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South Africa under the ANC

INSIDE

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From the editors

THIS ISSUE has a number of related themes. We look at how the world recession and financial crisis is impacting on Europe, in particular within the eurozone economies. In our Briefings section comrades from Ireland and Sweden follow this up with reports on how the recession is leading to attacks on workers, both on jobs and benefits. We also carry an article that looks at the lessons of the Visteon struggle, an important fightback against factory closures and redundancy terms.

In another piece on the world economy we continue to monitor how the Chinese economy is weathering the storm and the role it is likely to play – political and economic – after recession.

The European elections saw the British left throw together yet another electoral alliance, No2EU, backed by the leadership of the rail union (RMT) and the CPB/Morning Star. We analyse its reformist and nationalist politics and go on to examine other arguments doing the rounds, that voting for the Green Party will somehow stop the BNP. We explain why this is not the case and why the politics of the Green Party are far from progressive; we give some concrete examples in our articles on Ireland and a Lewisham school anti-privatisation struggle.

The development of the MPT in Chile gives a very different example of how to build an alliance, one not obsessed, as the British far left has become, with electoral politics, but an alliance built in struggle and on the streets. We will report more about this development in future issues of the journal.

Finally we have two review articles, one that looks at the life of Ernest Mandel, a long time leader of the Fourth International who died in 1995, and another that looks back over 15 years of ANC government in South Africa, adminstrations that have delivered a lot for the new black bourgeoisie and little for the black masses.

The Editors

Permanent Revolution 13
Summer 2009

A quarterly review of revolutionary politics and theory

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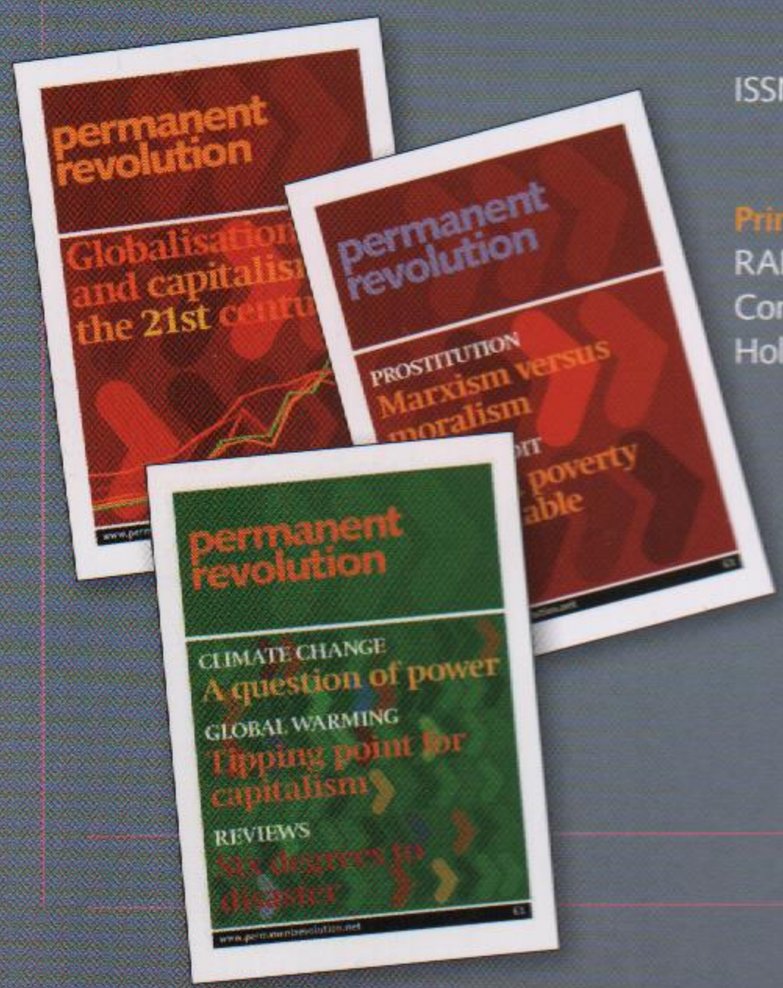

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PARLIAMENTARY SCANDAL

We need more than reform

A FISH always rots from its head. The parliamentarians of the Labour and Tory parties emit the stench of decay. The scale of the manipulation of expenses and outright fiddles revealed in the British House of Commons rightly enrages working class people facing redundancies and short-time working while struggling to pay their rent and mortgages. To read that Cabinet ministers like Ed Balls and Yvette Cooper, who pocket £150,000, a year habitually claim £600 a month for food as well is nothing but contemptuous.

The "flipping" of second homes to maximise allowances and avoid paying Capital Gains Tax on their sale, as admitted by super-Blairite Hazel Blears, while her Salford constituents struggle to get by in the maelstrom of the credit crunch recession, turns the stomach.

You expect Tory grandees like Douglas Hogg to have the brass face to claim money to clean his moat but for the squeaky clean, unctuous Blairites like James Purnell and Geoff Hoon to be caught trousering as much as they can should cause every Labour voting worker to want to lynch them all.

Bourgeois politicians in power are prone to this type of petty corruption. Hidden from public scrutiny and accountability, the temptation for a sizeable minority of MPs to carry on this way is inevitable. Especially so when the system itself encourages them, as the Speaker's action and words have shown.

Judged against the routine corruption of many elected politicians elsewhere in the major bourgeois democracies, this expenses scandal is probably small beer. Election to the European Parliament can make you a millionaire, as was shown when Nigel Farage, leader of UKIP, revealed his £2m expenses claims since 1999; and this on top of his £64,000 annual salary.

In Japan, Italy and the US, parliamentary deputies are generally expected to be up for sweetners for closing government contracts, or furthering the cause of some firm or other in the elected chamber. In the UK, MPs taking cash in brown envelopes for asking questions is enough to get you thrown out.

Outrage is not simply about the scale of fiddling. It is a lightning rod for disaffection with new Labour and its track record in favouring big business over its own supporters for the last 12 years. The privatisation of public services and the sanctioning of a greed-is-good mentality in the banking sector that has now caused a deep recession and mounting job losses – these have all been done despite opposition of Labour's working class base to them. But the same lack of control over those we elect allows them to press on with their neo-liberal agenda, just as it allows them to fill their boots with tax-payers' money. And people are pissed off with it and want something done about it.

The answers offered in the media range from the punishment of MPs responsible (by the law or by their party), to changes in the way MPs pay and expenses are set and controlled, to broader appeals for political reform of the political system itself so as to overcome voter cynicism and disengagement with electoral politics.

Most of the broader ideas – strengthening the role of select committees, reducing the number of MPs etc – are aimed at somehow "perfecting" a system of parliamentary democracy. Revolutionaries are in favour of making those who claim to represent us as accountable as possible within the given system. We favour short fixed term parliaments so those in power cannot manipulate the political timetable; we are in favour of voters and party members being able to recall MPs: those who elected them should be able to remove them when they clearly and blatantly repudiate their manifesto pledges or party mandate. We also support reserving a set number of places for women and those from black and ethnic minorities. Unbelievably, only 18% of the current crop of MPs are women, well below the norm for "mature" parliamentary democracies.

As for parliamentary salaries and expenses, we demand all our MPs take no more than the average worker's wage plus only legitimate expenses. This would keep our representatives on the same footing as the workers they represent and prevent them from becoming a privileged elite.

Above all we favour proportional representation as a method of electing MPs so that the composition of parliament reflects the genuine political spectrum of society at large. The first-past-the-post system filters out minorities and embeds the idea in the popular mind that a narrow range of ideas about the market, welfare etc, are "normal". Proportional representation can blow this cosy consensus apart and all the turbulence of class society and its conflicts can flow through Parliament itself and not act as a breakwater to it. The visibility and support for the far left would be enhanced by this.

And of course we favour the abolition of the appointed and unelected House of Lords and the monarchy. We don't need a second chamber. If members of the House of Commons weren't virtually permanently on holiday (the summer recess this year is 82 days!) or moonlighting in other jobs, there would be plenty of time to examine legislation without a "revising chamber".

But these democratic reforms are about making the legislature of capitalist society as responsive and reflective as possible to the wider class struggle. They will not make Parliament perfect, nor will they overcome the

essence of people's alienation from capitalist democracy. This is because the legislature is but one – and not the most important – part of capitalist democracy; that lies in the executive. And it is this executive that reflects and defends the interests of the capitalist class – demonstrated most recently with the massive bail out of their banker friends.

The ruling class in Britain was forced in the 19th and early 20th century, by the Great Reform Movement, Chartism, the Sufragettes, to concede a wider franchise. Only after the First World War were all male workers and some women given the vote (only in 1928 were all women enfranchised). As this happened real power shifted more and more away from Parliament towards the unelected elements of the state – the civil service, security apparatus/armed forces and the judiciary.

This was to ensure that whatever popular pressure the elected chambers came under as result of a wider electorate could be countermanded from above by the permanent power centres of the ruling class. It is these permanent, career mandarins who represent the continuity of state rule. They can and do frame the range of "acceptable" political choices, collude with the intelligence services to undermine radical policies and, if necessary, use them and the media to unseat "dangerous elements".

It is interesting that in the various proposals being batted backward and forward for constitutional reform that not one of the liberal ideologues have suggested "democratising" the civil service, or electing our judges whose decisions can effectively overturn or stymie radical legislation on one spurious ground or another.

The capitalist state is a bureaucratic machine with a parliamentary façade. Prettifying the window display

We demand our MPs take no more than the average worker's wage. This would keep our representatives on the same footing as the workers they represent

does not alter what goes on behind the doors. The word parliament comes from the French for "talking shop" and that in many ways sums up its role within the capitalists' state. No revolutionary can neglect to take the class struggle into this or any other arena where possible; but those reformers who uphold the illusion that socialism can come through Parliament perpetuate a myth – a cruel debilitating deception that cripples working class politics.

Briefings

LABOUR

Meltdown prospect stalks Labour Party

IN THE summer of 2008 John McDonnell warned that the next general election would not be a rerun of the 1983 defeat, but a rerun of the 1931 disaster. Now, a year on, the prospects for Labour look even worse. Even before the outrage of MPs fiddling, Labour was languishing a long way behind the Tories in the polls. Gordon Brown's briefly improved ratings during the banking crisis collapsed to the point where he was vying with Michael Foot for the title of most unpopular Labour leader ever.

Last summer there was talk of a leadership challenge, most notably from David Miliband. Now there is talk of a "damage limitation" leadership challenge, not to win the general election, but to prevent a wipe out of Labour MPs. Sometimes mentioned in this context is Jack (poll tax cheat) Straw. No chance. More serious as a contender is Alan Johnson – billed as the acceptable face of New Labour. He does have support in the Parliamentary party and elsewhere, as his campaign for deputy leader demonstrated, and Johnson himself hasn't ruled out the possibility. To understand the prospect of this happening we need to examine a number of factors.

First, does Brown and his dwindling number of followers have a gameplan to hang on as leader and remain as the best placed and equipped to take on Cameron? As time passes this begins to look increasingly unlikely. The revival scenario is based largely around the following narrative: there will be clear signs of economic recovery by the time of the general election, Brown led us through the recession, took the economic measures necessary and the Tories "do nothing" stance will be proved wrong and so it will be Labour who will reap the rewards.

This, before the present parliamentary crisis, looked like a plan based on a wing and a prayer, now it would need a miracle. Also undermining this strategy is the fact that Brown has proven an increasingly weak political leader, notwithstanding his posturing at the G20 in April.

This political weakness has been particularly picked up on by the uber-Blairite wing of New Labour. Some, including Milburn, Byers and Clarke, have even suggested Brown has revealed some worrying "old Labour" tendencies; for example, the pathetically trivial tax changes for the rich are cited as evidence of this. However, the Blairites' main argument is that Labour MPs – who can't see where their next £8,000 TV is coming from – are increasingly susceptible to the idea that Brown is a loser. Unlike Blair, he has lost "middle England", the ultimate sin in New Labour terms, thereby rendering Labour unelectable.

All those on the frontline of sackings, cutbacks and home repossessions must not be mesmerised by media focus on the decomposition of Labour's rule

In this version of events, Brown has made mistake after mistake, of which the very public row with Joanna Lumley was only the most spectacular example. And all of the above pre-dated the disaster of the MPs' expenses scandal, where Brown has shown himself, once again, to be a ditherer and forced constantly to catch up with events. Even Cameron outflanked him.

All of this suggests there will be a move to get rid of Brown before the next general election. Doubtless the election results on 4 June will add to the pressure on Brown to quit. If they are as bad as polls suggest (as low as 19% of the vote) and there is a big rise in votes for the far right and fascists the pressure may become unbearable. However, there are other factors that need to be considered. Chief amongst these are whether there is an alternative and, secondly, what is the position of the trade union leaders?

Alan Johnson, presently Health Secretary, is the name being widely touted as Brown's replacement. Most recently he has been put forward by various New Labour luminaries and influential Guardian writer Polly Toynbee. What is notable, however, is his lack of trade union backing. He came second to Harriet Harman in last year's deputy leadership contest, having led in several rounds of that transferrable vote election, but only on the basis of having significant support from the PLP rather than the constituencies or unions. That doesn't mean things can't change if Brown is viewed as "dead in the water".

However, ironically, the trade union leaders have more clout in the party than in recent times because of the Labour Party's dire financial position. Rich individual donors have generally departed the sinking ship, leaving the unions as the main financers of election campaigns. This naturally increases their potential influence over policy direction and choice of leader. Not that the union leaders have used this advantage to campaign against Brown. Instead they have continued in their usual role of staying "in the tent" and only occasionally popping outside to "piss in".

Politically Johnson represents nothing different to the policies of

neo-liberalism under Blair and Brown. Indeed, as leader of the postal workers' union he was the first to support the removal of Clause Four from Labour's constitution. Later as an MP, then minister, he was an enthusiastic supporter of the Iraq War as he has been of all the major policies of New Labour since 1997. His advocates see him as an attractive alternative to Cameron. He ticks all the right presentational boxes – orphan, postman, union man, not rich – and he has not been shown to have fiddled his expenses (at the time of writing).

To imagine him getting any union endorsement you would think he would have to come out and clearly oppose Mandelson's proposals for the part privatisation of Royal Mail, something he hasn't done; but in the present extreme crisis in the party this can't be excluded. In summary, Johnson only represents a superficial alternative to Labour under Brown that may be turned to if the situation gets worse and the Labout Party looks to be headed for a near-death experience.

Finally what of the position of the Labour left? It's very weak and it seems highly unlikely anyone will mount another leadership challenge in present circumstances. The number of hard left MPs, whether in the Campaign Group or Labour Representation Committee (LRC) is declining. After the next election, there will be even fewer. Leader of the LRC, John McDonnell, faces defeat in his Hayes and Harlington constituency, not least due to the government's decision to site Heathrow's third runway there. Others have also decided to concentrate their efforts locally, whether trying to protect their votes or campaigning against the racists.

In short, we are looking at the prolonged death rattle of New Labour. Now that the latest research shows social inequality to have grown since 1997, there seems little that loyalists can point to on the doorstop to give Labour a boost. As for the future, Labour promises, like the Tories, that there will be savage cutbacks in welfare and public spending plus employment and tax hikes – all in a desperate attempt to make working class people foot the bill for the massive handouts the bankers have received.

Trade unionists and all those on the frontline of sackings, cutbacks and home repossessions must not be mesmerised by media focus on the decomposition of Labour's rule over the next year, wondering forlornly who or what will replace it. We will get what we fight for, what we are prepared to rip from their hands; whether it is doing all we can to block the part-privatisation of the Post Office, taking direct action to halt climate change, or campaigning to get bankrupt firms nationalised to protect jobs. Let Labour wallow in its misfortune, let us rally to the fight.

Andy Smith

EDUCATION

Lewisham Bridge School fighting privatisation

ON 23 April parents took the dramatic action of occupying the roof of Lewisham Bridge Primary School to protest against the council's decision to replace the school with an all through 3-16yr school run by the private company Leathersellers.

Ever since the proposal was first announced in 2006 parents have expressed their concerns and objections in the form of petitions and letters. We have lobbied the council on numerous occasions only to have backs turned to us.

Now we find ourselves in the scandalous situation where our children are being bussed over 1.5 miles away to a temporary site in New Cross. The Lewisham Bridge site was abandoned in preparation for its demolition, even though the council does not have planning permission. This decision is currently on hold after English Heritage gave the school Grade-II listed status as an outstanding example of Edwardian school architecture, particularly praising its interior.

We decided that enough is enough. We are fed up with being ignored by the council. The only way we could get the council to listen to us was to take back our school. Our message to Lewisham's Labour Mayor, Sir Steve Bullock, is that we want the school re-opened now, we want the children to return to their classes at Lewisham Bridge immediately and we want the council to abandon this scheme.

Lewisham Council are attempting to wash their hands of their responsibility for education by handing the buildings, land and governance to private companies

So at 7am on that Thursday morning we walked to the school, climbed a ladder and there we were – on the roof! We quickly set ourselves up as the first buses to collect children arrived. With the methods of modern technology our message spread far and wide in a

matter of hours! We received messages of support from Visteon workers in Enfield, parents from Save Our School Glasgow and many NUT branches around the country.

BBC London News were there from 8am and they interviewed a lot of parents who are upset with the situation. Throughout the day we had excellent press coverage from the local press (South London Press and the News Shopper) to the Guardian and the Evening Standard. The weather was great and the support we got was tremendous.

Since then there has been a great response from parents, local residents and former students. Over 500 signatures have been collected in a petition. There has been a continuous flood of people visiting the protest on the roof. Parents and other local residents have kept us going with flasks of coffee, homemade bread and cakes!

In early May we had a march along Lewisham High Street with 200 parents, children and our supporters which was supported by NUT Lewisham, Greenwich and Lambeth. The Anti-Academies Alliance were also present. We need to build on this kind of trade union support to further strengthen our campaign and join other schools campaigns across the country.

Labour Lewisham – centre of privatisation

However this fight is not only about the disruption caused by the decant. There is a bigger picture here and it is called privatisation! Lewisham Council are attempting to wash their hands of their responsibility for education by handing over the buildings, land and governance to private companies.

This will affect children and parents as we will have no say in the governance of our schools, no say in the curriculum or in the admissions. Staff will be employed by a private company who will determine pay and conditions. In the end this will lead to the destruction of collective pay bargaining and ultimately to the end of unionisation.

The occupation of the roof sends a message to Lewisham that we will not allow them to destroy our national heritage, our local community and take away our school. We were inspired by the occupations taking place in Glasgow (Save Our Schools) and Enfield and Belfast (Visteon) to take control of this situation.

The two Socialist Party councillors in Lewisham, while cautious about identifying with the roof occupation, spoke in support of the campaign at the demonstration and have raised the issue on the council. On 20 May they put an amendment to a Labour Group motion calling for the decant to end and for children to be brought back to the school.

Their amendment was defeated, voted down by the remaining members including five Green Party councillors led by Darren Johnson, the Green Party's elected representative on the London assembly. They fully support New Labour's plans and have urged local parents to give up, surrender and accept the "inevitable". For all their talk about being something different our experience of the Greens is that they are hand in glove with the privateers.

The Victorian Society have shown more moral backbone than

INTERVIEW

"Their actions have restored my faith in people"

SEAN MCCAFFREY from the Visteon/Ford occupation in Belfast spoke to The Socialist on 8 May 2009:

"Six of us from here went on a solidarity visit to the other Visteon/Ford plants in Enfield and Basildon as well as visiting Swansea to protest at the threatened sacking of Swansea convenor Rob Williams. We arrived in the early hours of Tuesday morning and after visiting the other pickets we made our way to Lewisham, we had heard about an occupation of a school there and we decided to lend our support.

"When we arrived at the school on Tuesday evening we saw tents and banners pitched on the roof. We shouted up that we were from the Visteon occupation in Belfast. Straight away the ladder was thrown down, phone calls were made and quickly other parents turned up to welcome us. We stayed on the roof for hours with, Eleanor, Kirsty and Juliette, some of the parents who are occupying the school. They told us that our action had inspired them to do the same as they didn't know how else to save the school for their children.

"We had been nearly two days without sleep so we were about to leave to find somewhere for the night but the Lewisham mum's wouldn't hear of it and insisted that we stay in their houses. We couldn't believe this, it was an incredible gesture to have six people they had just met hours before, stay in their homes while they went back and slept on the school roof for the night, we gave them our heavy Visteon work coats to wear.

"To be honest their actions have restored my faith in people. The next morning a big breakfast was made for us and the three women arranged to visit our plant the following Saturday. They came over and marched with us on May Day and came up and spent the rest of the day in the plant. They have a diary with ideas for campaigning and how to win their struggle, they had filled in another five pages before they had left to go home".

the Greens. They are well experienced in fighting corporate vandalism and have advised us that it is "very unlikely" that English Heritage will reverse their decision to list the school. This means that unless Lewisham Council are prepared to destroy the school against English Heritage's wishes then their present plans are dead in the water.

Hands Off Lewisham Bridge are not prepared to accept a compromise for our children and we intend to continue our fight. The NUT in particular needs to turn their support into action. Teachers at Lewisham Bridge have the power to turn the tables on the privateers plans. We urge them to take action in our support.

We demand that the children are returned to Lewisham Bridge by the start of the autumn term at the latest. We demand the end of Lewisham's plans to privatise education. We demand that a state run secondary school is built on a more suitable site in the north of the borough.

Messages of support have kept up our morale. However we have our own message to others who are facing attacks in the form of job cuts, privatisations and sackings – Stand up and fight. Do it together and we can win.

Eleanor Davies

Messages of support to:
Eleanor 07946 541331
Facebook Hands Off Lewisham Bridge
Website defendeducationlewisham.wordpress.com
Email handsofflewishambridge@yahoo.co.uk

HEALTH

Capitalism and pandemic influenza

IN MARCH 2009 Edgar Hernandez, a five-year-old boy living in La Gloria, Mexico developed a headache, sore throat and fever. Little did his family know that within a month he would be paraded across the world's media as the first confirmed case of swine flu, a new strain in humans that threatened to become a global pandemic.

A month later the first two UK cases were confirmed in a couple who had returned from Mexico. These honeymooners recovered quickly with a short course of treatment by publicist Max Clifford, who helped them turn a pig virus into fame and fortune.

By 29 April, Margaret Chan, Director General of the World Health Organisation (WHO), had raised the influenza pandemic alert level to 5, signalling an "imminent pandemic".

A huge industry and infrastructure then lurched into action – pandemic flu preparedness committees were mobilised in hospitals and public bodies, massive stockpiles of anti-viral medication were dusted down ready for action, and doses kept in local pharmacies were sequestered by state public health agencies for distribution according to a central plan.

There is no doubt that the World Health Organisation's "war on flu" approach has enthusiastic support from the manufacturers of the drugs

Pre-arranged publicity campaigns, possible travel restrictions, intensive follow-up and isolation of patients and their contacts, policies for school closures, centralised services for diagnosing, monitoring and delivering treatment to patients and contacts were all set in train.

So has the whole pandemic response been an overreaction? Is the whole pandemic flu panic just a way of making money for "big pharma" and promoting the careers of epidemiologists?

It is tempting to see it this way, particularly as it appears to be spreading less rapidly and less devastatingly than feared. By the fourth week in May there were 8,829 confirmed cases in 40 countries. Most cases have been mild and self-limiting, but a minority of people have had severe illness and 74 people have died. By comparison, seasonal flu affects between 5% and 15% of the world population each year, killing between a quarter and half a million people, including about 8,000 people in the UK.

But the new virus is not finished with us yet and the eventual impact of 2009 H1N1 is uncertain. At this time of year flu doesn't tend to cause epidemics in the northern hemisphere; it usually peaks between December and March in the UK, for example. It is quite possible that it will reappear in the autumn. And while the mortality is less than initially suggested in Mexico, deaths have mostly been in people under 60 which is a characteristic of the most lethal pandemic strains of the past. In contrast, 90% of deaths from seasonal flu are in people over 65.

The lethal potential of a new strain lies first in the fact that the majority of people will be susceptible because they have no immunity. The mortality of the new strain appears to be around 0.5%, not as high as the 2.5% of the 1918 pandemic, but still enough to devastate communities. The

"Spanish flu" of 1918 is estimated to have killed more than 20 million people within the first six months – compare that with HIV which killed as many people over a 25 year period.

So if the world was right to be alarmed, and should continue to prepare for future spread of this and other potential pandemics, was the response correct, or was it designed to suit the pharmaceutical companies?

Profiting from pandemic panic

Plans to recognise and respond to pandemic flu have focused largely on avian flu – originating in Asia – rather than a swine flu from the Americas. The US leftist Mike Davis, author of The Monster at Our Door: The Global Threat of Avian Flu, argues the WHO strategy is wrong because it focuses on identification of an outbreak, isolation of the cases and a pharmaceutical disinfection of the local area through giving everyone antiviral drugs.

He suggests this counter-insurgency style approach is doomed, and that it has been pursued at the expense of investment in basic public health measures to improve surveillance, infrastructure and access to drugs.

There is no doubt that the WHO "war on flu" approach has enthusiastic support from the manufacturers of the drugs.

Shares in Glaxo, manufacturers of the anti-viral drug Relenza, rose by 7% in one day after the US government announced more plans for stockpiling the drug in late April. Gilead, who developed Tamiflu, and Roche who manufacture it, saw share prices up by around 4% on the same day. Sales of face masks and disinfecting hand gel have skyrocketed.

But as Davis pointed out, by the time the WHO response was activated, the swine flu virus had already "escaped" a local area and was spreading across Mexico and the US. It was inevitable that it would then spread to countries with most links, particularly through air travel. There was certainly a delay in recognition of the outbreak in Mexico, although this appears relatively short – once severe cases and deaths started to occur in young people it was quickly reported.

However, even if this had first emerged in the US, or in the UK, there is no guarantee that it would be instantly recognised, since flu-like illness is very common. Given the massive amount of international travel that occurs a new virus could never be contained for long. But it seems that the war on flu approach may be limiting spread in the UK, for example, with the closure of affected schools. This part of the strategy was only ever intended to buy breathing space while more anti-virals and a vaccine could be produced.

We cannot avoid the emergence of new infectious diseases, but it is clear that globalisation has made them more frequent and more widespread

Other global aspects of the response have been impressive. The H1N1 virus genome was fully sequenced by the first week in May, and as soon as sections of the genome were mapped they were made available in public repositories. This enables scientists from anywhere in the world to investigate the virus to understand its origins, identify mutations that may be associated with virulence, develop tests and start work on vaccines.

These positive elements of the global response may well limit the impact of the disease later in the year. But as it stands the strategy will do little to help the people who are likely to suffer most – the poor. While the UK has major stockpiles of Tamiflu, and has orders in for vaccines to protect millions of people, poor countries cannot afford to buy them. As a result of previous pressure on the drug companies over affordable medicines, Roche has agreed to reduce the cost – a course of treatment costs around US$100 in the US, but Roche will make it available for US$16 in poor countries.

It is not just drug and vaccine availability that means poor countries, and poor people, will suffer most. Recent analysis of the 1918 pandemic shows that one of the main predictors of mortality was socioeconomic status: death rates were 30 times higher in poor than in rich countries, and that was in a situation where there were no effective treatments. The same research group projected that 95% of deaths from the next pandemic would be in the poorest nations.

This is where the problem with the "war on flu" approach of the WHO and the Centre for Disease Control really lies. They have developed containment strategies that may or may not be effective in rich countries, but that cannot be implemented in poor countries because they do not have sufficient public health infrastructure. Even if Roche made Tamiflu freely available to everyone in the world, the systems for delivery would not be there, nor would the treatment facilities for those who become seriously ill.

Planning for pandemics

Pandemics of flu are regarded as a kind of natural disaster, one of those things that we can't do much about. In fact pandemics are not "natural" in that sense. This swine flu is the result of a toxic mixture of human, pig and bird flu viruses. This mixing has been made possible in large part by capitalist production in the era of globalisation. Industrial scale food

production places animals in ever larger farms, with herds of pigs large enough to support the development and spread of new viruses. It moves livestock around so that such viruses can move with them. It does the same with poultry that are crammed together and then shipped live into markets or factories where they can exchange their viruses with people. Those people move around the globe in large numbers and at huge speed, mixing up viruses still further.

And then when new diseases emerge, and start to spread round the globe, eventually it is the poor who are worst affected because they often live in overcrowded conditions and have inadequate health infrastructure to protect them.

We cannot avoid the emergence of new infectious diseases, but it is clear that globalisation has made them more frequent and more widespread. What we must do now is push for the strongest response, and demand that resources are diverted to support poor countries' developing infrastructure, to have generic production of anti-virals and vaccines.

Vaccines must be made available according to need – at the moment countries like the US and UK have bulk ordered them even before they have been developed, in order to protect themselves, even if the epidemic was already devastating other parts of the world.

Key parts of the pandemic response require central planning, for example in distribution of drugs and vaccines, together with extensive cooperative working in research and vaccine development. The current response includes elements of these, but under capitalism this is limited by national governments and the multinational corporations who put their own interests first.

Clare Heath

IRELAND

Trade unions retreat, government attacks

IN EARLY April the Irish government, a coalition of Fianna Fáil and the Green Party, introduced an emergency budget, the second in six months. It was a swingeing austerity budget that fell squarely on the shoulders of the workers while hardly touching big business and the rich. It introduced spending cuts of €1.5 billion, mostly from social welfare, and raised taxes by €1.8bn. Eighty percent of these taxes fell on PAYE payers – that is the workers.

It could have been very different. As we reported in our last issue, a decision to make the public sector workers pay a large extra pension levy and institute a wage freeze, led to widespread anger and protest by workers across Ireland – 120,000 marched in Dublin on 21 February in a protest called by the Irish Congress of Trade Unions (ICTU). Plans were made for a general day of strike action by several national unions on 30 March. Waterford Crystal workers had occupied their factory in protest against threatened closure.

Had the union leaders set out to develop this fighting spirit they could have forced the coalition into retreat and prevented the workers being made to pay for the banker's crisis. But predictably the ICTU leaders looked for the first opportunity to demobilise the protests. Five days before the 30 March strike was to take place, the ICTU announced that it was calling off the strike and had accepted the government's invitation to return to talks.

The excuse for calling off of the strike was the vote delivered by the public sector union IMPACT. Despite the fact that 65% of IMPACT workers voted for strike action it was just short of the 66% needed under the union constitution rules. The media, and of course the trade union leaders, seized on the 1% shortfall to argue for the cancellation of the entire national strike. After the IMPACT result ICTU moved quickly to call off the strike.

It is worth repeating that, despite the lack of any credible campaign by the union leaders for a yes vote, despite the determination of every party in the Dáil (parliament), including Sinn Fein and Labour, that the 30 March should not go ahead, the overwhelming majority of trade unionists had voted yes to the strike. The ICTU leadership proceeded to dump this mandate with impunity.

Days before the strike was cancelled, the occupation by workers at Waterford Crystal was also called off. The eight-week sit in was ended on 22 March after the Unite union reached an agreement with its new owners, the private equity company KPS. The deal did not safeguard workers' pensions and promised to maintain only 176 jobs out of 480.

Bosses offensive

The government's response to this retreat was quick and resolute. The budget delivered on 7 April is clearly only the start of the process of offloading the costs of the crisis onto working people. After years of rapid growth the Irish economy faces meltdown – the government predicts that GDP will fall by 8.3% this year alone; other economists think 10% is a more likely contraction. Unemployment is already going through the roof. It was 11.4% in April and a report by the Economic and Social Research Institute (ESRI) predicts that unemployment will rise to 17% next year.

This was the background to the austerity budget. The extra taxes mean that a worker on €30,000 a year will lose about €900, this comes on top of previous losses in

the earlier budget. Public sector workers will lose even more, having to pay a large pensions levy as well. Businesses and the rich got off lightly of course. Ireland has the lowest corporation taxes in Europe but the Fianna Fáil/Green Party coalition made no moves to increase it. Workers also pay some of the highest VAT rates in Europe at 21%. It is little wonder that economists predict that real incomes will decline by 10% or more in the next few years.

But it wasn't just those lucky enough to have jobs who were made to pay. Unemployment benefit for young people under 20 was halved to less than €100 a week. Payments towards early child care have also been halved and rent assistance reduced. To top it all the Republic's traditional Christmas bonuses for welfare claimants were cancelled – clearly being a capitalist scrooge is back in fashion!

Banks and bureaucrats

This is the price the Irish workers are being made to pay as a result of their leaders being unwilling to fight. From the start the ICTU leadership has sought ways to convince workers that we had to "share the pain" of the crisis, despite the fact that during the "Celtic Tiger" years there was no sign of the bankers or property speculators being keen to share the wealth. As public sector workers are receiving their first pay cheques with the pensions levy pay cuts we discover that Irish Nationwide, recipient of a government bailout, rewarded its retiring chief executive a €27 million pension pot!

The ICTU leadership themselves receive wages many times the size of those of ordinary workers, double or treble jobbing through appointments to various state boards, many of them moving in the same golden circle of business and state that run the country. David Begg, for example, sits on the board of the Central Bank.

While the workers are being squeezed, the government is busy continuing to throw money at the banks. Having already put €7bn into AIB and the Bank of Ireland, and having been forced to nationalise the bankrupt Anglo Irish bank, the government is now proposing to buy up all the banks "toxic debts" and place them in a bad bank that the state (i.e. the tax payer) is responsible for. There is a whopping €90bn of this debt, most of it worthless, that the government intends to "buy". This will be paid for by more tax increases and public spending cuts over the next five years.

Further attacks on workers' pay and conditions are clearly on the way. In Ireland there is no sign of the crisis in capitalism easing – quite the opposite – so we can be sure that within months if not weeks further attacks will be unleashed by the state as well as the continuing attacks from employers in the form of layoffs, pay cuts and the imposition of short weeks.

Workers must organise a fight against the austerity budget and to drag their leaders out of talks with the government and back onto the streets

Workers must act for themselves, against their leaders if necessary, if we are to avoid heading into the greatest defeat in twenty years. Two decades of social partnership has paralysed worker activism: many have no experience whatsoever of fighting for a pay claim since their wages have been settled nationally. There is a need to build from the grassroots, reaching out to the rank and file in the trade unions and broadening out the struggle to embrace the unemployed, agency workers, students and community groups to oppose cuts in health, education, welfare and local services.

The votes for strike action and the example of the Waterford workers show the willingness to struggle is there – and we need a new, fighting anti-capitalist party to lead it.

Workers must organise a fight against the austerity budget and to drag their leaders out of talks with the government and back onto the streets. Instead of cutting social welfare and increasing the tax burden on the workers, socialists must demand that the bosses pay for this crisis.

A steeply progressive wealth tax must be introduced alongside increased capital gains taxes and higher income taxes for the rich. The banks must be nationalised under the control of the workers, not bailed out. We must use this control to open the books of the banking and business sectors, find out where the money has been salted away, expose corruption and the ill gotten gains of the bankers and politicians.

Where plants are threatened with redundancy or closure, workers must use strike action and occupations to demand nationalisation without compensation under workers' control.

There is an urgent need to co-ordinate all the scattered strikes, to bring forward and turn one-day strikes into all-out indefinite strikes to stop the cuts, the sackings, the corruption, to meet the needs of workers. We must reject the attempt by the bosses to drive a wedge between public sector and private sector workers.

This rotten coalition government must be driven from office, but we must not fall into the trap of believing Labour and Fine Gail will offer anything fundamentally different. We need a government that will act in the interest of the workers and strike a blow at the heart of this crisis-ridden system.

Maureen Gallagher

SWEDEN

Alliance coaltion tightens the screws

SWEDEN HAS been hit hard by the crisis largely due to its export-oriented economy. GNP is expected to fall by 4.5% this year, a drop unlike anything the country has experienced since 1940. The export of goods is expected to plummet 17% and investment is anticipated to contract by 10%.

The strategically important car industry – which employs 190,000 people and accounts for a sizeable chunk of Swedish exports – has entered into deep crisis. During the fourth quarter of last year car exports fell by 52%. The very existence of the two big car producers – Volvo PV (owned by Ford) and Saab (owned by GM) – is threatened. The companies have been laying off thousands of workers while they frantically try to find new owners ready to pay for the necessary restructuring.

For the working class this crisis has hit at a bad time. Back in late 2006 the then newly elected bourgeois coalition government – the Alliance – attacked the unemployment insurance system. The eligibility rules were made harder and it became more expensive to join a voluntary unemployment insurance fund, administered by the trade unions. As a result, half a million people left the voluntary system, taking a chance that in a booming economy the risk of being fired was low; or that the principle of "last in, first out" as enshrined in the Employment Protection Act would protect them from being fired. Then came the credit crunch.

Unemployment reached 8% in February, edging the total up to 387,000 and rising. Economists at the Swedish TUC predict unemployment will rise by a further 300,000 by the end of 2010, the same level as during the deep recession in the 1990s. Every fourth person under 25 is unemployed and half of those registered unemployed don't have any unemployment insurance and are forced to apply for social security benefits – which means the social expenditures for the already hard-pressed local councils are rising. Even many of those who do receive unemployment insurance do not bring in enough to cover their expenses. Eight in ten receive less than 80% of their former wages.

The conservative-led Alliance won a narrow victory at the last election mainly because the conservative party underwent a cosmetic makeover and emerged as "The New Labour Party". This was after its election rout in 2002. Nearly the whole leadership was replaced and instead of a confrontational stance they decided on a "killing you softly" strategy.

From the start the opposition, which is pledged to form a coalition, consisting of the Social Democrats and its two partners, Vänsterpartiet (Left Party) and Miljöpartiet (the Greens), took a lead in the polls and held on to it until this spring. But their strategy of "waiting for 2010" and the next election began to backfire because of their weak response to the crisis. The recession demanded a strong answer, but with no real fighting alternative to offer, and steeped as they are in traditional reformist parliamentary politics, they have watched their support ebb away to a level where there is real doubt as to whether they can win the next election.

The bourgeois government's efforts to project itself as a "responsible" crisis manager trying to keep control of the public purse in case it gets worse and arguing against the "irresponsible" opposition demanding more money to the public sector and so on, seems to have had some effect. A poll in the middle of May showed that the government's handling of the crisis had support even among the opposition's sympathisers. Over half of the Social Democratic sympathisers thought the government "did a good or relatively good job in handling the economic crisis". No wonder then that confidence in the Social Democratic leadership has slumped, symbolised by the weak support for the party leader, Mona Sahlin.

There is a risk that not only will the bourgeois coalition be re-elected, but that the populist right wing extremist Sverigedemokraterna will also enter parliament; this party already hovers around the 4% needed to get into parliament. They will probably benefit from widespread discontent with both the Alliance and the opposition because they project themselves as a party defending traditional "Swedish" values, including the old Social Democratic vision of "Folkhemmet" (the people's home). This will not fool everyone, but they do have some support amongst young workers from traditional working class backgrounds and occupations.

Unfortunately the far left is very weak, even in comparison to Sverigedemokraterna. In the elections to the European Parliament the CWI and USFI sections, Rättvisepartiet Socialisterna and Socialistiska Partiet, launched Arbetarinitiativet (Worker's Initiative), inspired by the French Nouveau Parti Anticapitalist, and invited representatives from the party to tour Sweden.

Arbetarinitivet's platform has an anti-capitalist perspective and fights for "a democratic and socialist Europe". But the response to the initiative has so far been weak – due not least to the simple fact that the French NPA was created out of a deep radicalisation and a combative mood that is not yet present in Sweden. Nevertheless, the future could arrive sooner than anyone expects. It wouldn't be the first time . . .

Anders Ångström

VISTEON
Workers' occupations take on the bosses

Eleanor Davies reviews the recent struggle by the Visteon workers and looks at the implications of it for the rest of the motor industry

ON 31 March 2009 600 Visteon workers in Belfast, Basildon and Enfield were given six minutes notice to quit. No redundancy deal was on offer and the pension scheme was wound up. New Labour, new recession – same old P45.

Of course all of this was, to coin the MPs' favourite phrase, "within the rules". But the rules are rigged. And the workers decided to play by a different set. Belfast Visteon workers seized control of their plant. On hearing the news from Belfast, Enfield and Basildon went back to their plants. There was a combine-wide occupation.

Legal pressure and state harassment forced the Enfield and Basildon workers out of their occupations. Nevertheless, the strike continued and after seven weeks bitter struggle, with Belfast still occupied and Enfield still picketing, the workers forced the bosses to grant a generous financial package. On day one they were out the door with nothing. After seven weeks of struggle they at least secured a degree of financial compensation that would help them and their families survive. This they got by fighting back instead of sitting back and accepting the bosses' right to play with their lives.

The workers sent out a message to those of us who want to fight pay cuts, redundancies, school closures and the privatisation of public services. By standing up and fighting back with courage, initiative and creativity we can get results.

Visteon is a sorry tale of murkiness and shady dealings. The company was established by the multinational US-based car producer Ford in 1997 and spun off in 2000. Ford remained Visteon's main customer and the links between it and Visteon are strong. On 15 May 2009 Ford took over responsibility for $264 million worth of Visteon loans according to the document "Visteon Corp 8K". This document states:

"Ford is the company's largest customer and the company provides various information technology, personnel and other services, and leases personnel to Ford and certain of its affiliates."

Despite this obvious link, Ford tried to wash their hands of the Visteon workers, initially refusing to take part in any negotiations or take any responsibility for redundancy payments or pensions. It claimed that Visteon was a completely separate entity despite the fact that Ford set the company up and is its major customer. All over the Belfast Visteon plant there are crates marked with the Ford logo. Just last year Sean McCaffery, a worker at the Belfast plant, received an engraved commemoration vase from the company for 30 years service with . . . Ford. Now the bosses don't want to know.

In February 2009, just weeks before Visteon workers were told their company had gone into adminstration and their jobs were gone, Steve Gawne, Chief executive of Visteon UK, set up a company called Automotive Products. This is registered at the Visteon Basildon plant address and workers are convinced that he will take the machinery currently used by Visteon for his new company and re-employ workers – but on worse terms and conditions.

This puts the redundancy deal into perspective. It is a considerable advance on the original notice to quit. But it still means the jobs have gone and any new ones will not be as good. This explains anger amongst workers, especially in Belfast where the occupation of the plant held firm throughout the dispute, over how the deal had been negotiated, how workers had been categorised and how the whole thing had been communicated to them by the union leadership. For example, Enfield and Basildon voted two days before Belfast. As the workers in Belfast said, "It doesn't matter which way we vote now, the deal is done."

When we visited the Belfast plant, during the weekend of the ballot, the atmosphere was one of tempered anger. The militants understood that because they had maintained the control of the Belfast plant they were in a far stronger position to continue the fight than their fellow workers at Enfield and Basildon. But they felt betrayed by the national Unite union leadership. That leadership

made clear from the outset that they weren't fighting to preserve jobs. They just wanted to save face by getting better redundancy terms.

On the Friday before Belfast held their ballot Unite issued a press release declaring a victory and announcing that workers would receive up to £80,000 in pay-outs. This was a ringing endorsement of the leadership's negotiating skills but it didn't save a single job. It was won not as a result of Tony Woodley's bargaining prowess but because the Belfast workers had seized their plant and other workers had struck.

This explains why workers in the Belfast plant – 34 of whom voted against – saw the deal as a partial victory. This is what John Maguire from the Belfast occupation said after the ballot:

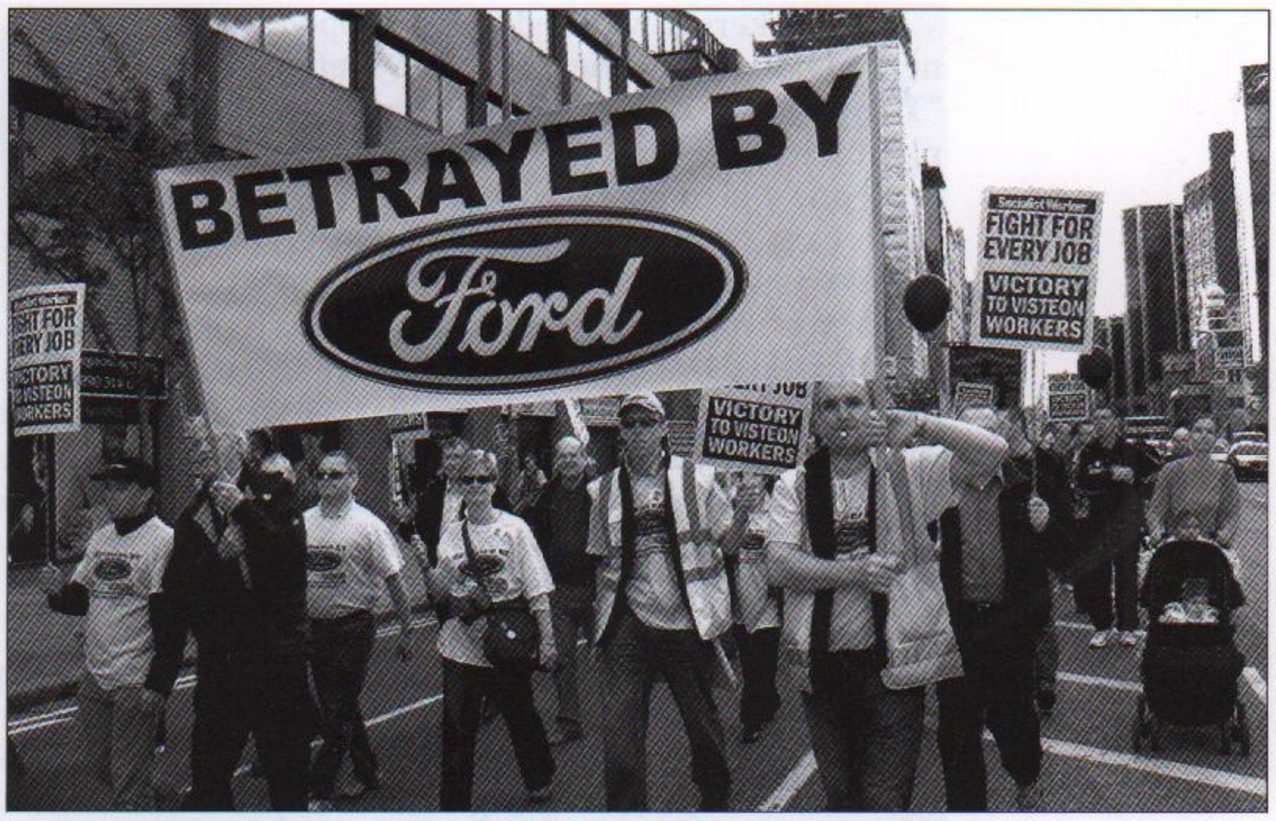
"From where we were a month ago this has to be seen as a victory. Together with Basildon and Enfield we took on two massive multinationals who had walked away without giving us our statutory notice and left us with only statutory redundancy entitlements. We have forced them to come up with a £40 million settlement, which at least provides the workforce with a financial cushion while they look for jobs. But in the overall sense we are far from happy. This is a viable factory, which we wanted to keep open. These are not our jobs, they belong to the next generation. If we had been asked to sell these jobs we would never have done so, not at any price."

The Belfast occupation

The combined pressure of the courts and the Unite leadership coerced Enfield into accepting the ultimatum and leaving their plant after they had originally occupied it. But after the event the workers knew this was a mistake and that they were in a weaker bargaining position because they were outside the gates. Management quickly moved in some heavy-handed security to protect their property and undermine the workers' action.

Belfast was very different. The workers never left their plant, they took control and forced the management and the administrators to leave the building. When the administrators arrived on 31 March and told the workers that they had been made redundant and could they please leave they were greeted with a chorus of "we're not leaving." After a quick meeting the decision to occupy was taken and enforced. The plant was seized, secured and placed under workers' control. The gates were sealed and the CCTV cameras were disabled. The workers escorted the management team off the plant. The administrators stuck it out without food for another 36 hours, but did not have the stomach for a long fight. They realised their efforts were futile and decided to leave. The security staff hung on until their shift was over and then left.

From the outset the workers in Belfast knew that they had to maintain the occupation to keep up the pressure on Ford, to win support from the local community and to organise solidarity action in other Ford factories. They ran the occupation with military precision and a rota was established for various practical activities: cooking, cleaning, and staffing the gate. The fridges and freezers were stocked up with food and a notice board encouraged people to come forward with ideas and suggestions on how to sustain the occupation and ensure that morale was maintained. For instance, one rule about no alcohol was supplemented with the warning that the media were sniffing around and that they could be caught on camera. The occupation was run in an open and democratic manner, which meant that everyone was involved and informed.



Belfast Visteon workers march on May Day Photo: Kirstie Paton

We visited the plant on the Mayday weekend and the level of discipline and organisation was inspiring. Under a regime of workers' control a strong sense of solidarity and accountability had developed and people discovered their own strengths and skills in areas they didn't think possible. Men who had previously been quiet on the factory floor came into their own as they had the opportunity to express and exchange political ideas on everything from the day-to-day running of the occupation through the negotiations with the Visteon bosses to how to solve the world recession.

The factory is in the middle of a West Belfast housing estate and the local community understood the significance of the imminent closure of this plant

A routine of daily meetings was established through which workers could communicate with the convenor, deputy convenor and shop stewards. A wall covered in press cuttings was set up and messages of support were all over the place. The workers welcomed visits and support from political parties including the Socialist Party, the SWP and Sinn Fein – Gerry Adams came and offered his support. For every visitor a medal was made with the date of the occupation and their name on it.

The workers galvanised public support by making banners to hang from the plant. They set up a picket called "The Cocktail Bar" where the motorway runs past the plant with placards asking motorists for their support. Someone told us how a driver pulled over and jumped out of his car to hand the surprised pickets £80.

Respect for and maintenance of the machinery was an important routine in the occupation. On a tour of the plant accompanied by two of the workers we saw machines and desks which had been left exactly as they were on 31 March – half made parts, part drunk mugs of tea, paperwork left across a desk. Billy kept pointing out as we went round that each "station" represented someone's job.

One of the machines, which was used for giving precise measurements of the parts, is worth over £2m. The workers ensured that under no circumstances was the machinery or plant to be abused, by being broken up or stolen. Apparently there was a case early on where someone tried to take something out of the plant but he was quickly dealt with by the rest of the occupation and asked to leave.

The factory is in the middle of a West Belfast housing estate and the local community understood the significance for their lives of the imminent closure of this plant. Local businesses donated food and drinks and organisations and individuals gave donations of money. Over the Easter weekend a local primary school came by and donated Easter eggs at the gate. This was a case of the workers united, but instead of taking this as the cue for extending the fight to defend jobs throughout Ford UK, the union leadership refused to issue the clear call for solidarity action, the one thing that could have bolstered the Belfast occupation, boosted the action at Enfield and Basildon and encouraged resistance to job cuts throughout the car industry.

Solidarity action

Solidarity action was needed from workers in other Ford plants if the dispute was to win more than the enhanced redundancy terms. The strikers understood this and made attempts to establish close links with convenors at Southampton and Bridgend.

Bridgend makes the Fiesta engine, which is one of Ford's best selling cars, which currently has a 12 week waiting list. Threatening Bridgend with closure would have had an enormous economic impact on Ford.

As Frank Jepson explained, "All this was leaked so that Ford would know what we were planning. And it worked. Fleming [Ford President Europe] asked to talk. Less than a week after saying he had no obligation, he wanted to talk. The pickets at Bridgend were postponed. The pickets were our trump card. We didn't want to do it without getting full support of the Bridgend workers. Kevin Nolan and I went to meet the Bridgend convenor and senior stewards to lay the groundwork and to plan it . . . Woodley [Unite leader] was due to visit the pickets on the Wednesday but we got called into the national office [for talks]."

The decision to picket Bridgend was what finally brought Ford to the negotiating table and led to the deal. And while a result was won, the chance to score an even greater victory wasn't. That greater victory could have been the launch of a serious fight across Ford to stop job cuts and closures. According to the BBC:

"Five hundred posts have been cut in Swaythling. A further 350 job losses will be spread across the company's remaining UK sites in Basildon, Brentwood and Dunton in Essex, Daventry in Northamptonshire, Halewood on Merseyside and Bridgend in south Wales.

Most of the 1,000 workers at the Transit plant already face a cut in earnings after the two-shift working day was replaced with a single shift. The total layoffs represent nearly 7% of Ford's UK workforce of 12,900 – with almost half of the Southampton factory's staff of 1,100 affected."

The Visteon strike could and should have been used as the starting point to resist these plans. Delegations of Visteon workers could have explained what was at stake, how they were fighting and why others should join them. They could have sparked a widespread fightback – had the union leadership not decided to confine their struggle to one for better redundancy terms.

The trade union leadership

Tony Woodley – joint leader of Unite with Derek Simpson – was the main official involved in the Visteon dispute and in the talks that ended it. Woodley won the leadership of the old TGWU (now part of Unite) on a left wing platform that promised an organising agenda to revive the union.

He is a good speaker and has an easy rapport with many of the union's leading rank and file activists. His base of support, which he has renewed by speaking out in support of workers in struggle, is solid. He has criticised Labour more forthrightly than his joint leader, Simpson, and has presented himself as very much a field campaigner rather than a desk bureaucrat. While this image explains his support, his track record does not match with the carefully cultivated militant reputation. For example, he drew back from espousing solidarity action with the Gate Gourmet workers at British Airways by other TGWU members in the industry, leaving the strikers isolated at a point where their struggle had a real opportunity of winning because action was spreading spontaneously. He cited the anti-union laws as an excuse for pulling the plug on this 2005 strike.

In Liverpool in 2007-08 he pledged total support for Rolls Royce workers whose plant was threatened with closure. The plant is now closed and, as in Visteon, a militant and well organised workforce has been dispersed with even leading stewards expressing dismay at the manner in which the union treated them. After all, on a demo one winter Saturday Woodley gave a "struggle or death" style speech to the workforce. On the following Tuesday he struck a deal at a meeting with Gordon Brown and the Rolls Royce bosses that saw the plant closed and the campaign to keep it open wound up by the union.

What would this militant by word, but mediator by action, do faced with the occupation and strikes at Visteon in 2009? Tony Woodley did back the planned picket at

John Maguire not McGuire

INTERVIEW: VISTEON BELFAST

"Our strength is staying here. Everybody agreed"

Talk me through the day it happened?
Most of us came into work as usual, Tuesday morning. People came in and said they had seen two managers come in with bodyguards. Everybody started getting suspicious – why would they need bodyguards? There was nothing happening as far as we were concerned. There was extra security put on as well.

Then someone mentioned they had looked outside and they noticed there were people who they assumed were administrators coming in. At that point there was word sent round to everybody that we should meet at 1pm in the canteen here. We all came in, sat down and 15 minutes later a person I didn't know came in and stood at the front, at the side of two managers. They introduced themselves. He said, "I am John Hanson from KPMG administrators. Our company has been drawn by Visteon UK and as of now Visteon UK is liquidated."

He denied any knowledge of Ford. We said we were Ford employees, but he said "I know nothing about that." That's when the debate started. We said "We're not moving until we get this sorted out." Then he said "My colleagues at the back have paperwork for you as you are leaving, take a sheet each and you can read it and get back to us if you need any answers." Somebody said "We're not leaving." People thought maybe that's not a bad idea. John Maguire called for a meeting. He said to the managers, "Can you leave us to talk between ourselves and get things sorted."

This is the whole plant?
Everybody. We all talked between ourselves and decided that's it, we can't leave. We'll be too weak if we leave. Our strength is staying here. Everybody agreed.

After about half an hour people realised what had to be done. The place was secure. The managers were in their office, bodyguards with them. The doors we thought might get locked were taken off their hinges then the front gate was secured. We all went down to the gate. The two managers and the finance guy left with their bodyguards. The administrators stayed. Later that evening the administrators, about nine of them and two bosses stayed until the next morning. We said once you leave here that's it. It was the same with security as well. We said once your shift finishes, we're not going to throw you off the premises, but once you leave, stay off.
Once you'd got the place secure and you knew they couldn't get back in what did you do then?

From then on we realised we had to get public support so we had a lot of banners made up. The first week we hardly stopped making banners. People realised it was a focal point. It just broke up into wee groups. Every wee group was doing different things. There were people securing the gate and others were saying "What can I do?" and "Let's make banners up here." Anything that needed doing. There was nobody actually leaving. I'd say to John "We need this." "Right that's a good idea. We'll do this."

The press were here in a matter of hours. One of you rang them? Maguire called them?
BBC local news. BBC world service, they were all here within hours. They came in with cameras and stuff. The newspapers appeared as well. It was crazy. We had to get a grasp on talking to them, not a committee, but good communicators, people who had an in-depth of knowledge of what people's aspirations were. If the wrong message gets out to the media, if somebody says the wrong thing, it undermines everything we're trying to do.

Eleanor Davies spoke to Marty Avery, John Campbell and Sam Rosbotham

Bridgend. But his goal in giving the militants a nod and a wink was to strengthen his negotiating position. The bosses were tipped off about the plans and suddenly the top brass were inviting Woodley to talk.

Woodley had needed the threat of some action from the rank and file to use as a bargaining chip. But he wanted to retain control of that chip. He never wanted to see it become a starting point for widespread industrial action to defend every job across the combine. His strategy is not based on mobilising action to bring the bosses to their knees. It is based on using action to bring the bosses to the table.

Faced with the current jobs massacre Simpson and Woodley have decided that the key to salvaging credibility for the unions is to force the bosses into granting generous redundancy deals at workplace level while trying to get the Labour government to "invest in manufacturing" at the national level. The first part involves backing action, like Visteon and the recent Lindsey strike, on the quiet. The second part involves organising or supporting demonstrations such as the G20 protest and the recent Unite march for jobs in the West Midlands to let the government know that Unite is serious in its demands.

But both elements of this strategy dictate that widespread industrial action explicitly around the defence of the right to work – including illegal action such as occupations, strikes without ballots, turfing out managers and administrators and spreading the action through secondary picketing – has at best, a subordinate role (when the workers go for it regardless of what the officials say) and at worst no role at all. Better to lobby the government than to batter

the bosses appears to be the Woodley/Simpson mantra. But redundancy deals don't save jobs. One of the reasons Visteon Belfast workers were so determined to fight to keep their jobs and to keep the plant open is because they are not just their jobs; these are the jobs of the next generation. As one worker put it, "This is not my job to give away."

Rank and file action

But this spirit of rank and file rebellion poses a problem for the union leaders. It threatens their strategy of piecemeal and incremental improvement won through "their negotiating skills" and through the strength of "their leadership". After all, if the truth gets out that the bosses will only ever negotiate on our terms if we are prepared to impose those terms on them through our own strength, this challenges not only the strategy but the entire purpose of trade union bureaucrats. This explains why Woodley was willing to give the odd nod and a wink to the Visteon workers but was mainly concerned to control and conclude the dispute – not spread it.

Woodley knew that he did not have that much influence over the Belfast workers – partly to do with the political situation in Belfast. At the Visteon plant is in West Belfast, in Gerry Adams' constituency, workers have a political outlook forged by their experience of the war against British imperialism. This led to the degree of determination that maintained the occupation and it was this determination that forced the bosses to come up with new offer.

Belfast took the lead and Enfield and Basildon swiftly joined the fight. They didn't limit their fight to a legal battle – they circumvented the law and took direct unofficial action. But this action did not spread throughout Ford. And Unite did not try to spread it. Instead they began to put pressure on Enfield and Basildon. Following court rulings against the action union officials went into the plant at Enfield and advised the workers that they should leave their occupation.

This was crucial in isolating Belfast, and ensuring that its internal strength was insufficient to win back the jobs. The Belfast workers needed the weight of the union behind them, spreading the action, not curtailing it. As one worker put it, "I hope this has woken people up in higher positions in the union that they have a responsibility to get on the ground and fight with groups of people like us, not leave us for three weeks. They need to understand this proves there is a will in the trade union movement to fight. There is a lack of leadership to mobilise a membership to fight. That needs to be addressed."

Any attempt to spread the action was hampered by the union bureaucracy. Visteon workers couldn't even get on to the shop floor to discuss joint action with other Ford workers. The general strategy – of pushing the government for subsidies in return for pay freezes and short time working – was prevailing in the car plants where the fear of job losses was growing by the day. Yet far from strengthening the union's position, this has emboldened the employers. This was quickly demonstrated by the victimisation of Unite convenor, Rob Williams, at Linamar (another former Ford operation) at the Swansea plant. The victimisation of a leading militant is always the prelude to a wider attack on the workforce.

Scenting the possibility of using Belfast and the potential of a picket on Bridgend to get a deal the Belfast leadership was isolated during the negotiations. In Belfast this meant that when the vote came around the workers felt that they had been presented with a done deal even though their own rank and file leaders had not been party to agreeing it.

Bureaucracy's obstacle was further strengthened by the Ford workers' lack of confidence and fear of losing their own jobs. At first Woodley was forced to support the secondary action but in the end the rank and file didn't have the networks in place and they couldn't call Woodley's bluff. What the Visteon workers found was that they can't challenge the bureaucracy in a political vacuum – they couldn't go round the bureaucracy because their ability to organise is hampered by the union bureaucracy. The workers in Belfast felt betrayed by their leadership. They told us they felt were fighting on two fronts: Visteon bosses and the Unite leadership in the form of Roger Madison and Tony Woodley:

"I think the leadership of the union was surprised by the element of fight. I don't think they've won a trade union dispute in the last number of years . . . I get fed up when we go to union meetings and ask for help and they say 'let's do a collection'. Collections are good but I'm a trade unionist and if I wanted to put into a collection I can collect myself.

"I expect the union to fight with their feet. I hope the community will mobilise and do collections to help us. The problem here is our politicians have been very good but politicians lobby. The leaders of our union seemed to be lobbying too. Union leaders should fight for justice for members and that's the problem I have. I hope the leadership have learned a lesson that the people under them are ready to fight for justice and rights for all workers. This trade union needs to start fighting."

THE REDUNDANCY TERMS

THE REDUNDANCY deal places the workers into three categories:

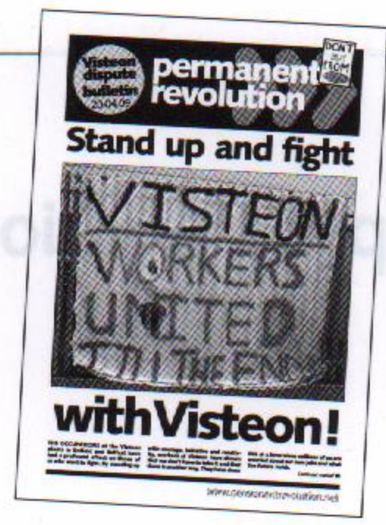
- Mirrored Ford employees (those who had been transferred from Ford at the time of the Visteon spin-out)
- New hire Visteon employees
- CCR (cost competitive rate employees)

Everyone is to receive one week's pay for every year of service (1.5 weeks if aged over 41), 12 weeks pay in lieu of notice – statutory redundancy or 52 weeks payment (26 weeks if CCR)

For the former Ford workers the figure will reflect the pay rise they were awarded under the terms of the previous Ford contract.

The deal did not include pensions. Visteon claim that they are on the verge of bankruptcy and that the pension fund is vulnerable and may be transferred to the pension protection fund, which is paid for by taxpayers. It also means that workers will not receive their pensions until they are 65.

Visteon workers have been told that the Visteon UK pension fund is in deficit. It turns out not everyone is affected by this, as senior employees and management transferred their pensions a long time ago.



VISTEON BULLETIN
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Looking forward

When the Ford bosses choose their moment to cut more jobs at Southampton and Bridgend, or when General Motors sell up to Fiat who then decide to slash production at Ellesmere Port's Vauxhall plant, the ability of Unite to fight back will be down by 600 militant members from Visteon. That is the reality of the redundancy deal in wider trade union terms. This is why the lessons of the dispute need to be kept live and carried to every section of workers who decide to fight back.

The Visteon strike could have won a lot more. The occupation not only challenged the bosses' right to dispose of workers and plant as they wish, it also challenged the anti-union laws. It showed, as did Lindsey, that workers can defy those laws in practice and ensure they are rendered useless if we stick together in that defiance. We need to force the unions to recognise this and write defiance of these laws into their strategy for resisting the impact of the recession.

Alongside parents in Lewisham, Glasgow and Greenwich who have occupied their schools when they were threatened with closure or privatisation, the Visteon workers have challenged the assumption that the bosses can do what they like with our factories, offices and schools. They have challenged the notion that the law is higher than working class needs. John Maguire, a Belfast Visteon worker, told us:

"I believe the Visteon dispute could be sorted out now and sorted out a lot earlier if the Thatcher laws of anti-unionism had been attacked. Our union needs to push to break the Thatcher anti-union laws while they're still in existence. When that's done we'll have a proper, fighting trade union back together."

John also spelt out another vital lesson of the dispute – the need for the rank and file to control the unions. Woodley can get away with his strategy because he does not face a strong organised opposition in the union and the odds against organising such an opposition are stacked by the bewildering level of bureaucracy that exists in the unions. The officials rely on rules and practices that distance the union machine from the members. That has to be reversed. As John put it:

"All positions in the trade union have to be up for election every year and all salaries must be within reach . . . if you become a leader of the trade union and you were an electrician, then your salary should be based on an electrician's salary. They need people who want to do this because they genuinely want to do it to help people.

"If they aren't getting anything out of it then we know that we have the right people at the top of the unions. I know there are times they have to go places and meet people but I'm talking about all trade unions, it's gone too far, too close to companies. It needs to get back to grass roots.

"It's a bit like Animal Farm, when you see what's happening. I'm not saying the intentions are necessarily wrong but when I was a convenor here I spent most of my time talking to management. When you're talking to management all the time you have to be very careful, you can end up talking like them. I made a point of coming in and doing a bit of work. People bring it to where you are."

This is an eloquent statement of the need to rebuild the unions as democratic fighting organisations controlled by their members. It explains why we need organised rank and file movements in all unions. Militants across all industries need to start to organise networks that can ensure action is supported, solidarity is implemented regardless of the law and disputes are settled on the say so of those in struggle.

Every opportunity to build such a movement should be taken, from the organisation of stewards' committees in the workplaces through to the co-ordination of a national network. And if at all possible the legacy of the Visteon dispute, and others like it, need to be translated into something permanent, something that keeps alive the tremendous sense of solidarity, creativity, imagination, courage and resourcefulness embodied in the actions of the 600 workers who defied a multinational.

The occupation not only challenged the bosses' right to dispose of workers and plant as they wish, it also challenged the anti-union laws

How many times do workers find themselves scratching their heads wondering where they can hold a meeting, where they can go to get labour movement-wide information, where they should go for advice on welfare, where they can create a social life that is imbued with the spirit of solidarity that was on display while they were on strike?

One thing the unions should be doing instead of paying out lavish salaries to bureaucrats and maintaining plush buildings that are rarely seen or used by the members is to set up trade union social centres in all of the country's major towns. These centres can be a resource, a place for spreading information, a place for meeting and a place for fun. They could become rank and file centres for rank and file workers.

Visteon workers could take a lead just as the Liverpool dockers did after their heroic strike in the 1990s did when they established the Casa, a union social centre. By setting up such a place which could provide the means for ensuring that the spirit and lessons of their struggle are passed on to the new struggles that will unfold.

And perhaps what needs to be carried over to such struggles more than anything else is the glimpse of the future that the Belfast occupation gave us, a glimpse of a life lived on the basis of solidarity, of workers' control, of the recognition of the need to challenge the reckless pursuit of profit and replace it with the production of things to meet human need and of workers unleashing their own potential to become the masters of their own destiny. It was a glimpse of socialism – and it looked good.

NO2EU – YES TO DEMOCRACY

Little hope for

Mark Hoskisson and Stuart King show quite how far from internationalism the Socialist Party and others strayed in the recent European Union Parliamentary elections

IN A personal message to voters in the European elections the fascist British National Party (BNP) leader, Nick Griffin, pledged that he would "resist and expose every attempt to strengthen the death grip of the EU on our beleaguered country."

The anti-European UK Independence Party (UKIP) declared that it was "committed to a free, democratic, independent Britain which is governed not by the faceless bureaucrats in Brussels but by our own people through our elected Parliament at Westminster."

Bob Crow, leader of the rail union, the RMT, and a candidate for the union-backed electoral slate, "No2EU, yes to democracy" wrote on his campaign blog, "Lend us your vote on June 4 and we will continue to campaign against EU corruption, the Lisbon Treaty and demand the repatriation of democratic powers to the member states."

A fascist party, a right wing nationalist party and a supposedly left wing coalition all found themselves sharing a common aim in the Euro elections in Britain – they all banged the anti-EU drum and demanded that we put Britain first. The No2EU slogan was not as brazen as the BNP's "British jobs for British workers", but the Little England nationalism was unmistakeable in its first campaign leaflet: "Defend and develop manufacturing, agriculture and fishing industries in Britain."

The supporters of No2EU tried to dress this nationalism up in left wing colours to distinguish themselves from the likes of the BNP. But to the vast majority of voters the distinction was opaque to say the least. The leaflets may not have been red, white and blue but the sentiments were. Britain's problem was not capitalism, but the big bad European Union. And this campaign had the temerity to call itself, in Crow's words, "a new left wing electoral alliance" and ask workers to back it.

How did the left end up wrapped in a Union Jack?

The No2EU campaign was a product of failure and folly: the failure of previous left electoral alliances and the folly of believing that electoral politics are the key to reversing the decline of socialism as any sort of potent pole of attraction inside the British working class.

Attempts to fashion a credible left electoral alliance in opposition to New Labour have dominated the last decade. At the beginning of the decade virtually the entire far left and a handful of dissident left reformists came together to form the Socialist Alliance (SA). This was itself an attempt to replicate what turned out to be the short-lived success of the Scottish Socialist Party (SSP) north of the border.

While the weakness of the SA and the SSP was the confinement of their electoral platforms to left reformist wish lists (a confinement imposed on them by the dominant and nominally revolutionary forces in both organisations) they were at least explicitly socialist in their appeal. Their failure to make a real breakthrough resulted in implosion in the case of the SSP, and dissolution in the case of the SA.

The Socialist Workers Party (SWP) ordered the break up of the SA in the belief it could translate the mass appeal of the anti-war movement into a new electoral coalition with expelled Labour MP George Galloway as its figurehead. "Learning" from the failure of the SA the SWP decreed that the new organisation, Respect, would not be socialist as that hadn't worked. Instead it would be a vague populist campaign appealing primarily to the beleaguered Muslim community.

But Respect too failed, with populism proving only

little Englanders

episodically attractive at the polls and George Galloway proving too independent for the SWP's liking. A split later and there were two Respects, an SSP and a rival Solidarity in Scotland and, for good measure, a small group of people still calling themselves the Socialist Alliance. Or to put it another way – a dog's breakfast.

Neither reformist socialism nor populism had proved to be the electoral elixir sought after by the leaders of the factions chopping and changing these coalitions around. Instead of analysing the reasons for failure, however, the factions simply moved on to try out new, even more opportunist schemas.

The folly of this method of trying to rebuild a socialist movement in Britain is that it ignores the key component of the problem. Electoral campaigns cannot solve the crisis of working class politics in Britain because they do not address the root cause of that crisis – at the level of organisation and ideology at the base of that movement. They avoid the laborious tasks of rebuilding a socialist inspired, confident, militant and well organised rank and file in the workers' movement. They prefer the method of producing the obligatory three pretty leaflets and a freebie mass mailing through people's doors during five weeks of each election campaign.

This is a short cut to the waste paper bin not a route out of the crisis of political leadership in the movement.

Serious working class forces never got involved in these electoral coalitions. And without numerically strong sections of the organised working class putting their weight behind a new party initiative any hopes of a real breakthrough remained slight. Significant involvement by the organised working class would have restricted the ability of the far left factional leaders to get away with their small time manoeuvres which quickly wrecked each alliance.

Origins of NO2EU

The Communist Party of Britain (CPB) and the trade union leaders under its influence remained deeply suspicious of these attempts to build a left alternative to Labour. Firstly "the Trots" were involved and secondly, openly opposing Labour threatened the CPB's cosy links with the pro-Labour trade union bureaucrats and left and centre Labour MPs.

The rail union, the RMT, took a similar position. Disaffiliated by the New Labour leadership for its Scottish branches support of the SSP, the RMT formally had a position in favour of seeking "working class representation" through creating a political alternative to New Labour. But in practice the national union did nothing to carry out this policy. A resolution from the Bristol branch calling on the union to take the lead in initiating a political alternative to New Labour was subverted by the CPB influenced leadership, notably Bob Crow. He used the resolution to convene the National Shop Stewards Network instead of convening a conference on building a new party.

But with the SA, SSP and Respect all in various states of disintegration, the RMT decided that it could now use the resolution to launch, not a new workers' party but the No2EU campaign. The field was clear. Now an electoral coalition could be set up and controlled by a powerful union bureaucracy and shaped by its political outlook. In the first instance this initiative took the form of the Trade Unionists Against the EU Constitution (TUAEUC).

The No2EU campaign makes much of the undemocratic nature of the EU, yet rank and file RMT members had no say in agreeing to this campaign

This body was run from the RMT's headquarters, Unity House. Its goal of opposing the Lisbon Treaty, which sanctioned the privatisation of public services including Europe's rail networks, is quite correct and has a broad appeal. But the limits of a campaign around the Treaty were obvious given that Brown was not going to allow a referendum on Britain. A meeting was called by TUAEUC to "discuss its political strategy at the forthcoming European elections in June". The meeting took place on 21 February 2009 at Unity House and a second letter to trade union branches and trades councils reported that a decision had been taken to register a "party" and stand a No2EU, yes to democracy slate in the elections. A meeting on 3 March

was set to establish a steering committee and a meeting on 14 March to plan the campaign.

These meetings were, of course, far from open and democratic. The No2EU campaign makes much of the undemocratic nature of the EU institutions, yet rank and file RMT members had no say in agreeing to this campaign. The organising meetings were by "invitation only" in the sense that if you opposed the idea of a No2EU campaign in favour of something broader or more socialist you were not allowed in. The platform of the campaign was drawn up by an unelected RMT officer and, despite promises of being open to change at the 14 March meeting, it was presented as a take it or leave it document by the RMT. There have been no conferences with resolutions where supporters or critics could have influenced the campaign in a different direction.

The nationalist core of No2EU is revealed in their call for protectionism – of industries owned and run by British bosses, not British workers

As a result of these manoeuvres the campaign was effectively set up by the RMT, whose Executive voted £45,000 for the campaign, and the Communist Party of Britain (CPB) and its paper the Morning Star. Bob Crow, RMT General Secretary, heads the list in London, while Rob Griffiths, CPB General Secretary, tops the list in Wales. It also drew in sections of the far left – the Socialist Party/Campaign for a New Workers' Party, Socialist Resistance, Solidarity in Scotland, as well as individual members of Respect and the remnants of the Socialist Alliance.

The third attempt to fashion an electoral alternative to New Labour in a decade was launched. And this time Bob Crow decreed that since neither socialism nor populism did the trick, the answer was to revive the old style left nationalism of the Communist (Stalinist) Party by bashing the EU and protecting Blighty from the Brussels Bureaucrats.

The nationalist core of the anti-EU campaign

The No2EU platform was based on the old Stalinist programme of anti-EU nationalism, reformism and protectionism. This strategy was fashioned by Stalin for the Communist Parties he controlled, as a means of enabling them to copy his own "socialism in one country" schema. The CPB still adhere to this in their support for a "British road to socialism". And while some of the demands are positive – the call for rejection of the neo-liberal Lisbon Treaty and EU directives reinforcing privatisation policies for example – the overall thrust of the campaign is based on anti-EU, little-Englandism.

The campaign never mentioned the word "socialism". The Stalinist line of trying to build an alliance with "progressive" sections of British capitalism meant that No2EU did not rule out support from bosses – "good" national industrial capital against "bad" European and international finance capital. Indeed, they even found a place on their North West list of candidates for a member of the tiny Liberal Party (a historical split from the Liberal Democrats).

Socialism would scare such potential allies away. Instead No2EU wanted to "Defend and develop manufacturing, agriculture and fishing industries in Britain" – it offered only nationalist solutions to Britain's economic crisis. Their programme was "to revitalise the economy. Britain must return to creating wealth, based especially in manufacturing, hi-tech and trade across the world." This means "massive investment and where appropriate protection of home industries" (www.no2eu.com).

The Stalinists have always searched for imaginary bosses willing to follow their advice to "invest at home", be more "patriotic" etc – capitalists who are willing to abandon the ruthless logic of profit and loss in determining where they make their wealth. The fact that such "progressive sectors" don't exist has never stopped them from adapting their politics and platforms to attract them – mythical or not. No2EU followed the same method.

The nationalist core of No2EU is revealed in their call for protectionism – of industries owned and run by British bosses, not British workers. In this context protectionism means exporting unemployment to other countries, supporting "our industries" against foreign competitors and stoking up economic nationalism.

The No2EU campaign came dangerously close to extending this economic nationalism to campaigning against foreign workers. It attacked the EU "for promoting the social dumping of exploited foreign workers" and opposed the free movement of labour across Europe: "To ferry workers across Europe to carry out jobs that local workers can be trained to perform is an environmental, economic and social nonsense." British jobs for British workers? What else can this mean? And what message does it send to foreign workers over here? We want you out – on left wing grounds of course!

A socialist campaign in the Euro elections would not have called for support for capitalist British industry. It would not have fostered the nationalist illusion that somehow British bosses are better than European ones. It would have pointed to the economic system – capitalism – that is plunging workers into poverty, unemployment and insecurity. It would have attacked anti-EU nationalism as a cruel illusion designed to divert workers' attention from the real enemy. It would have argued for British industry to be taken over by the workers' themselves and put at the disposal of society so that the real needs of millions could be met and all could be usefully employed.

Socialists should have advanced an internationalist policy of uniting with foreign workers to smash the EU directives that undermine trade union rights throughout Europe. They would have made the bedrock of their campaign the call for a United Socialist States of Europe, run by and for the working class. Such a campaign would not have counterposed "Britain" to the EU. It would counterpose the European working class to the European ruling class.

Not so the No2EU campaign. It declared "Nation states . . . and their governments are the only institutions that can control the movement of big capital and clip the wings of the transnational corporations and banks." Really? But the nation state is simply an executive committee of the national ruling class. The state rules in the interests of capital because it is a capitalist state. Since when have the working class ever fundamentally benefited from the actions of this nation state and been protected by it? This nationalist schema, the British Road to Socialism, with its belief that the British Parliament with a progressive majority can solve the crisis, is a dead end. It always was, but almost twenty years on from the spectacular and deserved collapse of Stalinism in the USSR, it is a particularly dark and miserable dead end.

The campaign rightly did not call itself "socialist", instead put forward a reformist programme to tackle the crisis – a programme to be carried out within the confines of capitalism. No2EU wanted "democratic control of the major banks, including the Bank of England, and full public ownership and democratic accountability of railways, postal services, NHS, and the energy industry."

Such calls for nationalisation of parts of the economy in order to save the rest is entirely in line with a capitalist solution of the crisis, not a socialist one – which is why The Economist, for example, early on argued for the nationalisation of Northern Rock. It is why Gordon Brown's government can happily take public control over the failing banks – they nationalise them at our expense and then pass them back to the capitalists at a later date. And adding on democratic accountability simply means, in CPB speak, making these bodies accountable to a "progressive" Parliament, not to the workers.

No2EU even tried to lay the blame for ongoing war threats at the door of the EU while ignoring Britain's warmongering role. A whole section of No2EU policies were devoted to "EU militarisation". Of course socialists should oppose the EU Rapid Reaction force but a more immediate problem is NATO. It is not the EU that is conducting a war in Afghanistan and trying to extend it to Pakistan it is the NATO alliance. It wasn't the EU that took military action in Serbia, Bosnia, Kosovo, but NATO. It wasn't the EU that invaded Iraq but Britain and the US as independent states.

Yet the No2EU campaign chose not to mention the actual imperialist wars being waged. It concentrated its fire on the EU as though it was the major belligerent in today's war torn world. It isn't and to suggest otherwise is to dodge the issue of fighting to get British troops out of Iraq and Afghanistan, fighting our own ruling classes militarism and fighting to smash NATO.

The whole thrust of the No2EU campaign was anti-European not anti-capitalist. For example, much is said about the anti-democratic nature of the EU. But why not make the point that it is not the EU who has assaulted our democratic rights systematically for the last 30 years. It is the British state. It is not the EU pushing through attacks on civil liberties in the name of the war on terror, it is New Labour.

As for the EU itself, why not call for a European constituent assembly where we could have a full on battle over a new constitution, a truly democratic and socialist one? Why not fight for real powers that can curb the bosses in Europe? Why not call on workers to struggle for a different type of European Union?

The answer is simple – because at root this was an anti-EU campaign that logically should call for leaving the EU but hasn't got the guts to say so. So it just regurgitates the little-Englander criticisms of big bad Brussels.

A step towards a new workers' party?

At a meeting in Liverpool to discuss fighting the BNP well before the June elections the Socialist Party put a resolution forward stating that the RMT initiative should be welcomed as a step towards solving the crisis of political representation. A young student, unprompted by any far left minders, responded in disbelief stating that to him the whole thing looked like a left wing UKIP rather than a progressive electoral challenge.

At a meeting of Liverpool Trades Council a delegate expressed enthusiasm at the thought of being able to vote for something other than New Labour at the June election. When it was pointed out that No2EU had the absurd position of asking you to vote for them but promising not to be an MEP if elected and refusing ever to attend the Euro Parliament on your behalf the delegate announced that they had changed their mind. That delegate was reassured by a Socialist Party speaker who explained that the ridiculous position of asking for your vote but promising not to be your MEP was "under review" and would be reconsidered if anyone actually did get elected.

Both of these anecdotes reveal that No2EU can, in the forums where debates are actually allowed to take place, be shown not to be the step forwards that its far left supporters claim it to be. It is a step back – back from socialism, back into the Stalinist mire.

So why have the Socialist Party, one of the largest groups on the far left, embraced it with such gusto? Why does Dave Nellist, a leading SP member, mislead audiences around the country by suggesting that the RMT's initiative is on a par with the old rail union's decision to propose the formation of a Labour Party back in the mists of time?

The Socialist Party are wrong to back this initiative. Their presence in this coalition is giving a left wing veneer to a narrow nationalist, Stalinist inspired campaign

Following the initial meeting to agree the initiative back in March, the Socialist Party raised a number of concerns. They were opposed to the boycottist position on the EU Parliament. They were disappointed that the electoral block was a one-off rather than the launch of a party and they wanted to be sure that there were "no concessions to racist or nationalist prejudices" (The Socialist 19.03.09). But their conclusion, which has dictated their

own particular "race to the bottom" of the political barrel, was: "The RMT, on the other hand, has moved . . . The train is moving. The task of socialists, while not holding back from arguing for our ideas on the way out of the economic crisis, is to lend a helping hand." (ibid)

By the following week (25.03.09) any concerns of the previous week gave way to a gushing endorsement of the RMT decision as "another step towards rebuilding working class political representation". This probably had a lot to do with the fact that Dave Nellist and Hannah Sell of the Socialist party were sitting next to Bob Crow at the press launch of No2EU, a fact that had transformed the campaign into "a chance to vote for a workers' alternative".

If this campaign were connected to socialism in any way, you would have expected to find some relevant socialist policies and proposals for action

It was also down to the fact that in the scramble to get enough candidates for this list the Socialist Party were able to provide some important working class activists, including from the Lindsey strike and from Visteon, to ensure that the party could satisfy itself that the list was now "a pro-worker alternative". Indeed Tommy Sheridan, former leader of the SSP, took time out from the stand up comedy circuit to join the list of candidates.

The Socialist Party are wrong to back this initiative. Their presence in this coalition, and in particular the fact that they are providing key working class activists as candidates for it, is giving a left wing veneer to a narrow nationalist, Stalinist inspired campaign. It is not, as they claim (15.04.09), "the first step towards building a force that can unite with workers in Europe and across the world to fight for a better future" and certainly not the case that "it seeks to oppose the European Union from a working class, non-nationalist standpoint" (Hannah Sell 24.04.09).

Let us consider why not.

You will search in vain, throughout the No2EU's publications and material for a single practical proposal to develop cross border working class unity in Europe. If this were a step towards internationalism you would, at a minimum, expect there to be proposals on how the RMT and other trade unionists involved could get around the immovable bureaucratic obelisk that is the European TUC. You would expect, perhaps, a call for a pan-European demonstration by rail workers' unions in, say, Brussels, to oppose privatisation. This would be something that rail workers are very well placed to organise because of their involvement in trans-European travel.

You would also expect there to be a proposal for a conference of rank and file union delegates, at the very least, in the rail industry but given the Socialist Party's involvement also in the car industry, to discuss developing the combines across the borders so that attacks on all workers in the EU could be met with better co-ordinated action.

There are no such proposals, anywhere in the No2EU campaign. Nothing, zilch, zero, to suggest even the most limited step towards international trade union co-operation in its lame apology for a manifesto. Instead there are, as we have seen, calls on the capitalist nation state to use its levers to "clip the wings" of the corporations.

Question any Socialist Party member genuinely interested in internationalism – how does banging on about the "social dumping" of foreign workers sit with this being a step towards international workers' unity? How does the absence of even the most elementary call for cross border co-operation between workers sit with the idea that this is a "pro-worker" alternative.

Also, if this were really a step towards developing independent working class organisation, you would expect the campaign to at least propose something that could take this forward in the areas where the list is standing. Could we perhaps, expect a call to local trade unionists to come together to discuss extending the campaign to embrace workers in struggle? Would it be unreasonable to expect the local lists of a campaign that purports to represent workers (at least according to the Socialist Party) to open itself up to workers' organisations by discussing with them through democratic forums? No2EU did nothing of the sort.

Finally, if this campaign were connected to socialism in any way, even if only as a first step as the Socialist Party claim, you would have expected to find some immediately relevant socialist policies and proposals for action – occupy threatened plants, strike against the cuts, smash the anti-union laws, renationalise the utilities and cut fuel bills, immediately raise the state pension to the median average earnings and protect it against inflation, nationalise all the banks under workers' control and so on. But you won't find any of this.

The Socialist Party said, don't worry, after the election there will be a convention to discuss all this. Too late. The election has been and gone and No2EU is indelibly linked with small minded anti-EU nationalism, bureaucratic manoeuvring and an irrelevant manifesto at a time when socialism was of burning relevance to millions. The RMT control the campaign and will dictate what goes on at any convention. And the Socialist Party have helped them ensure that the transition from socialism, through populism to Stalinist nationalism is completed and the British left stands, yet again, discredited in the eyes of countless workers.

Instead of facing this truth and responding by telling No2EU where to go, the Socialist Party, like so much of the left, has decided that a schema is preferable to life. The schema is this: a union moves; we give a helping hand; notwithstanding the utterly wretched politics on offer the masses rally around the No2EU banner; the Marxists are waiting patiently; struggle breaks out; we become leaders; victory.

It is exactly the same schema the Socialist Party operated with in the Labour Party. It is lifeless. It didn't get them anywhere – other than a rancorous internal split last time round. It won't get them anything this time either. The schema is past its fulfil-by-date.

The No2EU campaign ignored the opportunity to build on the real struggles going on against New Labour and the capitalist crisis. The Lindsey struggle raised the fight not only against the EU posted workers directive but against the anti-trade union laws – something completely ignored by No2EU.

The Visteon struggle against redundancies and pension fraud, showed how workers' occupations, seizing the bosses property, was a vital tactic in struggle. Both struggles demonstrated the inertia of the trade union leaders in the face of the crisis and the need to organise a rank and file movement of trade unionists that can rebuild the movement and rally it for the fightback.

Parents' occupations of schools in Glasgow, Lewisham, Greenwich, and student occupations throughout the country over Gaza and Israeli oppression, showed a militancy that could and should be built on. The struggles didn't follow the schema. They erupted and the job of socialists was to help them, spread them, win influence over their participants and extend the influence of socialist ideas throughout the class.

None of this was evident in the No2EU campaign. It was a half-baked electoral campaign, laced with anti-EU nationalist poison in the midst of a serious economic and political crisis that cries out for a fighting socialist alternative. It was an indictment of the British left, not an advance for it. No socialist should have given it the time of day. No socialist should try and prolong its life.

Can the Greens stop the BNP?

THE EUROPEAN elections marked a further step in the political disintegration of the Respect coalition led by George Galloway MP. Respect exists purely for electoral purposes and electoral failure spells disaster for this coalition. So, faced with its inability to field any candidates in the elections, the leadership promptly fell out over which party or coalition they would support. There were resignations at the top over the issue.

One wing opted to support the No2EU coalition, while others in the midlands and north west decided that the Green Party was the one to work for. In the north west the major argument has been that voting Green is the best way to head off the electoral threat of the fascist BNP. In that region the BNP, with its leader Nick Griffin as the lead candidate on its list, was hovering around the threshold for gaining a seat in the European Parliament – around 9% of the vote under the proportional representation system used for the EU parliament.

Peter Cranie, the Green Party candidate, is a supporter of the Merseyside Campaign Against Racism and Fascism, his website is almost totally focused on the BNP and is called www.stopnickgriffin.org.uk. Respect Renewal's national chair, Kay Phillips, said "... those who oppose the BNP must take the danger of them winning a seat very seriously indeed. It is for this reason that Respect have decided not to stand in this year's Euro-elections but, instead, to ask our supporters to vote for the Green Party list headed by Peter Cranie. We did not take this decision lightly but we genuinely believe that the votes of both Respect and Green Party are better combined than divided. Respect has a number of political differences with the Greens but we are confident that their lead candidate, Peter Cranie – who has a consistent record of anti-racism and issues such as support for Palestine – would make an excellent, progressive MEP."

Tactics and principle

Peter Cranie is a rock solid anti-fascist. He is also, relative to the motley assortment of other choices on offer, a man of principle on a wide range of issues, working closely with local campaigns.

But politics – as they say – is not about personalities. It is about principles and we cannot just jettison principles because the Greens have a reasonable candidate in one area. The principle at stake is working class independence and the Greens are not a working class organisation. Moreover, as their manifesto, policies and practices in office where they have been elected show, they are a kind of environmental buttress for capitalism.

Is it legitimate to vote for a middle class party with no organised links to the working class and with a pro-capitalist agenda on so many issues – the Greens – to "stop the fascists"?

Our answer is no. Of course we are against the BNP. Of course we are determined to stop fascism. Translated into voting terms in this election we say Vote Labour.

Labour is, and always has been, a pro-capitalist party. In its current neoliberal incarnation it is particularly ugly. But it has never, ever been particularly beautiful. And its looks don't determine our decision to recommend a vote for it. Its links to the organised working class do.

The trade unions still fund and support the Labour Party. Their organisers and full time staff work overtime to turn out the votes for the party. This is all done via the leadership of the trade unions – the trade union bureaucrats are major supporters of Brown and his policies.

Moreover, calling for a vote is not an endorsement of Labour's policies. We are diametrically opposed to those policies and will fight tooth and nail to change them.

Nevertheless calling for a vote for Labour is one way of taking a step alongside the millions of trade union voters who still support the party. It is a step which allows us to work alongside them. And the majority of Labour supporters and rank and file trade unionists actively disagree with many of the right wing policies of their leaders.

A united front with them in elections, and outside of them, allows us to connect with the mass of working class voters and put ourselves in a far better position to be able to convince them to make a real break with reformism.

It is one tactic in our strategy for building a new, mass revolutionary party.

Voting Green offers no such possibility. The Greens have no organised links to the trade unions and little support within them. Certainly the Green Party, given the unpopularity of Labour, has shifted leftwards for electoral purposes – to try and win the votes of disillusioned Labour supporters (just as the SNP did in Scotland). It launched a campaign for a Green New Deal which calls for "A massive environmental transformation of the economy to tackle the triple crunch of the financial crisis, climate change and insecure energy supplies", a programme it claims could produce a million new jobs. It has a trade union group and even, for the moment at least, tolerates an organised Green Left within the party.

But none of this should cause workers to think that voting Green would produce a progressive shift in British politics. At a local level the Greens have regularly gone into coalition with the Tories as they did from 2004-07 in Leeds. There they were involved in various local privatisations, including selling off Leeds/Bradford airport – which you would have thought as a major source of aviation pollution they would want to maintain public control over. In Lewisham the Green Party councillors just voted en block against the parents of Lewisham bridge school and for its privatisation (*see page 5*).

Fascism does not win through the ballot box, nor will it be smashed by the ballot box. Elections are secondary to mobilising the working class

It is very easy to play left when out of Parliament or government, yet the experience of the Greens when they take power is that they adopt the same anti-working class politics as the other bosses' parties. In Ireland at the moment the Greens in government have just supported an austerity budget that attacks the workers and those on benefits (*see page 9*).

In Iceland they are part of a government which is doing the IMF's bidding at the expense of ordinary people crushed by the banking crisis. Neither should we forget the Green Party's role in Germany, as part of a right wing Social Democratic government that attacked the workers. It was of course Green Party leader Joschka Fischer who, as Foreign Minister in 1998-2005, played a leading role in using the German army in imperialist adventures for the first time since World War Two – actively supporting the intervention of German troops in both Kosovo/Serbia and in Afghanistan.

Would voting Green really stop the BNP?

There is no doubt that a BNP foothold in the European Parliament will give this fascist party extra publicity and resources, but to suggest that "voting Green", or indeed voting Labour for that matter, is key to defeating them is just plain wrong.

Of course like everyone else in the elections we worked to stop them gaining any seats, and we did not tell people not to vote. But we take a long term view of how to defeat the BNP – a view that goes well beyond the round of elections, European, local or national.

Fascism does not win through the ballot box, nor will it be smashed by the ballot box. Elections are secondary in our anti-fascist strategy to mobilising the working class to smash the fascists through direct action.

The fascists will develop as a threat to immigrants and workers as a street-fighting, extra-parliamentary force. Nick Griffin's "electoral turn" is an attempt to gain respectability and convince people that his form of racism (and holocaust denial) is a legitimate political argument. It is a smokescreen for his real ambitions.

The actual threat from the fascists will not be in the European Parliament but on the streets where they intimidate and attack migrants, lesbians and gays and trade unionists. This is where they need to be fought – and the workers, migrant communities and all black workers should not shy away from organising to deprive the fascists of the right to organise on the streets and in public meetings to spread their racist filth. Black and white workers need to frighten off the "soft" racist supporters of the BNP and isolate and smash its fascist core.

This is not just a street mobilising task but also a political one. The forces now being attracted to the BNP with its pseudo radical "outside the establishment" image and its "British jobs for British workers" appeal has to be answered with a clear alternative socialist answer for workers and the unemployed in the current crisis. Only the socialists can offer a clear alternative to capitalist crisis, as this involves attacking and removing the very system which gives rise to mass unemployment and poverty.

The Green Party presents no such alternative perspective to crisis and poverty. It might want to regulate capitalism better, provide a few more jobs through Green New Deals but in the end, because it is pro-capitalist it ends up defending the very system that produces racism, poverty and unemployment.

THE EUROPEAN ECONOMY:

No return to the good times

Europe thought it would avoid the worst of the "Anglo-Saxon" banking crisis. It was not to be. Keith Harvey looks at the depth of the recession in the eurozone

SURVEYING THE state of European capitalism in April the European Commission was frank: "The EU is struggling to overcome the deepest and most prolonged downturn since World War Two."[1]

It wasn't meant to be this way. When the credit crunch exploded in 2007, Europe's leaders were quick to point the finger of blame at New York. Brussel's complacently pointed out that the sub-prime mortgage mess originated there, the European Union's (EU) responsible banking sector could not be compared to the über-deregulated financial system in the US.

Continental Europe's consumers were high savers, households spurned high consumer debt, property bubbles were limited largely to Ireland and Spain.

But after seeming to get off lightly from the post-2007 credit crunch fall-out in the US, matters took a sharp turn for the worse after the Lehman Brothers collapse on Wall Street in September 2008. The following six months saw the economies of the EU (and those bordering it) fall off a cliff. Exports collapsed, manufacturing went into a tailspin and unemployment rocketed.[2]

In the final three months of 2008 the eurozone economy shrank by a steep 1.6%. But in the first quarter of this year it was even worse – contracting by 2.5%. Germany's decline outdid all the others, with GDP collapsing by nearly 5.5% in the six months from October 2008.[3] But lurking within these grim figures was even worse news. Industrial production in the 16-country region was 20.2% lower this March than a year before – the largest year-on-year drop since records began in 1991, pushing output down to 1997 levels.[4]

France's President Sarkozy may blame Anglo-American neoliberalism for global capitalism's mess and Angela Merkel may deride Gordon Brown and Barak Obama for their "irresponsible profligacy" at pouring zillions into a black hole to brake capitalism's freefall, but they can only watch helplessly as the EU's voters go to the polls wondering whether their jobs will be next to go.

In April the International Monetary Fund's World Economic Outlook predicted the eurozone's GDP would contract by 2.2% this year, a better outcome than the UK and Japan but worse than the US. The European Commission expects exports and investment to contract by 12.75% in 2009 and investment by 10.5%.

Everyone is now asking the million dollar question "After the massacre of output and jobs in the last six months is the worst over? After the slash and burn, have green shoots started to appear?"[5] In Basel Jean-Claude Trichet,

the European Central Bank president, insisted the recession was "bottoming out", that the pace of decline would lessen in the summer and even give way to some recovery in the second half of the year. A raft of forward economic indicators seem to support that view. Analysts at Swiss banking giant UBS were very upbeat as May began:

"We review the business surveys published this month. They have posted the largest monthly improvement ever recorded. We derive three conclusions. First, we think it is now indisputable that we have passed an inflection point. Second, this is a very strong confirmation that the risks to our forecast are on the upside, at least for H2 this year."[6]

So why has Europe's collapse been worse than the US and can it be true that recovery is already in sight? After falling off a cliff can eurozone capitalism land on its feet? Part of the answer lies in the origins of the previous long upturn period.

Europe and globalisation

The collapse of Stalinism in eastern Europe and the USSR during 1989-91 together with the restoration of capitalism in China by the mid-1990s prepared the way for a new upward long wave of capitalist development across the globe.[7] Between 1993 and 2007 there was an unprecedented 15-year capitalist expansion, based on a recovery of profit levels which by early in the new millennium was unparalleled since the early 1960s. The five years of the upswing phase of the business cycle in 2003-07 was the apogee of this expansion.

But European capitalism did not prosper immediately or all together. West Germany, which swallowed Eastern Germany whole in 1990, suffered indigestion throughout the 1990s. The re-united country continued to bear the costs of a relatively generous social welfare system while pumping huge amounts of capital into the collapsed economy of former East Germany. Yet its traditional markets for the country's exports, the former centrally planned eastern Europe and USSR were no longer functioning. The stagnation of the European economy through the early 1990s was its direct consequence.

What's more, unlike the US and UK, where desperation had forced the ruling class to wage savage class war against their domestic trade unions and inflict major defeats on the labour movements, in the EU and particularly France and Germany, the capitalists missed their opportunity. When France announced the Juppé plan in 1995 it was too late and the threat of a general strike was enough to scare the bosses off.

European bosses and governments have spent much of the last two decades engaged in persistent, piecemeal and generally unsuccessful attempts to erode workers' conditions and make their economies more competitive in a globalised world. As a result European manufacturing did not experience the gains in productivity experienced in the US.

The US workers saw their traditional protections torn up, as Reagan destroyed job security and the welfare state. The unions began a three decade decline which has still to reach bottom. But this assault enabled the US capitalists to significantly raise productivity rates in their domestic manufacturing during the 1980s.[8]

But even this was put in the shade by the information and communication technology revolution of the 1990s, as a surge in US fixed capital investment transformed the technological base of US industry. Productivity growth doubled as US capitalists took advantage of the hi-tech bubble to raise capital at low cost and ship their low value production units abroad to new producers – notably China.

In contrast Germany and France stagnated in the early 1990s, only growing with the revival of the now capitalist east and central European nations in the late 1990s. Germany's manufacturing revolution took place from the new millennium onwards as it was able to exploit the integration of low cost producers in countries like Poland and the Czech Republic with its own industrial base.

The overall result was that, while the US experienced the longest uninterrupted period of growth in its history between 1993-2001 with particularly high rates of expansion during the peak of the hi-tech boom from 1996-2000, the EU in contrast lagged behind (*see Table 1*).

The relative poor European growth through the 1990s was reflected in the relative weakness of the euro against the US dollar. This further impeded the ability of European capitalists to take advantage of the opening of the world market in the 1990s. The low value of the euro reduced its purchasing power on world markets relative to its chief rivals – the US dollar and British pound. This retarded the export of capital in the form of takeovers and new fixed capital projects. So while the geographic proximity of the EU to the former centrally planned economies of eastern Europe gave it a significant advantage over the US, this advantage was only really realised from 2000 onwards. By then the euro was stronger against the dollar and the shift of European manufacturing to lower cost sites in former eastern Europe raised productivity and profitability rates, and hence investment. Eurozone countries increased their proportion of world foreign direct investment (FDI) stock from 32% in 2000 37% in 2007, while FDI in both the UK and US declined (*see Table 2*).[9]

Table 1: Eurozone vs US GDP growth rates

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008e
US GDP growth real % yoy	2.5	3.7	4.5	4.2	4.5	3.7	0.8	1.6	2.5	3.6	2.9	2.8	2	1.1
Eurozone GDP growth real % yoy	-	1.5	2.6	2.7	2.8	4	1.9	0.9	0.8	1.9	1.8	3	2.6	0.7

Source: Deutsche Bank Research Bureau

Table 2: Proportion of world outward FDI

	1980	1985	1990	1995	2000	2007
Eurozone	23%	26%	29%	31%	32%	37%
UK	15%	13%	13%	10%	15%	11%
USA	39%	32%	24%	24%	21%	18%
Japan	4%	6%	11%	8%	5%	3%

Source: UNCTAD

European trade

The resurgent export of capital was accompanied by the export of commodities. From 1999 to 2000, at the height of the dot com boom, world trade – the total volume of import and export flows – grew by 35% and reached more than €10tn in 2000. After recovering from the effects of the dot com crash in 2000 growth resumed, with trade expanding by 11% in 2003-04 and by 16% in 2004-55. External EU trade grew at an average annual rate of 7.8% from 1999 to 2005 compared to average world trade growth of 8.4%. By 2007 the EU accounted for 18% of world trade, the US 16%, China 11 %, Japan 7% and Canada 4%.

At the same time the direction of EU trade also changed – away from Europe's traditional partners in North America and the UK. Between 2002 and 2007 the US proportion of total EU exports fell from 28% to 21%, and of EU imports from 19% to 13%.

In contrast EU trade with China more than quadrupled after 1999. China currently ranks first among EU import suppliers, after overtaking the US in 2006. In 2007, over 40% of EU imports came from Asian countries while the other European countries, notably the newly restored capitalisms of the former Stalinist states accounted for more than a quarter. The main destination of EU exports in 2007 was Asia with a 30% share, followed by other European countries 28% and North America 24%.

In contrast to the UK's service dependent economy, about 85% of all EU exports are manufactured products. In 2007, machinery and vehicles made up almost half of total exports while other manufactured products accounted for 25% and chemical products for 16%bn. In 2007 the euro area surplus in manufactured products was 262bn. The majority of this was accounted for by machinery and vehicles sales.

European recession

In the summer of 2008 the world economy was slowing. The business cycle – rate of profit, growth and investment – peaked in late 2006. Through the course of 2007 the US entered a crisis, which deepened as the scale of the sub-prime fiasco became apparent. The countries in the Eurozone slowed gently while the emerging markets, benefiting from the raw materials boom, appeared immune. By the beginning of 2008 the US had entered recession. At the same time China sought to reign-in the break-neck pace of growth. Its banks had little exposure to the sub-prime mess and were now the richest and most profitable in the world. But the government raised interest rates and statutory bank reserves, and imposed limits on local government spending, because it was worried that uncontrolled domestic investment threatened runaway inflation as raw materials shortages began to bite.

By July 2008 oil prices had reached $147 a barrel. In the Eurozone the European Bank raised interest rates well into last year unconcerned by the US financial crisis, confident it could cope with any fallout. Its manufacturing exports and industries were buoyed by new sources of demand in Russia and China, whose firms were spending their booming revenues on imports from countries like Japan and Europe.

Then Lehman Brothers collapsed. The decision of Hank Paulson, the US Treasury Secretary, to allow Lehman Brothers to go under was the neoliberals' attempt to draw a line in the sand. They wanted a limit government involvement in the economy, to enforce "moral hazard" by insisting the banks take a hit for their bad investment decisions. But when they saw the consequences the Bush administration quickly changed its mind. As AIG – the largest insurance company in the world – threatened to go bust two days later, Paulson stepped in. But it was too late.

The working class has naturally been asked to pay the biggest price for the financial crash and its effects on output, trade and investment

Now, what appeared as an undiluted positive when the new millennium dawned – a big shift in foreign investment and trade flows to the newly emerging economies, turned very negative once the credit crunch went global. As the European Commission noted in April:

"The internationalisation of production over the last two decades has amplified the effect of falling demand in export markets. Limited access to trade finance and trade insurance, in particular for developing economies and small enterprises, has fuelled the precipitous decline in trade."

After the collapse of Lehman Brothers there was an immediate "flight to quality" in the financial markets, as banks in EU, US and Japan withdrew billions of dollars in short term funds from non-domestic markets. In the first place they were under pressure to do this because they needed to build up their capital reserves against mounting losses in the collapsed property and securitisation markets. Secondly, the crippled financial institutions were unwilling to lend more generally for fear that those they lent to would default because of the "toxic assets" they may be holding.[10]

The financial sector in Europe, at first complacent about its stability and lack of exposure to the sub-prime market, was quick to be drawn into the maelstrom. As UNCTAD noted: "The credit crisis quickly spread to Europe, with a number of large European financial institutions teetering on the edge of collapse, such as the Dutch-Belgian bank

Fortis, the French-Belgian Dexia, the British mortgage lender Bradford & Bingley, Germany's Hypo Real Estate, as well as the Dutch bank and insurance company ING and the Dutch insurance giant Aegon. In Iceland, three major banks collapsed, dragging the country to the brink of bankruptcy as the total external liabilities of the three banks accounted for five times Iceland's annual GDP.

The contagious effects of the crisis also spread rapidly to emerging economies. Hungary was among the first of the emerging market countries to suffer. Both Iceland and Hungary had to recur to the IMF (and other sources) to alleviate the immediate financial market stress, becoming the first two European countries to do so in over 30 years."[11]

The Eurozone's banks exposure to bad debts has been estimated at $900bn (€700bn, or 8% of GDP). By the end of 2008 $150bn had been written off, leaving $750bn to be written off in 2009-10.[12]

But the crisis very quickly spread from the banks to hit the "real economy" too as world trade seized up after 15 September. Lehman Brothers had been a critical player in the global derivatives system, a system designed to spread and lessen risk against a firm going bust. When Lehman went bust the system unravelled fast. The complexity of the system of securitisation and hedging meant that no one knew the real value of the assets they were holding.

Global trade was dependent on the ability of merchant shipping firms to insure their cargo against loss. When this faltered, shipping came to a halt. The Baltic Dry Index, a measure of the cost of shipping dry raw materials like iron ore, fell 96% between July and December. As trade halted so did industrial production. It fell at an annualised rate of 27% between August 2008 and January 2009. Capitalism was in freefall.

Consumer loans critical for the sale of expensive items like cars and trucks became unavailable overnight; the average rate of interest on a new car loan tripled between August and December.[13] The European economy, dependent on the export of machinery and particularly cars, slumped.[14] After growing 2.5% year on year to the autumn 2008, EU exports contracted at an -18% rate over the winter of 2008/9.

Stocks of goods produced to feed the burgeoning world market of the summer now lay unsold. And so orders collapsed alongside production[15] and with it capacity utilisation in factories fell sharply. In the January EU survey, capacity utilisation fell to 75.0, the second lowest reading ever; lower than the troughs of 76.5 and 76.7 in the early 1980s and early 1990s recessions respectively, and virtually equal to the trough of 74.9 in the 1974-74 recession.[16]

As exports, production and profits collapsed last autumn and winter, so investment followed. European corporations slashed capital spending, which contracted at a 14% annual rate pace in the fourth quarter of last year. The ECB estimates that by the end of the recession investment will have fallen peak-to-trough by a cumulative 15%, massive compared to the 3% fall after the dot com crash in 2000-03.

Unemployment

The working class has naturally been asked to pay the biggest price for the financial crash and its effects on output, trade and investment. Wages have been frozen or cut, short-time working is widespread and closures and redundancies commonplace in industry after industry throughout the eurozone. In fact eurozone unemployment had never fallen to the levels experienced in the UK and US, remaining above 10% throughout the 1990s before slowly declining from the turn of the millennium onwards, eventually bottoming at 7.4% in 2007.

The relatively high level of EU unemployment is another result of the failure of the European capitalists to decisively defeat their domestic working classes during the 1970s and 80s. Social transfers in kind, the proportion of profits transferred from the capitalists to the workers, were twice as high in the euro area at 15.6% (2007) compared to the US's 8% of adjusted gross disposable income. The so-called "flexible labour market", in spite of constant counter-reform programmes in Europe, never reached the same level in the EU as in the US/UK, although the two-tier workforce (older, unionised workers on permanent contracts and new hires on temporary ones) is gaining ground through the EU.

In Germany unemployment rose 185,000 in the first quarter of 2009. Unemployment across the 27 EU countries reached 8.3% in March, up from 8.1% in February. In the eurozone itself, unemployment rose to 8.9% from 8.7%.[17] And the worst is probably still to come. Unemployment in the eurozone looks set to rise to 11.5% by the end of 2010 – the highest level since World War Two (*see Table 3*).

European green shoots?

Desperate to see some hopeful signs for the future, many analysts and government ministers are sure they can see green shoots of recovery. Certainly, the pace of decline has slowed – and for fairly clear reasons. First, credit conditions for corporations both in Europe and the emerging markets have improved from their completely frozen state in the autumn and winter. The key interbank interest rate (Euribor) has fallen from 2% above the central bank's rate to 0.6% above, even though this is still 0.5% above the "normal" spread.

Secondly, the massive, co-ordinated fiscal and monetary measures taken by G20 governments have had the effect of halting the decline in demand and have provided a stimulus to recovery. For example, by May 2009 the US government has spent $12.6tn on capital injections and

Table 3: Unemployment rates, % of labour force

	Sep 08	Dec 08	Jan 09	Feb 09	Mar 09
US	6.2	7.2	7.6	8.1	8.5
Canada	6.2	6.6	7.2	7.7	8
Japan	4	4.3	4.1	4.4	4.4
Australia	4.3	4.5	4.8	5.2	5.7
Euro	7.6	8.2	8.4	8.7	8.9
Germany	7.1	7.2	7.3	7.4	7.6
Spain	12.4	14.7	15.7	16.5	17.4
UK	5.8	6.3	6.5	6.7	6.7

Source: JP Morgan and Eurostat

Table 4: UBS estimates for 2009

	Germany	Spain	France	Ireland	Italy	Netherlands	Eurozone
Debt to GDP %	77.9	58	76.8	78.6	114.9	69	80.9

Source: UBS

bad debt guarantees. In addition US President Barak Obama passed a $800bn reflationary spending package in the new year. And the US was not alone. Even though it was late to act, the European Bank slashed interest rates several times this year, while Germany and France began nationalising insolvent banks.

In the first quarter of 2009 China's banks loaned as much as in the whole of 2008 – $670bn. This was in addition to a $585bn programme of public works. All in all the world's governments announced about $2.6tn in reflationary measures. And sure enough, as the credit squeeze eased the impact of these measures began to restore world trade and output. In April 2009 the European Manufacturing index jumped to 36.7 from 33.9 in March, the highest level since October 2008 and the biggest month-on month increase on record.[18] February exports grew by 0.5% month on month from January, the first increase in exports since the crisis took its more extreme turn last September.

However, those hoping to see a sharp rebound from the recession may be disappointed. In the first place, the sharp increase in unemployment and bankruptcies in the eurozone is certain to place further stress on Europe's banks as they have to make provision for more bad debts in the housing and consumer debt markets. This could easily lead to a further tightening of the amount of credit available, curtailing any quick recovery.

But more importantly, it is inconceivable that the export-driven boom of the last five to ten years will return in this accentuated form. There will be no return to the debt-fuelled expansion of the US economy that sucked in exports from the EU in previous years. Moreover, much of the machinery-led exports boom to Asia this decade has been to provide their firms with the equipment needed to churn out the consumer goods that have been pulled into the US market. This cannot return in this expansive form.

Replacement markets for EU exports, driven by the massive internal expansion of the Chinese market is a theoretical possibility but the time-scale needed to engineer it is so long that it can have no major short term effect on dragging the EU out of recession and back onto the path it was on during 2003-07.

And for those looking for the EU working and middle classes to open their wallets and start spending to revive EU industry there is the little problem looming of the fiscal crisis of the state.

Public finances

The EU established "strict" entry rules for membership of the club, and especially for those that seek to adopt the euro as their currency. The government budget deficit was limited to 3% of GDP and the proportion of debt to GDP was set at 60%. By 2007 four countries had already breaching the 3% limit (Greece, Spain, France and Ireland) while seven countries exceeded the debt criteria –Belgium, Germany, Greece, France, Italy, Austria and Portugal. All the EU-12 countries (with the notable exception of Finland) had a growing debt to GDP ratio.[19]

The deficit will grow substantially in 2009 as income from taxes dries up and the cost of anti-cyclical measures and the recapitalisation of the financial sector increases. UBS estimate that "Overall, we believe eurozone governments will likely need to provide €406 billion in equity to banks over the next several years, in addition to the colossal liquidity and funding resources already in place."[20] As a result debt as a proportion of GDP will spiral (*see Table 4*).

Debt growth at these rates is probably unsustainable. It will test each government's ability to raise long term loans in the money markets through the issuing of government bonds. Investors will increasingly seek higher rates in return for the greater risk of sovereign debt default. In turn these governments will be forced to set aside a bigger and bigger proportion of state revenues to payment of interest on the debt building up. And this in turn means that governments will insist that there is less money available for benefits, for education, for pubic sector employment, for health provision. In short, a growing social crisis will mature as weak economic growth fails to produce the revenues needed to sustain the claims on government finances.

There is every reason to be optimistic that the labour movements of the eurozone will not be idle bystanders in this process. In Greece we have seen repeated protests by unions and students as the government seeks to cut back on pensions or make education more costly to those that depend on it. In France workers have occupied plants, kidnapped their bosses and taken to the streets in their millions to demand that Sarkozy stops the nationwide cull of jobs. In Luxemburg in May thousands of workers employed by the Artel steel plants stormed their headquarters to demand an abandonment of tens of thousands of announced redundancies across Europe.

Every crisis is also an opportunity. If there is to be an economic stabilisation of sorts during the rest of 2009 then the labour movement must use it to recover from the shock of the last six months and prepare for the battles that lie ahead.

ENDNOTES

1. "The cumulative output loss since the start of the current downturn is already greater than that of the 1992-93 recession, and as great as that in the 74-75 recession. Furthermore, output is expected to contract again in 2009 . . ." European Commission, Economic Forecast, Spring 2009, p26. Elsewhere in the world the picture was grim too in early 2009. Output in Japan contracted by 4% in the first three months of this year (after a 3.8% contraction between October and December 2008), or by 15.2% on an annual basis. The world's second largest

economy like Germany depends heavily on exports, and has been hit hard by the global downturn in word trade. In the first quarter of this year, Japanese exports declined by 26%.

2. There are now 20 million people out of work in the EU (9%), four million more than in spring 2008.

3. The first three months of this year was worse than the last three months of 2008. Germany's GDP fell 3.8% in this in first quarter.

4. In the worst case, Italy's industrial output shrank a calamitous 24% between March 2008- March 2009.

5. In the EU's largest economy, Germany, industrial production fell by 0.4% in March compared with February, after falls of 3.7% and 6.2% in February and January. German exports rose 0.7% in March in the first month-on-month increase since September last year. Industrial orders showed a 3.3% rise too – the first monthly increase since August 2008.

6. UBS Investment Research European Economic Focus 01.05.09

7. For a full analysis of this process see the following articles www.permanentrevolution.net/files/ 7123421_36-45%20Economy%20corrected.pdf

8. In contrast in the UK the scale of destruction of domestic industry was so profound that manufacturing has never recovered from Thatcher's assault.

9. FDI slowed and then collapsed in 2008 UNCTAD has yet to publish up to date figures but so called de-globalisation, the re-patriation of national assets to the domestic economy was astonishingly rapid in the autumn of 2008. blogs.cfr.org/setser/2009/04/06/charting-financial-de-globalization-private-capital-flows-are-falling-faster-trade-flows/

10. In April the EC noted : "The decline in year-on-year growth of the stock of credit to non-financial corporations to 7.6% in February 2009 is equivalent to a notable sequential deceleration."

11. UNCTAD Trade and Development report 2009

12. Eurozone banks have raised $243bn to recapitalise their core capital by the end of 2008. Goldman Sachs estimate internal operating profits will generate around $600bn in 2009-10 which will cover the best part of the $750bn expected losses.

13. www.bloomberg.com/apps/quote?ticker=CCOINEW%3AIND

14. Sales of car and light vans in the US market for example fell from an annual rate of 15 million units at the start of 2007 to only nine million in the winter of 2007-8.

15. JP Morgan Global Datawatch 01 May 2009

16. JP Morgan Global Datawatch April 24th 009

17. Unemployment amongst Europeans under 25 is already above 17% – more than twice the overall rate – and is expected to exceed 30% in some EU countries.

18. Services increased to 43.1 after 40.9, again the highest reading since October.

19. UBS European Weekly Economic Focus 24 April 2009

20. UBS European Weekly Economic Focus 24 April 2009

China turns a corner

Continued growth in China will have a dramatic influence on the world recession. Bill Jefferies argues that China's economy is doing better than most

THE BOOM in the world economy during 2003-08 was, according to the Economist magazine, the strongest period of growth in the history of capitalism and China was at the heart of this. Nothing seemed to stand in its way as the value of its economy quadrupled from the turn of the century onwards. China was the mirror opposite of the US, its growth accompanied by rising savings and declining debt levels. Strongly rising domestic investment was paid for out of the rising profits of both State Owned Enterprises (SOE) and the burgeoning private sector.

Exports grew massively year on year, and in 2008 China surpassed Germany to become the largest exporter in the world.[1] This allowed the government to accumulate vast reserves of cash.

But as the US economy went into a tailspin at the end of 2008 it appeared that China might crash and burn too given the scale of its exports to North America and the rest of the world. Indeed, in April this year they were 22.6% lower than a year earlier – a massive body blow.

Naturally a steep fall in output followed this collapse in external demand. Economic growth in the first three months of 2009 fell to the lowest quarterly level in 20 years.

But the Beijing government, terrified of social unrest and in political control of much of the banks and large industry, and sitting on a cash mountain, reacted quickly. It announced a $588bn domestic investment programme and a major land reform, both aimed at shifting the dynamic of capitalism in China to one of inward, continental expansion.

The fate of global capitalism in the next 10 years depends to a significant extent on whether this succeeds. If world capitalism is not to stay mired in low growth rates now that the US engine of global growth has stalled, then Chinese capitalism must assume much of the responsibility for sustaining investment, profits and demand, thereby reviving EU and US fortunes.

Hooked on exports?

It is commonly said that China's exports amount to about 37% of gross domestic product.[2] Naturally, this would lead one to the view that a huge collapse of exports would fatally wound the Chinese economy. But this exaggerates their importance to the overall economy. As the Economist put it recently: "There is a myth that China's growth depends on American consumers."[3] In fact, as the journal points out, GDP measures the amount of value added while export revenue measures sales. As most of China's exports are processed imports, in order to gauge the effects of exports on GDP accurately, it is necessary to estimate the value added to exports in China. These range from 25% to 50%; in other words in 2007 exports contributed about 12% to China's GDP or 2-3% of its annual growth.[4]

Of course, the impact of the export sector is wider than its immediate contribution to output or growth. It is an important source of fixed asset investment (FAI). In 2007 about 41% of Chinese GDP was fixed asset investment. Manufacturing investment accounts for about one-third of that and exports about one-third of that so about 5%

of China's FAI is related to exports. In addition, there is investment indirectly related to the export industry, including in infrastructure such as roads, ports and storage facilities, as well as investments in some machinery and services sectors. In the end, export-related investment could be double this figure.

So China's export sector is nowhere near the 40% of GDP attributed to it by traditional estimates, but it is nonetheless still a very significant proportion of China's national output and its collapse in the autumn/winter of 2008-9 came at just the wrong time for the Beijing authorities.

Domestic cooling

Through the summer of 2008 China's authorities had been busy slowing the economy as rising raw materials prices threatened runaway inflation. The central bank raised the banks' capital reserves, increased interest rates and limited the ability of local government to undertake fixed asset investments. It also dampened down an overheated property market that threatened to bubble out of control. New labour laws closed thousands of cheap toy manufacturers at this time too. In short, the domestic Chinese economy was slowing at the very point when world trade collapsed.

The US credit crunch had been crimping US consumer demand from mid-2007 onwards as banks hoarded funds to rebuild their capital base and middle class and working class consumers found that the supply of mortgage loans, credit cards and consumer loans dried up.

But none of this really impacted on China's exports which continued to grow throughout this period as new markets in the emerging economies of near Asia, the EU, Russia, Central Asia and the Middle East more than compensated for the decline in US demand.

But following the collapse of US investment bank Lehman Brothers in September last year, credit and money markets froze, effectively stopping trade finance and insurance. So world trade pretty much halted. At the same time raw materials exporting countries – the source of China's new markets – found the value of their commodities fell by two-thirds and western banks withdrew short term funds to boost the capital reserves at home. Chinese firms' order books took another hit.

A wrenching re-balancing of the world economy took place almost overnight. By January 2009 US savings had risen from nothing in the summer of 2008 to 4% of GDP. This meant an effective reduction in world demand of $600bn, a pattern that was repeated across the eurozone, UK and Japan. In the quarter to February 2009 the dollar value of China's exports fell by 57.5%.

The downward pressure on profits was heavy. Industrial profits fell by 37% at an annual rate in the first two months of 2009, with profits in the mining and metals sectors dropping by more than 65%.[5] China's quarterly growth slowed from 11% in the spring of 2008 to 2.2% in the winter. It appeared for a while that China's dependence on exports had brought it the edge of collapse (*see Table 1*).

Going continental

The Chinese economy is highly politicised, effectively driven by the decisions of the Chinese Communist Party (CCP). In the face of the credit crunch the CCP has decided to make good the export slump by building-up the domestically driven economy. The Financial Times online journal on China makes clear what's at stake:

"China is going continental. Just as the US during the 19th century underwent a transition from export-oriented growth to a greater reliance on inner dynamism, so China is now following a similar course. In China's case, it is still early days, but mounting evidence suggests that the conventional view of an export-dependent, river delta-driven economy no longer matches reality."

There are several elements to this plan. First, in November 2008 the government announced a $588bn investment package for the period until the end of 2010. It was mainly oriented to transport infrastructure and the power grid (45% of the total), post- earthquake reconstruction (25%), environmental projects (9%), rural sector infrastructure (9%), public housing (7%), R&D (4%), healthcare and education (1%). In addition there were various tax cuts, subsi-

THE LAND QUESTION

Turning land into a commodity

LAST OCTOBER President Hu Jintao announced a major change to land ownership laws which have far-reaching implications for domestic capital accumulation.

China has an estimated 120m hectares of cultivated land – an area more than twice the size of France. All farmland belongs to the state, and until recent reforms, land usage rights had no monetary value because they could not be bought or sold.

Government decisions taken last year are now taking effect in two ways. First, farmers who use the land owned by the state are able to raise money from banks and other sources using their land rights as collateral against the loan. This is now beginning to become a reality in practice. Secondly, land usage rights are being transferred from one farmer or collective to others, so increasing the size of land under cultivation, increasing the revenues from farming and making it easier for the larger farmers to borrow from local financial institutions.

Clearly this process leads in one direction: the rapid stratification of the peasant classes, the opening up of wide disparities in the size of holdings and wealth of farmers. Some will eventually become major capitalist landholders. It will enrich a minority, drive millions off the land and probably increase the productivity of Chinese agriculture, so enlarging the pool of available capital for investment.† It will also "unlock" tens of millions more labourers for the industrial sector, which is facing the prospect of shortages in the next ten years.

This process is certain to involve class battles as the consequences of growing inequality in the countryside make themselves felt and as the government intervenes to speed up the process and direct the rewards towards members and supporters of the local and national party bureaucracy.

† For details of how this is working see Land monetisation spreads, FTCC 30 April 2009

dies to farmers, social spending and healthcare totalling $299bn over the next three years.

At the time of its announcement there was widespread scepticism about the true value of this package. Central government's contribution was only 1.18 trillion yuan (or CNY) and there was much debate about what proportion of it was new money and whether the banks and local government would deliver their share.

China's banks were initially wary having only recently embraced a regime of fiscal conservatism and market lending standards. But they remain state owned, subordinate to the will of the CCP, and as Western banks sold their minority stakes to raise capital through the course of 2008, the Chinese state owned sovereign wealth fund stepped in to buy them.

Under state prompting the banks have, in the six months from November 2008 to April 2009, loaned $940, equivalent to the bank lending of the previous 20 months combined or around 23% of China's GDP. China's government set a target of CNY 5 trillion for new bank lending in the whole of 2009. This was surpassed in the first four months of the year. Even the April figure of CNY 590bn, easily the lowest total this year, was the second highest figure in the three years before the reflation was announced in November 2008.

Local government were reported to have between CNY 18 trillion to CNY 30 trillion in infrastructural projects "spade ready".[6] Initially much of this lending was directed towards improving the cash flow of firms hit by the collapse of the export sector or falls in raw materials prices,

Table 1: China – real GDP growth percent change

	2008	1Q08	2Q08	3Q08	4Q08	1Q09
%oya	9	10.6	10.1	9	6.8	6.1
%q/q,	saar	9.8	11	5.2	2.2	5.8

Source: JP Morgan

but the proportion used up in this way has fallen. In March the proportion of new lending to supply working capital fell to 19.5% from 45.5% in February. Medium and long-term loans accounted for 41.5% of new lending, up from 34.% in February.[7]

Real fixed asset investment (FAI) growth rose 30.5% year-on-year in March from 28.6% in February with the increase driven by government-led infrastructure projects. China's railway construction has increased 94% and its high-speed rail programme originally scheduled for 2020 will be completed by 2015. In the first four months, investment from state-owned enterprises rose 39.3%, while investment from non state-owned enterprises was up 24.5%.[8] Newly started projects increased by 94% in the first quarter.

As the economy has been redirected towards domestic fixed asset investment so industrial production has revived rising to 7.3% in the year to April, up from 3.8% in the year to January.[9]

In addition to the government directed investments, the property market appears to be reviving after a depressed 12 months. Housing prices fell an average 10-15% nationwide

GOING GLOBAL

Chinese finance capital

CHINA IS not an imperialist power – yet. Its economy and politics are not dominated by a ruling class which is primarily oriented towards external investments and overseas profits. At present its financial assets abroad are a subordinate part of its whole economy and its trade and investment plans are, in the main, aimed at securing the raw materials and inputs it needs for its domestic industries.[1]

Prior to China's entry into the World Trade Organisation its investments abroad were very small. But in 2002 the government set out a plan to "Go Global", focused mainly on mining and energy sectors. To sustain China's economic boom the three main national oil companies have bought companies in Kazakhstan, and in 2006 in Russia too.[2]

But the present crisis has accelerated China's overseas investments. In 2007, investments abroad jumped by $27bn to reach a total of $118bn. According to provisional statistics, for the first half of 2008 China invested $25bn abroad, a 50% increase over the same period in 2007.[3]

China invests in 180 countries but Chinese companies predominantly operate in Asia where more than two-thirds of the cumulative $118bn is invested – with almost $68bn in Hong Kong alone. In Africa there are at least 800 major investments in the Democratic Republic of the Congo, Sudan, and Nigeria, many of them in energy and raw materials provision.

Recently notable investments have been made in Latin America but over 90% of this money went into offshore companies in the British Virgin Islands or the Cayman Islands. In Europe, of a total of $4bn, half was in Russia.

Some 90% of the overseas investments have been undertaken by state-owned enterprises. Of the top ten companies with assets abroad in 2006, all were state-owned.

NOTES

1. For example, the proposed $19.5bn stake in Anglo-Australian mining company Rio Tinto by China's leading aluminium producer, Chinalco.
2. In February the China Development Bank lent $25bn to Russia's state-owned oil company Rosneft and oil pipeline monopoly Transneft. In return, China will receive roughly 20 million tons of oil annually from Russia starting from 2011 for a 20-year period.
3. Data from China's Ministry of Commerce (MOFCOM).

from their peaks and even more in first-tier cities, including Shenzhen (about 25% decline). Growth in real estate investment decelerated sharply after mid-2008, helping drag the economy down. But a Financial Times' survey of recent data leads them to conclude:

"Firmer trends can be seen in land sales, residential property transaction volumes, lending to property developers, announcements of intended new projects and even in modest price rises in some cities. We believe that the comprehensive nature of the rebound suggests that it is more than a passing phase."[10]

The property market usually accounts for around 20% of annual fixed asset investment (FAI), which this year could contribute as much as half of total gross domestic product growth.[11]

There is no doubting the sheer scale of the investments now coming on stream to try and lift China's growth rate to a level where job creation can both stave off social unrest and enlarge domestic consumption. As China continues to grow – if not as spectacularly as in the last five years – while the G7 economies decline or stagnate, the gap between the established imperialist powers and the Asian powerhouse narrows. The next 20 years will see increasing interdependency and rivalry as China's growth becomes decisive for keeping the world capitalist economy moving forward, while at the same time placing massive demands on scarce resources that the west jealously guards. The progress of the "Asian century" will not be trouble free.

ENDNOTES

1. World Bank figures put China's 2007 exports at $1.22tr.
2. Martin Hart-Landsberg and Paul Burkett's book China and Socialism argue this case. For this magazine's contrary view see www.permanentrevolution.net/files/39-43%20ChinaKH.pdf, and http://www.permanentrevolution.net/files/pr9/66-74%20China2.pdf.
3. Economist 16 May 2009.
4. If 40% of China's GDP were really dependent on exports then as exports fell by -57% in the winter quarter of 2008, then China's GDP should have contracted by -21% annualised rate. In fact it continued to grow albeit slowing by 3% (q/q) from the summer.
5. UBS Asian Economic Monitor 3 April 2009.
6. According to various estimates from UBS and the Asian Development Bank. These are very far from being robust estimates however.
7. www.bloomberg.com/apps/news?pid=20601068&sid=awTN3deohwh8&refer=home.
8. www.chinaknowledge.com/Newswires/News_Detail.aspx?type=1&NewsID=23536.
9. The figures for January and February are combined and averaged to avoid measurement problems associated with the lunar holiday.
10. FTchinacontinental, 30 April 2009.
11. Property accounts for 17-18% of total steel demand and most cement output. These in turn drive about 25% of power demand. Finally, an expanding housing market drives sales of home appliances, furniture and other household products.

MAKING THE RICH PAY
New anti-capitalist movement launched

Diego Carmoni explains how the MPT represents an opportunity to mobilise workers and social organisations under a united banner to fight the capitalist crisis

AS REQUIRED by law, in the run up to May Day a delegation from the Movimiento de los Pueblos y los Trabajadores (People and Workers' Movement – MPT) went to the police station to ask permission for a march and a rally to launch the new left movement.

The police officer in charge said that permission could not be granted as Arturo Martinez, the president of the Chilean trade union movement (TUC), would not be pleased to find a another rally was going to be organised on May Day. So we decided to join the march of the TUC, and then have our own rally anyway in Parque Almagro.

As MPT supporters gathered before the start of the march, more than 100 police suddenly appeared and without any explanation decided to arrest all the members of the MPT. Forty comrades were thrown into police buses and the police confiscated some of our banners and 1,000 newspapers. Undeterred, we regrouped, marched and rallied as planned in Parque Almagro to launch the MPT. About 1,000 people were with us.

Since that "incident" there have been a few more provocations, proving the truth of Don Quixote's remark: "If dogs bark it is a signal that we are moving forward." [1]

A month earlier, over the weekend of 4-5 April, a new anti-capitalist movement had been founded in Chile – the MPT. The origins of this new political formation date back to 31 January this year when "a group of organisations decided to convene a conference, against capitalism and all its expressions, and dedicated to bring down all forms of capitalist domination", as the call for the conference declared.

The new movement refused to countenance an agreement with either the right wing opposition or the Concertación (the Socialist and Christian Democrat coalition currently in office). The new movement promotes the independence of the working class from the capitalist state and the bosses' organisations. The MPT will be a federal party and an alliance of struggle for social transformation. The goal is to conquer political power and establish a classless society, one based upon solidarity, equality, a vision both libertarian and liberating. The MPT rules out any electoral support to all the establishment parties that underpin capitalist domination, and all parties that have electoral agreements with the Concertación.[2]

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The MPT believes that in the context of the current global capitalist crisis, a coming together of fighting forces is crucial in the fight for the emancipation of the workers and their allies. The MPT has agreed a long list of demands which can be summed up under the slogan: "Make the rich pay for the capitalist crisis". Some of these demands are transitional and others immediate, varying according to the local and needs of workers and popular classes. Supporters of Proletarian Revolution (RP) at the conference succeeded in getting most of the transitional demands for fighting capitalism included in the agreed platform.

Opposition to neoliberalism in Chile

Chile is no longer the same country it was a few years ago. Today leftist parties and popular social movements are becoming more confident and prominent in political life and have opened up great possibilities for challenging the hegemony of the capitalists and their state. The government led by Bachelet applies essentially the same neoliberal policies as its predecessors, even if embroidered with some minor, Keynesian measures to mollify some businesses and workers. Indeed, successive Concertación governments have consolidated and strengthened neoliberalism. Most of our basic natural resources and state-owned companies were privatised to local capitalists or put into the hands of transnational companies. As a result the government has no levers it can pull to protect Chileans from the impact of the credit crunch and subsequent collapse of world trade.

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Unemployment has shot up while government revenues have plummeted. As a passionate advocate of corporate globalisation and a convinced defender of free trade agreements with the US and almost half of the world's capitalist states, successive governments have made Chileans acutely vulnerable to global capitalism's crisis. This is especially the case for the country's exports and domestic producers, which have been hit hard by the recent fall in the demand for commodities.

This revival of opposition to neoliberalism predates the onset of the credit crunch. After decades of neoliberal policies in Chile, a new political situation erupted with the "Uprising of the Penguins" in May 2006 when 1.3 million secondary school students took to the streets and occupied their schools for more than a month against the neoliberal education "reforms". The most important aspect of this struggle is that it directly challenged the entire neoliberal programme of this and previous Chilean governments.

The school students' movement has been followed since by several workers' struggles and other social mobilisations. These struggles have fractured the unity of the Concertación, led by President Michelle Bachelet. In the presidential election later this year, there will four presidential candidates, two of whom belong to the Concertación and two others that have left the coalition in recent years.

People are not happy with the Concertación's "route map" for the transition from the Pinochet dictatorship to bourgeois democracy. For example, the present binominal electoral system excludes from Congress all those forces that are not part of the two major coalitions which support the present system. People are demanding an end to this electoral system and for the installation of a democratic, proportional voting electoral system.

Campaigns are gathering momentum for workers' rights and against the legal restrictions embedded in the labour laws inherited from the dictatorship. These laws were designed by Piñeira, the brother of the right wing's presidential candidate in this year's elections. They are draconian laws that limit the right to strike, sanction layoffs and wage cuts, and promote divisions by weakening and atomising trade union organisations.

Under the impact of the current crisis a trade union-based united front – Frente Amplio de Trabajadores FAT (the Workers' Broad Front) – has been formed. Revolución Proletaria (RP) has participated in it from day one. One of its key demands is for the abolition of the current social security system (Asociacion de Fondons Previsionales – AFP), which followed the privatisation of the state pension funds by General Pinochet.

Today the AFP is in the hands of powerful Chilean and foreign economic groups, such as US-based Citibank, which charge extremely high commissions to employees, while employers contribute nothing to workers' social security. As a result, workers retire with miserly pensions to live on.

The FAT has drawn in the national trade union leaders and rank and file workers of the two main sectors hit by the economic crisis: construction and the banks. These sectors are also now part of the MPT, and have fully backed the inclusion of transitional demands in the MPT programme, such as the call for the expropriation and nationalisation of the pension schemes, the banks, finance houses; for the sliding scale of wages, an end to commercial secrets, the opening of the accounts of businesses to the scrutiny of employees, a sliding scale of hours, and the creation of public works under the control of the workers.

In mid-May thousands of university and secondary school students took to the streets demanding an end to the present education system, which has weakened and damaged the provision of free, public education by permanently cutting-back resources and favouring the proliferation of private companies which profit from education. This privatised system naturally has become a fundamental element in the reproduction of the neoliberal ideology and laws. Also, on 18 May, a national strike of the Teachers Union members in primary and secondary schools got underway, demanding the payment of the bonuses agreed in previous negotiations with the municipalities.

What kind of movement is the MPT?

The MPT is both a product of these struggles and channels them into something new. It includes human rights' organisations that are still struggling to uncover the complete truth about past human rights violations and get justice for the victims of those in power. It includes the Mapuche people and other ethnic groups who demand full recognition of the rights of native peoples. It includes environmental groups, fighting for the defence and respect of the biodiversity and against climate change. It also includes urban groups fighting against repossession of their homes by banks that have inflicted punitive interest

rates upon them.[3] All of these ongoing struggles and their leaders are to be found in the ranks of the MPT.

For this reason the emergence of the MPT is an extremely positive development. It represents an opportunity to mobilise workers' and social organisations under a united and principled banner against the capitalist crisis. Moreover, the alliance is both broader and more solid than has prevailed in the past.

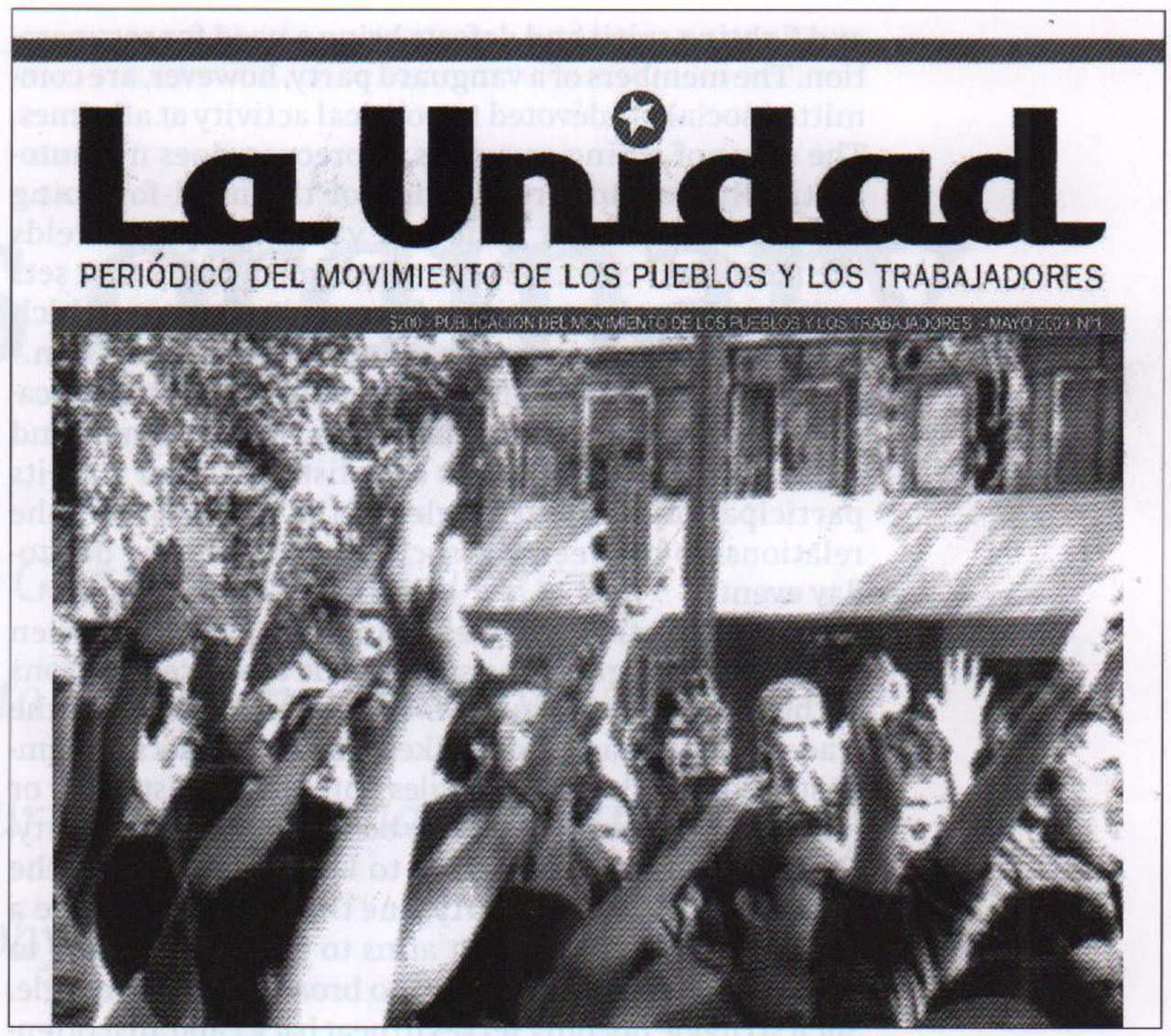
Yet this step forward generates its own problems. The organizations within the MPT come from different political traditions. Among them are three Trotskyist groups – the Izquierda Comunista (official section of the Morenoite Fourth International), the Partido Revoluciónario de los Trabajadores (sympathising section of the Morenoites) and RP – as well as other groups that sympathise with Trotskyism but have no finished, rounded political profile.

The Partido Obrero Revoluciónario (POR – the Altamira group) and the Tendencia Socialista Revoluciónaria (TSR – Chilean Mandelites) are also participating. In line with its sectarian policies, Clase Contra Clase (the PTS) is not participating. In addition, there are anarchist collectives and the Movimiento Popular Manuel Rodriguez, which used to be the armed wing of the Communist Party but is now undertaking a serious examination of Trotsky's Marxism. Among other sectors of the MPT are fragments of the Communist Party, ecologist groups, Marxist student collectives, tenant associations, trade unions, and lesbian and gay groups.

While the MPT is a movement that fights for the revolutionary transformation of society, it is not a mass, revolutionary combat party with a clear scientific programme. But it is a step towards it. The MPT's intervention in the class struggle is helping to shape it and test its demands and programme. In important ways the MPT is different to experiments in Europe like Respect in Britain or the NPA in France. For a start there is no caudillo like George Galloway, whose idiosyncratic and even reactionary positions have to be accommodated and who is not subject to any accountability. Nor there is a dominant centrist group like the Socialist Workers Party (in the UK) which effectively pulls the strings of the larger formation. Nor have Trotskyist currents dissolved themselves inside the MPT, like the LCR has done in France.

Of course, different problems exist in the MPT. For example, groups with a guerrillaist past may have broken with foquismo but they still have residues of the "popular power" strategy in their make-up, while others retain petit bourgeois methods in the fight against the effects of climate change. And of course, the centrist groups within the Trotskyist tradition have different methods and programmes.

Yet the MPT is proving attractive to a diverse set of people, groups, campaigns, and trade unions, and those who are unhappy with the Concertación and the establishment parties. Groups of young members of the Communist Party, for example, have abandoned their organisation due its obsession with remaining part the Concertación at all costs. Another example: before May Day an RP activist in the Federation of Bank Workers intervened in a union conference and as a result of his appeal all 68 delegates agreed to march under the banner of the MPT.



La Unidad, newspaper of the MPT

Also that day various left wing student collectives held meetings with the students of the Trotskyist groups and subsequently agreed to call for the formation of a youth movement of the MPT and to begin an energetic campaign of recruitment and political education.[4]

The aims of Revolución Proletaria

Revolución Proletaria is committed to working inside the MPT in a constructive and non-sectarian way. But one historical lesson that we seek to bring to bear is the need to build a "vanguard party". Why is this essential? In the first place because the working class is politically and socially heterogeneous. It includes men and women, young and old, employed and unemployed, trade-unionists and unorganised, immigrant and native-born, native majorities and ethnic minorities.

Those engaged in feminist struggles, student and youth struggles, Mapuche rights' struggles, those who fight against mortgage debts and home repossessions, and so forth, tend to see only one, albeit vital, part of the larger picture of the struggle against capitalism and its state. It is not enough for everyone to engage in their separate activities, even simultaneously. It is necessary to have an organisation, a vanguard party, that centralises the knowledge and experience of all these struggles.

A vanguard party is made necessary not only by the heterogeneity of the working class but also by the unevenness of class activity and class consciousness among workers. The working class engages in spontaneous self-activity, fighting the capitalists for better conditions, but this struggle has its upsurges and periods of quiescence, as victories raise morale

and fighting spirit and defeats bring a need for recuperation. The members of a vanguard party, however, are committed socialists devoted to political activity at all times. The sense of acting as a class, moreover, does not automatically lead to a realisation of the need for doing away with capitalist society. A vanguard party welds the most class conscious elements into a party that sets as its goal the destruction of the capitalist state which underpins and oversees exploitation and oppression.[5] The party combines agitation, organisation, and education in a manner appropriate to particular times and circumstances. It integrates socialist education with its participation in the struggles of the day, showing the relationship between the socialist goal and the day-to-day events.

An organisation becomes a vanguard party only when it becomes recognised as such by the advanced sections of those engaged in struggle. Only when militants in the trade unions, leaders of strikes, and organisers of demonstrations and mass struggles enter a socialist party or follow it in action, does a party become a vanguard party. Until then it is only possible to lay claim to being the nucleus of a vanguard party, one that seeks to become a genuine vanguard party. It aims to teach the masses to develop their self-activity and to broaden their struggle. Such struggle not only serves to beat back capitalist offensives and preserve and extend working class gains, but it trains workers for the eventual taking of state power.

For all these political reasons, Revolución Proletaria could never agree to dissolving itself. We enter the MPT as Revolución Proletaria; our organisational ties remain the same, our papers, journals and leaflets continue to appear as usual. At the same time we are strongly committed to building the MPT as our central project.[6] RP exists both as a component of the MPT and as a public, independent organisation, with its own programme, political line and publications, but which conducts as much of its political work as possible through it.

The MPT is the most important initiative towards building a broad, revolutionary party in Chile we have seen since the fall of Pinochet. It is the only organisation on the far left with significant roots in the trade unions and embraces a significant number of young and enthusiastic people. The MPT is a new organisation and its long-term existence has not yet been secured. Its major tests are in the future. A long process of testing its programme and demands in the class struggle lies ahead as does a democratic process of political discussion, forging agreements and arriving at programmatic homogenisation.[7]

The current capitalist crisis is undermining the foundations of the reformist consensus. Cracks are appearing everywhere in the hegemony of the Concertación, which is leading sectors of social movements to look for more radical and lasting solutions to their problems. Helping to turn the MPT into a clear anti-capitalist and socialist revolutionary project is the most important contribution Revolución Proletaria can make today in Chile.

NOTES

1. In addition to the May Day march and launch rally in the capital there were smaller marches and rallies in the cities of La Serena, Valparaíso, Concepción and Valdivia. Individual members and small groups of MPT supporters can be found in many other towns as well.
2. This applies to the Communist and Humanist parties that are in negotiations with the Concertación.
3. See PR website article .
4. On Saturday 23 May there will be an aggregate of the FAT. RP contributed a document to it raising the questions of how to develop its trade union work and organise new unions where they are needed and to build a class current inside the trade unions and the TUC. The MPT has also agreed to develop its artistic, poetry, theatrical and cultural activities so it can develop its political line alongside its own philosophy and culture. All of this should be part of a new political organisation based on fraternal comradeship and frank and open political discussions and polemics, an approach that was denied or distorted by the Stalinist and socialist party bosses. These are just a few examples of enthusiastic initiatives, at the moment. The creativity it limited only by a lack of material resources, something we hope to overcome as well. But still, we have to recognise that there are political issues we cannot ignore, and it will take some time for them to be resolved.
5. The same is true on an international scale. We need an international organisation built along the same lines.
6. At public events, demonstrations, solidarity action with workers in struggle, strikes and so on, which are led by the MPT, we give a high priority to the profile of MPT.
7. A programmatic conference of the MPT in June will debate what kind of socialism we envisage given the thorough discrediting of Stalinism.

ERNEST MANDEL
A life less ordinary

A teenage anti-fascist who escaped a Gestapo jail and a Nazi work camp, Ernest Mandel went on to be a prominent Marxist intellectual and key leader of the Fourth International after the war. Keith Harvey looks at a first biography

ERNEST MANDEL: A REBEL'S DREAM DEFERRED
Jam Willem Stutje /Verso 2009 / £19.99

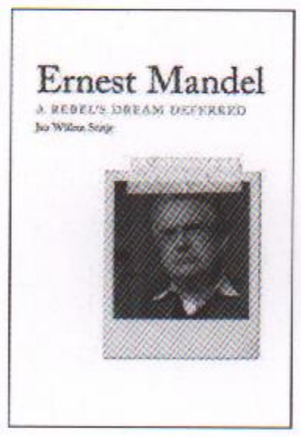
IN 1980, delighted by the rise of Solidarnosc in Poland and its revolutionary possibilities, Ernest Mandel swept aside the doubts many of his comrades expressed in the weak or even reactionary leadership of the movement: "What does it matter, if millions of workers are in motion; then we mustn't busy ourselves seeking out small, pure groups, but simply support the revolutionary dynamic of the whole." (p226)

This quote sums up Mandel's political method in many ways, one he had operated with since he first greeted the break of Marshall Tito of Yugoslavia with Stalin in the late 1940s. It was a method he was to use once again in the face of the rise of Gorbachev inside the USSR.

For Mandel the revolutionary process was stronger than the leaderships that gave expression to it; the latter were mere handmaidens of the former. It was a method that was to see him at various times prettify the politics of leaders such as Tito, Gomulka in Poland in the 1950s and Che Guevara in Cuba in the 1960s.

It led Mandel, as Stutje's biography makes clear, to avoid staring reality in the face when confronted with setbacks and, worse, to refuse to have an honest discussion about them within the ranks of his own Fourth International (FI) for fear of demoralising the members. Stutje says of Mandel, "If things fell apart, he seldom wrote that into his balance sheet. He walled himself off from self-criticism and preferred to move on to the next item on the agenda." (p202)

Stutje's book fails to systematise the observations on Mandel's political method, one that Trotsky would have recognised as a species of centrism – a vacillation between reform and revolution. But there is much of value in the book nevertheless, even if it is a rather dry account, a ledger of his achievements as an internationalist, activist, scholar, and central leader of post-war Trotskyism.



Early life

Mandel was born in Belgium to Polish Jewish parents. His father Henri was a diamond merchant who moved to Antwerp in 1913. Throughout the 1930s Henri was an inspiration and guide to his young son, born in 1923. The family home was a political clearing house, a temporary refuge to many Jewish and socialist refugees from the Nazis.

In the mid-1930s Henri Mandel drew closer to the FI, whose Belgian leadership met at his house. Over the threshold came many Trotskyists and Ernest fell under their political influence. He became a passionate anti-Stalinist as the Spanish civil war and Stalin's first Moscow shows trial unfolded.

While Henri grew increasingly demoralised by the rise of fascism and Stalinism, Ernest's commitment intensified. Shortly after the foundation of the FI in September 1938 Ernest joined its ranks as a 15-year-old member of the Belgian Revolutionary Socialist Party.

In May 1940 Germany occupied Belgium and several months later the Mandel home became a clandestine organising centre for resistance to fascism. For the next two years Mandel travelled constantly helping organise supporters in the coalfields and ports, writing extensively for leaflets and papers, analysing the trends in the workers' movement. He was confident, courageous, erudite – and still a teenager.

Registered as Jews in 1940 it was in July 1942 that the

round ups for the death camps began and the Mandel family went into hiding. In December Mandel was arrested by the Gestapo in Brussels.

A month later he managed to escape from a van transporting him to a different jail, probably as a result of a ransom paid to insiders and his father's connections to them.

In February 1944 Mandel was present at a European pre-conference of the FI where he met Michel Raptis (Pablo) for the first time. The prevailing mood at this conference

Mandel's contribution was an attempt to defend the inherited and established Trotskyist analysis of Stalinism and the class character of the USSR

was that the European revolution was imminent, and that the mass rebellions seen in Italy would emerge throughout the continent as the Nazi's fell. This movement, so the conference believed, would be led by a resurgent German working class.

A repeat of 1918/19 was fully expected. Only Mandel and his comrade Abram Leon dissented from this view and were more cautious and realistic about the damage done to the consciousness, organisation and combativity of the European workers' movement by the historic defeats inflicted on them by fascism. The one-sided and false view that it was only the leadership that held the workers back was contested by the Belgian duo.

This did not stop them throwing themselves into work to galvanise the steel workers of Liège into action against the occupation. It was while leafleting in March 1944 that Mandel was arrested a second time; after a trial in May he was sentenced to two and a half years forced labour.

Over the next two years before his release by the Americans from Camp Niederroden, he was moved back and forth across several camps. Hated by Stalinist prisoners and with his life in danger, he himself thought he only survived because of his internationalism.

This meant he did not treat German guards as "national" enemies but sought out those that may have some progressive ideas and who could protect his back. Incredibly, he even escaped once over a barbed wire fence during a guard change. Captured the next day he languished in a jail cell before being taken back to the camp, where he was lucky not to have been hanged.

After the war

Throughout his later life Mandel was very reticent about his heroic underground work, his daring escapades, or his time in the work camps. This chimes with the accounts of his own comrades and friends of his personal modesty and his ability and desire to dissolve his own contributions, however aware and confident he was of their importance, into the broader historical canvas.

After recovering physically from the experience of the camps Mandel threw himself back into the work of the FI, spurning pressure from his family to abandon full time politics for an academic career.

In March 1946 Mandel helped organise the first European conference of the FI in Paris at which about 30 or so comrades from a dozen countries took part. Mandel was a central protagonist in the debates about the prospects for revolution.

It was here that Mandel was first to show his propensity for exaggerated revolutionary optimism. He insisted that although the end of the war did not a produce a revolution it did open a long revolutionary period in which it was only a matter of time before the revolution broke out. Any other outlook was condemned as "petit bourgeois defeatism" at the conference.

The search for confirmation of this perspective was intimately connected to another crucial debate within the FI in the years immediately after World War Two. This issue was the fate of Stalinism in the USSR and the nature of economic and political developments in the eastern European states controlled by the USSR or its clients after the war.

Mandel's contribution was an attempt to defend the inherited and established Trotskyist analysis of the nature of Stalinism and the class character of the USSR as laid out by Trotsky before the war, and a creative re-elaboration of it in the face of changed circumstances. The first was crucial since Trotsky's theory of the degenerated workers' state was under open attack from within the FI, and Mandel successfully rebutted the proponents of state capitalism and bureaucratic collectivism.

During 1946-48 he argued that eastern European "buffer states" were state capitalist but "in the process of structural assimilation" with the USSR. They could not be workers' states since these could only be created with proletarian revolutions from below.

This both defended orthodoxy while beings suitably open-ended and vague about the end result of this process. Pablo generally assented with all this but disagreed with Mandel on one key question – Yugoslavia. Pablo considered that Tito's partisans had led a genuine revolution, even if not quite of the "classic" Bolshevik type.

Matters came to a head though shortly after the Second Congress of the FI when Tito publicly broke with Stalin. Pablo saw this as proof of his position and gradually by 1951 Mandel came round to this view.

He now accepted that Stalinism could create a degenerate worker's state from above through counter-revolutionary methods, but argued that in Yugoslavia the masses had pushed Tito further than he would have wished to go and gave birth to a workers' state which, though suffering deformations, did not need a political revolution to rescue it from Stalinism.

Stutje is unaware of the centrality of this moment for Mandel's whole subsequent political history. In conceding the "exception" of Yugoslavia Mandel capitulated to the centrist political leadership of Pablo.

And as was to become clear in the 1950s and 1960s in Cuba and China, or later in the 1970s and 1980s in Poland, the "exceptions" kept repeating themselves: the masses

could force "inadequate" leaders to overthrow capitalism. From this point on the role of the FI would be at worst that of cheerleaders, or at best active supporters and advisers trying to push the process and leaders leftwards.

Burrowing away

From 1946 onwards Mandel earned a living as a journalist writing articles for a variety of Belgian, French and German papers as well as Fortune magazine. Between 1954 and 1957 he was editor of the social democratic daily Le Peuple, tied to the Belgian Socialist Party. In 1956 he secured enough support to launch La Gauche as a weekly paper, whose circulation reached 2500, and which he edited too. A Flemish equivalent was launched in 1958.

Mandel was open about what he was doing:

"You have to understand that La Gauche is not a Trotskyist mouthpiece but a paper that we produce together with centrists, union leaders from the Renard tendency and even with left-wing reformists like Huysman. We cannot dictate its line." (p72)

This project was at the core of Mandel's own political daily work in Belgium in the 1950s and first half of the 1960s. It reflected the new attitude to Stalinist, social democratic and even nationalist leaders. It came to be known within the FI as "deep entryism" or "entryism sui generis ("of a special type").

The rationale for this tactic was that as the revolutionary tide appeared at some point in the future, the masses would turn to their established reformist leaders and organisations and make use of them in the process of their revolutionary development. It was therefore the duty of Trotskyists to get deep inside these organisations, occupy positions of influence and seek to gain influence for revolutionary ideas. At some point in the process a rupture was inevitable as the right wing reformists attacked the left, at which point the split would attract thousands of workers to a new revolutionary formation.

That was the theory, and it was implemented throughout Europe. In Belgium the identity of La Gauche was centred around propaganda and agitation for "structural reforms". This was a centrist adaptation of the struggle for workers' control and nationalisation to a non-revolutionary period. The goal was to secure Socialist Party backing for these reforms and implement them in office.

The problem was that Trotsky's approach to transitional demands – in which workers' control was the driving principle – never lost sight of the fact that what was at stake was a revolutionary process of interconnected demands. These aimed at the destruction of the capitalist state through the establishment of workers' councils and an insurrection. Mandel's conception gutted the revolutionary core of this approach, and in its place substituted a menu of radical reformist measures (on unemployment, welfare; labour legislation etc) separated from the goal.

The second defect was that this tactic led to an unprincipled approach to reformist allies. In principle there is nothing wrong with papers publishing rival views and perspectives, providing it is clear that there is no mixing and fudging of positions in the search for a false unity. But Mandel's relationship with Walloon nationalist and left reformist trade union leader André Renard was not that of a mutually critical united front. Mandel promoted Walloon nationalism (i.e. the French-speaking Belgian federalist independence movement). Renard's support for state capitalist planning was enough to get Mandel to dress up Renard as the Belgian workers' hero, as Mandel's fulsome obituary to Renard in 1962 made clear.

In the end this Trotskyist "tactic" to deepen the influence of the FI was a damaging failure. The clandestine FI cell inside the SP was – as a function of it being hidden – without influence. Then during and after the Belgian general strike of 1960, the leaders of the SP showed their true colours by siding with the Christian Democrat government, and subsequently isolating and purging the left around La Gauche.

The SP leaders' decision to seek to enter a coalition government brought things to a head. Mandel was the spokesperson for the left but by 1964 the game was up and they were all kicked out and the hoped for thousands of workers did not join them.

In 1965 Mandel helped found the Union of the Socialist Left but it limped on for several years and as Stutje observed it "struggled from the beginning and ended up as a mere refuge for homeless left-wingers." (p84) Only in 1971 did Mandel and others manage to pull together a public group of avowed Trotskyists in the Revolutionary Workers League, ten years after the Belgian strike and two decades after the FI leaders sanctioned "deep entryism".

Intellectual life

While trying to push Belgian social democracy to the left in the 1950s and 1960s Mandel was also busy establishing his reputation as a major theoretician, not just within the narrow confines of Trotskyist groups, but within broader Marxist and academic circles. His ground-breaking Marxist Economic Theory was first published in 1962, after 10 years research and writing.

"You have to understand that La Gauche is not a Trotskyist mouthpiece but a paper that we produce together with centrists, union leaders and left wing reformists"

It was a work undertaken at the prompting of US Trotskyist leader George Novack who encouraged Mandel to examine the reasons for capitalist expansion in the light of prevailing orthodoxy that economic stagnation was the natural default position of capitalism; and indeed this is the book's historical merit. Its weakness, as letters to Mandel from Roman Rosdolsky, quoted by Stutje make clear, was that it sacrificed too much of Marx's original dialectical method in the chase for contemporary facts to shore up his case. Indeed in his endeavour to explain the sources of capitalist equilibrium Mandel obscured the essence of Marx's crisis theory.

Mandel developed his ideas in the 1970s in Late Capitalism which again, while being excellent in parts, suffered from an eclecticism that marred the whole. Perhaps his most successful contributions to Marxist economics were, first, his re-elaboration of long wave theory, taking up and refining Trotsky's own insights on the question of long cycles in capitalist development, and second, his trenchant defence of democratic socialist planning against the advocates of various forms of market socialism.

Mandel was a private person as Stutje makes clear. He does however reveal the person; passionate about Bach and Mozart, he devoured crime novels to relax

There is no doubting Mandel's intellectual ability. He tackled an astonishing variety of subjects – including a social history of the crime novel, a history of the second world war, as well as numerous semi-polemical political works on Eurocommunism, Gorbachev, Trotsky's contribution to Marxism, and a theory of bureaucracy.

He was a regular contributor on contemporary strategy and tactics to New Left Review. While his political tracts always were marred by his centrist political method which he carried over from the 1950s, he nevertheless possessed a clarity of expression and a breadth of learning that mark him out as the most intellectually capable of any of the post war leaders of Trotskyism.

Mandel was a polyglot, forever travelling the world to experience and support struggles. He remained always an intellectual and an activist.

He stayed six weeks in Cuba to share with Che his thoughts on socialist planning; and he manned the barricades in Paris during the "long night" in May 68. His efficacy and notoriety is reflected in the fact that he was banned from entering Germany, France and the USA at different times in the 1960s and 1970s.

Mandel was also an accomplished orator and was always able to adjust his style to the occasion, big or small. As I personally remember, his ability in small groups to explain difficult ideas crisply and engagingly, without notes but with great insight, on matters as diverse as the transition from feudalism to capitalism or the nature of the holocaust, was deeply impressive.

And all those who were close to him testify in Stutje's book that while Mandel rarely collaborated formally on his various projects with others, he always welcomed criticism of his output and was not resentful or abrasive towards those who disagreed with him.

Personal life

Mandel was a private person as Stutje makes clear. He does however reveal the person; he was passionate about Bach and Mozart, he devoured crime novels to relax, he drank little but enjoyed his food (too much). He rarely if ever opened up to others. According to Stutje "he went out of his way to avoid the demands of intimacy and children" (p160) as they would be a diversion from politics.

Nevertheless, he had two important relationships with women, or three if you count the one he had with his mother, whom Stutje portrays as an overwhelming (if not overbearing) influence on Mandel's life. He lived for much of the post war decades in the family home in Belgium with his mother who by Stutje's account vetted and judged harshly his choice of female friends.

His first long lasting and deep relationship was with Gisela Scholtz, ten years his junior. They met in 1965 when she was still married but unhappy; they married the following year. As a German born journalist she was interested in politics but not an activist. This did not stop Mandel being devoted to her, though their separations were many and long due to Mandel's activities.

Stutje suggests that Mandel's emotional intelligence "stalled on the way to adulthood" (P202) and this showed in his dealings with those closest to him. He was not able to treat Gisela as an equal, even after the events of 1968 drew her into the FI and she became active in its leadership.

She felt shunned and disrespected by other leaders of the FI. Mandel is drawn as someone who was infatuated with Gisela but had difficulty having an adult relationship with her.

She suffered frequent bouts of depression in the 1970s, increasingly resorting to pills. She died aged 47 in early 1982. Some months later Mandel met Anne Sprimount, a Belgian teacher 30 years younger than him. Less political but more self-confident and emotionally stable they shared the same passions for music and literature and their relationship endured until Mandel's death in 1995.

Friction in the FI

In the 1970s Mandel was based in Paris where he served on the International Secretariat of the United Secretariat of the Fourth International (USFI), which met twice a week and comprised leaders from many parts of the world. Mandel was a key figure throughout this decade. But by the early 1980s frictions emerged, then sharpened, and by mid-decade Mandel was increasingly marginalised.

The issues that set the leaders against each other revolved around the prospects for the world revolution. After the disappointments at the turn of events in Central and South America in the late 1970s and early 1980s, where the "guerillaist turn" had proved a disaster, Mandel believed that the industrial workers of Europe and the USA would be the centre of revolutionary revival.

To that end the USFI made a "turn to industry", trying to industrialise as many of their members as possible. This caused frictions, but it was the prospects of revolution in Europe that set the leaders against one another.

The younger, post-68 generation insisted that Mandel's perspectives were too one-sidedly optimistic and he in turn insisted that any other view would demoralise the members. Matters became more polarised when, after the rise of Gorbachev in 1985 in the USSR, Mandel saw

this as the harbinger of political revolution; others were not so sure.

In truth, Mandel invested all his intellectual and emotional future in this perspective and he even considered Boris Yeltsin "a radical anti-bureaucrat".

When in his 1989 book Beyond Perestrioka Mandel did not devote a single word to the possibility of capitalist restoration, FI leaders even tried to convince him not to publish it. So when the period 1989-91 brought about the downfall of Stalinism and a democratic, political and social counter-revolution, Mandel was "depressed and anxious" (p244).

Twilight

By this time he was quite ill. Even in the 1960s he had suffered heart problems. In the 1980s a doctor he consulted "found that his body was ten years older than would be expected at his age. By then he was barely moving at all, and more than three or four hours of sleep a night was exceptional for him." (p220).

After Mandel absorbed the significance of the restoration of capitalism in the former USSR, he flipped increasingly into a dark pessimism, prone to making apocalyptic statements, trying to balance his habitual optimism with a vision of "socialism or death" should the forces of capitalist reaction get the upper hand for too long. Stutje makes a good case that Mandel increasingly despaired of the ability of the new working class generation to make a socialist revolution. As a result he began to emphasise the ethical case for socialism, rather than rooting it in the historical logic of the class struggle.

In December 1993 Mandel suffered a severe heart attack that radically diminished his energy, working hours and output. Just a month after the 14th World Congress of the USFI, held in Belgium in June 1995, Mandel collapsed and died at home.

The lasting contributions Mandel made to Marxism will not prove to be that which he held most dear – the construction of a world party of revolution. His merit in holding together the few, hounded Trotskyist cadre during the Second World War and helping put the FI back on the map after it, is unfortunately outweighed by his centrist errors, what Stutje calls his "pragmatic compromises" made with non-revolutionary forces in the forty or so years before his death.

But at key moments in his life Mandel acted as a brilliant defender of revolutionary doctrine against those who sought to revise Marxism and in several areas creatively elaborated Marxism in changed circumstances.

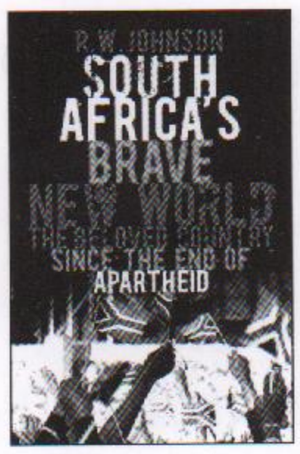
Stutje has done a service in bringing something of Mandel the man alive, the straight laced emotions that serve to flesh out the portrait of the activist and intellectual. But the reader is likely to be left feeling that Stutje does not fully get inside the skin of his subject, being neither a member of the FI at any point nor especially clued up with Trotskyist politics and ideology.

Yet, as Tariq Ali says in his less than effusive introduction, it is a start.

ANC IN POWER

'I didn't join the struggle to stay poor'

Fifteen years after the ANC won a majority in the first post-Apartheid election, it may have done little to transform the lives of the black masses but it has certainly transformed the fortunes of its leading cadre, says Stuart King



SOUTH AFRICA'S BRAVE NEW WORLD: THE BELOVED COUNTRY SINCE THE END OF APARTHEID
R W Johnson / Alan Lane / 2009 / £25.00

THE CAMPAIGN to defeat the Apartheid state mobilised a generation of young and old in support of the African National Congress (ANC) and its imprisoned leader Nelson Mandela. This makes Johnson's book, an assessment of ANC governments since 1994, a particularly depressing read. Yet scattered throughout its 650 pages are important lessons for radicals and socialists alike.

Johnson, a one-time ANC member in the 1960s, moved back to South Africa from Magdalen College Oxford in 1995 to become Director of the Helen Suzman Foundation and also South Africa correspondent for the *Sunday Times*. He is no radical, and his views on black advancement within the country are sometimes hard to stomach as, for example, when he says:

"The decision to press ahead regardless with affirmative action throughout both public and private sectors was the greatest single disaster to overtake the new South Africa."

This is a constant theme throughout the book: most of the government's failures lie in the promotion of people not on the basis of merit but on the basis of race. Put crudely, by ousting and alienating the white government bureaucracy and replacing it with a less well-educated and capable black one, Johnson believes the ANC virtually wrecked the country. Black Economic Empowerment (BEE) in the private sector comes in for the same withering criticism.

In going through the history of the South African government's internal workings and scandals in great detail what Johnson does show is how, for all the talk of "black empowerment", "gender equality", "an African Renaissance", the ANC did exactly the opposite. ANC leaders became corrupt and nepotistic – good at helping themselves and their friends but doing little for the black masses.

Economic empowerment quickly became the open enrichment of a black bourgeoisie, a minority black capitalism grafted onto the existing white economic ruling class.

Johnson is incapable of seeing that it is not black empowerment that is the problem but the lack of it – it was the politics of the ANC that were at fault, when it set its sights on managing capitalism in South Africa rather than overthrowing it.

A national democratic revolution

Johnson's book is good at detailing how the ANC developed in exile. Heavily financed by the USSR and trained

in East Germany and other Stalinist states, the cadre of the ANC and its armed wing Umkhonto we Sizwe (MK) had a top-down centralist mentality (what Johnson refers to as Leninist when it is in fact a Stalinist method of organisation).

This contrasted dramatically with the internal opposition to apartheid where the United Democratic Front (UDF) drew in all the opposition forces and had a tradition of discussion, autonomy and struggle.

Yet after the Apartheid regime had decided to throw in the towel in the early 1990s, it was the exiles from the ANC who quickly dominated the "inziles", the ANC members and supporters who had actually led and forged the struggle.

The ANC dominated the first government from 1994, having won 62% of the popular vote in a 90% turnout (formally it was a coalition government with the apartheid Nationalist Party of De Klerk and the Zulu IFP). But the ANC itself was a "tripartite alliance" made up of the ANC, South African Communist Party (SACP) and the trade union federation COSATU. Politically the SACP dominated this alliance and the majority of the government was made up of SACP members.

According to the Stalinist schema the task of the alliance was to carry out the first stage of the National Democratic Revolution (NDR). This involved dismantling apartheid and developing a capitalism that could deliver real gains for the masses in housing, health, education and land redistribution, as well as industrial and economic development.

Following this stage – at some indeterminate point in the future – socialist policies may be appropriate. In exile there was much talk of establishing "East Germany in Africa", a project that was rather holed below the waterline when Stalinism collapsed in that country in the late 1980s!

Despite the worldwide collapse of Stalinism the SACP continued to delude the South African masses into believing that their presence in government somehow offered the "hegemony" of the working class within the alliance. Workers only had to remain patient, continue to be "vigilant", and pressure the government for this outcome to be victorious. The SACP's dominance in the leadership of COSATU ensured this line was entrenched in the trade unions.

In fact quite the reverse took place. Johnson shows with many examples how the new ANC leaders in government took to capitalism like a duck to water. Within months of taking office leading South African capitalists were wining and dining the leaders of the ANC, many of them supposed "communists". And it went far beyond a few perks – leading members of the ANC government set about enriching themselves through corrupt deals with both local and international capitalists.

This wasn't just a few "bad apples" in the ANC; it was virtually the entire leadership both at national and provincial level. And all this took place under the watch of Thabo Mbeki, an SACP politburo member "on sabbatical" to run the government, first as the real power behind the Mandela's presidency and then as a two-term president himself.

Enriching themselves

Soon after the ANC took power a huge scandal broke out over a massive military purchase, supposedly aimed at modernising the SA Defence Force. Gripen fighter aircraft, corvettes, submarines, helicopters and battle tanks were ordered from the big European arms corporations for a country that faced no foreseeable war threat. The total cost by 1999 was more than $5bn when the country was in desperate need of new housing and schools. Amidst allegations of kickbacks, an attempt by the parliamentary accounts watchdog to investigate the scandal was thwarted by Mbeki.

The firms involved were the British BAE, the German Thyssen Krupp and the French Thompson-CSF (later Thales). Later investigations by the British Fraud Squad and the German equivalent revealed that hundreds of millions of dollars had been paid in bribes – BAE alone accounting for $150m.

While the Defense Minister, Joe Modise was at the centre of the bribery scandal, the largesse was spread around much of the ANC leadership, including Mbeki and Zuma. Wives and family members, charities connected to Mandela and his wife, and the ANC as a party, all benefitted. The arms multi-nationals certainly knew how to buy friends and influence people.

This wasn't just a few "bad apples" in the ANC; it was virtually the entire leadership. And all this took place under the watch of Thabo Mbeki

This deal was just a taster. Johnson details deal after deal which enriched the top levels of the ANC and their families. But it wasn't just bribes-for-business. Donors' money sent for charities was "appropriated". Alan Boesak, leader of the Western Cape ANC was pursued by the protestant Danchurch for a R2.8m donation to a children's trust fund that vanished into his "business enterprises"; much of the profits from Paul Simon's Graceland tour also disappeared down this hole.

Then there was the scandal at the Land Bank, an institution that was meant to help rural poor farmers. The Land Bank was headed by Helen Dolney, widow of SACP leader Jo Slovo. She was smeared and purged, Johnson suggests, by Mbeki because she was white and not under his control. Like other SACP'ers who were purged, Dolney moved quickly to become a bank executive elsewhere.

The new leadership proceeded to loot the Land Bank. R800m was lent to an investment company in which the ANC Secretary General and a former ANC premier of the Northern Cape were major shareholders. Other loans went to a tycoon for a sugar mill, one to finance a football club and one to build an upmarket equestrian estate in KwaZulu-Natal. Resulting bad debts and "write offs" meant the government had to pour more money into the bank.

With the bank on the edge of bankruptcy in 2007, more than R1bn in loans were revealed to have been made for non-agricultural purposes.

Black economic empowerment

Johnson reveals how the last people the ANC thought of empowering economically were the black masses. Under the Apartheid state virtually all skilled, let alone managerial, jobs were reserved for whites. The state services were run by white civil servants while all large business were owned either by multi-nationals or "indigenous" Afrikaner or English-speaking capitalists.

Some concession was made to "Indians" and "coloureds" who played a role in small businesses but Africans were virtually totally excluded. It is no surprise that the ANC demanded that largely white-run businesses should be opened up to blacks, in particular the African majority.

Johnson has virtually nothing positive to say about affirmative action, yet had the ANC not demanded such action they would have been condemned by the masses. The real criticism of the ANC is that it spent its time openly trying to create a black capitalist class.

It didn't, for example, concentrate on the education and training that could have helped the masses of Africans get better jobs (in fact public education deteriorated under ANC governments, while private education flourished). Its efforts were directed towards parachuting friends and relatives into major management positions in big companies and obtaining large shareholdings at knock down prices, with loans often financed by state banks.

The big companies were quite willing to go along with this policy of sharing a fraction of their profits as long as they could carry on exploiting black workers. BEE meant they had to agree to black-owned equity of 25.1% and "substantial management control" by blacks.

But many of the big multi-nationals like Anglo American had already started taking precautions by moving many of their assets, production and head offices overseas. If BEE ever threatened their profits it was only a small part of their enterprises that were at risk.

Whenever criticism surfaced at COSATU conferences Mandela went along and called for "discipline", while Mbeki spoke darkly of "counter-revolutionary plots"

One infamous example of how BEE worked involved Andile Ngcaba, former head of the ANC's IT department and former Communications Ministry Director General. He was also a leading BEE partner in Dimension Data a cell phone company with interests throughout Africa. Using his inside knowledge his consortium bought 15% of the previously semi-privatised state Telkom when it was being sold off by a US-Malaysian company in 2004. The massive conflict of interest caused uproar. Business Day accurately summed up what was going on in an editorial that said it was:

"the least mass empowering and most individually enriching exercise in the redistribution of wealth imaginable in a developing country with a majority of extremely poor people."

When it was revealed that the ANC's chief spokesperson and NEC member, Smuts Ngonyyama, was set to make millions on the deal he was roundly condemned. He foolishly but honestly replied that he "hadn't joined the struggle in order to stay poor". This much quoted statement was felt by many to sum up the attitudes and actions of the ANC leadership and their hangers-on now they were in power.

By this time the workers were beginning to see through this supposed exercise in "black empowerment". Gwede Mantashe, leader of the National Union of Mineworkers, declared: "Capital is capital, it has no colour. No black person buys into a company because he wants to do all sorts of good things for blacks. People want to go into business because they want to make money."

A group of workers discovered this the previous year when their baggage handling company was taken over by a BEE consortium led by ANC MP, Mpho Scott. Within a year they were on strike against longer hours, pay cuts and reductions in sick leave, carrying placards demanding of the MP, "Why are you oppressing black people?" Johnson quotes a survey in 2004 in which 65% of blacks thought that BEE "only enriched a select few".

The left and the government

How did the SACP and the trade unions respond to the obviously capitalist direction of the government? In much the same way that the trade union leadership in Britain responded to the Blair/Brown neo-liberal government – by making some criticisms while take no action to oppose it.

In 1994 the ANC promised "A better life for all" and "Jobs, jobs, jobs". The Reconstruction and Development Programme, fought for by COSATU and the SACP, promised to build one million homes in five years, redistribute 30% of the land, and create two to five million jobs over ten years. Within two years of government this pledge was ditched by the ANC with the targets hardly addressed – only 1,000 homes were built by the end of the first year.

The South African Foundation, representing the 50 largest SA companies, came up with an alternative programme in 1996 called "Growth for All". It summed up the bosses' demands: smaller government, a privatisation drive, export promotion and a dual labour market; that is, a "flexible labour market" in which millions of unskilled workers could be sacked at will and paid a pittance.

Mbeki denounced the plan, not for its content, but because it was "clumsily composed" and "non-strategically dumped in the public arena". In other words these things had to be done by stealth and covered in socialist and progressive phraseology to confuse the masses.

Indeed over the next two terms of government the ANC would introduce many of these employer-led policies. In June 1996, Mbeki and the ANC leadership introduced

GEAR, the "Growth, Employment and Redistribution" policy. Its key elements were budget deficit reduction, accelerated privatisation, greater labour flexibility and moderate wage demands.

The government predicted 6% economic growth and 1.35 million new jobs by the year 2000. The opposite occurred; growth rates remained low (2-3%), and unemployment rose dramatically. Official unemployment since 1994 has oscillated between 25-27%, while a broader definition, including those not actively looking for work, puts it at 38-40%.

This monetarist strategy did eliminate the budget deficit (it became a surplus after 2004) and inflation with it. Of course, achieving a budget surplus meant there could be no great expenditure programmes for education, health or infrastructure projects – roads and ports deteriorated and there have been widespread power blackouts since 2006.

Whenever criticism surfaced at COSATU conferences Mandela went along and called for "discipline", while Mbeki spoke darkly of "counter-revolutionary plots" against the government. When the SACP and COSATU criticised the policies behind GEAR, Mandela and Mbeki turned up to the 1998 COSATU conference and threatened not to reserve places for the two organisations on ANC election lists unless their opposition abated. Predictably, the two organisations backed down.

After the ANC victory in the 1999 election (winning 66% of the vote on an 89% turnout) the SACP members still remained central to Mbeki's government, but they were under Mbeki's thumb. Cabinet SACP members included Alec Erwin, Geraldine Fraser-Moletketi, Ronnie Kasrils, Sydney Mufamadi and Jeff Radebe. Others in government included Aziz Pahad, deputy foreign minister, and his brother Essop, Mbeki's chief fixer.

In fact after 1998 the SACP was deeply split between those in government and those outside it, although it carried on pretending to be a united party. The outside faction was led by its Secretary General, Blade Nzimande, and party "theoretician" Jeremy Cronin who had led the attack on GEAR.

Mbeki's allowed no criticism within government and dealt with perceived threats to his leadership immediately. The party list system gave him a powerful weapon and he constantly tried to prevent provincial power bases developing in opposition to him. He was particularly suspicious of independent SACPers.

Cyril Ramaphosa, Secretary General of the ANC and SACP member, saw which way the wind was blowing and left the government in 1996 to become a millionaire businessman. Cheryl Carolus, another leading SACP member and acting ANC Secretary General, was soon told she would not get the job permanently. After a short stay as minister of SA Tourism she too left to become a multi-millionaire director of DeBeers diamond corporation.

AIDS denial: a crime against the people

Johnson devotes a whole chapter to the grim story of the ANC government's disastrous policies towards the AIDS epidemic. By the early 1990s it was clear that HIV cases were rising rapidly and by 1992 there was already a plan in place to combat it; in 1994 this became the National AIDS Plan. But it was a plan that the Health Minister Dr Dlamini-Zuma never carried out (despite being involved in its development).

Again at the centre of this policy was Mbeki who decreed there was no connection between being HIV positive and getting AIDS. AIDS, he said, did not really exist; poverty was leading people to die of these illnesses. This AIDS denial position, Johnson argues, was a result of Mbeki's late night research on the internet combined with paranoia with regard to supposed imperialist attempts to besmirch Africa as a source of "disease".

The tragedy of South Africa is that the working class, through the SACP, has tied itself to a multi-class party, the ANC, which is absolutely wedded to capitalism

As a result of this position the Health Ministry promoted all sorts of quackery, financing Virodene, a toxic industrial solvent pushed by a couple of quack doctors, and advocating a beetroot, garlic and African potato diet as a "genuinely African" means of AIDS prevention.

When drugs appeared that did work, like AZT and later nevirapine, the government refused to allow their use, claiming that they were a fraud perpetrated by the pharmaceutical companies, as well as being toxic. Meanwhile the AIDS pandemic doubled in two years, from a 7.6% HIV positive rate in 1994, to 14.2% in 1996.

By 1999 life expectancy for a baby born in Zululand was down to 28 years. By mid-2003 a million people had died and a further 5.3 million were HIV positive, yet the government still refused to sanction the Health Ministry to use anti-retroviral drugs (ARVs) on a large scale.

It was only after a long campaign by AIDS activists, which included winning cases in the constitutional court, and with a general election looming in 2004, where the AIDS issue was dominating the headlines and meetings, that the government finally agreed to roll out ARVs. Johnson points out that a study by the Harvard School of Health concluded that the delay in rolling out ARV drugs had caused 365,000 unnecessary deaths between 1999 and 2005, including 35,000 babies. It was an African holocaust with which even the impact of Apartheid regime's policies did not compare.

A step too far

There is no doubt that the AIDS scandal weakened Mbeki. Both COSATU and the SACP had come out early against him on this question demanding he recognise the link between HIV and AIDS and take action. But it was his determination to stay on for a third term as president that finally led to his downfall.

In 2004 the ANC had won its third successive election

with its largest ever majority; it received 69.69% of the vote on a 76% turnout and controlled every province. Certainly some disillusion was beginning to set in, reflected in declining voter turnout (down from more than 90% in 1994).

But still the ANC was virtually unchallenged at the polls. The main opposition party, the Democratic Alliance, appeared unable to break the ANC's stranglehold over African voters and struggled to maintain 10-12% of the vote.

The ANC retained its reputation as the party that had broken Apartheid and delivered democracy. It had the active support of COSATU and its 1.8 million members and full-time activists at election time, and above all it had no real opposition from the left thanks to the loyal support of the SACP. Mbeki and his supporters felt invincible. They ensured opposition factions in the ANC were co-opted or cowed. They controlled all the main organs of the state – the police, security services, and many parastatals like the SA Broadcasting Corporation. The press and most NGOs were afraid to campaign openly against the government for fear of reprisals, and big business was generally supportive.

Mbeki now took aim at Jacob Zuma, the country's Deputy President, a life-long SACP member and a Zulu with a base in the largest ethnic group in the country. Zuma was perceived as a threat to Mbeki who must be removed so the president could have a clear run for a third term. Johnson explains how Zuma, as a result, was investigated by the security services and the Scorpions specialist police unit long before the 2004 elections.

Zuma was accused of taking bribes during the 1990s' arms deal via his benefactor Schabir Shaik. There was no doubt that Shaik – and probably Zuma – benefited from these deals, but probably a lot less than other key members of the ANC. When the Scorpions raided Zuma's houses and seized documents from his lawyers, the ANC and COSATU members rallied to Zuma's support. When Shaik was found guilty and the court implicated Zuma, Mbeki expected him to resign. Zuma refused to go quietly and mobilised his base. When Mbeki sacked him as Deputy President in June 2005 a showdown was inevitable.

Mbeki and his supporters completely overestimated their ability to control and manipulate the base of the party. COSATU and the SACP mobilised against them and they even lost control of the ANC Youth League despite cutting off its funding.

All the pent-up fury at the years of self-enrichment now poured out. The NEC, it was pointed out, was now full of millionaire businessmen and women, a virtual "stock exchange" as one leading ANCer outside the magic circle called it.

A gathering of the 1500 delegates of the ANC National General Council brought the conflict to a head. Many delegates wore Zuma t-shirts and some delegates chanted in Zulu: "We don't want capitalism. It killed Zuma." The gathering rejected Zuma's "request to resign" and went on to throw out Mbeki's new policy proposals involving provisions for a dual labour market and relaxing labour protection laws for young workers.

At the December 2007 ANC Congress Zuma's victory was even more decisive, defeating Mbeki in the election for President of the ANC by 2,300 votes to 1,500. In the elections to the NEC anyone considered anti-Zuma was flung out, which included 15 cabinet ministers, 10 deputy ministers, 10 MPs and all but one of the provincial premiers – the "stock exchange" had collapsed. Zuma as president of the ANC could now recall Mbeki and force an election.

He did not do so immediately, fearing a major split in the ANC. Instead he let the dust settle before recalling Mbeki in September 2008 and putting in a caretaker president until the May 2009 elections.

May 2009 and beyond

Johnson's book does not cover the recent elections. It does however assume correctly that the ANC under Zuma would get back into power. There was indeed a small split in the ANC – the Congress of the People (COPE) took 7.4% of the vote – nevertheless the ANC still gained 65.9% of the vote on a 77% turnout. There is no doubt that COPE represented a rightist split, with its leaders like Terror Lekota claiming COSATU vote rigging and a "communist takeover" of the ANC.

Zuma has managed to refresh the leftist credentials of the ANC once again, with lots of populist rhetoric about "getting back to the people" and "helping the poor". He is helped in this by the SACP and the leadership of COSATU, who believe that Zuma can head up a "left-led" government. Zuma's record makes this highly unlikely – after all he sat in leadership and government positions for the 15 years, all the while endorsing all the rightist, pro-business policies of the ANC leadership.

The tragedy of South Africa is that the working class, through the SACP, has tied itself to a multi-class party, the ANC, which is absolutely wedded to capitalism. The great "gain" of this party over the last 15 years has been to develop a small black bourgeoisie in South Africa, one that now sits alongside its white brethren. And this has only been achieved at the expense of the black working class who have gained very little from the end of Apartheid in one of the richest countries in Africa.

Johnson's book lays this all this out before us only to draw completely the wrong conclusions. For Johnson the real threat comes from the black masses demanding more control and better living standards before they are "ready" and "competent" to rule. The problem is the opposite – the masses did not seize control in the second half of the 1980s when the Apartheid regime was rocked by mass general strikes and city-wide uprisings. Instead a desperate regime, backed by international capital, grabbed the hand of the ANC to save it. This it did with alacrity, and the workers of South Africa are still suffering the consequences.

Guillermo Lora 1921-2009

GUILLERMO LORA, a historic leader of Bolivian Trotskyism, died on 17 May 2009 in La Paz at the age of roughly 87. His age was never certain because, born in the early 1920s in the town of Uncía in the department of Potosí, he never received a birth certificate.

From its foundation in the mid-1930s, Lora's Revolutionary Workers' Party (Partido Obrero Revolucionario, POR) – also known by the name of its periodical "POR-Masas" – played an important role in the Bolivian workers' movement, especially amongst the miners. It was one of just a few Trotskyist parties, along with those in Vietnam and Sri Lanka, to win a mass base in the working class.

The influence of the POR is recounted in the book Rebellion in the Veins by James Dunkerley. It tells of how Lora's brother, César, a Trotskyist trade union leader, led columns of miners armed with dynamite in fighting in the capital. He was later murdered by the military dictatorship. At one point in the 1970s, Soviet economic advisors visiting the Bolivian tin mines were shocked to be greeted by hundreds of miners waving red flags of the Fourth International!

Guillermo Lora, both a leader of vanguard sections of the workers' movement and an intellectual who wrote extensively on the history of the workers' movement in Bolivia, politics and art, was never co-opted by the bourgeoisie during his almost seven decades of militancy.

This is an impressive accomplishment in a backward country like Bolivia where capitalist class rule continually needs to buy off leaders of the oppressed. The Morales government is full not just of peasant leaders, trade unionists and former guerilleros, but also a number of Maoists and former Trotskyists.

Some revolutionaries, even after decades of political activity, are remembered in the form of a single, short document. For Karl Liebknecht it was "The main enemy is at home!" and Guillermo Lora had the "Theses of Pulacayo".[1] These theses, which Lora adapted from Trotsky's Transitional Programme to the situation in Bolivia, were adopted by the Trade Union Federation of Mine Workers of Bolivia (FSTMB) at its 1946 congress.

Lora always insisted that the theses were nothing but a reflection of the miners' consciousness ("I didn't write them, the miners dictated them to me and I edited them" [2]), revealing his syndicalist tendencies. But despite certain weaknesses these theses remain to this day the most important programmatic document of the Bolivian miners' organisations (whose ideology has been described as "Trotskyised syndicalism") and any functionary can quote their basic principles. The theses describe the need to combine the struggle for the democratic tasks with the struggle for socialism.

Guillermo Lora, a leader of vanguard sections of the workers' movement and an intellectual who wrote extensively on the history of the workers' movement

At the time of his death, Lora was probably the last of the generation of Trotskyists that included Mandel, Healy, and Grant, who became active before or during World War Two and who, under the extremely difficult conditions of the beginning of the post-war boom, attempted to re-elaborate the Trotskyist programme and re-build the Fourth International.

They ultimately failed, adapting in different ways to social democratic, Stalinist or nationalist bureaucratic apparatuses. Post-war Trotskyism in its entirety represented not the continuity of Bolshevism but a special form of centrism. This was best reflected where the Trotskyists were a relevant current in the workers' movement of their country and were tested in heated class battles, such as in Bolivia.

Bolivia's "National Revolution" of 1952 confirmed many postulates of the permanent revolution. The Bolivian bourgeoisie was irresolute in the face of long-overdue democratic tasks, meaning it was the armed workers who forced through an agrarian reform, the nationalisation of the mines and some civil rights – such as the right to vote – for the country's indigenous majority.

The POR, however, rather than fighting to extend the bourgeois democratic revolution into a proletarian socialist one, adopted a policy of pushing the bourgeois government to the left. They limited themselves to pressuring (and thus critically supporting) the left wing of the nationalist party, the MNR, calling for workers' representatives to join the government in order to influence its policies, rather than calling on them to break with it.[3]

After 1952 Lora codified this adaptation to the democratic bourgeoisie in his theory of the "revolutionary anti-imperialist front" (which he considered his most important theoretical contribution to Trotskyism). The POR on different occasions formed a block with left wing reformists and nationalist military officers, not even excluding the possibility of blocks with the "nationalist bourgeoisie". These blocks were

based not only on limited tactical agreements but on a vague strategy of "socialism", which inevitably meant the POR agreed to limit its demands to how far its Stalinist or military allies were willing to go.

A new revolutionary upheaval in 1971 brought Lora and the POR to prominence again. The Popular Assembly, a delegate-based body which had elements of a workers' and peasants' congress (but which Lora proclaimed "the first soviet of Latin America") played a dominant role in the country under the short-lived government of the very left wing General Torres in 1970-71.

Lora would later recognise that it had been "completely mistaken" to expect the military government to distribute arms to the workers, as Torres preferred to seek agreements with his colleagues rather than challenge the bourgeois order by arming the masses. However Lora, as a prominent member of the People's Assembly and its Political Command, went along with the policy of passively waiting for the left wing of the military to solve this problem. When the military right toppled Torres, the workers' movement was unarmed, both militarily and politically.[4]

It was in this period that Lora started emphasising theories of Bolivian particularism, especially in regard to the army. "The army here is not a caste" was one of his favorite sayings in later years and he wrote reams about the progressive traditions of the military in Bolivia's history. The project of ideologically winning over the officers' caste tended to replace the project of arming the workers.

The obituary by the Central Committee of the POR identifies Lora as "our general secretary",[5] but in fact he withdrew from day-to-day politics many years ago. "Chance has given me a few extra years" he said about himself, and he used the time for literary activity: his "Obras Completas" (Collected Works), comprising over 60 volumes and still not completed, are already more extensive than Lenin's!

More than Bolivia's geographic isolation, Lora's theories of Bolivian particularism led to the POR's isolation from the international Trotskyist movement. He participated several times in international Trotskyist conferences, but despite siding with the International Committee in the 1953 split of the Fourth International, the POR never formally joined it. Lora was close to the Lambertist current from 1971 but split from it, together with the Altamirist current (Partido Obrero of Argentina), in 1979. Their joint current fell apart in 1988, leaving the POR's references to the Fourth International purely ritualistic.

The POR, rather than fighting to extend the bourgeois democratic revolution into a proletarian socialist one, adopted a policy of pushing the bourgeois government to the left.

After that, the POR had virtually no interaction with international currents and thus no opinions on them. Lora's assessment of international Trotskyism when I met him in 2007 was simply: "They haven't assimilated the Bolivian experience." The POR itself remained influential in two areas (the teachers' union of La Paz, which it has led for more than twenty years, and the university students' federation of Cochabamba) but was not able to offer any kind of leadership in the revolutionary crises that rocked the country in 2003 or 2005.

Lora's assessments of these crises, perhaps typically nostalgic for someone of his age, were: "The Bolivian workers still haven't recovered from the defeat of 1971."

Guillermo Lora dedicated his entire life to the working class and to socialist revolution in Bolivia. As a student, he moved to the inhospitable miners' towns high in the Andes to fight for Trotskyism amongst this particularly exploited and militant sector of the working class. He paid for his intransigent opposition to capitalism with long years in prison and longer years in exile.

Despite the fact that we believe he made serious errors in his strategic conceptions and theories, his legacy should not only be honoured but also studied. Only by understanding the successes and failures of leaders like Lora will a new generation of socialist revolutionaries in Bolivia and around the world be able to complete his project, world socialist revolution.

by Wladek Flakin
independent youth organisation REVOLUTION

NOTES:

1. Available at: www.permanentrevolution.net/entry/1371 (English translation)
2. www.bolpress.com/art.php?Cod=2007021426
3. See the Bolivian Revolution of 1952 – polemic with the POR at
4. For an article on the POR, Torres and the 1970/71 Bolivian crisis see: www.permanentrevolution.net/entry/1384
5. gor-contralacorriente.blogia.com/2009/051801-ha-fallecido-guillermo-lora-el-programa-de-la-revolucion-boliviana-sigue-en-pie-.phpSources:

James Dunkerley: Rebelión en las venas. La Paz 2003 and Verso London 1984.
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"A Revolution Betrayed: The POR and the Fourth International in the Bolivian Revolution." Revolutionary History, Vol4 No3 Summer 1992, pp58-85, www.marxists.org/history/etol/revhist/backiss/vol4/no3/villa.htm

Fighting the Nazis in France during WW2

THE RESISTANCE; THE FRENCH FIGHT AGAINST THE NAZIS
Matthew Cobb
Simon & Schuster / 2009 / £17.99

AS MATTHEW Cobb makes clear from the outset "the vast majority of French people did little or nothing to oppose Vichy and the Occupation" by the Germans after May 1940. Maybe up to half a million people (2%) were involved in the resistance one way or another and about 100,000 résistants are estimated to have been executed, killed in combat or to have died in camps. But those who resisted showed extraordinary courage as well as mind-boggling organisational naivety.

As there is no general account of the French resistance in print in English, Cobb has done well to realise a life's ambition and get the story out there. Two decades steeped in French politics while working and living in Paris have given him the tools for the job, and a boyhood fascination with men in black berets emerging from the undergrowth to take a pop at the Nazis provided the motivation.

Most of the book is taken up with stories of the résistants themselves, often in their own words. It is a story of a population shocked and traumatised by the ease with which the French army – at the time deemed among the best led and equipped on the continent – rolled over.

It is a story of capitulation and disgrace. A whole section of the French ruling class and army enthusiastically embraced the Nazi occupation. These collaborators governed the unoccupied zone (up to November 1942) known as Vichy in such a way that "slowly transformed the country into an anti-Semitic police state" gleefully rounding up French Jews and sending them off to die in the camps.

Cobb is clear that the fight to kick the Germans out of France was a three way affair. First we find the ordinary citizens suffering on the ground. Cobb insists that progressive forces needed to join the struggle against the occupation in spite of French nationalism and the struggle for a socialist and revolutionary France began with the fight against the anti-democratic and repressive occupiers and their collaborators.

Next comes de Gaulle's exiled Free French forces. A minor, recently promoted, army general, de Gaulle found his way to London soon after the occupation, where he was treated with disdain by the British government.

The British and Americans were the third leg of the resistance stool with their own interests. US President Roosevelt pretty much despised de Gaulle, understanding fully that the general's goals to free France and continue to enslave those in the French colonies, were completely at odds with US imperialism's ambition to decolonise the world and subject it to America's informal empire.

De Gaulle was deeply suspicious and distrustful of the resistance forces on the ground and demanded complete subservience to his goals and methods.

Once Churchill recognised the futility of hoping Petain would oppose Hitler, he sanctioned special operations in France and the money, weapons, training and communication network provided by these were critical in helping the resistance transcend their early primitive, ad hoc and localised operations.

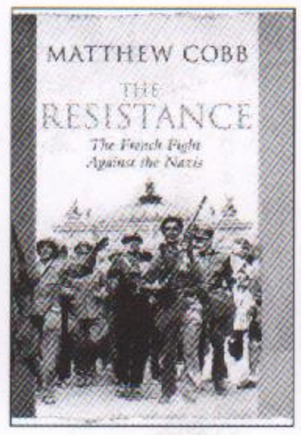
When Marshall Petain shook Hitler's hand in October 1940 to seal the policy of collaboration, the few isolated individual acts of sabotage carried out were brutally squashed.

In the autumn, when the reality of the occupation had hit home – food shortages, requisitioning of labour etc – the resistance grew. Small groups emerged, drawn mainly through "friendships and chance meetings". Most of the book deals with the details of the numerous groups and publications that appeared and disappeared.

Between 1940 and 1944 more than 1,100 papers appeared – most with a very brief existence and tiny circulation – which just tried to inform people of war news and urging people to take some form of action.

Cobb brings alive an array of fascinating characters: Russian anthropologists, French aristocrats, working class mechanics, teenage Communist youth; many foolhardy and reckless, others talented and audacious – all prepared to sacrifice their lives to fight the Nazis.

Occasionally, resistance took on a mass working class form, as in the miners' strike of June 1940, provoked when the Nazi and mine employers in the north increased the workload dramatically. Despite mass arrests, the deportation of miners' leaders and miners' wives to the work camps, the strike lasted a month before they were starved back to work.



Occasionally, resistance took on a mass working class form, as in the miners' strike of June 1940, when the Nazi and mine employers increased the workload

From the complex web of personal ties and overlapping organisations a number of key developments and turning points surface. The first is the role of the Communist Party (CP). Until the summer of 1941 the CP did not play a role in the resistance as Moscow has signed a non-aggression pact with Hitler. However, when Hitler invaded Russia in June Stalin instructed the PCF to throw its members and supporters into the fray. In the second half of 1941 hundreds of communist youth launched a campaign of assassinations of Nazis.

The effect of this ill-prepared action was dire. In all a mere 15 Nazis were killed, but by the autumn of 1941 more than 850 hostages had been executed in reprisal – a huge cost for very little impact on the German war machine.

Despite this the CP was a large, party and its political importance was decisive. Moscow's decision to join a unified national resistance movement under the command of de Gaulle's Free French in the spring of 1943 was a key moment in both centralising the resistance's efforts and subordinating the movement politically to bourgeois nationalist aims.

A related development was the appearance of Jean Moulin on the scene, probably the most famous name associated with the resistance. When he turned up in London in September 1941 (he had been a left wing Prefect in Eure-et-Loire) the resistance was taken to another level. He brought with him unrivalled information about the state of the resistance groups and the profile of the German occupation.

In spring 1943 Moulin managed to form the National Resistance Council (CNR) as a provisional government of Free French with the participation of all the major parties and trade unions under the command of de Gaulle. It was his last major act; in June that year Moulin was captured, tortured and murdered by the Gestapo.

The Nazis decision in June 1942 to broaden the scope of the conscription of French men to work in Germany had the effect of forcing thousands of young men to flee their homes for the countryside and join the armed resistance. These formed the bulk of the Maqui. While ultimately adding significantly to the resistance forces, it proved difficult for some time to co-ordinate or control the actions of these numerous small, scattered groups.

While there was certainly an insurrection led by the resistance fighters in Paris in August 1944, there was never any real structure of self-government

Finally, after the allied invasion of Normandy in June 1944, the resistance, by now well-armed, trained and under unified command, played a very important auxiliary role in the liberation of the country. More than 1000 acts of sabotage in the first few weeks crippled the transport of materials and German troops on the railway system.

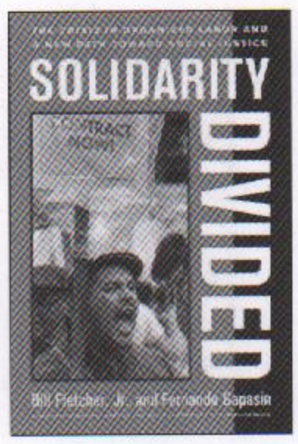
From this point on many thousands more emerged from the shadows to join the resistance. On occasion resistance units did take some towns from the Nazis on their own, but it was the regular armed units of the Allied armies who pushed the Nazis out of France.

And while there was certainly an insurrection in Paris in August led by the resistance fighters, there was never any real structure of self-government, even embryonically, that could have set up a rival revolutionary, working class based power in the city.

The strength of the CP and through it, de Gaulle, was too strong for that. Almost immediately in Paris and throughout France, pre-planned bourgeois administrators took the levers of power from the Nazi and Vichy collaborators.

Cobb has produced a lively and perceptive account of the French resistance. It may lack a clear exposition of the class interests which underpinned the collaboration of sections of the French bourgeoisie but it draws out the key political dynamics while paying tribute to the legion of youth and workers who made the ultimate sacrifice to fight fascist terror.

Mark Abram



US labor's blindspot over race and imperialism

SOLIDARITY DIVIDED: THE CRISIS IN ORGANIZED LABOR AND A NEW PATH TOWARD SOCIAL JUSTICE
Bill Fletcher Jr and Fernando Gapasin
University of California Press/ 2008/£13.50

THE SCALE of the crisis facing US-based trade unions is only too well documented. While there had been a modest net growth in total union membership in the years immediately preceding the sharp economic downturn, most of the past half century has seen a more or less steady decline in union density, principally in the private sector. Fewer than one in eight in the US workforce belongs to a union, with the proportion falling to below one in ten in

private companies.

Despite the sharp fall witnessed in Britain during the Thatcher/Major years, a fall barely arrested during 12 years of New Labour, union density remains more than twice as high across Britain as in the US.

And for all its rich history of courageous industrial militancy, the organised working class in the United States has failed to create even a crude approximation of an independent political voice.

Indeed, the nation's two union confederations, the AFL-CIO and Change to Win coalition, poured record donations into the coffers of the Obama presidential and Democratic congressional campaigns in 2008, so perpetuating what Mike Davis aptly dubbed "the barren marriage" of US unions with the Democratic Party.

Bill Fletcher, one of the leading African-American figures operating behind the scenes in US unions (he was once a senior aide to AFL-CIO president, John Sweeney), and the Latino activist and academic, Fernando Gapasin, are among the latest contributors to an ongoing discussion of American labor's long-term malaise and possible cures for it. Perhaps the most comprehensive and thoughtful of these is Kim Moody's US Labor in Trouble and Transition (Verso 2007).

The authors come from a different left tradition to Moody, though Fletcher and Gapasin's work has much to recommend it, especially to newcomers with relatively little knowledge of the history of industrial and other class struggles in the United States.

The authors make a persuasive case that the 2005 split of the Change to Win coalition from the AFL-CIO was an unprincipled bureaucratic divorce, which was both undesirable and avoidable.

The book also has the virtue of candidly identifying the fundamental roots of American labor's ideological weakness. The authors note with measured irony: "Missing from the lexicon of US trade unionism is a six-letter word: empire. This word, in association with US foreign policy, is so explosive that it is normally avoided in polite company within the union movement . . . US organized labor's silence on questions of empire has made the movement largely complicit in the action of the US government on the international stage." (p 192)

While there is no explicit discussion of the significance of a US labour aristocracy in the 20th or 21st century context, the authors certainly point to the importance of generally high living standards for the majority of US workers in purchasing their acquiescence in or active support for imperialist militarism abroad.

Aligned with this is a concern with the corrosive and ongoing effect on class consciousness of the "racial project of whiteness . . . a[n historic] construct that helps create the illusion that Irish and Slavic steelworkers have more in common with white robber barons like Carnegie and Frick than with Black steelworkers" (p 243).

"US organized labor's silence on questions of empire has made the movement largely complicit in the action of the US government on the international stage"

Their prescription for US unions includes a call for "a rigorous examination of the intersection of race, gender and class", though there is no mention of sexual orientation, which remains a powerfully divisive issue in contemporary US politics.

Their overall argument, however, has undeniable substance, and very much echoes the position of historian David Roediger (see our review in Permanent Revolution 12). Unlike Roediger's most recent work, however, Fletcher and Gapasin have nothing at all to say regarding the significance and potentially lingering impact of Obamamania, which seems a curious omission for a book published at any point in 2008.

Solidarity Divided features utterly correct, if somewhat anodyne, calls for US unions to become truly internationalist and in the process acknowledge that there is much to learn from the struggles of the exploited and oppressed in the Global South, as well as from battles within the United States that occured outside the workplace in pursuit of affordable housing, the repair of toxic environmental damage and in defence of civil liberties.

Fletcher and Gapasin, however, sometimes betray a rose-tinted view of the union federations in the semi-colonial world or the Global South. While the accusation of Third Worldism would be somewhat unfair, the authors do turn a blind eye to the realities of bureaucratism and accommodation in respect to neo-liberalism, as in the case of South Africa's COSATU for example.

This may, in turn, derive from a residual Maoism that informs Fletcher's world view. (A tell-tale sign of this comes in passing with the characterisation of China's turn to "national capitalism in 1978" - that is two years after the death of "the Great Helmsman" and in the wake of the purging of the Gang of Four).

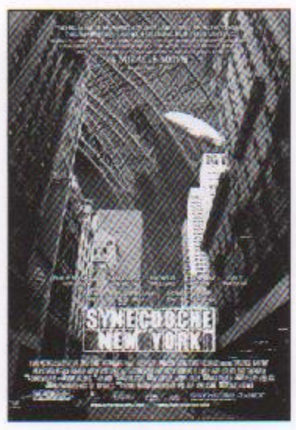
That political tendency may also account for an inconsistent attitude towards the union bureaucracy itself. The authors mete out harsh and valid judgments against individual bureaucrats, but there is little in the way of discussion of the strengths and shortcomings of numerous grass-root movements for reform within several major unions.

There is only a superficial promotion of "redefining worker control of the unions" that might enhance the accountability of

decision-making but could hardly be regarded as a programme for thoroughgoing democratic renewal and rank and file control.

Finally, though the authors are clearly very critical of the cheerleading approach adopted towards the Clinton administration and its Democratic predecessors by a range of union leaderships, they offer no indication of how their programme for "social justice unionism" relates to the creation of an independent political voice at national level for the USA's exploited and oppressed.

George Binette



Synedoche, New York: masterclass or folly?

SYNEDOCHE, NEW YORK
Dir. Charlie Kaufman / 2009

APPARENTLY, the job of the armchair critic watching Synedoche, New York is to decide whether it's a soaring masterpiece or monumental self-indulgence. Well, leaving aside the notion that a film maybe both of these things at the same time, Synedoche, New York, it turns out, is neither.

It is a film about the terrible twin truths of existence: life is disappointing and death inescapable. The film cannot be taken literally but isn't a fantasy and to stay with it, it has to be given a degree of "reality" status.

Caden Cotard, theatre director (played by Philip Seymour-Hoffman) is unhappily married to Adele (Catherine Keener) and is deeply dissatisfied with the staleness of his work. His unhappiness manifests itself in hypochondria, therapy and a fear of sexually available women.

His depressed introspection drives away his wife and young daughter and ensures his subsequent affairs are temporary. There is time to deliver a well-aimed kick at America's wealthy and bogus purveyors of cod-psychology before a form of therapy tailor-made for the self-obsessed Cotard lands straight into his lap.

Given a seemingly limitless "genius" endowment which gives him the freedom to leave behind the mediocrity and constraints of his industry, Cotard has a plan. He will build a stage set of apartment buildings, fill them with actors who will create lives, and years will go by while his company rehearse and improvise with no audience. He hires actors to play himself and characters from his life and the gulf between make believe and reality collapses.

It is to Kaufman's credit, and a blessing for the audience, that he surrounds Cotard by women who gently and not so-gently puncture Cotard's vanity

The project spins far beyond anyone's ability to contain it and therefore must itself rumble onwards merely in parallel to its creator's life and not in aid of it.

As the play and its actors become part of the life of those it portrays, it gives rise to much playful mimicking. As the tribulations of Caden Cotard are visited and re-visited first via the film and then through the play and then through the film again, the whole project is in danger of tripping up over its own conceit.

As a film Synedoche, New York the film does not aspire to the epic status of Cotard's play and works best when it is infused with the gentle humour and vulnerability at its heart. Fortunately, this is the theme to which Kaufman returns as his characters enter their dotage.

It is to Kaufman's credit, and a blessing for the audience, that he surrounds Cotard by women who gently and not so-gently puncture Cotard's vanity without themselves being presented as paragons of a stable and fulfilled existence.

This is a feminine film that sensibly side-steps neat solutions for issues of timeless concern to give us a moving take on one man's haphazard attempt to navigate his way through a life lived.

Dave Boyer

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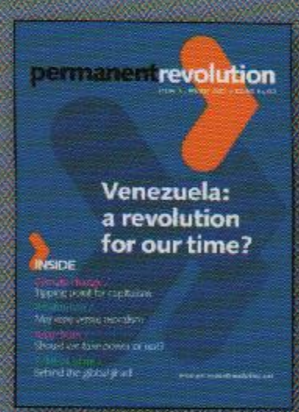

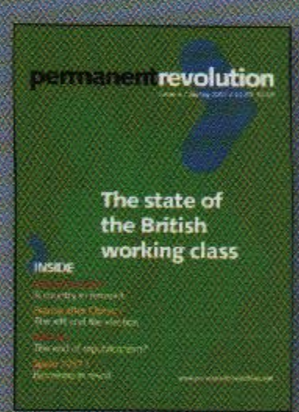

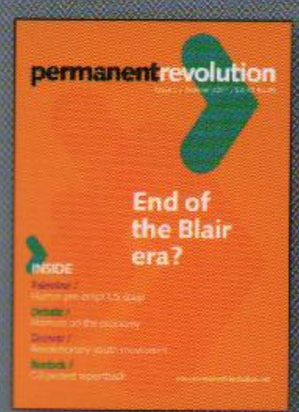

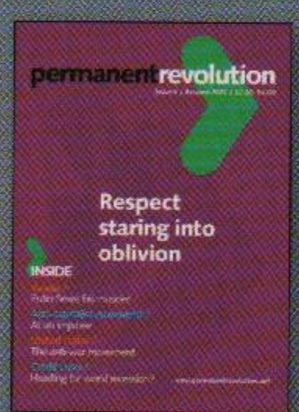

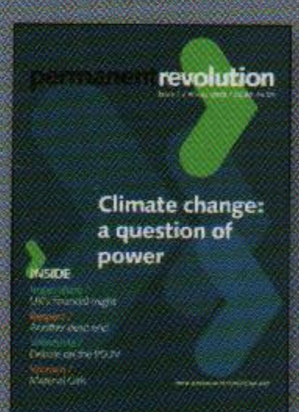

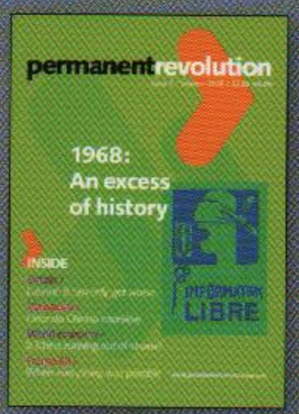

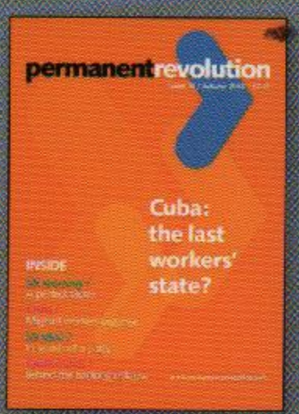

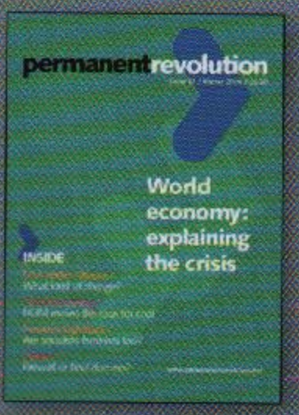

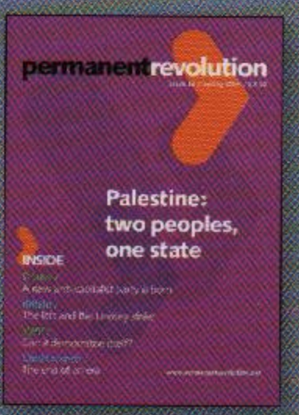

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