and accountability. But, as Shakespeare said, “trust is good, but control is better”. Or was it Lenin?

Poor Lenin. In the hands of the SWP, building on the tainted traditions of post-war Trotskyism which aped far too many of Stalinism’s organisational practices, particularly when it came to faction fights, Bolshevik organisational practice has become indelibly associated with a crude and rude form of bureaucracy. Lenin’s model of organisation has become associated with intolerance and manipulation instead of democracy and comradely debate.

The SWP’s bureaucracy has pushed many activists into Galloway’s camp, not because they agree with him more, but because they are sickened by the way the SWP operate. Even seasoned SWP members, like Mark Steel, have started to openly express their dismay at the way the SWP leaders are bulldozing opponents out of the way and bullying supporters into line.

The SWP “adopted” Leninism in 1968. The leader of the International Socialists, as the SWP was then called, Tony Cliff decided that democratic centralism was needed to transform his small tendency into a party nucleus. The basic idea was sound, the implementation wasn’t.

In place of democratic centralism Tony Cliff shaped an all powerful, full-timer based, self-perpetuating and narrow central committee. The National Committee was abolished and replaced by plebiscitary “party councils”. The party conference was made smaller, delegations made more restrictive. It was no longer open to resolutions. Commissions at the conference were appointed to draft policy. And the commissions were always run by the central committee.

The journal, *International Socialism*, was closed to debate within the organisation. Discussion was brushed aside as a distraction from “building the party”. Branches were broken up into small units focused on functions rather than politics – a student branch did student work, a factory branch, factory work. The branches rarely met as aggregates. The acolytes of the local full-timer held the structure together organisationally.

Above all, tendencies and factions, groupings of members trying to change the policies of the organisation, were abolished. Temporary factions could exist only in the three month run up to a conference, but thereafter

they had to dissolve or face expulsion. This deepened the growing culture of hostility towards discussion and debate. It helped entrench the leadership and remove it, ever further, from accountability to an involved and well-informed membership. Dissent was a problem, not an opportunity to help take things forward.

This travesty of democratic centralism was not inspired by Lenin, but by Cliff’s interpretation of Lenin as an almost unique soothsayer, capable of understanding what was necessary at any given time and of then bending the stick, politically and organisationally, to ensure that the party acted on his instincts.³

This bowdlerised version of Leninism informed Cliff’s reaction to the political crisis that hit his organisation in the

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early 1970s, a period that saw four major factions expelled by 1975. In each case the expulsions were a bureaucratic response to a political challenge. They were the actions of a leadership determined to prevent the membership holding it accountable for the positions it had advocated over the previous period.

In 1974 Cliff declared reformism finished and predicted that the Labour Government would soon fall like the Tories. It didn’t because reformism was far from finished. Both the Left Faction (from which Permanent Revolution originates) and the IS Opposition, which included much of the organisation’s working class base in engineering, said this. Both were expelled, leaving Cliff free from being called to account for his disastrous errors and enabling him to turn the organisation from the one-sided over optimism of the early 1970s towards the one-sided gloom of the downturn in the late 1970s and early 1980s.

Cliff and the SWP were not alone in packaging Lenin’s democratic centralism as a kind of Baden Powell Boy Scouts style rule book for every tin pot dictator that infested the far left. But they have lasted longer than most and are today feeding the lie to far too many people that their manipulative and deceitful organisational methods are in some way a genuine version of democratic centralism.

That, tragically, is why Galloway may fool a few people with his demagogic tirades against “Leninism”. Many defenders of Galloway point out that they would rather take their place in a broad-based party – because it allows them a degree of freedom of thought and action – than place themselves in what they see as the political strait-jacket that comes free with every democratic centralist party.

The freedom of the broad-based party comes at a price. The party will not, cannot, act decisively and in a unified way to fundamentally change society. If that’s what you want, fair enough. But please don’t think that the SWP’s

variation of democratic centralism is the real thing. It isn't. It's part of the legacy of Stalin, not of Lenin and Trotsky.

Lenin did not invent, or make a special fetish of, democratic centralism. For him it was merely an effective means of organising in the workers' movement. Put simply it means this: you collectively discuss an issue; everyone involved has both the right and duty to put their point of view and shape the outcome; you take a vote and make a decision; everyone sticks to that decision and carries it out loyally.

As Buffy might say, "No biggie". After all they are the basic rules of the labour movement. And those who breach them are, rightly, labelled scabs.

This form of democratic centralism operated throughout the history of the Bolshevik Party – until Stalin's counter-revolution. Democratic decision making, unified action to implement the decision, directed by the party (the centralist bit). And within this framework provision was made in the party for factions and tendencies to organise and fight for their views.

Leaders were held accountable through very regular congresses (normally annually) and held no special privileges in the organisation as a result of their position. As Victor Serge notes of Lenin and Trotsky at the height of their influence during and immediately after the October Revolution of 1917:

"They were only the first among comrades and they would have accorded a cold reception to the dangerous imbecile who took it into his head to place them above their comrades or above the party. The life of the Politbureau and the Central Committee was at all times collective. The party discussed, tendencies appeared and disappeared and opposition elements, which must not be confused with counter-revolutionists, agitated unceasingly in broad daylight during the whole civil war – until 1921."⁴

This version of democratic centralism – profoundly democratic – was woven into the cloth of Bolshevism from early on. The term was actually first used by the Menshevik faction in 1905. The Bolsheviks accepted it and in their conference of December 1905 passed the following resolution:

"Recognising as indisputable the principle of democratic centralism, the Conference considers the broad implementation of the elective principle necessary; and, while granting elected centres full powers in matters of ideological and practical leadership, they are at the same time subject to recall, their actions are given broad publicity and they are to be strictly accountable for these activities."⁵

An accountable leadership is a feature of democratic centralism. And this is anathema to both Galloway and the SWP. Galloway, because it implies collective control by the organisation over the actions of the leaders. This is something he has been systematically contemptuous of with Respect. He is, and thoroughly enjoys being, a law unto himself. And he has the cheek to denounce "Lenin" for supposedly being undemocratic.

For the SWP an accountable leadership would be a disaster. Year on year the leadership decides on various twists and turns, based largely on furthering the interests of the SWP. When things go wrong the debate is confined to the

leadership. If things go disastrously wrong there may be a sacrifice. An individual may go, but the clique remains and remains unaccountable. Its mistakes are not "given broad publicity" so that the members can decide. They are buried in the hope the members will forget all about them and just jump when called upon.

Democratic centralism in practice

Bolshevism was the exact opposite of both of these ways of operating. It rested on an involved, informed and questioning membership. But this formula of maximum democracy in debate, maximum unity in action, merely provides the framework, the basic form, of organisation. Its implementation is the problem.

Our own experience of its implementation holds both positive and negative lessons in how democratic centralism should operate. At its best, Workers Power Britain implemented democratic centralism in a creative way. It never approached a problem by invoking "discipline" as the first principle. Politics was the key. Our key was to advance the politics we believed to be right. We discussed and agreed those politics democratically. We built a leadership around them that reflected the collective strengths and weaknesses of the organisation. The regime was a product of putting politics first.

In practice this worked because it meant that the implementation of democratic centralism in actual struggles involved changes and modifications along the way. For example, in the health disputes of the early 1980s we decided that we had to fight for an all out strike to win the health workers' pay claim. That was "our line". We took it into the gatherings of workers and stewards that occurred during the struggle.

But in the course of doing this the comrades directly involved were faced with problems. Organisation across the union was uneven. Some areas could sustain a strike, others would quickly collapse. There was political opposition to our line from other far left groups and some of them were considerably more influential than us.

Had we simply repeated our line at every opportunity we would have observed the democratic decision of our organisation. But we would not have actually achieved anything. We were obliged to take decisions – amongst teams of comrades involved in particular areas of the struggle – that were compromises. We had to agree not to push our line to a vote in order to rally more forces to it at a later stage when we could realistically hope to win the vote.

Because we had a democratic organisation, in which the modifications to our line could be discussed, assessed and judged, discipline was never a problem. Democratic centralism operated, as it should do, through a process of collective discussion, adjustment and then discussion on whether or not the adjustments were correct. And at each stage we were prepared to acknowledge openly whether or not this or that decision had been a mistake.

The formal framework served the objective of fighting for a revolutionary orientation in the workers' movement. It was not an end in itself or an absolute set of rules that could never be tampered with.

We would be no better than the SWP if we pretended that this way of operating ceased at the moment we moved into opposition inside Workers Power Britain and its international Tendency, the League for the Fifth International (LFI). It didn't. A thoroughly wrong, and increasingly bureaucratic regime evolved in both organisations while several of us were in leading positions in them. It evolved in some respects with our aid.

In particular, in the aftermath of a bruising factional struggle with comrades in Latin America, many of us led the push towards a top-heavy "democratic centralising" and "homogenising" process in the organisation. We were wrong. We drew incorrect conclusions from our political struggles. We came to believe that an organisational form was more important than a patient struggle for political clarity. As a result our tendency became more defensive and more obsessed with discipline than it needed to. Dissent led to distrust.

Of course this was tied to a political degeneration which can be summarised as a transformation of the centrality of politics and programme into an obsession with "perspective". Loyalty to perspective became the litmus test of loyalty to the organisation. Political method took second place.

The end result was the creation of a regime that began launching commissions of inquiry into oppositionists, breaking up branches, driving oppositionists off the Political Committee and so on. We woke up to what we had been complicit in too late to save the organisation, as it turned out. But we learnt from our mistakes, which is why when we were bureaucratically expelled we stuck together as a group, determined not to carry those mistakes over into our new project of trying to help rebuild the revolutionary left in Britain and internationally.

For example, many on the left believe that democratic centralism means the stifling of individual thought and the concealment of dissent. Our own experience in the LFI involved just such pointless self-denial. People who disagreed with a particular line were obliged to pretend they didn't. Or to put it bluntly, obliged to lie about what they believed.

To give one illustration, if you thought it ridiculous to argue in favour of a united front with the Taliban to secure the defence of Afghanistan from imperialism you were not allowed to say so openly. Why on earth not?

This was not a practical action upon which lives, or at the very least the success of the operation, depended. It was an ideological line. And on such issues there are inevitably different shades of opinion, different emphases. Within the broad framework of agreement (in this case standing firmly for the defence of Afghanistan against imperialism) there should be plenty of scope for public debate over different ways of achieving this.

An organisation that is firmly united in its programme can well afford to demonstrate the fact that its members are living and thinking class fighters and not automatons by allowing differences to be aired publicly. This is not because we favour discord for its own sake but because where the success of a practical action is not at stake, open debate can help clarify thinking, help correct mistakes and pave the way for a dialogue with the class rather

than offering it rote learned recitals of line in the form of tedious monologues.

After all, how often do you get annoyed when you hear SWP members make the same speech five times in a meeting? Well just imagine what that sounds like to a non-aligned class conscious militant. Once again, favouring open dialogue is something we inherit from Bolshevism. The Leninists were actually quite good at open and comradely debates over differences, contrary to what Galloway thinks and to what the SWP practices. As Lenin himself put it, "criticism within the limits of the principles of the party programme must be quite free not only at party meetings, but also at public meetings."⁶

A democratic centralism that facilitates the participa-

An organisation firmly united in its programme can afford to demonstrate that its members are living and thinking class fighters and not automatons

tion of all members in decision making, that holds leaders accountable, that enables public debate over differences, albeit within the framework of the party's overall programme, but that also provides the basis for united and determined action, centralised so that it can be directed against the class enemy in a most effective way. What is wrong with any of that? And that is "Leninism" in the organisational sense.

It has been buried beneath mountains of rubbish, like so much else from the revolutionary tradition, in a landfill specially built by Stalin but freely used by reformists, anarchists, centrists and the degenerate fragments of post-war Trotskyism.

Today it needs to be excavated and cleaned up. If there are things wrong with it then we Leninists must change them in order to render the legacy of that tradition fit for the tasks of the 21st century. Part of that job involves debunking the SWP's claim to be Leninists in any meaningful sense and exposing Galloway's anti-left motives in deploying such demagoguery. He is not building a model democratic party. He is building a vehicle for himself and his own self-seeking allies.

Building a democratic centralist revolutionary party is the practical alternative that every genuine Leninist and Trotskyist should take up so that neither bureaucratism nor chicanery triumphs out of the collapse of Respect.

What now?

There are people in Respect who have no place in any democratic centralist organisation. There are SWP hacks possessed of a deluded sense of self-importance who incur the hatred of their own members because of the way they ride roughshod over meetings and activists. They think they are men or women of history. They aren't. History, if it remembers them at all, will mark them down as people

who were systematically bullied at school and took their revenge by becoming SWP full-timers.

One such specimen is Ger Francis, now ex-SWP, and one of Galloway's West Midlands hatchet men. This is a man who, during the days of the Socialist Alliance, screamed at the Alliance's Birmingham general election candidate and victimised FBU militant, Steve Godward, that he was "finished" as a political activist in Birmingham. Steve is far from finished, but Francis' charmless abuse should demonstrate to everyone who is lined up against the SWP that the Rees mob does not have a monopoly on political thuggery.

But leaving aside these reprobates there are a good few socialists in Respect, and indeed in the SSP and Solidarity, who will say to us – what's your alternative. The traditional left answer to this would be "join us". And quite a few cyber-polemicists have accused us of saying exactly this. But it's not our answer – though of course we would never turn you away if, swayed by the logic of this article, you put your hands up and said "fair dos, you guys are spot on".

Our view, based on our experience in the Socialist Alliance and in Workers Power and on our analysis of the rows that have wrecked Respect and the SSP, is that there is a fundamental crisis on the British left. To overcome it revolutionaries, the left, need to create new ways of working.

Our principal tasks need to be understanding the real situation in the world today, the reasons for the left's crisis and the policies needed to take the working class forward. At the same time we have to carry out the enormous work of rebuilding the organisations of the class which are, generally, either creaking or dilapidated. We can do that through a range of initiatives that can unite the efforts of as wide a number of activists as possible.

At a national level would could develop joint conferences of different left wing forces and individuals, drawing in the wider network of activists involved in anti-militarist, anti-globalisation and anti-racist campaigns. Building such a network that can debate the issues we face, the different answers that different groups put forward – without being forced to vote for or against them after a peremptory plenary session with two speeches for and two against – would be an enormous step forward in present circumstances.

The journals and papers of the left should reflect the debates and different points of view, the better to enable people to make decisions about what needs to be done. For our part we are more than willing to open our journal to such honest and loyal debate.

In other words we are in a period of regroupment – not in the old sense of piecing together a handful of small groups and launching it as the new league or party for this, that and the other. But in the real military sense of recognising that we have been through a series of defeats

and setbacks and that our answers and solution cannot have been perfect if this is the case.

An honest discussion is needed of how and why after a decade of opportunities to take the class forward we find ourselves in a situation where the leaders of Respect changed the locks on their office in the dead of night to prevent their rivals gaining access.

We need to regroup our forces and renew our capacity, as a left and not just as this or that tendency, to think through problems and develop new solutions to them. And in some senses the "new media" helps us to do this, with left blogs and interactive websites allowing political debate across a wide cross-section of the left irrespective of location. If one thing was proved in the Respect crisis, never again will a top-down organisation like the Central Committee of the SWP be able to control the information it allows to its members and to seal them off from discussion with the rest of the left. In the days of the internet, bureaucratic leaderships have lost one of their main weapons – secrecy and control of debate.

One thing is very clear: neither the one by one recruitment policy of building the revolutionary party, nor the get rich quick scheme of the broad based electoral party have worked. The reason for both failures is, ultimately, that the working class does not actively want either option. That is a product of the state of the class struggle. It will doom both wings of Respect to failure. And it narrows the options considerably for any future broad left unity initiative. It's the law of diminishing returns. Fact: Respect's membership never got bigger than the Socialist Alliance at its height.

The conclusion we draw from that is that all of those – including us but including many others as well – who regard themselves as revolutionary socialists should launch a push for the re-assembling of a revolutionary organisation. In other words our alternative to the "broad left party" is to push for a united revolutionary socialist organisation – clearly distinguished by its commitment to revolution, the revolutionary party and democratic centralism, but willing to engage with wider forces in every campaign and united front.

FOOTNOTES

A. "The Big Lie: How the SWP's bureaucratic factionalism is wrecking Respect." by Phil Hearse and Liam McAuid, posted 29 October 2007, <http://liammcauid.wordpress.com/2007/10/29/the-big-lie-how-the-swp%E2%80%99s-bureaucratic-factionalism-is-wrecking-respect/>

1. *Permanent Revolution* 2, Autumn 2006, p35, www.permanentrevolution.net/?view=entry&entry=1399

2. See Tony Cliff's biography of Lenin, especially Vol 1, *Building the Party*

3. V Serge, *From Lenin to Stalin*, p22

4. Quoted in *Lenin and the Revolutionary Party*, Paul Le Blanc, p 128

5. *ibid* p131

What kind of party is the United Socialist Party of Venezuela?

The last half year has seen six million people in Venezuela join the PSUV. In a debate with Permanent Revolution Wladek Flakin, a member of the independent youth organisation Revolution Berlin, argues that the United Socialist Party of Venezuela is already under government control and as such cannot be an instrument of the working class

"THE ASSOCIATION of Socialist Capitalists" is just one component of the United Socialist Party of Venezuela (PSUV). The PSUV, which is still awaiting its often postponed founding congress, has one in four Venezuelans signed up for the party, and of all the parties in the world claiming to be socialist, it is second in size only to the Communist Party of China.

The aim of the PSUV is to convert the loose coalition of parties which support the government of President Hugo Chávez into a single political structure. A debate is raging within the radical left in Latin America about whether or not to join this party, (see box) but very little of this has trickled into non-Spanish language publications. The formation of the PSUV deserves the careful attention of revolutionaries internationally, not just because it marks an important milestone in the "Bolivarian process", but because it poses questions central to revolutionary tactics and strategy in semi-colonial countries.

Analysing the PSUV is, in contrast to most new parties, remarkably easy: the PSUV is in the unusual position of being founded as a government party. So there is no need to speculate about what policies the party would carry out if in power – it is possible to examine what policies it has carried out in the eight years that Chávez has been president. It is clear that such a massive political formation is not like an empty bottle into which different wines can be poured – there are specific class interests behind the

project and it is possible to determine the party's class character, even now, even before its founding.

In order to develop a correct analysis of the PSUV, this article will begin with a brief overview of the class struggle in Venezuela and the Chavista project in general.¹ Then there will be more specific observations about the party itself.

Don't listen to Chávez quotes!

Chávez talks – and talks and talks and talks – at rallies or on his weekly television program "Álo Presidente". He can provide just about anyone with a quote to their liking. For example, worn-out Trotskyists looking for a hero get a speech about the need to abolish capitalism and even exhortations to read the Transitional Program of the Fourth International as in the speech "Today we buried the ALCA, and soon we'll do the same with capitalism!"²

But Venezuelan capitalists seeking compromise with the Chávez regime get promises of the inviolability of private property. "We have no plan to eliminate the oligarchy, Venezuela's bourgeoisie. We have demonstrated this sufficiently in our eight years."³ So capitalism is to be abolished but the capitalist class maintained? Clearly, information about the economy in Venezuela will be more useful than Chávez quotes.

It cannot be denied that the Bolivarian government has

done a great deal to alleviate the misery of Venezuela's poor: for example, the number of people living in extreme poverty has gone from 20% to 10% since Chávez became president.⁴ But this in itself says nothing about the class character of the government.

The best information is provided by the Venezuelan ambassador in Washington. He regularly soothes the imperialists with newspaper editorials full of cold, hard facts. For example: "It is ironic that Venezuela has come under such attack for its policies when, even with the changes that have been made in our oil sector structure,

not require any expropriations or nationalisations. The regime propagates a model of "five types of property" (public, social, collective, mixed and private property) – but decisive is the fact that private property is, according to the constitution, "recognised and guaranteed".

So this "Venezuelan socialism" is to be constructed together with capitalists, on the basis of private property. The magazine *New Yorker*, beyond all suspicion of anti-capitalist sympathies, put it simply: "If this is socialism, it's the most business-friendly socialism ever devised."⁶ This "socialism" does not conflict with the profits of multinational corporations (in 2006, trade between Venezuela and the USA increased by 31%) and does not envision eliminating private property. There has been a lot of talk about "nationalisations" by the Chávez government, but since the former owners have gotten handsome compensations, it would be more accurate to speak of the state simply buying these companies at market prices. The most important sector of the Venezuelan economy, the oil industry, was nationalised in 1976 by a decidedly bourgeois government.

"Venezuelan socialism" does not conflict with the profits of multinational corporations and does not envision eliminating private property

the openness of our oil market to US companies ... remains extensive."⁵ A supporter of Chávez might argue this is just a deception to satisfy the demands of the imperialists. But doesn't it seem more likely that the very different speeches by Chávez are a deception to satisfy the demands of the masses?

Venezuela is, according to the Chavistas, a testing ground for "Socialism of the 21st Century". This concept has been loosely defined by German professor Heinz Dieterich, but it remains many things to many people. Socialism, as a scientific term, refers to a society in which the working class has seized political power, expropriating the means of production and beginning the transition to a classless society. "Socialism of the 21st century", in contrast, generally "accepts diverse forms of property", i.e. it does

The role of the masses

Hugo Chávez Frías began his political career as a nationalist, claiming the tradition of the Latin American independence fighter Simón Bolívar as his own. Beginning in 2005, Chávez's rhetoric became much more radical, referring to himself as a socialist and attacking capitalism. He continued referring to God, Jesus and Bolívar, but now also to Marx, Lenin and Trotsky. This change was not based on Chávez buying some new books or getting some advice from centrist-Trotskyist theoretician Alan Woods. Repeated mobilisations of the masses in Venezuela shoved Chávez to the left – he had to radicalise his speeches to maintain the support of his radicalised electoral base.

The coup attempt in April 2002 and the employers' lock-out (sometimes referred to as a "strike") in December 2002 were beaten back by mobilisations of the poorest sectors of Venezuelan society. During the coup, it was the masses on the streets of Caracas who pressured a part of the military apparatus to change sides and rescue the Chávez government. During the lock-out, it was workers in the state-owned oil company PDVSA who kept oil production (and thus the Venezuelan economy) alive, despite the boycott by the management.

Recently a whole series of small and middle-sized factories that were closed down by their owners have been re-opened by the employees, who continue production under workers' control. But in all these cases, the "socialist" bourgeois state has tried to limit the self-organisation of the working class, opposing workers' control with proposals for co-management between workers and the state ministries. And where the former owners have demanded their property returned or workers have refused to accept the state's moderate line, there has also been brutal repression by the police (for example, in the occupied ceramics factory Sanitarios Maracay).

There is much talk of "popular power" and thousands of communal councils being established across Venezuela. But these councils, much like the "participatory

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budget councils" in Brazil under Lula, only decide on the local administration of funds controlled by the executive branch.⁷ This means these bodies are not the basis of self-rule by the oppressed, only of clientalism by the state bureaucracy: "I'll give you funding today, and you give me your vote tomorrow." In this situation, socialists need to defend the basic conclusion of Karl Marx from the experience of the Paris Commune: the bourgeois state cannot be transformed into a state of the workers, even by the most well-meaning government. It must be broken up and replaced with organs of working class power – bodies of elected and recallable delegates created from the base upwards.

El Presidente's constitutional reform

Parallel to the foundation of the PSUV, Chávez is attempting to change the Bolivarian constitution, which was adopted in 1999 by a referendum. The stated goal of this reform is to deepen the revolution and create people's power. But the 33 proposed changes were worked out behind the backs of the workers and poor, without any discussion amongst the masses or even in the National Assembly. They are now being presented to the population as a packet, and they can say "yes" or "no" in a referendum. This is a typical plebiscitary measure designed to create support for the regime without permitting any real mass democracy.

Most of the changes are designed to concentrate power in the person of Chávez. The proposal to eliminate the current two term limit for the presidency – which would make it possible for Chávez to be elected to as many seven year terms as he wants – is the least of the problems. "Supreme authority" over the military will be given to the president (including the power to promote officers in all ranks) and the proposed "popular militia" is nothing but a new name for the army reserve, which is under the command of the officer caste, and thus of Chávez. The executive will be allowed, without consulting the National Assembly, to create new provinces or federal territories and then name vice-presidents to rule these new administrative units. The president will gain personal control over the central bank, the currency reserves, and the entire treasury, in addition to the control of the state-owned oil company PDVSA, which he has already.⁸

With regards to private property, the constitutional reform would of course leave it untouchable. Recently there has been some dissent from Chavista deputies in the National Assembly about a proposed article which would allow the government to declare a state of emergency, suspending basic rights laid out in the rest of the constitution. But the reforms have been approved, in slightly modified form, by the National Assembly and the people can only decide on the entire packet with a "yes" or a "no".

The most startling thing about the proposed constitutional reform is this: with so many powers concentrated in the hands of the president, why is there a National Assembly at all? It is a bit ridiculous to imagine, as Chávez and his supporters present it, that peoples' power could be strengthened and the state bureaucracy weakened by

a reform carried out without the active participation of the people themselves.

The only way to strengthen the role of the masses is for them to organise themselves in independent councils, composed of delegates of factory workers, slum inhabitants, peasants and agricultural laborers, school and university students and the rank-and-file soldiers of the army. These councils, organising a "People's Assembly" or some other type of congress based on delegates directly elected by and accountable to the masses, could lead the fight to establish a workers' government and expropriate the capitalists. This form of mass democracy, of self-rule by the oppressed, is a pillar of socialism – and the Chávez regime rejects it completely.

How the PSUV works

The basis for joining the PSUV is support of these constitutional reforms and this diffuse "socialism of the 21st century". Accordingly, the party's membership is not limited to workers, peasants and the urban poor. When Chávez first presented the project he announced: "I invite the workers, the housewives, the professionals and technicians, the nationalist businessmen . . . to build a single political instrument."⁹ His "Venezuelan socialism" does not include any special role for the working class. As he explained on TV, Marxism "is a dogmatic thesis which is out of style and doesn't conform to today's reality." He also opined, "the thesis that the working class should be the motor of socialism or the revolution are obsolete."¹⁰

Accordingly, within its ranks the PSUV includes the recently created "Association of Socialist Businessmen of Venezuela" (AESV),¹¹ which is led by the former leader

It is a bit ridiculous to imagine that peoples' power could be strengthened by a reform carried out without the active participation of the people themselves

of the party, Democratic Action (AD).¹² Other prominent PSUV members in this association include bankers, textile manufacturers, and well known functionaries of both former ruling parties.¹³

Nonetheless as many as six million people (out of a total population of 24-27 million in Venezuela) have signed up for the PSUV. Only around 900,000 of these six million members – about 15% – have ever participated in a party meeting, according to the official figures.

The almost instantaneous appearance of this mass party cannot be explained simply by the great popularity Chávez enjoys amongst the country's poor. It is a sign that a massive apparatus is at work, namely large parts of the state apparatus. Accordingly, there have been countless reports of state employees or workers in state-subsidised collectives being obliged to sign up in order to keep their jobs.

Even though the party has not been constituted – the PSUV has never held a congress of any kind – it already has a “disciplinary commission” which decides who can join and has even gone so far as forcing well known politicians to resign from the party. In this party, “discipline” – which means nothing other than submission to Chávez and his state apparatus – has a higher status than any political principle. Vice-President Jorge Rodríguez said of the PSUV in September (again before it’s foundation!) that, “there are no internal tendencies because the principal leadership is held by the president, Hugo Chávez.” Accordingly, revolutionary socialist groups that have aspired to join the PSUV as a political tendency have been blocked from doing so.¹⁴

But iron control over this “revolutionary party” is not enough. In September Chávez in a speech lashed out at the autonomy of Venezuela’s trade unions. Absurdly, he cited Rosa Luxemburg as an authority: while she argued that trade unions should not be apolitical but rather be led by socialist parties, Chávez translated this into the necessity of trade unions submitting to his (capitalist) state.

The shadow bourgeoisie

Supporters of Chávez will ask: if this is a bourgeois regime, why is it so fiercely opposed by the bourgeoisie. The majority of the Venezuelan bourgeoisie supports the anti-Chávez opposition. In a semi-colonial country like Venezuela, the development of the productive forces and thus of the bourgeoisie has been handicapped from the start by the domination of imperialist capital in all sectors of the economy. In this situation, the state apparatus – the administrative bureaucracy and the army – takes on a special role.

At times, a semi-colonial state will be completely subservient to imperialism and sell off the country’s wealth as fast as possible. But at other times, a regime can come to power which aims to make the dominated country more independent, to keep a larger proportion of the wealth extracted from the country by the imperialist powers. In order to create pressure against their imperialist masters, these regimes need to mobilise the masses of workers and peasants, and to this end will take up anti-imperialist and even anti-capitalist slogans. Often such “caudillos” will concede small reforms to lessen the misery of the masses (think of Evita Peron’s philanthropy!), but their policies don’t challenge the private ownership of the means of production.

The bourgeoisie of a semi-colonial country is far too weak and afraid of the toiling masses to lead such a struggle. Therefore nationalist intellectuals and military officers take the lead (and Chávez is both), fighting for a larger part of the wealth exploited from workers and peasants to remain in the country. They reshape the national bourgeoisie in the process, often against the enraged opposition of important sectors of the ruling class. This in no way changes the bourgeois character of their historical project: the state apparatus becomes a kind of “shadow bourgeoisie”, carrying out a painful but necessary restructuring the ruling class so that it can increase its wealth in the future. This is the meaning of the so-called “Boliburguesía”, new bourgeois sectors that have adapted to the Bolivarian state or who have acquired their wealth via Chávez’s clientalist projects.

But far from the whole Venezuelan bourgeoisie has signed up for the “Bolivarian” project. Many were happy in submission to US imperialism, living off commissions from foreign exploiters. This explains the bitter resist-

FACTFILE: TROTSKYIST TENDENCIES WITH MEMBERS IN VENEZUELA

THE INTERNATIONAL Marxist Tendency (IMT) has a section in Venezuela composed mostly of students, **The Militant** (El Militante). They refuse to criticise – or even analyse the class character of – the Chávez project, arguing to mobilise workers in the framework of Chavismo. Accordingly, they present the constitutional reform as a step towards socialism and accuse anyone not letting themselves be forced into the PSUV of “sectarianism”.

The International Workers’ Union (UIT) was the main political sponsor of the PRS leadership, even though they didn’t have a formal section in Venezuela. Since the PRS split, they (and the MST of Argentina, who for unknown

reasons are no longer part of the UIT) are the main international supporters of the group around Stálin Pérez Borges who entered the PSUV.

The Committee for a Workers’ International (CWI) has a few members in Venezuela. The CWI’s position on the PSUV is ambiguous, explaining that CWI members “won’t not join” the party, and presenting the possibility that the PSUV could be “fully democratic, with an active rank and file and a revolutionary socialist programme”.

The International Workers’ League – Fourth International (LIT-CI) has just recently founded a section in Venezuela, the **Socialist Workers’ Union (UST)**. The UST declared, quite correctly, that

“We’re workers and we’re not going to the PSUV”. The LIT-CI, which has a history of entryist lasting more than a decade published an article explaining “Why joining the PSUV is not the same as joining the Brazilian PT in the 80s”.

The Trotskyist Faction – Fourth International (FT-CI) has a small section in Venezuela composed mostly of students, the **Youth of the Revolutionary Left (JIR)**. They participated in the PRS but formed a public faction “for real class independence” when the party leadership gave almost uncritical support for Chávez. They call for a “big movement for an independent party of the workers” and propose an international campaign for class independence in Venezuela.

Wlodek Flakin

ance to the Chavista project by the capitalists' associations, the corporate media, the church and the officers' caste in the army.

Based on Leon Trotsky's assessment of the Cardenas government in Mexico in the 1930s, the regime in Venezuela could be characterised as "semi-bonapartist". Such a regime balances between the struggling classes, basing itself at times on the bourgeoisie and at other times on the mobilised workers and peasants, gaining the appearance of autonomy from all classes and concentrating tremendous power in the hands of the state executive. For the working class, this means an irregular mix of mobilisations and repressions – the proverbial carrot and the stick.

The struggle for a revolutionary party

Chávez's drift to the left has been the result of increasing struggles and processes of organisation by the masses. The most important of these has been the formation of a new trade union federation, after the old yellow trade union CTV participated in the coup attempt in 2002. The National Union of Workers (UNT) was formed in 2003 and grew rapidly to include more than one million members, while the CTV all but disappeared.

Left wing leaders of the UNT who were grouped in the trade union's "Class-based, Unified, Revolutionary, Autonomous Current" (C-CURA) formed their own political party, the Party for Revolution and Socialism (PRS), in July 2005. Even though its leaders were well known trade unionists like Orlando Chirino and Stálin Pérez Borges (both national coordinators of the UNT with a Trotskyist background), the PRS grew slowly. The leadership did not concentrate on building a political project besides C-CURA and, crucially, the party did not fight for workers' political independence from the Chavista establishment, for example in the form of workers' candidates in elections.

The PRS was often critical of Chávez, but it supported Chavista candidates – in the last presidential election they even went so far as to form an electoral alliance with the plebeian-populist Venezuelan People's Unity (UPV) to support Chávez.

With the formation of the PSUV, the PRS has split. One wing, led by Stálin Pérez Borges, has entered the PSUV and, as a loosely organised tendency, publishes the magazine "Marea Clasista y Socialista" (Class-based and socialist tide) as the "paper of aspiring members of the PSUV". Naturally, they were prevented from joining the new party in an organised form – the "promoting committee" and the "disciplinary commission" decide on rules like that, even though the party has no programme and no constitution.

Stálin Pérez Borges and his comrades, as well known trade union leaders, have made a fatal mistake in joining a political party that includes capitalists and the Minister of Labour. The basic principle of the International Workers of the World, "the working class and the employing class have nothing in common",¹⁵ applies in Venezuela in 2007 just as much as in the USA 100 years earlier. What will the "Trotskyists" in the PSUV do when "their" party

and "their" government attack trade union autonomy, refuse collective contracts for state workers, etc?

Another wing, around Orlando Chirino, has remained outside the PSUV but has done very little to build the PRS – in fact even the rump party seems to have entirely disappeared. As part of a debate within C-CURA about the constitutional reforms and the PSUV, Orlando Chirino wrote:

"It does not question at all capitalist property. The fruit of our labour and our surplus value that we produce as workers will be appropriated by the minority of businessmen and under the best of conditions by a state that administers the means of production from the point of view of capitalism. The real exercise of power is not transferred to the mobilised people so that they can make basic decisions to transform the country. The possibility is now open that the multinationals will have legal rights over the soil, marine areas and our natural resources through mixed corporations. Bourgeois justice remains intact, the administration of which remains in

Far from the whole Venezuelan bourgeoisie has signed up for the "Bolivarian" project. Many were happy in submission to US imperialism

the hands of the capitalists and will continue favoring the exploiters and the thieves in white shirts. The defence of the revolution will continue to be in the hands of a professional army and not the armed people trained to defend themselves against the enemies of the people and revolution."¹⁶

In another article, Orlando Chirino presents the alternative needed by the working class: "We workers must draw one single conclusion: Our place is not in the PSUV, we must create our own space, our own workers' party. A party that defends trade union autonomy, that mobilises workers in defense of their rights, that genuinely breaks with the businessmen and multinational corporations, that fights for the expropriation and socialisation of the means of production, the property of the big landowners, the big stores and banks. That is socialism, everything else is trying to make capitalism more pretty. We don't want a party that only lives from criticism of the government, we want a party that fights for the seizure of power and the government of the workers."¹⁷

These statements are absolutely correct. Despite the huge pressure to join the PSUV, which has sucked in a whole layer of activists who were previously critical of Chavismo, there are discussions going on within the organised workers' movement of Venezuela about the necessity for an independent "political instrument" or party of the working class. Such initiatives need to be pushed forward by revolutionaries, especially as the working class in Venezuela has never had its own mass party.

The debates around the formation of such an "instru-

ment" or party provide revolutionary forces with an excellent opportunity to explain their programme for a wide audience and can, in some circumstances, lead to the creation of a mass revolutionary party. But only if the lessons are learned from the failure of the PRS: it is central that any workers' party aiming for socialism consistently fights for independence from the bourgeois state.

To join or not to join?

Chávez called on all parties currently supporting his government to dissolve and join the PSUV. But the social democratic parties "Fatherland For All" (PPT), "Podemos" and the Communist Party of Venezuela (PCV) have refused. Chávez and his supporters accuse these parties of only being interested in government positions and privileges. But the PCV, basing itself on the Stalinist tradition of class-collaboration, can hardly be outdone in its enthusiastic support for the "Bolivarian revolution": they call for the formation of an "anti-imperialist front" together with the PSUV and "patriotic" sectors of the bourgeoisie.

But as General Secretary Oscar Figuera explained: "We haven't joined the PSUV because it is a policlassist (i.e. multi-class) party where businessmen, owners, workers and other social layers including sectors that are not socialist live together, and we have a very well-defined class position. We are the party of the class of workers and laborers."¹⁸

It is disappointing that, while a Stalinist party can defend such basic Marxist positions, there is hardly a Trotskyist group or activist in Venezuela ready to offer a principled objection (not just a tactical objection) to joining a cross-class party.¹⁹

Without a doubt, it is necessary for revolutionaries to be as close as possible to the working class. Communists

numerically insignificant, so even the most thoroughly bourgeois party will count a majority of workers and peasants amongst its members and voters.

Trotsky explained that the class nature of a party isn't defined by 99% of the members, but rather by the party's leadership and the class interests the party defends. As was explained above, the "Bolivarian revolution" and the PSUV serve a section of the Venezuelan bourgeoisie who want a stronger position relative to US imperialism – they need to mobilise and organise the masses to implement this project. In this sense the PSUV isn't a workers' party. It wasn't initiated by the activity of the working class, but rather by Chávez and the state bureaucracy. The PSUV is a plebeian-populist party.

The limits of populism

There have been countless examples of populist parties in the history of Latin America: the APRA in the 1930s in Peru, the Peronist party in the 1940s in Argentina, the FSLN in the 1970s in Nicaragua etc, etc. Only in one case has the victory of such a party led to the abolition of capitalism: in Cuba in 1959, because of the ceaseless attacks by US imperialism, Fidel Castro's bourgeois nationalist M-26-J was forced to form a Stalinist party and expropriate the capitalists. A planned economy was created, but it was achieved without workers' revolution and lacked any organs of working-class power.²⁰ In all other cases, these parties, which had come to power promising to fight imperialism and end capitalism, failed in their stated goals. They either became agents of the World Bank and IMF themselves, or they were toppled by the "patriotic" military officers and state bureaucrats they had put so much trust in.

For revolutionary communists it is of central importance to have not only a correct analysis of these parties but also, when they have influence over large sections of the exploited population, to develop correct tactics for winning their working class supporters to an independent, proletarian party with a revolutionary programme. Because only such a party can lead the struggle to expropriate the means of production and smash the capitalist state, which is the first step the transition to socialism.

In general, revolutionaries must find opportunities to struggle together with the members of these parties in a united front, while not dropping any criticisms of their leaderships, in order to demonstrate the superiority of the revolutionary programme in practice. But under no circumstances is it possible to abandon a central tenet of Marxism – the need for independent proletarian organisation – by calling on workers to vote for or join these bourgeois parties.²¹

On the APRA, a progressive bourgeois party in Peru with large working class support, Leon Trotsky wrote in 1938: "For a while I wasn't able to form a clear picture about the programme of the APRA. But the latest letter from the boss of this party is clear. It is a popular front party. A popular front is included in the party, as in every combination of this nature. The leadership is in the hands of the bourgeoisie and the bourgeoisie is afraid of its own workers. For this, this party, even if it is strong enough to

Trotsky explained that the class nature of a party isn't defined by 99% of the members, but by the party's leadership and the class interests the party defends

must be prepared to work within any mass organisation of the workers (including, under conditions of fascist dictatorship, the fascists' yellow "trade unions") in order to connect workers' struggles with the scientific socialist programme. Throughout history, Marxists have been at the forefront when the working class has formed its own political movements and parties, even when these formations have not had a revolutionary orientation. It is for these reasons that a number of Trotskyist activists in Venezuela and internationally advocate joining the PSUV. But is the PSUV even a "workers' party"?

Doubtless many of its members are proletarian. But the class character of a party is not primarily dependent on its members, even if the large majority are workers and peasants. The ruling classes in capitalist society are

take power for the revolution, is afraid to commit itself to this path. It has neither the courage nor the class interest to mobilise the peasants and the workers, and it will replace them with military manoeuvres or a direct intervention by the United States. Naturally, we cannot enter such a party, even though we can set up a nucleus there to win workers and break them from the bourgeoisie. But under no circumstance should we repeat the idiocy of Stalin with the Kuomintang in China.”²³

The formula of a “nucleus to win workers and break them from the bourgeoisie” is precisely the tactic that Venezuelan communists need to confront the phenomenon of a plebeian party with hundreds of thousands of workers, workers who want to eliminate capitalism but think their “máximo líder” will do it for them. A revolutionary organisation can send cadre into such a formation to participate in debates and try to win workers away from Chavismo, but must maintain complete freedom of criticism and action in the form of an independent structure. Obviously it will be impossible to break workers from such a party if revolutionaries don’t, from the outset, make their principled opposition to such a multi-class party clear.

At the beginning of this article, it was argued that the PSUV is not an empty bottle waiting to be filled with “bourgeois” or “proletarian” wine. Some might object that this is “fatalistic”, since the large proletarian base could assert itself within the new party. But to this, Trotsky, writing about the Chinese Kuomintang, answered:

“The need to enter the Kuomintang was defended by pretending that, because of its social composition, it was the party of the workers and the peasants; that nine-tenths of the Kuomintang belonged to the revolutionary tendency and were prepared to march together with the Communist Party. As is well known, bourgeois society is constructed in such a way that the non-possessing masses, discontented and deceived, are at the bottom, while the deceivers are at the top. This is the way every bourgeois party is built, if it is truly a party, i.e. if it includes the masses in considerable proportions. In a society divided into classes, there is nothing more than a minority of exploiters, deceivers and profiteers. In this sense, every capitalist party must reproduce and reflect, in one way or another, the relationships that exist in bourgeois society in its internal relationships. Therefore, in every mass bourgeois party the base will be more ‘democratic’ and more ‘left wing’ than the top. But the top of the Kuomintang is the soul of the Kuomintang, its social essence.”

Trotsky added: “Considering the Kuomintang is not a bourgeois party but a neutral arena in which one can fight side by side with the masses – talking about the nine-tenths made up by the base to camouflage the question of who is the owner of this house – means consolidating the strength and the power of the tops. They [the Stalinists] believed that by simple re-elections in the congress of the Kuomintang, power would pass from the hands of the bourgeoisie to the hands of the proletariat. Can one imagine a more touching, more idealist devotion to ‘party democracy’ when we’re dealing with a bourgeois party? The army, the bureaucracy, the press and capital are in

the hands of the bourgeoisie, and this is precisely what assures that the party’s steering wheel remains in their hands as well. Using these powerful means, the upper bureaucratic caste maintains its control not only over the nine-tenths of members who are the ‘left’ of the party, but also over the popular masses in their entirety.”²⁴

The party base of the PSUV is still in flux – it’s not clear how many of the six million people who signed up or the 900,000 who ever attended a meeting will actually be active. But the party bureaucracy is already more or less established, as it was taken over from the bureaucracies of government ministries and the old parties. The class character of such a state party cannot be changed any more easily than the class character of the state itself.

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So any debates about the tactical relationship of revolutionaries to the PSUV must be based on the strategic goal of breaking workers from the PSUV, not of herding them into it. The command of the hour is to “say what is”, rather than strengthening illusions about the possibility of transforming the PSUV into an instrument of proletarian revolution.

The working class in Venezuela needs to – and will inevitably – defend the improvements in terms of democratic and social rights that have been won under the Chávez government. This also means defending the government when it is under attack by imperialism or internal reaction. However, they must provide this defence not as Chavistas but rather as workers with a temporary convergence of interests with the bourgeois regime. In this way, they will be politically ready to fight against Chávez and his state apparatus when they go through a change in policy or an economic crisis and unleash the forces of repression against the workers’ movement.

The central struggle for revolutionaries at the moment is to fight against illusions in “revolutionary” military officers, “socialist” state bureaucrats and “anti-capitalist” capitalists – that is, to fight for independent policies and organisations of the working class. The slogan of independent working class policies, of course, loses all meaning when a revolutionary proletarian organisation dissolves itself in order to join the PSUV. Therefore we need to support revolutionary groups in Venezuela fighting to build a revolutionary workers’ party, but we can’t spare any criticism when these groups abandon the principle of working class independence.

Wladek Flakin is a member of the independent youth organisation REVOLUTION Berlin

FOOTNOTES

- 1 See box (p??) for a brief summary of the positions different international currents.
- 2 For a more thorough look at the class nature of the Bolivarian project, see Stuart King, "Chávez's Bolivarian revolution - What type of socialism in the 21st century?", *Permanent Revolution* 3, www.permanentrevolution.net/?view=entry&entry=1562
3. Quoted by the German language "Hands of Venezuela" site, www.haendewegvonvenezuela.org
4. Speech from 4 June 2007, www.venezuelanalysis.com/news/2426
5. "The Perils of Petrocracy", www.nytimes.com/2007/11/04/magazine/04oil-t.html
6. Ambassador Bernardo Alvarez, Speech in Washington on 25 July 2007, www.embavenez-us.org/news.php?nid=3616
7. "Synergy With the Devil", www.newyorker.com/talk/content/articles/070108ta_talk_surowiecki
8. see: Brazil's participatory budgets, <http://www.permanentrevolution.net/?view=entry&entry=1585>
9. For more information on the constitutional reforms, see "Una reforma cocinada a espaldas del pueblo", www.ft-ci.org/article.php3?id_article=967, or "Sozialismus des 21. Jahrhunderts" - eine Sackgasse", *Sozialistische Perspektive* 14, Gruppe für revolutionär-marxistische ArbeiterInnenpolitik
10. Speech from 15 December 2006, www.aporrea.org/imprime/a29730.html
11. "El debate sobre un gran partido de trabajadores", www.jir.org.ve/article.php3?id_article=428
12. These are the "socialist capitalists" referred to in the title of the article
13. One of the two bourgeois parties that ruled Venezuela in rotation since the 1950s
14. "¿Ingresar al PSUV es lo mismo que ingresar al PT

- brasileiro?", www.lahaine.org/index.php?blog=3&p=23010
15. "Sin Corrientes pero con Tendencias", el 20% del PSUV elegirá voceros, www.aporrea.org/medios/a40728.html
16. Preamble of the Industrial Workers' of the World, www.marxists.org/history/usa/unions/iww/undated/delegate.htm
17. "UNT leader argues against PSUV", www.permanentrevolution.net/?view=entry&entry=1688
18. "Nuestro lugar no está en el PSUV", www.mas.org.ar/periodicos/per_108/070816_11_chirino.htm
19. Interview with Oscar Figueroa, www.jotaceve.org/index.php?option=com_content&task=view&id=765&Itemid=1
20. There are some smaller groups like the UST/LIT-CI and the JIR/FT-CI
21. This abolition of capitalism with virtually no independent activity by the working class was possible only with the support under the direction of the ruling bureaucracy in the Soviet Union. The changing foreign policy of the USSR was one of the reasons that this phenomenon was not repeated in 1979 in Nicaragua when the FSLN came to power (i.e. they did not fundamentally alter the economy). Now that the former degenerated workers' states have collapsed or re-introduced capitalism, there is little possibility of a left-populist party transcending capitalism.
22. Revo Germany did call for critical support for Chávez in the presidential elections of December 2006 because there was no workers' candidate (see *REVOLUTION* 21), but we have since changed our position.
23. León Trotsky, *Escritos Latinoamericanos*, Buenos Aires 2007, p125
24. León Trotsky, www.zhongguo.org/trotsky/revbetrayed/images/China/31.htm

Review / Women

REJOINDER

Characterising the PSUV: decide in haste, repent at leisure

Stuart King for Permanent Revolution thinks we should not rush to judgment on the nature of the PSUV

WE WOULD have no disagreement with much of comrade Flakin's analysis of the nature of the government of Hugo Chavez. Problems arise when the comrade moves from this to a political characterisation of the PSUV. "Analysing the PSUV is, in contrast to most new parties, remarkably easy: the PSUV is in the unusual position of being founded as a government party. So there is no need to speculate about what policies the party would carry out if in power..."

The assumption that a party that has only just been formed, that has signed up six million supporters and has involved more than a million members in activity in the last six months is already a fully formed "popular front party" is hasty in the extreme. It is only now meeting in its first congress to discuss programme, structures and leadership, and it is a rush to judgment to say it is already committed to defend capitalism and the mixed economy.

The PSUV will be overwhelmingly "plebeian" at its base. Its most organised and class conscious sections will be the organised workers' (UNT) and peasant organisations, it will have thousands of co-operativists and very small traders (petit bourgeois) and, of course, small and not so small business people (bourgeois). Politically the "Chavista's" and Stalinist fellow travellers who will dominate it, will indeed want it to be a "peoples' front party" like the Aprista or PRI party. But there will also be people fighting against this – sections of the UNT for example.

There are potentially three directions in which the PSUV could go, none of them pre-determined and all of them subject to the influence of the class struggle and the active intervention of revolutionaries. The PSUV could become a revolutionary workers' party, a reformist bourgeois workers' party (as with the Brazilian PT), or a radical nationalist party (as with the 1930s Party of the Mexican Revolution – PRM, later PRI).

The least likely option is the first, because of the weakness of the revolutionary left and the opportunism

towards Chavez shown by some of the far left in Venezuela like the IMT/El Militante. The most likely development, given the overwhelming political dominance of Chavez, is the third.

The historical context of any developing party is important, which is why we don't characterise the Argentinian Peronists as a bourgeois workers' party, despite having a working class base and trade union affiliation. In Venezuela we have seen a considerable period of heightened class struggle: the pre-revolutionary situation around the coup, the struggle against the employers' lockout and the growth of a new mass trade union movement – the UNT. Chavez has moved left under this pressure, openly declaring himself a socialist. He has decided he needs a mass working class based party that is consciously anti-imperialist. Such a party will be used to mobilise the

All revolutionaries in Venezuela should grasp the opportunity to engage with the masses joining up to a new socialist party discussing the future of Venezuela

population to face threats from within – from the pro-imperialist and neo-liberal opposition parties – and from without – intervention from US imperialism and its agents. He has decided his own party (the MVR) and the other Bolivarian coalition parties (all small, and often corrupt) do not reflect this necessary shift to the left, and has set about building a new party.

How do you intervene in this development? I would say that all revolutionaries in Venezuela should grasp the opportunity to engage with the masses joining up to a new socialist party and discussing its programme and



the future of Venezuela. We would say "It's excellent that President Chavez has declared himself a socialist, but what sort of socialism do we want? Should the new party defend a mixed economy capitalism and all the exploitation and inequality that go with it? Why do we have exploiters in the party? We should fight for the ending of capitalism, of inequality". Such arguments would undoubtedly find a resonance at the base of the new party.

Certainly, unlike the British LP and the Brazilian PT, which were formed from below by socialists and the trade unionists, the PSUV is being initiated from above by the government, and this makes it more likely that it will go in the direction of a Mexican PRI or of a Peronist-type party. But again this is a question of struggle. Revolutionaries should be explaining to the worker PSUV members why the Labour Ministry should be at the direction of the party, not the party at the direction of the government bureaucrats.

They should seek to stop commanders and officers being in the new party and instead fight for it to be a party rooted in the workplaces and communities – a democratic bottom-up party not a top-down one. And there is reason to believe such arguments would not be greeted with sympathy, given the overwhelming membership of the party is drawn from the working masses, many used to struggling with state bureaucrats.

But what if the PSUV quickly adopts the programme of the Chavez government, a programme that defends a mixed economy capitalism, albeit with a redistributive social welfare system? Chavez would go out of his way to welcome into the fold any "patriotic businessmen" willing to go along with such a programme and to give them an important place in the party – whether they call themselves "socialist capitalists" or not.

Could revolutionaries remain in such a "peoples' front party"? Clearly Trotsky saw no principled reason against fighting inside such parties where it was possible to conduct a struggle to break workers from such class collaboration, as his support for setting up a "revolutionary nucleus" in the APRA demonstrates. What he was completely against was the opportunist policy of giving up the independent activity of a Communist Party inside peoples' front parties like the Koumintang, as Zinoviev and Stalin directed the Chinese party to do from 1923 onwards.

He clearly rejected the political reasoning behind this, the idea that a Chiang Kai-shek (or a Hugo Chavez) was leading a party in which all classes could unite to defeat imperialism and exploitation, an idea that was to lead to the massacre of the Chinese Communists by the KMT in 1927.

As we said on our website, we were not in favour of the UNT joining the party. Orlando Chirino was absolutely correct that the UNT should be cautious about being drawn into a state sponsored party where the President has already declared against trade union "autonomy". Trade unions are not political parties able to undertake what might be of necessity a short political struggle inside the PSUV resulting in expulsions.

However, the UNT decided officially in September to join the PSUV, leaving Chirino isolated on the question. This now means that the vast majority of militant workers and their organisations are now part of the PSUV. This makes it even more important for revolutionaries to be fighting alongside them inside the party. And as comrade Flakin points out, at the moment, forming loose platforms around magazines is perfectly possible inside the PSUV, as the grouping around Stálin Pérez Borges has shown. How long this democratic space lasts is another question.

There are two dangers for the far left in Venezuela; the main danger is to fall into opportunism, to join the PSUV, declare it the vehicle for socialism and believe that Hugo Chavez is the "blunt instrument" that can lead the masses to revolution with a bit of pressure from the left. The IMT/El Militante and the DSP (and their paper Green Left in Australia) personify this tendency.

The other danger is ultra-leftism, stemming from the isolation of tiny propaganda groups from the workers' movement. Many of the groups that claim to be followers of Trotsky in Venezuela prefer to stand on the sidelines of the PSUV, stamping their feet and hurling abuse at Chavez and his party. They are incapable of developing the tactics and the means of relating to the workers who are currently under the influence of Chavez and believe that he is building a party that can create a better life for working people in Venezuela. A group that cannot relate to these workers using the united front, in and outside of the PSUV, will be useless for the Venezuelan working class.

MATERIAL GIRLS

Women's liberation curtailed

Lindsey German, leading member of the Socialist Workers' Party, Stop the War and Respect's candidate for London Mayor, has a new book out on women's oppression, Material Girls – Women Men and Work. The book promises to "chart a course for a new women's liberation". Rather, argues Alison Higgins, the book exemplifies the current rightist turn of the SWP and is tailored to fit the in with the politics of Respect

Material Girls: Women, men and work
Lindsey German / Bookmarks / 2007 / £12.99

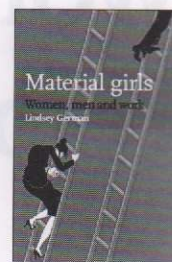
THE SOCIALIST Workers Party (SWP) have always had a problem with women – or rather with women's oppression. While the class struggle can look relatively simple, with workers on one side and bosses on the other, women's oppression is not. It is not as if there is a struggle with women on one side and men on the other, although many feminists might tend to that position. No, women's oppression spans class divides, pre-dates capitalism and is not simply an issue of economic exploitation.

The women's liberation movement of the 1970s forced the left, the IS/SWP included¹, to look seriously at the woman question for the first time in decades. The SWP response was to lurch from ignoring women's oppression ('it'll be alright after the revolution – why not make us a cup of tea dear') to adapting to feminism in an attempt to win supporters. They set up an organisation called Women's Voice, a socialist feminist women's organisation that was a front for the party and produced its own paper. Unfortunately for the SWP, many of the party women

who went to work in Women's Voice "went native", and rather than winning feminists to revolutionary socialism they were won to feminism and, in particular, the need for autonomous women's organisations free from party control. After a bitter internal debate, in 1981 the SWP voted to shut down Women's Voice, an example of the control freakery that marks the organisation to this day – anything that threatens to get out of control of the party has to be stamped down.

In 1989, Lindsey German wrote *Sex, Class and Socialism*, a book that provided a theoretical underpinning to the SWP's subsequent politics on women. Describing the Women's Voice debacle, German lamented, "... Women's Voice, far from winning a layer of women 'put off' by male-dominated organisation towards a revolutionary party, was itself becoming a bridge out of the party."²

Almost two decades later German's new book presents the SWP's position on women for a new audience. If her task in the late 1980s was to win people away from feminism and towards a more class-based answer to women's oppression, then her task of today seems to be to water down the politics of women's liberation to a point where



they become acceptable to the broad church of Respect. That is not an easy task, since religion plays a major role in the oppression of women, and Respect was designed to appeal to Muslim community leaders, not to mention the pious and notoriously anti-abortionist George Galloway. In trying to engage with such erstwhile partners German spends a considerable chunk of the book exploring issues to do with the family and sexuality, but she falls short of providing an adequate critique of the role of the church, or the importance of sexual liberation.

One of the strengths of German's book is her exploration of how attitudes and experience in relation to the family, sexual relationships and work have changed over time, and how former practices are often forgotten while the new status quo is promoted as an unchanging norm. She looks, for example, at how sexual relations in the 17th, 18th and early 19th centuries were much more libertarian in some respects than from the mid-19th century well into the 20th. Informal "over the broomstick" weddings

or "handclasplings" were common in some parts of the country and "jumping back over the broomstick within a year by the man or woman dissolved the marriage".

White weddings and virgin brides, and the enforcement of taboos around pre-marital sex for working class people, were late Victorian and Edwardian constructions. Illegitimacy also declined from the mid-19th century and "would not reach early 19th century levels again until the 1960s". The material basis for this change was the industrial revolution and the changing role of the family. In contrast to the greater autonomy of agricultural life, with the family central to production, factory bosses needed to impose a regular working day with strict timekeeping. Sexual relations had to be policed too to ensure orderly reproduction of the next generation of workers.

Of course, massive changes have transformed our sex lives since the Second World War and, despite the right wing backlash against "promiscuity" and permissiveness, it is hard to imagine if you are gay or lesbian, for exam-

Do men benefit from women's oppression?

A DEBATE that arose at the height of the WLM in the 1970s was whether working class men benefit from women's oppression. German has always been firmly of the opinion that working class men do not benefit from women's oppression. She accepts that oppression exists but fails to understand fully how capitalism uses oppression and the consequences of that for the working class.

Without the context of lively contemporary feminist debates on the issue, German new book does not have to address the question of men benefiting from women's oppression head on, as in the past. Rather it is implicit in her discussion of women's changing role at home and at work. Back in 1981 while she correctly argued against the feminist idea that men are the cause of women's oppression, she went further:

"I would argue . . . that not only do men not benefit from women's work in the family (rather the capitalist system, as a whole benefits) but also that it is not true that men and capital are conspiring to stop women having access to economic production."¹

We agree – there is no conspiracy of working class men joining with capitalist bosses to keep women in low paid jobs, and the capitalist system certainly does benefit from women's oppression. But so do

individual working class men.

Women have entered the workforce globally as never before over the last few decades. German highlights the fact that there has also been a huge increase in part-time work. Between 1951 and 1981 the number of part-time workers in Britain rose by 4 million. There were 12.5 million women in the labour market at the turn of the century. Mothers with young children are much more likely to return to work, and to full-time work, than last century – 67% of women with dependent children are working (2006 EOC figures).

German points out that women often work twilight shifts or hours that fit around family responsibilities and many have to juggle the economic necessity of bringing money into the household with the high cost of childcare. One-third of women who do not return to work after childbirth say the high cost of childcare is the reason. Many use family, friends and neighbours.

The pay gap is still 17% (and as high as 34% for part-timers) despite more than thirty years of equal pay legislation, and women are often still segregated into care and service industry jobs. Clearly there are some women, for instance women managers, who "prove" that we can have it all – the ones with the six-figure salaries, designer suits, smart cars and other women

ple, returning to a 1950s-style world of total secrecy and stigma.

German's chapter on "Sex – the peculiarities of the English" makes passing references to non-heterosexual sex but fails to explore the experience of lesbian and bisexual women in any significant way. There is, for instance, no reference to the recent furore over fostering and adoption by lesbian and gay couples led by the Catholic Church, or the row over gay bishops – not an issue of burning importance to many working class people in itself, but symptomatic of the homophobia that still exists in society.

Sex, Class and Socialism was also weak in this area, and German seems to have learned little in the intervening years. At Marxism in 2003 talking about the membership of Respect, German said, "Some Muslims are anti-gay and this is perfectly true ... I am in favour of defending gay rights, but I am not prepared to have it as a shibboleth". Later on a key dispute between the Galloway and SWP-supporting factions in Respect has been over the level of

Respect's intervention at London's Gay Pride this year. Calling gay rights a shibboleth does nothing to encourage gay Muslim men and women to come out, to struggle alongside other gays and lesbians for their rights; on the contrary, it says in effect: "keep your heads down".

In the charter at the end of the book German calls for "the right to sexual self-determination" – hardly a bold assertion of the need to fight discrimination and prejudice in all working class communities or of the need to challenge the view that lesbians and gay men should not be parents. The fact that the words lesbian or gays are omitted from the demand means that the phrase is vague – designed to be as inoffensive as possible to those who are yet to be convinced.

In a similar attempt not to offend, German puts forward the bland call for "the right to control over our own bodies". German doesn't want to frighten the horses by being explicit and using the "A" word by calling for abortion on demand. In fact "a woman's right to choose" is mentioned

working for them at home so that childcare and housework are not a problem. However, for many women the double burden of work (often low paid and sometimes more than one job) plus domestic labour (housework, cooking and childcare) is still the norm.

German accepts that, despite their increasing role in the labour market, women still do "the majority of unpaid work in the world" (p11). She cites a study of the mid-1990s which showed that "mothers spent much more time doing cooking and housework than men (2.59 hours a day as opposed to 0.41 hours)" and another that looked at parents who were both working full-time and found that "27% of men said they shared preparing and cooking the meal, 40% shared shopping equally and 35% shared cleaning equally." (p111)

So, despite the restructuring of industry under Thatcher and the demise of the traditional male bastions of skilled manual work, men are still more likely to be better paid, work full-time and do significantly less domestic labour. German criticises academic Catherine Hakim for arguing that women work part-time because they are "home centred" and prefer domestic responsibilities to full-time work.

Yet German fails to see that men do not suffer the same burden of oppression within the family, that

they are to a certain extent privileged, that they do indeed benefit from the fact that their partner or mother does unpaid work on their behalf. For individuals struggling with the pressures of everyday life, small privileges can be very important, especially when backed up by an ideology that seeks to justify it. Why, for example, is it overwhelmingly women who ask for time off work when children are sick? Is it because women are inherently better carers or enjoy caring more? Of course not. It is a societal norm based on women's oppression – caring is still considered more natural for women, and their jobs and careers are still considered less important than men's. Women's progress in the workplace is held back, while men have the privilege to offload family problems and get on with their job or career – one reason for the continued inequality in pay levels.

German gets round these issues by first denying the right wing view that men are in crisis because of women's advance, and then providing us with lots of examples that just go to show how men are having a bad time too. The rise of low paid women workers in the labour market "has arguably held all wages lower than they would otherwise be ... the employment of men and women has thus led to greater levels of exploitation." (p75)

Men die younger, have higher suicide rates and now have to worry about their appearance almost as much as women! Men have lost status due to the loss of skilled jobs and men have increased their participation in housework and childcare. German even claims that men are more likely to be victims of violent crime. (p113) This may be the case in relation to street crime, but when domestic and sexual violence are taken into consideration – both of which German herself notes are massively under reported – women would come out significantly worse overall.

She argues: "Both sexes are under increased pressure ... So women work for less than equal wages, while men are expected to participate in unpaid childcare" (p126) evening out the burden of oppression nicely. And while some men are able to adapt and become more caring individuals, "in a world where few alternatives are on offer, having 'a real man's job' or being 'head of the household', or bonding with other men in a 'masculine' environment, can take on a key importance." (p114)

Hmm. Sounds suspiciously like men refusing to give up their privileges!

NOTES

1. German L, 1981, "Theories of Patriarchy", ISJ Series 2, No 12.

elsewhere in the book – not to describe the fight for abortion rights but regarding the choice as to whether to wear the veil or not. This is an important point to make but why is German happy to devote several pages to the issue of the government and media demonising women for wearing Islamic dress, yet fails completely to refer to the current debate on abortion time limits and the attempt by the anti-choice lobby to reduce them?

Why is there no call for abortion on demand? Even the British Medical Association advocates abortion on demand up to 12 weeks, yet this elementary demand is

Supporting a woman's right to choose to wear a veil does not mean that the veil is progressive or above criticism – even if some women wear a veil out of defiance

completely missing from German's demands. It is a live issue being debated right now but German avoids it. It is true she does mention the "rabid anti-abortion right wing" in the US and the campaigns and marches against their attacks, but concludes rather complacently that, "it is impossible to imagine abortion rights being completely rolled back." (p163)

"The right for women to dress as they want" is a key issue for German, whether it relates to the debates around the niqab here or the burqa in Afghanistan. It is certainly true that the government has used the issue of the veil to fan the flames of islamophobia at home and disgracefully tried to pretend that the war in Afghanistan is at least partly motivated by concern for women's rights. However, for German the question of dress is crucial as it reveals the condescending attitude of western feminists for whom "there is nothing worse than religion and nowhere better than the west" (page 136). According to German they believe that Muslim women are weak and in need of protection. Indeed she suggests that some forms of feminism are "connected with the imperialist agenda . . . ignoring race and class." (page 137) But one should ask why does German direct so much of her fire on this issue at the feminists? How about aiming some of it at the reactionary islamists who enforce the veil and worse on women in Basra, Afghanistan, Saudi Arabia?

Clearly, liberation for women cannot be reduced as German says, to "easy access to women's studies courses, and the freedom for women to wear heels as high as they like or skirts as short as they like." (page 136) However, German's outraged and moralistic tone is a smokescreen for another of the issues she, and the whole of the SWP's Respect project, is afraid to confront: the role of religion in both capitalism and women's oppression.

Religion, like the family, is contradictory in nature. As Marx said, it is the "heart of a heartless world" in the same way that the family is a refuge from the world of exploitation and drudgery at work. But it is also (Marx again) "the opium of the people" – a fantasy millions are

indoctrinated to swallow, the illusion that there is spiritual meaning to our suffering and that we will be rescued, indeed "saved" from our lives of hard work and struggle, if not in this life then in the next.

Religion is both an ideology in which resistance to temporal injustices can be expressed as well as a method of pacifying people in the face of oppression. And like oppression, religion is used by capitalism to divide the working class. And it is used to enforce oppression – religious ideology sets out codes around suitable behaviour for women in relation to sex, the family, work, dress and so on. All religions are essentially the same in this respect, and in all religions there is space for interpretation and to find less oppressive readings of key texts, as German attempts to do with Islam.

But while secularists and socialists can unite in protest action in a campaign like the Stop the War Coalition with people who are religious, it does not mean socialists should refrain from criticising all that is backward and oppressive in religious doctrine wherever that implies a denial of equality or political rights.

A refusal to discuss the Marxist view of religion honestly and openly has led to crucial issues of women's rights being downplayed and even to SWP members defending the demand for faith schools to have a claim upon state financing.

Supporting a woman's right to choose to wear a veil does not mean that the veil is progressive or above criticism – even if some women wear a veil out of defiance. We express solidarity with women wearing veils against racism or state repression but we discuss the role of religion in women's oppression as well!

A key test in this regard is whether socialists in Respect publicly denounce enforced veiling, forced marriages, violence against young women in the home and more, and support the building of support networks for young Muslim women to escape domestic brutality. Of course, this is not just an issue for Muslim or even all religious women, but it is an issue. But to make an issue of it (a shibboleth?) would run the risk of upsetting the male elders in the Muslim community who would interpret such a campaign as an assault on their patriarchal claims over the family.

Another recent controversy affecting women is also hardly mentioned in *Material Girls*: prostitution. Following the murders of five women sex workers in Suffolk last year, debates raged on e-lists, at campus debating societies and at events such as Fem 07, a feminist conference held in Sheffield about criminalising kerb-crawlers. Hot topics included zero tolerance policies, toleration zones, union organisation, legalisation and decriminalisation amongst other things.

German once more shies away from the subject and a search of the Socialist Worker website does little to further illuminate the SWP's position on sex work. One article seems to endorse the criminalising of kerb-crawlers (3 December 2005) while another rejects this, stating that we should "support all attempts to make it safer for the women involved" but still fails to call for decriminalisation or legalisation and goes no further than "challenging the hypocrisy" of the police and government. Could

it be that to take a clear line and progressive position on the question would lead the SWP slap bang into an argument with their Muslim allies in Respect?

German is frankly a tad prudish about sex. She cannot conceive of sex for its own sake, where "any intimacy or love or closeness in sexual relations is missing." (p43) She rightly points to the increased commercialisation of sex and the vast profits that bosses make from an industry, which extends from porn to lads' mags to erotic underwear chains. Sexist attitudes are rife in this burgeoning market and old sleaze has been transformed into new big business (for instance strip clubs have become "respectable" lap dancing bars) and German is affronted that the sex industry is no longer "confined to the seediest of back streets."

But surely sex has always been bought and sold in class society and has long been commodified by capitalist society? Her inability to offer solidarity to women working as prostitutes seems to derive from her attitude to sex generally. Her problem is, "that a human relationship, something which should bring pleasure to the vast majority of men and women, has a price like a piece of meat or a second hand car and has been turned into another commodity. This process degrades the women and men directly involved in its production and display, but it also degrades the rest of us, since sexuality is turned into a series of objects and commercial relationships rather than being a natural expression of human relations." (page 44)

German's highly moralistic tone here is reminiscent of the radical feminism she is usually so critical of – sex workers not only degrade themselves but the rest of us by association, and worst of all it's just not natural! It is interesting that German and the SWP don't take up sex workers' rights. In this issue above all it is possible to directly link a struggle about sexual oppression directly to one of the exploitation of workers. It seems as if moralism may be getting in the way.

At the end of the day, issues around sexuality, including rape and even domestic violence, are seen as either secondary, diversionary or as individual issues, rather than ones of a class nature. In *Sex, Class and Socialism* German comments on the adding of calls for an end to discrimination against lesbians and an end to male violence to the original demands of the 1970s WLM. She says that, "the increased emphasis on issues which women faced as individuals represented a shift away from a collective solution to women's oppression. This was logical: the movement was travelling away from class struggle and towards separatism and lifestyle politics." (German 1989, p189)

Indeed this shift did occur but not because, as German wrongly implies, there could not be a collective response to such "individual" issues as homophobia and domestic violence, that these issues were somehow a better fit with lifestyle politics than class politics.

German and the SWP believe at root that the "real" issues to fight on are those of the workplace – wages and jobs. They fail to realise that socialists must fight collectively against all manifestations of oppression, including those outside of and altogether separate from the workplace. It is imperative that the labour movement takes up the fight against such symptoms of social oppression. Its

failure to do so strengthened the tendencies within the WLM that were eager to lead it away from class struggle and class politics.

This political failure of understanding and analysis has had direct impact on the SWP's activity in the here and now too. They let George Galloway get away with stating publicly that he is anti-abortion (in the Independent among other places) and even allowed him to sign an early day motion on time limits sponsored by the leader of the parliamentary anti-choice group.

The SWP's failure to fight against homophobia and for

Issues around sexuality, including rape and even domestic violence, are seen as either secondary, diversionary or as individual issues

abortion rights in Respect is partly what led to the crisis the organisation is now facing. Unless the fight against all women's oppression is championed how can sexism be consistently challenged both inside and outside the organisation and the movement, how will working class women activists develop the skills and confidence to take on this fight?

In her attempt not to offend this broad alliance, German concludes the book with a very limited Charter for Working Women that she hopes all progressives can sign up to:

- The right to equal work and pay
- The right to control over our own bodies

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- The right to sexual self-determination
- An end to discrimination against single mothers
- For a 35-hour week and national childcare service
- The right to marriage and divorce freely entered into by the agreement of both parties without coercion
- The right for women to dress as they want
- Against all violence against women, including domestic violence and rape
- Against all racism and discrimination against migrant women
- No to sexual harassment at work" (p188)

At the same time as motivating this minimal set of rights and reforms, she tries to retain her revolutionary credentials by signalling that such a charter would just be the start, would then lead the way to a struggle for liberation as part of a socialist transformation of society. She slips into a classically stage-ist position, reforms now but remember "The only means of ending this exploitation and oppression [of working people - PR] is to end the exploitative system itself with its replacement by one based on producing goods that the people of the world really need, rather than on what makes profits for a tiny minority. This is the connection between women's liberation and socialism: the end of class society would create the preconditions for women's liberation." (p189)

In fact, the demands of the charter are offered as the basis of new campaigns and movements, but not linked to the struggle against capitalism, and how can they be when they are limited to equal rights and defensive issues. They have no truly emancipatory content and will not be sufficient to mobilise women for a revolutionary struggle. And this is the real heart of the economism of the SWP. They are willing to take up issues of oppression, but do

not see how such questions can be given a revolutionary and class content as part of the revolutionary struggle for socialism. Rather, they may radicalise a layer of people who can then be won to the real politics of the workplace and economic demands. German hopes that the "renewed interest in radical ideas in recent years has seen a greater consciousness of the need not just to fight for women's rights but to go beyond that and create a society based on economic and social equality." (P181)

As a guide to action her charter is reformist to the core and is, as she puts it "eminently achievable" and thus compatible with the current obsession with populist electoral politics. A revolutionary approach is to link the struggle for against oppression to the fight for socialism through a set of demands that both defends and extends rights, but also challenges capitalism. But that of course may mean upsetting the broad coalition of Respect with demands such as free abortion on demand, the socialisation of childcare, the total separation of church and state, militant campaigns against patriarchy, religious intolerance, homophobia and sexism and the call for a mass movement of working class women. Yet even without such principled demands Respect has fallen apart. It will be interesting to see how the SWP adapt to the next big "movement" they happen upon, and whether it will have different prejudices that will be reflected in a second edition of *Material Girls*.

ENDNOTES

1. Before becoming the SWP in the mid-1970s the organisation was called the International Socialists.
2. Lindsey German, *Sex, Class and Socialism*, p224, 2nd edition, Bookmarks 1994



Powerful narrative but shame about the theory

THE SHOCK DOCTRINE: THE RISE OF DISASTER CAPITALISM

By Naomi Klein

London / 2007 / £14.95

▶ NAOMI KLEIN'S latest book, *The Shock Doctrine*, is a powerful indictment of the devastating effect of free market capitalism. Ambitious in its scope, it takes the reader on a tour of the ruins of neo-liberal capitalism, exploding the myth that unfettered free markets go hand in hand with democracy.

Klein attempts to show how crises or shocks, such as war, terror attacks, economic crisis and natural disasters, have allowed the free marketers to swoop on a traumatised and disoriented population, too dazed to resist. In Klein's model, the neoliberals both take advantage of "shock" to impose their own economic therapy on the distraught masses, while those that are composed enough to resist are repressed.

Klein begins her story in New Orleans in the aftermath of Hurricane Katrina in 2005. Whilst the poor, overwhelmingly black, working class of New Orleans crowded into the convention centre, lacking the means to flee with their richer, overwhelmingly white neighbours, right wing congressmen and lobbyists were already making plans to exploit the "clean sheet" that Katrina presented them with.

What followed was savage capitalism unleashed. Social housing gave way to private developments and state schooling was subject to an "educational land grab". With state schools in ruins, and New Orleans school children scattered around the US, Milton Friedman, high priest of neoliberalism, laid bare his plans to radically restructure the New Orleans schooling system by setting up charter schools – public funded

institutions run by profit-making private entities. Within a year and a half, the state schools had almost completely disappeared and New Orleans had become a "laboratory for the widespread use of charter schools".

Whilst the survivors of Hurricane Katrina were taking in the full extent of the disaster, the neo-cons were positively gloating, enthusing that "Katrina accomplished in a day... what Louisiana school reformers couldn't do after years of trying". For Klein, the events in New Orleans provide a classic example of "orchestrated raids on the public sphere in the wake of catastrophic events, combined with the treatment of disasters as exciting market opportunities." Klein calls this "disaster capitalism".

To trace the evolution and history

Klein evokes the violence of the systematic torture pioneered by Cameron's experiments as a powerful metaphor for the violence of economic shock therapy

of "disaster capitalism", Klein takes us back to McGill University in the 1950s. Dr Ewen Cameron is conducting experiments on his psychiatric patients. His patients have not consented to be human guinea pigs and his research is well beyond anything permitted by medical ethics committees. Cameron is interested in "rebuilding" the faulty minds of his patients by first wiping them clean through sleep deprivation, electroshock treatments and administering hallucinogenic drugs. This research was funded by the CIA, which was interested in using torture as a way of

controlling the mind. Klein draws a clear line connecting Cameron's CIA-backed experiments in the 1950s and the use of similar techniques in Abu Ghraib and Guantanamo Bay today.

Klein evokes the violence of the systematic torture pioneered by Cameron's experiments as a powerful metaphor for the violence of economic shock therapy. Like Cameron, Friedman wanted a clean slate in New Orleans on which he could inscribe his "pure" version of capitalism. However, the connection between torture and fundamentalist capitalism goes even further, since in order to impose such a radically regressive restructuring of society, free market governments have to invoke the full force of state repression, including torture, thus rendering a people already shocked by economic "shock therapy" even more shocked. To illustrate this Klein presents a history of the savage repression used against the working class and peasantry in Latin America during the 1970s.

Whilst the CIA's and Friedman's Chicago School's involvement with

Bestselling author of No Logo

**Naomi
Klein
The
Shock
Doctrine**

The Rise of Disaster Capitalism



Imagined
Klein
The
Shock
Doctrine

graphic description of a brutal coup. First, thousands of trade unionists and activists are rounded up and shot in the stadium of Santiago, the full force of the state unleashed on the rest. Then follows the economic slash and burn policies: privatisation, deregulation and savage cuts to social spending which left population with no social safety net. Then more repression to stall any sustained resistance: communists, socialist, trade unionist, community activists, artists and musicians were

operates on various levels. For the economy, it is the only way to treat a "sick" economic system. In Klein's view of the world, torture is both a "metaphor of the shock doctrine's underlying logic", and a major way of inducing shock. Torture becomes a way of wiping the "slate clean" and to "reboot the nation". A common theme amongst the juntas that spread throughout Latin America was the desire to "cleanse" the nation of the "filth" of subversive, left wing, atheistic forces and return to a "normal",

advance. She had proved that with a large enough political crisis to rally around, a limited version of shock therapy could be imposed in a democracy."

Klein is missing the point. Imperialist states have always used war to unite the "nation" against a foreign "enemy". Argentina's "invasion" of the Malvinas Islands was hardly a crisis for the government or the population of the UK. Yes, the Malvinas War enabled Thatcher to win a crucial second term, but it was during this second term that the subsequent history of the UK was decided, not by shock but by class struggle. Thatcher had to first defeat the miners, (the "enemy within") the vanguard of the British working class, before she could impose her anti-working class programme on the rest of society. Klein does of course acknowledge the miners' strike. Indeed, she uses the brutal repression of the miners to strengthen her shock and terror thesis. However, this major outbreak of intense class struggle is of secondary importance. The main factor for Klein is the war, the "crisis" (or shock) that allowed Thatcher to rally a significant section of the population under her banner.

This lack of focus on the working class, its organisation and level of political consciousness as an analytical framework for understanding the triumph of neo-liberalism is evident throughout the book: workers, it appears, suffer defeats due to a collective psychological state of disorientation.

The chapter on South Africa is the most telling in this respect. Klein struggles to understand how the ANC came to abandon its redistributionist economic policies, outlined in the Freedom Charter after they won office in 1994. The South African mass movement was "on a roll", having engineered, largely through a wave of mass strikes, the dissolution of the racist apartheid state. The ANC had a "unique opportunity to reject the free market orthodoxy of the day". How then did the leaders of the

From Bolivia to Poland, from China to South Africa, Klein demonstrates the devastating effects of the economic policy prescriptions of neo-liberalism

rounded up and disappeared. Within a year unemployment rocketed, whilst poverty and inequality soared.

Klein evokes this tragic episode in Chile's history, to great effect. She conjures up the devastating consequences the Pinochet's regime had on both Chile's workers and the left intelligentsia. However, none of this is new, it is a history that has been well documented. What is new is Klein's analysis of what it says about a "new chapter" in capitalism opened up by these events. Klein's analysis is based on two premises.

First, in this new stage of unfettered capitalism, terror and the economy are intimately linked. Terror is a central tool of free market transformation. Klein takes up the arguments of Orlando Letelier, a Chilean economist turned US-based activist who exposed the human rights violations of the Pinochet regime until he was assassinated by Pinochet's henchmen, aided by the CIA. For Letelier there was an "inner harmony" between the free market and "unlimited terror".

Secondly, Klein's model of the global expansion of neo-liberal fundamentalism is based on the central role of shock. Shock

"sanitised" state.

From Bolivia to Poland, from China to South Africa, Klein demonstrates the devastating effects of the economic policy prescriptions of neo-liberalism. In doing so, she attempts to demonstrate how the shock doctrine model can be applied to the very diverse national contexts in which this economic counter-revolution has triumphed. But her search for a generalising theory of "shock" doctrine is unconvincing.

Her first example, Thatcherism in the UK, is a strange choice to begin with, since anyone old enough to remember Thatcher's Britain would have a hard job identifying a major shock or crisis of the type experienced by the Chilean masses. The shock that Klein identifies is the 1982 war with Argentina for the Malvinas Islands. By entering into a "Churchillian battle mode", Thatcher was able to reverse her status as the most unpopular Prime Minister in Britain and win a second term:

"Thatcher's successful harnessing of the Falkland's War was the first definitive evidence that a Chicago School economic programme did not need military dictatorships and torture chambers in order to

ANC come to negotiate away South Africa's economic sovereignty and adopt a radical neo-liberal programme, and why did the grassroots activists allow them to do it?

Klein concludes that after 1990 South Africans were in a "constant state of crisis, ricocheting between the intense exuberance of watching Mandela walk free and the rage of learning that Chris Hani, the younger militant many hoped would succeed Mandela as leader, had been shot dead by a racist assassin." An explanation that borders on the bizarre. The real reason for the ANC's timidity before the IMF is clear – it is located in the liberation movement's reformist programme. However, for Klein the ANC is an innocent party in the subsequent betrayal of the black majority. It is "outmanoeuvred", tricked almost, into abandoning its own reformist programme, constantly bombarded with constitutional impediments to its economic reforms.

This patronising nonsense begs the question of why the leadership of the ANC did not turn to the mass, vibrant and militant movement that had brought it to power, a movement that had the potential to sweep away the bourgeois institutions that blocked the path to economic progress, institutions in which white minority power was entrenched. This is because the class struggle gets reduced to psychological state of mind, ranging from "confusion" to "disorientation". The issue of leadership is ignored and the reformists are absolved of any responsibility.

The fact is the ANC leaders accepted the "argument" that social justice (housing, jobs, land reform, living wage) had to wait while South Africa's government balanced the books, stabilised its currency and so did not frighten off foreign western investors. In return the country saw the creation of a whole new, small, black business class (out of ANC cadre), often corrupt, always self-serving, that was richly rewarded for its loyalty to the big mining conglomerates. The black

elite were not so much in shock, as in awe.

The "constant crisis" that Klein refers to is none other than the dynamic of class society prone as it is to class struggle in its various forms. For the larger part of the book Klein argues that crises (shocks) lead to disorientation. However, history has shown that crises can also lead to clarity, exposing the real nature of the capitalist system. The First World War was a crisis of global proportions. Admittedly it led to "disorientation" when the leaders of the workers' movements in Europe voted to support the war aims of their respective bourgeoisie. However, the reality of the war also exposed the destructive nature of capitalism. The Russian Revolution was born in the very midst of the shock of war, and revolutionary movements flourished in the immediate post-war period.

This is also in part true of the tragedy of Hurricane Katrina which exposed the racist nature of the US federal government to the working class of New Orleans. What was lacking was a political alternative in which to channel the anger felt by the black victims of Katrina.

At the heart of *The Shock Doctrine* lies a misunderstanding of the

precedents in history ranging from the mass clearances of agricultural communities across England, Scotland and Wales throughout the eighteenth century, to the wiping out of indigenous populations by the European settlers in the "New World".

Dictatorship and torture can co-exist with both the free market and with state control of production. The "systematic torture" employed by the CIA may be more sophisticated than the "crude" torture of the Third Reich, but that is more to do with the development of modern technique and psychiatry than any fundamental difference with the goal, that of repressing resistance and defending a state which cannot reconcile its existence with the democratic aspirations of its citizens.

In the same way, repression or "shock" is a tool that has been invoked by all capitalist governments, including democratic ones, throughout the twentieth century, when the interests of the ruling class have been threatened. France, for example, employed brutal tactics during the Algerian war of independence, both in Algeria and in mainland France. One of the bloodiest acts of state repression in western Europe took

Repression or "shock" is a tool that has been invoked by all capitalist governments, including democratic ones, throughout the twentieth century

nature of capitalist society and the capitalist state. The brutal repression and economic avarice that the book so powerfully describes is not the sole preserve of the followers of Milton Friedman. It is a feature of any society in which contending classes struggle over the distribution of resources and power. Capitalism has always been brutal. The erasing of whole populations that Klein refers to in order to underpin her references to "cleansing" and "clean slates", have

place on the streets of Paris in 1961, when Algerian demonstrators were bludgeoned to death and thrown into the Seine, or tortured before being sent back to Algeria. Conversely, neo-liberalism has been implemented in many countries without the need for "shock", in many cases by those who promote the idea of the market with a "social face". Klein's model also fails to account for this.

For Klein, the enemy is not the capitalist system, but rather





capitalism at its most extreme, where corporatist economic goals determine the right to limitless profit-seeking, making war a profit-seeking activity in itself, rather than a means to making a profit. The alternative? A nice, social democratic capitalism without all

their villages were rebuilt rather than being sold off to private developers.

So what's the key? How do we avoid the paralysing effect of "shock"? Klein doesn't give an answer beyond pointing to these positive examples. That's because

but locates it rather in the experience of living under the Franco dictatorship. This minor but highly symbolic victory for the anti-war movement points to what is absent from *The Shock Doctrine* – the crisis of political leadership, which the fall of Stalinism accentuated. Aznar's government was brought down not by decontextualised and anachronistic memories of Franco, but by the anti-war consciousness of the Spanish working class and its relative strength, reflected in the anti-war rhetoric of PSOE.

Notwithstanding these criticisms, the book is a well-researched exposé of capitalism at its most savage and deserves to be read, as long as you can ignore the over-reliance on exaggerated metaphor – more literary device than political analysis. Whilst it is unlikely to repeat the success of *No Logo*, *The Shock Doctrine* certainly has the power to shock.

by Tina Purcell

The war on Iraq encapsulates her model: the "shock and awe" of the bombardment; the shock of occupation and torture; economic "shock therapy"

these nasty "shocks" – perhaps Sweden maybe?

The war on Iraq encapsulates all the elements of her model: the "shock and awe" of the bombardment; the shock of occupation and torture; economic "shock therapy". The reconstruction of Iraq becomes an anti-Marshall plan and the looting of museums, a metaphor for the "erasure" of the Iraqi nation. And the invasion of Iraq itself is a consequence of the shock and disorientation caused by the attack on the twin towers, an attack that paved the way for the war on terror and the acceleration of corporate avarice.

It's not all bad news though. After her rollercoaster tale of whole populations too traumatised to resist neo-liberalism, Klein ends on a note of hope for the future. First, Latin America appears to be waking up from its shock and is challenging the Washington consensus. Second, it seems that we do not always respond to shock with regression – this despite the entire thrust of *The Shock Doctrine* being the opposite. Klein notes that in Spain, the shock of the ten bombs that exploded in Madrid in March 2004, resulted in the defeat of the conservative Aznar, the US's ally, at the subsequent elections. Similarly, Thai coastal villagers were not as dazed and disoriented as their Sri Lankan counterparts. Despite the best intentions of the Thai government, villagers engaged in "land re-invasions" to ensure that

she doesn't have an answer, other than speculating that shock relies on an element of surprise, therefore the effect may be wearing off, as it is in Latin America. She doesn't recognise that Aznar's defeat following the Madrid bombings was down to the strength of the anti-war movement,



Celtic Tiger on a long leash held by Uncle Sam

THE CORPORATE TAKEOVER OF IRELAND

Kieran Allen

Irish Academic Press / 2007 / €19.95

IN A recent protest the Irish government colluded with the mega corporation Shell in jailing five local Rosspoint protesters fighting Shell's proposed pipeline through North Mayo. The government supports Shell, despite the fact few benefits accrue to the state from the proposed exploration through royalties or even employment. Shell is given carte blanche to plunder a natural resource with the blessing of the Irish government offering grants and tax breaks. After their imprisonment, 5,000 rallied in Belmullet, reminding us that what Michael Davitt had fought for one

hundred years ago is being re-run – but this time it's not against the landlords but global corporations.

In his book Kieran Allen gives a detailed account of how multinational corporations, especially those based in the US, have increased their penetration and domination of the Celtic Tiger. He examines the effects corporations have on Irish life and shows how democratic decision making is being subverted. Major corporations such as Microsoft view Ireland as an Atlantic tax haven that offers light state regulation. They want the country to become a bridgehead inside the EU, the de facto 51st state.

Neo-liberalism became the dominant philosophy earlier in the Irish Republic than in the rest of Europe – in the late 1970s. Reagan

set the stage when he fired the PATCO airline traffic controllers in 1981, followed by Thatcher's historic defeat of the miners in 1985. Privatisation of state assets, deregulation of labour markets and the erosion of welfare rights became the norm as imperialism entered a new phase of globalisation.

The Irish government too has cut business taxes and privatised industry – measures that have created unemployment, eroded public services, benefited the rich and widened the gap between rich and poor. In Ireland corporation tax has been cut to a mere 12.5% while the average PAYE worker pays 40%. Social partnership deals, along with “benchmarking” and “flexibility arrangements”, aid the process of privatising everything from water supply to computers in primary schools.

First in line for privatisation was Irish Sugar, followed by B&I (British & Irish) Shipping. Then it was the turn of Telecom Eireann. Disaster has attended in the wake of each of these privatisations, for both workers' jobs and the erosion of services. When B&I became Irish Ferries, company bosses attempted to sack all the Irish workers and replace them with Eastern European workers at one-third the rate of pay, much worse conditions and no job security.

When Irish Sugar was sold off two decades ago it became Greencore, with equally disastrous results. Earlier this year the doors of the last of its plants, Thurles, established by the Irish Free State in the 1930s, were closed with workers thrown onto the scrapheap. Now we lack an independent sugar producer as a basic commodity and are totally dependent on Latin American suppliers. The recent privatisation of the national airline, Aer Lingus, was an illustration of the erosion of the remnants of economic national sovereignty.

A new medical apartheid is being created in health, as huge US health corporations stand ready to move into the private healthcare market. Between 1987 and 1990 the overall number of hospital beds decreased

by nearly 15%. The consequence of tax cutting is that Ireland has a Third World health service in a First World economy (the rate of MRSA cases is the highest of the 25 European Union countries).

The state delivers a double whammy as it subsidises private health insurance while running down the public health service. As a result, one half of the Irish population has private health insurance today, creating a two-tier health service. Local health boards have been abolished and with them local representatives, now replaced by a central apparatus along business lines. Privatisation in health continues on a massive scale, not least through the co-location of private hospitals built on land previously owned by public hospitals. As Allen points out, the result is that “Private patients who pay costly insurance premiums will be able to avail themselves of high-tech equipment and hospital wards with flowers, flat-screen TVs and computer terminals. The rest will continue to queue and pray.” (p175) Funds that could be used for the

firms. Corporations lure cash-strapped third level colleges to redirect science away from basic research on general topics to more applied research topics that suit their immediate needs. The humanities are downgraded and must demonstrate that “Chaucer pays the bill as effectively as engineering or business” (Business Week). There is a growing emphasis on textbook delivery and courses packaged in terms of definite “learning outcomes”. Multiple-choice questionnaires replace essay writing as a mode of assessment.

These closer links between universities and corporations result in a clear conflict of interest between the scientific search for truth and commercial pressures. Former editor of *The Lancet*, Marcia Agnelli writes:

“Drug companies would give a grant to an academic medical centre, then step back and wait for faculty researchers to produce the results. Now, however, companies are involved in every detail of the research – from design of the study through analysis of the data to the

Irish universities are increasingly run as businesses and their research work is being put at the service of major pharmaceutical firms

public system are diverted into tax breaks for investors.

One of the factors that always belied Ireland's phenomenal growth in the late twentieth century was the fact that investment in research and development has always been well below international standards. US corporations continue to spend the bulk of their money in their research facilities in the US. Their research facilities in Ireland, where they exist, have been sited there for tax reasons.

Irish universities are increasingly run as businesses and their research work is being put at the service of major pharmaceutical

decision whether to publish the results. That involvement has made bias not only possible but also extremely likely. Researchers don't control clinical trials any more; sponsors do.”

Ireland has the highest level of greenhouse gas emissions per head of the population in the EU. 70% of all waste is agricultural waste and the bulk of non-agricultural waste comes from construction. The state focuses on individual households as if they were the main producers of waste yet in 2004 household waste accounted for only 1.7 million tonnes of the 85 million tonne waste mountain.

Illegal dumping became rife as



the Celtic Tiger grew. The biggest culprit was the construction industry, according to one report, but there was also significant dumping by wider commercial and industrial sectors between 1997 and 2002. The government used the waste crisis to legitimate the imposition of bin charges on individual households, creating in the process a new market for private operators. Waste collection is no longer organised as a public

handful of huge (usually US, EU or Japanese-owned) monopoly companies and the states in which they operate to a league table of global "economic entities" is to vulgarise Marxism.

In order to fully understand what is happening in Ireland today, it is important to have a proper understanding of imperialism in the 21st century. The Irish Republic gained its freedom from colonialism in a period of capitalist

to capital and technological renewal. Their powerful retail giants are able to determine the output and prices of industrial firms further down the supply chain located in other countries. These advantages are defended by powerful state machines and multilateral economic agencies. Sometimes they defend these advantages in international courts, sometimes on the battlefield.

The sobering truth is that Ireland remains a semi-colony, albeit one integrated into the EU imperialist block, a country at the service of the G7 that places its labour and land and state revenues at the service of the main foreign-owned, multinational corporations (MNCs). Its growth in recent decades has been a function of US multinational investment in the country to get inside the EU market. Few linkages exist between the operations of these MNCs and the wider domestic economy.

It is a country whose economy is fundamentally at the mercy of patterns of investment, finance and trade, the shape and direction of which are determined by the small group of countries of the G7. An adverse shift in the overseas investment strategies of these countries and companies would turn the Celtic Tiger into a starved, stray cat forced for its survival to turn to scraps from globalisation's high table.

by Maureen Harrington

The sobering truth is that Ireland remains a semi-colony, albeit one integrated into the EU imperialist block, a country at the service of the G7

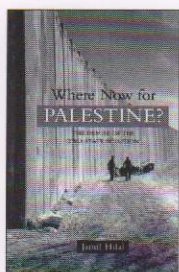
service but is being turned into a big business.

Ireland, already the most open economy in the world, experienced a phenomenal growth surge in the 1990s due to the fact that it was the first choice for inward investment of US multinationals seeking to locate inside the EU before the tightening up of barriers. Ireland was an ideal location for US firms because of the very favourable grants and subsidies, and in particular a flexible, educated, low wage workforce, kept especially docile since the late 1980s through partnership deals between government and trade union officials.

While Kieran Allen's book is thoroughly researched, with a wealth of detail and footnotes to back up his thesis of the global takeover of corporate Ireland, what is lacking is a coherent analysis of why this takeover is happening. The reason for this is that neither Allen nor the Irish SWP (Socialist Workers Party), the party he belongs to, have a theory of imperialism. For Allen and the SWP, large multinational conglomerates are the new imperialists: "Of the top 100 economic entities in the world, 52 are now corporations and only 48 are countries." (p3) To reduce the complex relationship between a

development in which the world markets for goods and services and access to raw materials were already divided up. At that time the process of concentration and centralisation of capital and the competition up to and including wars carried out for the possession of these supplies, ensured that a handful of countries monopolised capital resources.

The G7 countries today contain the main centres of finance, innovation, and business services. They maintain inherited advantages over the rest of the world in productivity rates, access



Palestine: one region, two states, no solution

**WHERE NOW FOR PALESTINE?
THE DEMISE OF THE TWO
STATE SOLUTION**

Edited by Jamil Hilal

Zed / 2007 £17.99

WHERE NOW for Palestine is a collection of essays from a series of authoritative, if somewhat academic, Palestine

experts and edited by Jamil Hilal, a sociologist and writer on Palestinian affairs.

Hilal explains how "Israel was created against the will of both the Palestinian people and the peoples of the region as a whole ... by relying heavily on the support and collaboration of the world imperialist powers ..." (p2)

Through a process of ethnic cleansing, 78% of historic Palestine was expropriated. The answer of the Palestinian people to this historic crime, the "Naqba" or disaster, was to call for "a secular and democratic Palestinian state for all its citizens, irrespective of religion or ethnicity."

This would be a bi-national state across the entire area of Palestine, where Palestinians refugees, who had had their land and homes stolen, were allowed to return, but which was secular and did not discriminate against Jewish, Christian or other religions or nationalities present, hence its bi-nationality.

But the proposal of a bi-national solution was "ignored by Israel and the West" (p3) and undermined among the Palestinians, by the defeats of the 1970s and 80s, so that by 1988 the Palestine Liberation Organisation (PLO) endorsed a strategy of "two states, for two peoples". They did not specify the borders of the two states and retained the demand for the right of Palestinian refugees who had been expelled by the Israelis to return to their homes. Nonetheless the "two state solution", was a major retreat, the consequences of which still dominate Palestinian politics until now.

Hilal shows how it was the growth of a Palestinian bureaucracy in the 1970s, on the back of subventions from oil rich Arab states and the former USSR "which limited its agility and created interests specific to this bureaucracy." (p4) This increased the weight of conservative forces who wanted to establish a modus vivendi with Israel. When combined with the dispersal of PLO forces after the Israeli invasion of Lebanon in 1982, the collapse of the USSR in 1990 and the repercussions of the first Gulf War in 1990, the PLO turned to the Oslo accords of 1991 in an attempt to turn the two state solution into reality.

And it is the experience of this reality which has so radically undermined support for the two state solution amongst the Palestinians today. The Oslo accords were a disaster for the PLO. Not only

had they accepted Israel's right to exist on stolen land, but when the final negotiations were due to take place in 2000, Clinton and the Israelis demanded further concessions on the so called "final status" questions, the future of Jerusalem, the fate of the refugees, Israeli settlements and Israeli-Palestine borders.

In addition the transformation of the PLO into the Palestine National Authority (PNA) meant that it surrendered its role as the leader of the Palestinians as a whole and became instead the governor of the Palestinian population within the occupied territories on behalf of Israel and the USA.

The rise of Hamas was the result. But contrary to general impressions, Hamas was not as fundamentalist on the recovery of Palestinian land and establishing a single state, as is popularly portrayed. As one of the essays points out, in 2005 it signed the Cairo accord with Fatah, declared a ceasefire and in June 2006 and signed a document calling

from an Algerian paradigm to a South African one, from a struggle against 'occupation' in their parlance, to a struggle for one-man-one-vote. That is, of course, a much cleaner struggle, a much more popular struggle – and ultimately a much more powerful one. For us it would mean the end of the Jewish state." (p12)

Olmert's comparison between apartheid South Africa and modern Israel is entirely apt. Israel cannot tolerate a democratic solution in Palestine because it was founded on a profoundly undemocratic act, the criminal consequences of which persist to this day.

The book traces the development of Israel and modern Palestine, from the early British Zionist schemes, through the partitioning of Palestine between 1947-67, to the two state formula and its present demise. The problem for Israel is that the growth of the Palestinian population means that Israeli Jews will shortly be outnumbered in historic Palestine despite the recent

The problem for Israel is that the growth of the Palestinian population means that Israeli Jews will shortly be outnumbered in historic Palestine

for "a political settlement of the Israeli-Palestinian conflict based, effectively, on the creation of a Palestinian state beside that the state of Israel." How did Israel respond? "The next day the Israeli army invaded areas of Gaza."

The redundancy of the two state solution stems from the utter unwillingness of the Israelis to allow the compromise necessary for the creation of a Palestinian state, at even the most minimal level.

In 2003, before he became prime minister, Ehud Olmert explained the reasons for the Israeli policy:

"We don't have unlimited time. More and more Palestinians are uninterested in a negotiated, two state solution, because they want to change the essence of the conflict

large-scale emigration into Israel of Jews from Russia. This so-called "demographic danger" means that the Israeli government cannot countenance a single unitary state – one person, one vote – to do so would be the abolition of Israel. Israel must advocate the two state solution for its own survival, but neither can it allow a viable Palestinian entity to develop in the occupied territories for fear of fostering Palestinian national aspirations. (The Turks see the same threat in regard to an independent Iraqi Kurdistan.)

Consequently it needed to create a series of "bantustans" out of the occupied territories, ensuring any Palestinian entity was economically crippled and dependent on Israel for



Backspace / Reviews

its economic survival. The continued expansion of the armed Jewish settler communities in the Palestinian territories, their exclusively Jewish road corridors and the construction of the apartheid wall were all part of this plan. This policy has had the paradoxical effect of regenerating demands for the bi-national single state the Israelis so wanted to avoid.

So the Israeli's have pursued a policy of partial withdrawal from Gaza and the occupied West Bank,

territories reveals all too clearly, not only is Palestinian population growth placing unendurable pressure on public services, water and sewerage systems, this is further exacerbated by Israeli policies of destruction and oppression. The Israelis destroyed 400 Palestinian houses in 2002, 1,200 in 2003 and 1,500 in 2004.

A comparison of resources further exposes the gross inequalities between Israelis and Palestinians. Per capita Israelis have

our water? ... you know, it's not by accident that the settlements are located where they are." (p127)

This is combined with the seizure of thousands of hectares of Palestinian land, the creation of 538 check points across the occupied territories and the construction of the 788km long separation wall, annexing an expected further 45% of the West Bank.

But the Israeli determination to crush the Palestinians national dream, even in the form of a two states, has not gone without resistance. The inevitable consequence of the marginalisation and corruption of the PNA is the rise of Hamas. The final concluding chapters of the book explain the origins of Hamas out of the Muslim brotherhood and attempt to explain its dilemma, caught between international demands for it to abandon its opposition to Israel and Palestinian demands for the opposite.

So paradoxically the Palestinian liberation movement has arrived back where it began: faced with the Israeli destruction of any viable Palestinian state next to Israel, demands for a bi-national state across the whole region have resurfaced.

If this book has one weakness it is that the essays are a little academic and as a result can be a slightly dry. This quibble aside, Hilal's book provides a really interesting and comprehensive assessment of the current state of Palestinian politics.

by Bill Jefferies

The book explains the legal and geo-political context of the Palestinian struggle, in particular through examining US neo-con support for the Zionists

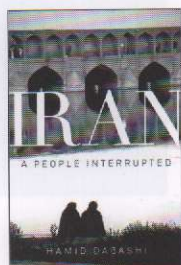
combined with partial self-determination, permitting the existence of the PNA: "The official existence of the authority was intentionally spared so as to claim that there was a Palestinian body responsible for providing basic needs and services to its people, and to exonerate Israel from these responsibilities under international law." (p59)

The book explains the legal and geo-political context of the contemporary Palestinian struggle, in particular through examining US neo-con support for the Zionists, and considers the economic basis for a capitalist Palestinian state based on the occupied territories. It points out in passing how the control of utilities by the PNA means that PA officials "in senior positions in the Authority have earned millions of dollars per year from these monopolies" (p136) before concluding that "The process of bantustanization has destroyed the possibility of constructing a national economy in the WBGs [West Bank, Gaza Strip] ... Talk about a viable Palestinian economy is irrelevant in the presence of occupation, closures, and the bantustanisation process." (p136)

As a discussion around the environment of the occupied

3.5 times more land, 12 times more accessible area, 11 times more irrigated area and 11 times more water consumption. As the book explains, "Depletion of water resources is largely due to Israeli consumption, which utilises more than 80% of Palestinian ground water." (p149) It continues, "The 450,000 Israeli settlers living in the West Bank, including East Jerusalem, generate 471 tonnes of solid waste a day, 80% of which is dumped on Palestinian land and dumping sites." (p150)

As Prime Minister Sharon explained in 2001: "Is it possible today to concede control of the hill aquifer, which supplies a third of



Why the clerics and the neo-cons need each other

IRAN - A PEOPLE INTERRUPTED
Hamid Dabashi
New Press / 2007 / £13.99

HAMID DABASHI in the introduction to his book Iran, A People Interrupted promises

the reader that by the end s/he will know more about Iran than the US Department of State, the CIA and the Pentagon all put together. He fulfils his promise and much more besides.

This is not just a history of Iran

over the last 200 years, it is a history of a people's collective consciousness, influenced by a cosmopolitan culture and set within the combined struggles against domestic tyranny and globalised colonialism. Nor does Dabashi confine himself to Iran, as he sees the fight against colonial empires in Iran as part of the history of anticolonial struggles across the colonised world.

In the case of Iran Dabashi argues, a Eurocentric view of modernity and development was delivered at the end of Russian, French and British gun barrels. The much-vaunted liberties this was supposed to give were systematically denied to the colonised, whilst the resources and economy of the nation were plundered and put at the disposal of their colonial masters. This, Dabashi says, was no true modernity but a colonial modernity, and it is the Iranian people's fight against this, for what he calls an "anti-colonial modernity" that continues to define Iran and Iranian culture up to the present day.

Dabashi argues that out of the anticolonial struggles of 19th century Iran three competing ideological formations arose: "liberal democratic nationalism, social democratic socialism, and theocratic Islamism". By the time of the revolution in 1979 democratic nationalism and socialism had suffered catastrophic setbacks from which they have still been unable to recover: the CIA coup against Mossadeq's nationalist government in 1953 and the Siakhel uprising of 1971 were both brutally repressed by the Pahlavi monarchy backed by successive US administrations and west European governments.

It is true that Khomeini suffered his own setback in 1963 when he was exiled but what Islamism did not lose was a clerical network through which his edicts, fatwas and speeches could be disseminated. These were augmented by a number of revolutionary Islamist orators, Shari'ati being chief among them,

who could dress nationalism and socialism in an Islamic vocabulary. Furthermore in acts of self-denial, nationalists and socialists alike were often only too keen to adopt Khomeini as their leader within the united front against the monarchy.

Political Islam was in pole position to take advantage of the Iranian revolution. Khomeini's position was hugely strengthened by the US embassy hostage crisis when Islamic students seized the embassy and its staff and painstakingly put back together shredded documents showing the US's attempts to prop up the Shah and halt the revolution. During the 444 days of the hostage crisis, Abash describes how an American president "lost Iran" and how Khomeini succeeded in the thorough-going Islamisation of the revolution, with himself as supreme leader and his authority written into the law of the land. This was "the end of history" from the point of view of any Shi'i cleric.

For the last 25 years political Islam has held sway and appears to have won the ideological battle, but for Dabashi there is nothing permanent in this state of affairs, nor could it ever be so. For him there is a contradiction lodged within the heart of Islam and in particular Shi'ism, which is that it

Hamas in Palestine. At one point Dabashi wryly suggests that if Khomeini hadn't been a Muslim he would have been a Trotskyist, "a permanent revolutionary".

According to Dabashi what sustains the Islamic Republic is a descent into religious "tribalism". In the Middle East there is the rise of Islam versus and the Jewish state, on the Indian sub-continent Muslim versus Hindu fundamentalism. In the West exists a seemingly omnipotent Christian empire, triumphally proclaiming an alternative "end of history", setting the terms of engagement within a framework of a "clash of civilisations" and a "war on terror".

For Dabashi, Iranian clericalism and US neo-conservatism need and feed off each other. What is common to both is that the threat of an enemy requires a "state of exception", which ultimately proves to be the rule. This has had the effect of reducing cosmopolitan Iranian culture to a tribal fixation and a false dichotomy between Western modernity and Islamic tradition. So much so that by the time of Khomeini's death in 1989 Iranians were also "mourning the death of their cosmopolitan dreams, for they had become the walking embodiment of their tribal nightmares."

For the last 25 years political Islam has held sway and appears to have won the ideological battle, but for Dabashi there is nothing permanent in this state of affairs

is a religion of protest, of opposition against power. Once it has achieved power it simultaneously negates itself through the paradox of losing its legitimacy by no longer being in opposition and therefore fails as soon as it succeeds. This he argues is one explanation for the Republic's attempts to extend the revolution beyond the borders of Iran via the agencies of the Supreme Council for the Islamic Revolution in Iraq (SCIRI), Hezbollah in Lebanon and

For Dabashi there is hope, not only for Iran but for the rest of the world as well. He sees it in Iran as an ironic consequence of the republic's support for the national liberation movements in Iraq (SCIRI), Lebanon (Hezbollah) and Palestine (Hamas). Whilst the Islamic Republic attempts to export its tribal fears, these movements import back cosmopolitan hope. Anti-colonial struggles across the globe hold out the same hope of



shifting the centre of modernity from the West to the colonised world. For Dabashi they have earned modernity on the battlefields of anti-colonial struggle and "anti-colonial modernity engenders cosmopolitanism". This is indeed a very strange idea if one looks at the reactionary and anti-modernist outlook of these movements.

Dabashi recognises that the "modernity" brought by Russian, French, British and later US domination, deliberately and necessarily stunted the development of a strong national Iranian bourgeoisie and working class. This in turn, in Dabashi's view prevented the contradictory interests of these two competing classes from creating "a robust economy, an expansive civil society,

and bona fide democratic institutions." As a result, he says, Iranian cultural modernity remains precarious and based on disembodied and all too often exiled intellectuals producing what he calls "phantom liberties".

Dabashi's fundamental mistake is to believe that these "phantom liberties" can be turned into reality by relying on the anti-colonial struggles led by the likes of Hamas and Hezbollah. For real democracy and freedom from imperialism to come about, in Iran and throughout the Middle East, the working class must come to the head of the struggle and must settle accounts with capitalism and imperialism once and for all.

John Cooke

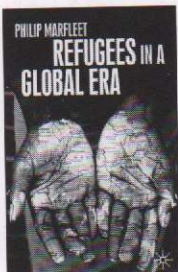
labour market." (p172)

However, Marfleet doesn't sufficiently relate recent changes to immigration controls to the current period. Under new Labour Britain's sustained economic growth has been accompanied by ever more anti-immigration legislation: eight immigration acts in 12 years, compared to three in the previous 18 years of Tory rule.

Brown's cant about "British jobs for British workers" is part of this almost explicitly racist agenda for imposing more restrictions, not in order to stem immigration but to divide the workforce into hostile competing camps.

Marfleet recognises that recent immigration controls in the US and Europe arise not so much an attempt to stem immigration but to control immigrants. However, this is not explicitly related to how the capitalist class has been able to use immigration, as well as outsourcing, to raise the level of exploitation of the working class to increase profits.

Many low-paid workers are not in trade unions and are often employed illegally or on special contracts without access to benefits and services. Such immigrants are used to divide and segment resistance and organisation of the workforce, which is why the organisation of migrant workers is essential for a revival of trade union militancy. So in this current period of economic growth for capitalism migration is thus simultaneously



Love immigrant labour, hate immigration

REFUGEES IN A GLOBAL ERA
Philip Marfleet
Palgrave Macmillan / 2007 / £19.99

PHILIP MARFLEET, a member of the British Socialist Workers Party, begins to make a useful case for the abolition of immigration controls. He outlines how "a different approach is necessary: one which... views refugees as people with experiences and struggles which have much to tell us about the global order." (p16). The book is at its best when examining the reasons both for migration and for immigration controls.

Marfleet spends much of his book showing that migration serves the economic needs of capitalism. He traces a history of migration showing that there has been a long-standing tradition of asylum and sanctuary but that the "refugee" is "a modern construction" mainly designed to evade responsibilities. He observes that states are continually trying to avoid having

to treat asylum seekers as a collective entity, treating them all as individual cases.

He also shows how, "In general during periods of high demand for labour, employers and government bodies solicit migrants." (p168) In this sense, migrant workers are one of "capitalism's lubricants". (p172) By contrast in times of

He traces a history of migration showing there has been a long-standing tradition of asylum and sanctuary but that the "refugee" is "a modern construction"

recession such as the 1970s he shows how there are increased attacks on immigrants: "When conditions change, states may make efforts to reduce immigration - a response to economic changes and/or to wish to emphasise 'national' rights within all or part of the

encouraged and punished.

Despite his lack of a larger picture, Marfleet recognises that, "The US state accepts irregulars because powerful business groups demand cheap and vulnerable labour." (p173)

And he argues in relation to the

whole of the European Union (citing Calavita and Suarez-Navaz, in relation to Spain) that immigration controls exist less to control immigration than to control immigrants, "ensuring their marginalisation and their contribution to the economy as 'flexible' workers."

This marginalisation means that "migrants offer a host of benefits to politicians and officials of the modern state. They not only provide a cheap and often compliant workforce but also, when required, a ready target for campaigns which seek enemies: enemies of the people, enemies of the nation and 'global' enemies." (p263)

In recent years there has been growing resistance to this. For example, the high profile anti-deportation campaigns – from the Okolo family to the Sukula family. More recently some trade unionists have organised resistance to attacks on migrants, such as the refusal of social workers to implement Section 9 of the 2004 Asylum and Immigration Act to take the children of failed asylum seekers into care.

However, Marfleet doesn't draw on any of this and in fact stories from migrants and campaigns are remarkably thin on the ground in the book despite its avowed intent to give voice to the "experiences and struggles" of migrants whose lives "speak of energy, resilience and imagination." (p289)

His book does begin to set out the case for open borders, though it does not really begin to propose concrete answers to the question of how to unite the working class in struggles to resist exploitation and racist division. Marfleet's statement that "this is the right time to advance the argument for open borders" is ironic given his party, the SWP, has decided the exact opposite – that this is the wrong time to put forward such arguments, in respect, in refugee and migrant campaigns.

A key part of the struggle for open borders will be to make the connections between immigration controls, racism and the attempt to divide migrant from "home"

workers. We need to raise this demand so that organised resistance to controls becomes a central and not a marginal part of

trade union and working class community campaigns.

Jason Travis

Women doing it for themselves and others

IT'S A FREE WORLD

Dir. Ken Loach / 2007

A MIGHTY HEART

Dir. Michael Winterbottom / 2007

THE BRAVE ONE

Dir. Neil Jordan / 2007

FINDING THREE recent films featuring strong female leads is a bit of an exception in a film industry dominated by men. With varying degrees of success, each of these three films confronts us with uncomfortable questions.

Kierston Wareing was about to abandon her attempt to make a living as an actress when she was sent the script for Ken Loach's project *It's a Free World*. Wareing

reward and no prospects, Angie decides to set up in business herself, cajoling housemate Rose (Juliet Ellis) to join her. It starts well and soon the pair are counting through large wads of cash on the dining room table, enjoying a satisfyingly high return on their enterprise. The only trouble is that theirs is a less than moral undertaking, and a dangerous one too. Angie and Rose are running a recruitment company out of a car park at the

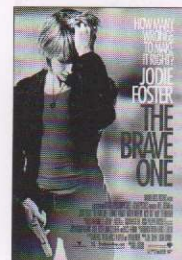
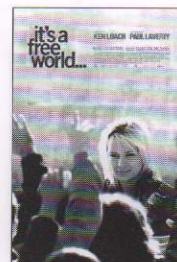
Angie satisfies two needs: the need of employers for cheap labour and the need among many migrants to this country for any kind of employment

strongly identified with the character of Angie, a young woman struggling not only to make ends meet but to really excel in a man's world. According to Loach, during casting she left no one in any doubt that this was her part and no one else's. Wareing proves very capable of bringing the same steely determination to the role of Angie, a single mum, single-mindedly pursuing her goal to make a life for herself and her young son, Jamie (Joe Siffleet).

Tired of working in companies that employ migrant labour and toiling long hours for meagre

back of a pub off the North Circular road – an insalubrious setting for an insalubrious venture. They satisfy two needs: the need of employers for cheap labour and the need among many migrants to this country for any kind of employment.

From the outset, Angie and Rose are heading for a fall; seeking the pleasures of "easy money" Angie prevails upon Rose to delay registering the business for tax purposes – easy to do as their "customers" are wont to deal in hard cash anyway. However, this also makes it a simple enough





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matter to move on from placing legal migrants into work to finding jobs for "illegals" too. Let down by a contractor, Angie and Rose find themselves fending off angry workers owed two weeks in wages. As Angie resorts to ever more reprehensible behaviour in an effort to keep going, Rose abandons her, and there are those among her disgruntled workforce willing take matters into their own hands.

This is established Loach territory: working class and damaged individuals forced into moral compromise by the vagaries of life while those with the real power remain well above the fray. It is interesting that he has a woman at the heart of this film. It makes us all the more shocked when she abandons all scruples in her pursuit of riches. Yet should we really be so much more surprised about her behaviour on account of her gender?

The switch in gender roles does produce one lovely scene as her occasional Polish lover Karol (Lesław Zurek) struggles towards an expression of his feelings for her in

Shakes the Barley. Judged as such all involved emerge with credit, particularly Wareing, who rises wonderfully to the challenge of carrying the film through her central role, and Colin Coughlin as her father, a socialist of the old school who gently admonishes his daughter for her neglect of her son while she busies herself aping the antics of the bosses in her exploitation of others.

If there's a weakness it is that occasionally one can hear the gears grinding as the need to push a point home distorts the smooth progress of the narrative. It is Loach's purpose always to use film to convey a strong political message. He does this very well but the price is paid in the moments when the politics rather clumsily intrudes on the human drama. However, any Ken Loach film repays the viewing and *It's a Free World* is no exception. Let us hope Wareing is given further opportunity to pursue her chosen profession as a result. If you missed it, go rent it or buy it on DVD.

At the other end of the spectrum

Pitt can bring to bear) to get *A Mighty Heart* made and onto our screens. This is based on the memoirs of Mariane Pearle, widow of the Wall Street journalist, Daniel Pearle, kidnapped and murdered by al-Qaeda in Pakistan. It is a story with huge emotional resonance at the same time as being politically explosive. To make matters still harder everyone knows the ending before they see it. Given all this, it is far from certain that this film would succeed as triumphantly as it does.

Jolie, like Wareing, carries almost every scene; magnificently conveying the confusion and grief of a woman marooned in an unfamiliar city far from home, placing her trust in men she barely knows to find her kidnapped husband and return him to her safe and well. The film conveys the plight of this woman and so exploits for dramatic purposes the severity of her suffering. To do this without cheapening the horror of the situation is an achievement in itself; to do so without becoming patronising or glib about the "east west" divide is an even greater accomplishment.

The credit for that belongs not only to Jolie, backed by a superb cast, but also to the film's director. Michael Winterbottom is no stranger to tackling large contemporary themes and knows the perils of letting the politics get in the way of the story. He has always allowed the human drama to take precedence, trusting the audience to explore the underpinning themes for themselves.

Particularly thought provoking is the torture of those who may be harbouring information that could lead police to where Daniel is being held. The viewer, caught up in the tragedy of Mariane's plight, is made complicit in the abuse of these men, wanting the couple reunited at any cost (even whilst knowing that this is not to be).

The scene in which Mariane is told of her husband's fate could have misfired terribly but Jolie, aided by a director using to great effect the intimacy of the hand-held

Any Ken Loach film repays the viewing and *It's a Free World* is no exception. Let's hope Wareing is given the opportunity to pursue her chosen profession as a result

English and she softens briefly before brusquely retreating from his clasp to resume her role as the go-getting business woman.

Loach has forged a long and distinguished career telling such cautionary tales and he is British cinema's foremost polemicist. Like many great directors he retains from one film to the next a strong and loyal team to help bring his projects to the screen. Scriptwriter Paul Laverty has worked with Loach for over ten years starting with *Carla's Song*. Producer Rebecca O'Brien is a regular too. It is O'Brien who aptly describes *It's a Free World* as a chamber piece after the larger and more cinematic *The Wind that*

from a young actress just starting out, are those very few members of the Hollywood aristocracy who have established a global name for themselves. Increasingly such "A-list" celebrities exploit their box office clout to secure the parts that they want to play, rather than ones chosen for them.

Angelina Jolie maybe best known for the dreadful but well remunerated job of giving Lara Croft a larger screen upon which to play out male adolescent fantasies. But on such money-churning movies are powerful careers forged, and she has used her box office appeal (together with the sizeable influence that her husband Brad

camera, embraces and expresses her grief completely. This is made all the more heart wrenching coming after Mariane had held her emotions in check while the search for her husband proceeded. *A Mighty Heart* confirms once again Michael Winterbottom as one of finest of the current crop of British directors.

The grief of a woman for a lover killed violently is also the theme for the latest Jodie Foster vehicle, *The Brave One*. Foster's career is frustrating. From her breakthrough role as a child prostitute in Scorsese's *Taxi Driver*, Foster has demonstrated time and again what a fine and versatile actress she is. Now in her forties, Foster is an established member of the Hollywood elite – she has two Oscars and a clutch of other awards to her name. Like Jolie, she belongs to that very exclusive cadre of women who can exert some real sway over what they do. In her choice of films Foster has generally steered clear of the rubbish, choosing interesting projects with demanding roles. *The Brave One* is no exception.

Following a vicious mugging, Foster's character, Erica Bain, a New York radio host, awakes from a coma and is pole-axed by grief when told that her lover (played by Naveen Andrews) did not survive the attack. The film flirts more than once with the notion that her essential character has been irrevocably changed by her experience and she does not now recognise the woman she has become.

It would have been interesting to explore that theme further but the makers shy away from it in order to concentrate on the more prosaic task of having Erica pursue and wreak vengeance upon her aggressors. Of course, this is a morally dubious course of action and so we need a good cop (Detective Mercer in a nicely understated performance by Terrence Howard) to offer an alternative route to true justice.

Very quickly an interesting premise gives way to a formulaic treatment of rights and wrongs. The laughably one dimensional villains

don't help and the twist at the end is too little too late to retrieve the promise of the beginning. Foster's performance is powerful and for a while it appeared she may have found a film worthy of her talents.

Sadly, however, all concerned seemed to lose the courage of their convictions and *The Brave One* becomes one more item of multiplex fodder.

Dave Boyer

A healthy antedote to private medicine

SICKO

Dir. Michael Moore / 2007

MICHAEL MOORE is not a film director to excite indifference. There are those who suggest his documentaries are partial and one-sided, selective with the facts and manipulate the audience's emotions. Moore's latest offering, *Sicko*, ticks most of those boxes.

But isn't that just what the mainstream news media does all the time? Taking as its subject matter the plight of over 140 million US citizens who pay billions of dollars annually to health insurance companies (HMOs – health maintenance organisations), which in turn go to great lengths to avoid paying for legitimate medical treatment, *Sicko* merely seeks to redress the balance.

After an early screening in the US one reviewer wrote: "You would have to be dead to be unaffected by Moore's movie." *Sicko* leaves audiences feeling "ashamed to be... a capitalist, and part of a 'me' society instead of a 'we' society."

That judgement is spot on. Aimed primarily at a domestic audience who need to find and keep a job with medical benefits or pick up a hefty tab for health insurance themselves, the film dismantles the lies and deceptions of the US health insurance industry and its government backers, and places the victims of this system squarely in front of the camera.

Moore's central argument is simple: to make big profits HMOs need to minimise payouts for annoyingly expensive health

treatments. He places the evidence before us, case study after case study. He contrasts the US situation with that in countries with "socialised" medical care – Canada, Britain, France and Cuba. He exposes the connections between Congress and the health industry (there are four times more health lobbyists than members of Congress!) and gets industry insiders on camera to talk about their fast practices. But most of all, he relates story after story of injustice, pain, suffering and loss.

The film is by turns funny, informative, infuriating, shocking, harrowing and deeply affecting. A road crash victim describes being charged for treatment she received in an ambulance on the way to hospital because she did not seek prior consent from her HMO – she had been unconscious the whole time! We watch an insured middle class couple lose their home, bankrupted by surcharges levied to pay for treatments of chronic and life threatening conditions. We hear how an HMO refused to accept a diagnosis of cancer until the person was hospitalised on holiday in Tokyo where it was confirmed and (free) treatment begun.

A wife weeps as she described the way her husband was refused treatment for cancer on the grounds that a regularly used procedure was experimental. He died a short while later. A grim-faced mother explains how her insurance company refused to let doctors proceed with treatment at the hospital she rushed to when her daughter had a seizure. By the time





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she got to the "approved" hospital it was too late – the toddler died shortly after admission.

We also hear directly from HMO staff about the huge numbers of restrictions that will prevent someone even getting insurance in the first place. If you overcome this hurdle and then fall ill investigators will be packed off to search out the most minor of "undisclosed" prior medical conditions enabling them to cancel a policy if an expensive

schmoozes with a gaggle of Francophile ex-pats guiltily aware of their good fortune regarding healthcare compared to the folks back home. This is all rather grating for a British or French viewer familiar with the serious faults and failings of their respective health services and the other social ills they have to grapple with or witness daily. But Moore's purpose here is to dispel the myths, propagated by the US health industry and its political

The Cuban episode is all a little predictable but there is no getting away from the facts. Infant mortality rates, life expectancy and other key indices of health are all significantly better than the USA, not only in Canada, Britain and France, but in Castro's Cuba too. Despite the US's colossal wealth the World Health Organisation ranks its health system a mere 37th in the world. What is more, US capitalist healthcare costs run at around \$6,700 per person each year (a bigger proportion of GDP – 12.5% – than any other country in the world), compared to Cuba's outlay of \$250. Hardly a convincing advertisement for the free market.

And, while 140 million Americans struggle to pay for health insurance of questionable value, nearly 50 million simply have none. Of those, 18,000 will die this year directly because they had no insurance. It is people in this category who are filmed being dumped from taxis, bewildered, in pain and clad only in hospital gowns, outside a night shelter in Los Angeles' skid row, by HMOs more concerned about their bottom line than the well-being of those in their care.

So who was that US reviewer mentioned earlier? Why, Barclay Fitzpatrick, Vice President of major HMO, BlueCross, in a leaked memo reporting to his colleagues on the damage *Sicko* was likely to inflict on their public image.

Moore is no socialist but in the US he rightly wants to stir up trouble for the health industry and create grassroots pressure for social change. In Britain *Sicko* serves as a timely reminder of just what a huge and historic gain the welfare state represents for workers, how crucial it is to defend and extend the NHS and wrest it into our own hands – and what lies in store if we don't.

The screening I attended was punctuated by laughter and by tears. Oh, and a really chesty cough – but my neighbour was off to his GP in the morning so he'll be OK. Go see this film if you haven't already.

John Dennis

Infant mortality rates, life expectancy and other key indices of health are better than the USA, not only in Canada, Britain and France, but in Castro's Cuba too

payout is due. One woman was billed thousands of dollars for an operation once her insurance company discovered she'd had a yeast infection years earlier that she'd omitted to tell them about.

Moore contrasts all this with those living under "socialistic" healthcare systems in countries such as Canada, France and Britain. Maybe Moore is a little too overwhelmed by the wonders of health services that sew your fingers back on even if you can't dip your hand in your pocket, that don't deliver an invoice along with your baby, that have a standard prescription charge for those in work and supply medicine free to the young, the old and the unemployed. But he is speaking to an American audience constantly lectured on the evils of socialised medicine.

He is certainly at pains to show just how comfortably a young British GP can live, with his shiny new Audi and desirable Greenwich townhouse, and equally keen to demonstrate how pleasant life can be for the French middle classes, who worry more about the price of fish than they do about healthcare costs.

Moore muses contentedly with Tony Benn upon the merits of democracy and the welfare state. He

assets in Congress, that public medicine is inevitably inferior and impersonal, and its staff underpaid, so maybe this is forgivable or at least understandable.

And never let it be said that Moore doesn't know how to yank his opponents' collective chain. Not content just to hang-out French "surrender-monkeys" and even Canadians, he introduces us to a group of national heroes – rescue workers who spent months digging through the rubble of the Twin Towers in 2001 and are now stranded with inadequate healthcare and crippled by a variety of lung conditions – and then whisks them off to Guantanamo Bay.

Apparently, the alleged members of al-Qaida idling their time away at Guantanamo have an abundance of free healthcare to keep them in the pink... Moore's boatload of US medical refugees seeking a share of it are inevitably rebuffed by the humourless US military, but a short way round the coastline the Cuban state proves a little more receptive. Castro's renowned healthcare system rolls into action for the rescue workers. They are examined, patched up and packed off home with medicine, healthcare plans and rather stilted gestures of solidarity.



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