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Britain: The fight over pensions

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From the editors

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This winter issue of Permanent Revolution leads with a discussion of the pensions dispute. We look at how the attack on pensions developed as a well worked out plan initiated at an international level by the World Bank. Now, despite the magnificent response to the 30 November strike call, the union leaders are frittering away, or even sabotaging, the chance of throwing back this onslaught.

We could well be witnessing the first major defeat inflicted by the Con-Dem government on the trade unions, a defeat that will have grave consequences for the struggle ahead unless we use these days and after to build a powerful rank and file movement.

Two articles deal with important international events – the imposition by the markets of the Italian “technocratic government” of Mario Monti, and a survey of a year of momentous student struggles in Chile, which, our comrades argue, has changed the face of Chilean politics.

We include two review articles that examine historical revolutions and counter-revolutions. One looks at the restoration of capitalism across eastern Europe in the 1980s and 90s, the other at the role of Paul Levi as leader of the German Communist Party in the early 1920s.

Our briefings include a return to an analysis of the ongoing Eurozone crisis that has become a regular feature in this journal and an account of an initiative to try and overcome the deep-rooted sectarianism on the British left.

Two corrections from the last issue. The review of Alan Thornett’s *Militant Years* was written by Jim Smith not Bill Jefferies and the review of *From Rebellion to Reform* in Bolivia was by Patrick Black, not Dave Spence. Apologies to the comrades.



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When Silvio Berlusconi finally lost his parliamentary majority the president called in unelected pro-business technocrats to form a new austerity government. Paolo Nebrio in Milan explains how this would not have been possible without the complicity and cowardice of the trade union leaders and opposition parties.

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Five years after school students rocked the nation in the "march of the Penguins", tens of thousands of university students took to the streets in 2011. In a series of actions and occupations that have attracted mass public support, Diego Carmoni explains how the students have challenged the rotten, pro-business education system in Chile

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Paul Levi is a forgotten figure in communist history. Comrade-in-arms of Rosa Luxemburg he tried, after her death, to guide the German Communist Party away from sectarianism to challenge for power. In a review article, Stuart King examines a new book of his political writings.

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The fall of the Berlin Wall in 1989 did not just allow the free movement of peoples hitherto sealed off from contact with their western brothers and sisters. It allowed capital to rush in and replant capitalism where it had been banished. Bill Jefferies reviews a new book of essays on both the transition and the current crisis.

Miliband embraces austerity

“NO STRATEGY, no narrative and little energy”.

These were the words of Maurice Glasman, describing Ed Miliband's leadership of the Labour Party in early January.

Clearly Miliband took his former guru's criticism to heart and by the middle of the month he and Ed Balls had announced that they too, like the governing coalition, were a party of austerity and cuts.

Ed Miliband has been under pressure for months from the old New Labour wing in his party and from the media. The right-wing dominated press has never forgiven Ed Miliband for defeating their favoured candidate, his brother David.

Worse, he did it with the support of the trade unions. Ever since then they have been demanding he distances himself from the people who elected him and moves further to the right. Now they have got their wish.

The opinion polls, regularly commissioned by The Sun, Daily Telegraph and the rest, have been used to build up pressure on him. By November last year, despite the spending cuts and public sector wage freeze introduced by the Con-Dem government, Tories and Labour were neck and neck in the polls at about 40% each.

Ed Miliband as leader fared even worse; 66% in a YouGov survey thought he was doing a bad job, only 20% thought he was doing well.

The media immediately said the reason for this was that his policies were too “unrealistic” (that is, not pro-business enough), that he and Ed Balls were “deficit deniers” who thought the country could “spend its way out of the crisis”.

Yet the polls could also have reflected the growing disillusion of millions of active trade unionists with his

ing a fight against it or using the council to mobilise the workers of the city – no, he would just carry on following orders.

There was no shortage of advice coming from the New Labour wing of the party. Blair and Brown's former deputy chief of staff, Gavin Kelly, called for a sea change in approach, abandoning the idea of a politics based on steadily rising state spending.

Instead there were going to be winners and losers; social care, for example, was going to have to be paid for by the ageing generation itself.

The sea change arrived when Ed Balls, the shadow chancellor, announced the new policy in The Guardian on 14 January.

Labour now supported the government's pay freeze, not just now but right into 2014-15, when a two-year freeze is to be followed by capped 1% rises for two years whatever the rate of inflation.

Balls argues his priority is saving jobs not pushing up pay, trying to blame workers who protect their living standards for putting people out of work.

And the massive cuts that he previously denounced as being “too far and too fast”? Well, Labour wasn't going to reverse them! “My starting point is I'm afraid, we are going to keep all these cuts. There is a big squeeze right across the piece.”

Len McClusky, general secretary of Unite, rightly denounced these policies the following day, pointing out that “no attempt was made to consult with trade unions before making the shift”.

He mocked the idea that reducing a low-paid teaching assistant's pay by a further £2,600, as a result of the pay freeze, would save a single job.

McClusky is right to say this change of policy leaves the country with a consensus situation where “the three main parties agree on a common agenda of austerity to get capitalism – be it “good” or “bad” – back on its feet.” But what is he going to do about it?

No doubt continue handing over millions of pounds of his members' money to a party committed to propping up “responsible capitalism”. A capitalism in which successive governments hand billions to the banks while making the workers pay for the crisis.

We don't just need criticism from the trade union leaders of Labour Party policy, we need a clear commitment to break from Labour if it refuses to abandon these anti-working class policies.

The trade unions should use their influence and money to build a new party, one that represents the workers not the bosses.

One that makes the rich pay for the crisis of their system and sets out to place the working people in charge of a socialist system of production.

McClusky needs to put his money where his mouth is and not in the pockets of Miliband and Balls.

We need a clear commitment from the trade union leaders to break from Labour if it refuses to abandon its anti-working class policies

leadership, watching him day after day attacking their preparations for action last June to defend their pensions and denouncing the 30 November strikes on the day.

Labour's standing in the opinion polls might also have something to do with the fact that throughout England Labour-run councils are implementing massive cuts that attack some of the poorest in the country as well as their own trade union supporters.

The Labour leader of Doncaster Council recently justified a 4% cut in council workers' pay on the basis that the government had cut his grant. No hint of organis-

Scotland: independence or autonomy?

THE INTERVENTION of David Cameron into the proposed Scottish referendum on independence for a brief moment forced the national question to the centre of British politics.

The Con-Dem coalition has two objectives. First, he wants to try to engineer a referendum at a timing of their choosing, rather than that of Alex Salmond's (leader of the SNP). Secondly, he seeks to prevent an alternative question being included on the ballot which would give a Scottish Parliament even greater powers ("devolution-max") but fall short of full independence.

There is no sign that the Scottish people are in favour of independence. Recent polls have put support for leaving the United Kingdom at no more than 29%, which is why Salmond wants to put his referendum off until 2014.

He hopes that the swingeing cuts and austerity being imposed on the Scottish people from Westminster will rally Scottish workers to the perspective of independence; but at the same time he wants a fall back of "devolution-max".

We stand with the majority of Scottish workers who reject independence as a solution to their problems. Neither do we think that the Scots are an oppressed or exploited people within the UK. For three centuries Scotland alongside England has been a central part of the British imperialist state that looted and plundered the world and it remains today an integral part of that system.

The Socialist Workers Party, in a recent Socialist Worker editorial, argued for Scottish independence because "... a clear yes vote for independence would weaken the British state and undermine its ability to engage in future wars".

It would do no such thing. First, as Alan Armstrong from the RCN, points out in this journal, the SNP version of independence is "independence-lite", keep the Queen, retain British Sterling as the currency and remain in NATO. None of this will "weaken the British state".

Second, the SWP seem to give little thought as to how a separate Scottish state could weaken the unity of the British working class in a struggle against capitalism, and tie the Scottish working class to SNP nationalism. The mass strike on 30 November across England Scotland and Wales showed the enormous potential of a united working class

when it moves into struggle together.

The fight against the Poll Tax under Margaret Thatcher in the late 1980s, introduced a year ahead in Scotland, was only defeated when mass struggles erupted beyond Scotland, throughout Britain.

The globalisation of capital exerts its power across not only nations but continents, and the ability to unite tens of millions of workers in the struggle for socialism across large states is not something to give up lightly. A workers' movement fragmented and disunited across small states will be no match for international capital.

We are already seeing the whipping up of such disunity by the nationalists on both sides of the border. The SNP declares that the English are "stealing" its oil while the Tories declare the Scots a bunch of subsidised layabouts. Neither English nor Scottish nationalisms are a pretty sight and will be used in this campaign to poison relations between workers.

While we are opposed to independence we are, however, absolutely in favour of the Scottish people having a vote on whether to separate via a referendum if they so wish. Indeed, a question on full independence should have been included alongside the devolution question in 1997.

And if the Scottish people decide in the next few years that they wish to separate from the UK, it will be the duty of all socialists in England and Scotland to support that decision in every way they can.

As socialists we also favour a high degree of autonomy, for the nations, regions and municipalities throughout the British state. Fighting for genuinely democratic and autonomous local structures, under the direct control of working people, is the best way to weaken the control of a ruling class directing matters from Westminster.

For that reason we are absolutely in favour of "devolution-max", where the Scottish people are able take control of the ability to tax the rich, introduce social and economic programmes and public works to give the unemployed jobs, to direct their economic development themselves and decide whether or not they want military and nuclear bases in their country.

The struggle for socialism and revolution in Britain could only be strengthened by such an outcome for Scotland.

EURO CRISIS

Merkel plays for high stakes in euro gamble

A NEW year, a new set of crises for the Eurozone. Twelve months ago, many economic commentators doubted the Euro could survive the year; Greece would default on its debt and readopt the drachma, contagion would spread to Portugal, Spain and Italy and this would spell the end for the single currency union.

Summits came and went. Emergency measures were agreed to shore up banks exposed to debts, but no far-reaching solution was agreed. The bond markets were not satisfied that enough European Central Bank (ECB) or government money was being put on the table to shore up the finances of the stricken countries and the exposed banks.

Hence, interest rates on bonds to major countries like Spain and Italy started to climb perilously high towards the end of the year, threatening to bring the crisis to a head.

Then in mid-December the ECB announced that it would provide the region's banks with an unlimited supply of cheap finance for the next three years, aimed to ensure they would not run out of money due to having to take a hit on sovereign debt losses.

The markets relaxed, interest rates on new loans fell and when the stock markets re-opened in the New Year they rose.

Crisis over or a crisis postponed?

Most definitely the latter, because the underlying political and economic faultlines still remain. Heavily indebted countries like Greece, Ireland and Portugal are shut out of the private markets, dependent instead of a drip feed of handouts from the ECB to keep their public sector spending commitments going.

For others like the Italian and Spanish governments, whose debt problems are not so dire, they have

had to pay punishingly high interest rates every time they seek to raise new money in the bond markets.

Now as recession grips the Eurozone in 2012 growth and tax revenues will fall and the debt burden will increase, despite the austerity packages taken to cut public spending.

The fate of Greece stands a warning to them. Despite round after round of savage public sector cutbacks the country's debt problem deteriorated last year. Its deficit fell by less than 1% of GDP in 2011 with the economy in free fall for a third consecutive year. Government debt rose from around 145% of GDP in 2010 to more than 160% by the end of 2011.

In addition, many financial institutions (e.g. pension funds, hedge funds) are dumping Euro-denominated assets in case the Euro crashes. Many markets have priced a Greek exit from the Euro as 100% certain with a 60% chance of a total euro collapse.

After the relatively relaxed opening to the New Year by mid-January the Euro crisis renewed in intensity due to two events. Firstly the Standard and Poor ratings agency, as expected, downgraded the credit rating of all the remaining Eurozone countries except Germany, making it more difficult and/or more costly for these countries to raise sovereign loans this year.

It then immediately followed it by downgrading the credit rating of the new European Financial Stability Facility (EFSF) designed to lend to stricken countries, the EFSF relies for its funds upon countries such as France and Austria which have just seen their ratings cut. This means that the EFSF would have to have more money put into its coffers by the likes of Germany - which is resistant to doing so.

Secondly, the negotiations on an orderly default on Greece's debts hit the buffers at the same time. Last summer international and domestic banks holding Greek debt agreed to take a "haircut" on their debt of about 50% (i.e. take losses) in order to reduce the country's deficit to "manageable" proportions in the medium term. But the discussions "stalled" as the banks played hard ball; they insisted on receiving higher interest rates on the new loans advanced to cover the remaining debt, a trick they always use to claw back most of the money they have lost in the write-off. But Germany refuses to agree.

Failure to sort this out promptly would imperil the next round of handouts due in March from the ECB and IMF to shore up Greek finances. Like a year ago many commentators say the end game is near, the point of no return, unless resolute action is taken to save the Euro. Germany and France and the ECB must get "ahead of the curve" and stop advancing piecemeal sticking plasters to the latest emergency. A comprehensive solution is needed.

But what action?

They want the ECB to announce that it will buy unlimited amounts of sovereign debt of all Eurozone countries; and/or that the ECB agrees to launch Eurobonds which effectively pools the debts (in part or whole) of the Eurozone countries and sells them to the market. This would be an effective guarantee that strong and solvent countries like Germany would stand behind the debts of countries like Greece and Portugal.

So if it is that simple why is it not happening? After all, it is not as though all the member states are unaware of the dire consequences of a break up: currency collapse, major slump, rise of protectionism, outbreaks of civil disorder etc. Why is Angela Merkel obstructing such a step? Germany would suffer as much as anywhere from the Eurozone's demise since it is the main market for its goods and services; why can't she see it?

The answer is rather simple, it is highly risky and against the

strategic interests of German capital. The current crisis presents a once-in-a-generation opportunity for the German bourgeoisie to further its strategic ambition of a more politically integrated European Union, a federal super-state under German leadership; a chance to remove the contradiction between a monetary union sitting uneasily alongside national tax and spend systems.

Merkel knows that she has to get the highly indebted southern European governments to sign on the dotted line of a fiscal union. Where Brussels bureaucrats oversee and veto national member state's budgets and, further down the road, to agree to treaty revisions that cement European political union.

If she agrees to let the ECB unconditionally hand out money to cover the spiraling debts of "backsliders" before these agreements are made, then she knows they will renege under pressure from the streets and from corrupt insiders within the ruling political establishments.

Her hard stance has already produced results. She has effectively engineered new, more pliant, governments in Greece (national coalition) and Italy (technocratic government), as well as seeing a new right-wing, austerity government in Spain elected to office. She estimates these governments will be less pressured by domestic forces.

Of course, Merkel risks the whole

thing blowing up in her face; a "Lehman's moment" can come from any of several directions: a steep Eurozone recession this year which makes the deficits even worse and pulls Germany's hitherto strong export-led economy down, making it unable to underwrite the rescue of the rest of the stricken southern European economies; a failure of Italy to raise funds at any interest rate when it goes to the market in the next couple of months; a disorderly non-voluntary default by Greece which sparks a massive bank crisis for the debt-holders.

One thing is for sure; Merkel will make it go to the wire and hope that an ECB intervention at the last moment will resolve the crisis should it deteriorate further.

A socialist solution to the crisis would be, first, to nationalise the banks and pension funds and secondary financial markets so as to place all the monetary mechanisms under political control, not at the mercy of fenzied and panicked markets; secondly, to throw out the pro-capitalist politicians of all stripes that are in office and have brought Europe to the brink of catastrophe. A revolutionary, democratic and socialist united states of Europe that draws its power and legitimacy from the workplaces and popular protest is the only hope that the current crisis can have a progressive outcome.

Keith Harvey

their bodies. Until the current scandal, 25,000 women a year in Britain were going under the knife for the sake of enhanced curves.

Andrew Lansley is trying to appear tough with the private clinics who are refusing to replace the suspect implants made by now defunct French company Poly Implant Prothese (PIP). Lansley has decreed that while the NHS will remove implants in England if the clinic involved is no longer operating or refuses to act, implants will not be replaced unless clinically necessary.

For a government so keen to open up the NHS to the private sector, this situation is certainly awkward and exposes the naked profiteering of the private clinics. Faced with the refusal of businesses such as the Harley Medical Group to take any responsibility for fitting defective implants, despite having a turnover of around £30 million a year, Lansley can only wag his finger:

"I am not happy about private providers not stepping up to their responsibilities at all. ... I think the argument that they somehow can't afford to do so begs the question: where was their insurance? Where were they insuring themselves against their liabilities?"

If Lansley really wanted to be tough he would just pass legislation making the companies and their insurance companies responsible for the costs of removing, and replacing if the women wish, the implants. Time will tell if Lansley's threat to pursue the companies through the courts materialises. Most likely, as with the banking crisis, the tax payer will pick up the tab for private failure through the NHS.

What is abundantly clear from the response of the private clinics is that they were happy to put profit before safety. Some women who have tried to turn to the clinic that operated on them for advice have found that the company no longer exists or has started trading under a different name and is denying any responsibility. Other clinics have demanded hundreds of pounds just to do a scan to check for any

PIP IMPLANTS

Make the private clinics pay!

TYPE "BREAST implants" into google and despite the scandal over potentially toxic implants the sponsored sites that pop up include "Make Yourself Amazing" and "transforminglives.co.uk". The sites are packed with glowing testimonials from wannabe celebrities on how they achieved

the "look of their dreams". Greater confidence and self-esteem are promised as well as "increased femininity".

Nothing is said about the breast implant scandal affecting tens of thousands of women across Europe and beyond, where women are now carrying industrial grade silicon in

ruptures in the implants. The Harley Medical Group with a multi million pound turnover claim they are “innocent victims like everyone else” and that they don’t have the resources to carry out removals. They shift the blame to the Medicines and Healthcare Products Regulatory Agency (MHRA) for letting the products into the country in the first place.

Women will be asking the same question. Why despite the concerns being raised by NHS consultants among others about PIP implants for some years was nothing done? Why did no one check how a manufacturer could produce implants at a fraction of the cost of its competitors? The answer lies in neoliberal capitalism where, under the Tories and New Labour, “light touch regulation” was the watchword. The cosmetic surgery industry was a disaster waiting to happen.

However the real tragedy is that so many women feel pressurised by our sexist society, and media’s ideal of what a woman’s body should look like, that they are willing to undergo such drastic surgery in the first place – 95% of breast surgery is

conducted in private clinics for non clinical reasons.

Surveys conducted by Girlguiding UK last year found that:

- half of young women aged 16-21 would consider cosmetic surgery and;
- over 1 in 10 girls aged 11-16 would consider cosmetic surgery to change the way they look.

But at the same time 47% of girls thought that the pressure to look attractive is the most negative part of being female.

Second wave feminism in the 1960s and 70’s challenged the way women’s bodies were turned into commodities: how a sexist society pressurised women into “looking beautiful for their man”; how women were judged on their looks not on their abilities.

The cosmetic and fashion industry has always made a fortune by encouraging insecurity amongst women and promising it can change their lives. In the last few decades it has moved into cosmetic surgery in a mass way – a new source of profits for them but a much more dangerous one for women.

Alison Higgins

supports the Queen with virtually no challenge by any from the SNP left. They will ensure that this remains SNP policy – any saloon bar sentiment at SNP conferences notwithstanding.

However, more important for the ‘independence referendum’, the SNP leadership’s acceptance of the monarchy shows that they intend to play by Westminster rules. Under the Crown Powers, the British ruling class and its supporters in the judiciary, senior civil service, intelligence services, and the military, can constitutionally resort to a whole battery of underhand tricks. The SNP has no answer to this.

The SNP leadership’s acceptance of the existing order stems from the strategy they have adopted to gain their notion of ‘independence’. It means winning the support (or neutrality) of corporate capital and Scottish business, and to appease the British Establishment – whether it be the monarchy, the City, the leaders of the British armed forces or the Scottish judiciary.

The SNP managed to win the backing of Sir George Mathewson of the Royal Bank of Scotland before the 2007 election – promising the electorate that it would pay for its proposed trickle-down reforms, courtesy of ‘Scotland’s buoyant finance sector’. The 2007 Banking Crash blew that prospect out of the water. The SNP’s backers in the world of finance quickly ensured that the party took another step along the road of ‘Independence Lite’ by accepting that sterling would remain Scotland’s currency in the future. This would still leave the City directing Scotland’s monetary policy. Meanwhile, other corporate investors have been encouraged with the promise of Scotland becoming a ‘low tax haven’.

On paper, the SNP has a policy of being opposed to NATO. This is about as meaningful as Labour’s old policy to renationalise the railways. The SNP leadership supported the Afghanistan and Libyan wars. Angus Robertson, their Westminster defence spokesperson, likes nothing better than to have

REFERENDUM

The fight for Scottish independence

LAST MAY, the SNP won an outright majority in the elections to the Holyrood parliament for the first time in its history. It increased the number of its seats from the 46 it held after 2007 (when it formed a minority Scottish Executive) to 69. A key policy of the SNP has been its promise to introduce an independence referendum. Whilst holding office between 2007-11, it was able to downplay this promise. It had the excuse then that the necessary legislation could not win a voting majority in a Holyrood parliament, which was still dominated by the unionist parties –

Labour, Lib-Dem and Tory.

The SNP no longer has that excuse, and so the prospect of an independence referendum has become a hot political potato. So what does this mean – is the UK faced with an imminent break-up?

The first thing to note is that the SNP’s version of independence is decidedly ‘Independence Lite’. It is not anti-Union. The SNP remains wedded to the British monarchy, and hence the United Kingdom. An argument used by left nationalists is that ‘we’ can deal with that problem later. However, the SNP leadership which controls the party, and especially Alex Salmond,

his photo taken in the cockpit of a Tornado fighter at the Kinloss airbase in his Moray constituency. The SNP campaigned very hard to retain UK/NATO bases in Scotland. However, when the Leuchars airbase was closed in Fife recently, SNP leaders warmly welcomed the stationing of 2000 extra army personnel there instead. 'British Troops In Now' is not a traditional national democratic demand!

In 2009, Ken MacAskill, SNP Holyrood Justice Minister released Megrahi from Barlinnie prison. He had been convicted for the 1988 Lockerbie bombing, MacAskill ensured that a precondition was that Megrahi dropped his appeal case against the Scottish judges. These were powerful establishment figures. According to Hans Kochler, the Dutch international observer at the camp Zeist trial, they had been responsible for "a spectacular miscarriage of justice". MacAskill did not want to challenge such prominent people directly, so Megrahi was released "on compassionate grounds".

The SNP government even continued the previous administrations policy of allowing US tycoon Donald Trump to ride roughshod over local objections to his proposed gated luxury housing and golfing complex in the environmentally sensitive Aberdeenshire dunes.

'Independence-Lite' would provide Scotland seats in the European Parliament and UN General Assembly. This is why, under the present political conditions, it will be so vehemently opposed by the British ruling class. It would, however, only be a 'Scottish Free State' – with a Governor General able to call upon the Crown Powers, the City dictating economic policy, and UK/NATO bases still in place – just like the old Irish Free State; only more so, since, unlike Ireland, it would not have gone through a prior revolutionary republican phase (1918-22).

The rise of the SNP

By 2011, Salmond, following assiduously in the footsteps of Tony

Blair, had convinced enough influential business backers of his willingness to act in their interests. The SNP enjoyed Murdoch press backing in Scotland last May, not New Labour.

However, Salmond is astute enough to realise that the sort of campaign that would be needed to win even 'Independence-Lite' would necessitate a huge challenge to the British Establishment and its powerful international backers (including the US and EU governments). Such a course would soon scare off the SNP's current big business backers, including Sir Tom Farmer and Sir David Murray – those knighthoods are a bit of a give away!

Therefore, Salmond is manoeuvring to have a second question on the Scottish Executive's proposed referendum paper. This would amount to 'Devolution-Max', or the granting of most tax setting, raising and spending powers to Scotland within the framework of the existing Union. Then the SNP leadership would be better placed to meet the demands of their big business backers. John Swinney, the SNP Finance Minister, has already dropped the income tax raising powers, agreed in the 1997 Devolution referendum, and he is known to favour that ultimate neo-liberal shibboleth – flat rate taxes.

On paper, there should be no reason why a significant section of the British ruling class could not

with legislative powers, along the lines of Holyrood. After all, the late Enoch Powell, that wily old advocate for a British Empire and Union facing continued decline, recognised that, "Power devolved is power retained". There are forces within Scottish Labour, such as former First Minister, Henry McLeish, who would be prepared to cooperate with the SNP over 'Devolution-Max'.

However, such is the panic amongst the British ruling class in the face of the growing international economic and political crises they face, that they show every sign of "battening down the hatches" and opposing even relatively minor political reform. And it is not just the "usual suspects", amongst the Tories, such as former Thatcherite Scottish Minister, Baron Michael Forsyth, who have waded in with their attacks. Michael Moore, the current Lib-Dem, UK Scottish Secretary (Northern Ireland born and Liberal "Orange Book" supporter), has tried to block any SNP Scottish Executive organised referendum, and the Liberal party is supposed to support a federal UK. Despite the replacement of the very conservative unionist (and dull!) Scottish Labour leader, Iain Gray, his successor, Johanne Lamont, has declared her opposition to having a "Devolution-Max" option in any forthcoming referendum.

The socialist left is in a quandary

On paper, there should be no reason why a significant section of the British ruling class could not move to acceptance of such 'Devolution-Max' proposals

move to acceptance of such 'Devolution-Max' proposals. These would merely represent an extension of their current strategy of supporting 'Devolution-all-round'. Indeed last year, devolution was further extended in the successful referendum to provide the Cardiff Bay Assembly in Wales

over how to deal with this. Most in Scotland can be predicted to fall in behind the SNP's constitutional proposals. Some will join the Scottish Independence Convention (SIC) – the SSP and Solidarity leaderships already have. The SIC could act as the main campaigning organisation to promote the SNP's

official "Independence Lite" policy. Having an arms-length SIC would provide sections of the SNP leadership today with some political cover, if their preferred "Devolution-Max" option was on the referendum paper too. During the failed 1979 Scottish Devolution referendum, key Labour members campaigned for and against the Labour government's official policy.

In contrast, the Republican Communist Network will be fighting for a socialist republican,

"internationalism from below" strategy.

This will challenge the UK state, its Crown Powers, continued participation in US/British imperialism's wars and NATO, and provide for genuine self-determination for Scotland.

•For more see: www.republicancommunist.org/blog/2011/07/21/

Allan Armstrong Republican Communist Network in Scotland

new socialist society.

But our own side is divided and at the moment unable to mount the resistance that is necessary. The "old left", those who consider themselves revolutionaries in the Leninist and Trotskyist tradition, is mired in sectarianism and sect building. They spend more time trying to build their own organisations and manoeuvring against each other than they do trying to help the working class and students strengthen their own fighting organisations.

The anti-cuts struggle is a prime example where competing campaigns – RtW/Unite the Resistance, Coalition of Resistance and the NSSN – fight it out to "take the leadership" of the movement. These campaigns are actually fronts, run behind the scenes by the leaderships of the SWP, Socialist Party, Counterfire, Socialist Resistance etc. They have repeated this sectarianism method in the student struggle and in the left forums in the trade unions. They undermine the struggle for socialism rather than strengthen it and as a result the traditional far left has been in numerical decline for decades.

A new anti-capitalist left

We don't believe we can continue down this road, especially given the attacks we are facing. The mass student revolt, short lived though it was, opened up a new period of struggle in Britain, one that was not afraid of direct action on the streets. It directly influenced the trade unions to mobilise against the government in the first co-ordinated strike actions for decades. It encouraged the growing anti-cuts movement springing up in towns and cities across the country to storm council meetings and organise street protests and occupations.

These struggles need to be linked, built, and drawn into a general anti-capitalist movement that can bring down the government. Tens of thousands of young people have joined anti-capitalist protests – against corporate globalisation and the

BRITAIN

A new anti-capitalist initiative on the left

IN DECEMBER 2011, after a number of discussions between socialists both inside and outside the traditional Trotskyist groups, a group of comrades met to discuss a new anti-capitalist initiative on the left. What united them was a desire to develop some form of anti-capitalist organisation or network that could strengthen a united struggle against the Con-Dem's offensive.

The meeting had an initial discussion of the problems facing the far left – its divisions, its tendency to sectarianism (building its own organisations at the expense of strengthening the class struggle), its ongoing decline. We also discussed its failure to build the trade unions at workplace level with the result that rank and file organisations in the unions remained weak, while the leaders remained unaccountable.

This meeting, that included leading students from the anti-fees struggles, socialist trade unionists and members of Permanent Revolution, Workers Power, the Committee for Marxist Revival, did not try to launch a national initiative there and then but decided to hold local and regional meetings around the country to hear whether there was support for

such a project. Meetings have already taken place in London, Manchester and Sussex.

We intend this to be a bottom up initiative not one launched from the top down. PR supporters submitted the following document for discussion to the next meeting. It sets out why we think such an initiative is needed.

If you are interested in getting involved, or holding a meeting in your area, please email the following address: anticapitalistalternative@gmail.com

A NEW ANTI CAPITALIST INITIATIVE: A PROPOSAL

The election of the Con-Dem coalition committed to a programme of austerity and cuts signalled a major offensive by the bankers and the capitalist class to make the workers pay for their post-Lehmans crisis. Hikes in student fees, attacks on pensions, more privatisation of the NHS, reductions in welfare benefits, millions on the dole and a stagnating economy – this is what we face in the next decade unless we can organise an anti-capitalist force, rooted in the working class, that can break this government and open the road to a

international companies, against tax evaders, against climate change and the industries that drive it, against the city and the bankers. These movements – UK Uncut, Climate Camp, Plane Stupid, Occupy – organise differently to the old left and indeed largely ignore it.

Yet unless we can bring these new movements, with their courage and flair, into alliance with worker militants with their power in the workplaces and ability to stop production, unless we are able to fuse them with revolutionary socialists who have a vision and understanding of how to wrest control from the capitalists, the movement will remain disjointed and short lived. We will be defeated piecemeal and state repression will continue to be meted out to those who dare challenge “business as usual” on the streets.

We recognise that the old left – with its top down decision making, its tendency to bureaucratism, its narrow interpretation of democratic centralism that restricts debate and imagination, its constant splits and expulsions – is not an attractive model for a new left. It is why many young activists will have nothing to do with the old far left and its organisations – why they are attracted to libertarianism and anarchist forms of organisation.

Tackling the problems

We recognise that we have to change how we work and organise, or become irrelevant to the coming struggles. We don't pretend we have all the answers but we do have some understanding of the problem.

First, the workers' movement and the trade unions have to be transformed into fighting organisations that can take on the government and employers. Millions of workers are unorganised and need to be drawn into fighting unions. The unions themselves are conservative and bureaucratised, led by people who are more concerned for their jobs and salaries, with their “influence” amongst ministers and employers, than they are with defending workers jobs, wages and conditions

at work.

To remove this bureaucracy, this block to a real struggle, we have to organise fighting organisations of rank and file workers. They have to be built as grass roots organisations not afraid to take on the employers, the anti-union laws and to fight to kick out the overpaid and bloated trade union bureaucracy and turn the unions into real instruments of the class struggle.

Second, we need to overcome the divisions in the anti-cuts movement and build a genuine national anti-cuts federation from the bottom up. We need a forum where we can learn from the first phase of this struggle, hear experiences and help co-ordinate effective national actions – on benefit cuts, workfare and widespread sackings. We have to overcome the sectarian divisions on the left.

Thirdly, we need to build a new united anti-capitalist political organisation or network. Not anti-capitalist in the general sense of just being critical of capitalism or the bankers; we are not setting out

consider themselves autonomists, libertarians, syndicalists as well as Trotskyists and Leninists, it has to be a home for ordinary working class militants who just want to fight this austerity government. We need to find a way of working together that helps the struggle forward.

It has to be their organisation, one that develops in struggle and finds its way to a method of working that develops trust and loyalty amongst its members. It has to make us stronger together than we are apart, a network that does not issue orders but develops ongoing collective action. A political party that can have serious arguments and differences without falling apart, can agree to differ if necessary and learn from the experience of ordinary members involved in everyday struggles.

Internationalism

Any new organisation has to be internationalist at its very core. We must stand together with the Greek workers in their strikes against

We need to overcome the divisions in the anti-cuts movement and build a genuine national anti-cuts federation from the bottom up

to reform this or that bad practice of capitalism, we want to be rid of it for good – to overthrow it and place the power to direct the economy in the hands of the people who work in it.

We want workers' control of the economy and democratic control of society. To do that we have to tear down the existing system – the city, the bankers, their police force and army and replace it with a workers' government and a socialist economy.

Any new anti-capitalist organisation has to be able to encompass trade unionists, workers as well as students and the new direct action movements. It has to be able to welcome those who

austerity, with the Spanish “indignados” in their protests and occupations against unemployment and corrupt politicians, with the US occupy movement increasingly subject to brutal police repression.

We must stand with the Arab spring, with the struggle for democracy against dictatorship in Tunisia, Egypt, Libya, Syria, Yemen and throughout the middle east.

At the same time we oppose any NATO intervention which only seeks to make gains for imperialism and place these countries under their control, whether its Libya or Afghanistan. We stand foursquare with the Palestinian people, their right to return to their stolen lands, their right to a state, and their right

to resist Israeli occupation.

A process

These are our ideas for a new anti-capitalist left. We have no desire or ability to impose them, but we want to discuss them and develop a new organisation around new ideas and new methods of struggle.

We are not in a rush. We don't intend to declare a new organisation tomorrow, start

electing leaders and deciding structures. Rather we see it as a process of discussion and action. Discussing how we see a new organisation developing, what actions can we take together that strengthens our unity and strengthens the struggle against capitalism. Unless we do both at the same time we will not move forward.

Permanent Revolution
3 December 2011

SYRIA

Revolt turns to civil war to overthrow Assad

PRESIDENT ASSAD'S televised speech to a few hundred party loyalists in early January had more than a whiff of the Gaddafi about it. It contained the same meandering musings of his fellow dictator in the months leading to his overthrow last year.

Through forced smiles, a mainly male gang of steadfast stalwarts, obligingly cheered as Assad blamed Israel, the USA, and "domestic terrorists" for the 10-month uprising against his repressive rule.

Cut off from outside influences and surrounded by a military cabal that tells him what he wants to hear, Assad is determined not to be the next domino to fall to the year-long tide of revolution that has swept the Arab world.

Empty rhetorical promises of constitutional reform and new elections (without opposition candidates) sat alongside threats of even more brutal massacres by his army and internal security services. Already it is thought between 5,000 and 7,000 lives have been lost since the first demonstrations against his regime last March.

So what are the prospects for Assad in 2012? As in other countries his future will be determined by the relative weight of international pressure and the actions of the internal opposition.

Whereas the main western imperialist countries were quick to intervene militarily in Libya they were slow to even demand Assad's removal from government. In part this reflected the fact that Syria is a much bigger fish than Libya, with a much bigger and stronger armed forces that are more difficult to dislodge. In part it reflected the fact that a break-up of the Syrian state could well lead to the unleashing of a sectarian bloodbath between the overwhelmingly Sunni Muslim majority - marginalised by Assad - and the small ruling Alawi sect and its Christian minority allies.

The Alawites form 10% of the

The Free Syria Army is poorly armed and carries out hit-and-run attacks in border areas. It has yet to make a major dent into the morale and resolve of the army

population but are disproportionately found in top layers of the armed forces, security services and civil government top posts. Since the mass uprisings and demonstrations, especially in key oppositional cities such as Homs, Alawites have been increasingly

targeted by resistance fighters for the role they play in propping up Assad's regime.

But as the mass demonstrations have multiplied and grown in strength, France, the UK and the USA have been forced to demand that Assad step down, while refusing to contemplate military intervention. Instead they have tightened economic sanctions. While they have failed to secure a UN resolution against Assad (due to Russia's support for its ally) they have managed to prompt the Arab League into action. Due to Russian pressure Assad was forced to allow about 70 Arab League monitors on the ground. As a result some tanks have been withdrawn to the perimeter of some towns, a few prisoners have been released, a fraction of the total; but in the main the monitors have merely been bystanders to the ongoing murder by Assad's henchmen.

The west now see the upsides of Assad's downfall which include the weakening and further isolating of Iran and Hamas inside the West Bank and Gaza; both would considerably strengthen Israel and by extension the conservative pro-US Gulf states such as Saudi Arabia. The dependence of Hamas on Assad's regime can be seen in the fact that Hamas has given the Syrian dictator its complete support in its fight against the Syrian workers and other oppositionists.

Meanwhile, the internal and exile opposition to Assad became more organised towards the end of

last year with the formation of the Syrian National Council (SNC) in October. It is still in flux and no clear consensus exists on the question of foreign intervention, the role of Islamism, the need for dialogue with Assad's regime or whether force is key to removing it.

As in other Arab countries there are tensions and divisions between the old exiled oppositionists, who have greater ties and debts to foreign backers, and the more recent, younger and more resolute internal forces who have done most of the fighting and taken most of the risks.

Independent of the SNC is the Free Syrian Army (FSA), formed last year out of defectors from Assad's army and security services. Its leader Colonel Riad Asaad claims 15,000 members.

It is poorly armed and carries out hit-and-run attacks around border areas. It has yet to make a major dent into the morale and resolve of the army and security forces, but is a symptom of growing disaffection amongst the conscripts.

Nevertheless the SNC leaders are seeking to avoid an escalation of the civil war and are trying to bring the FSA under its political control (and by extension under the influence of the west).

There is no doubting the courage of the Syrian opposition demonstrators. They have in

increasing numbers braved the snipers on the rooftops and the thugs in the side alleys to come together to show their fellow Syrians and the world that Assad is hated by the much of the population. Yet it is also clear that the regime can still count on the support of large sections of the population either out of self-interest or fear.

It is crucial that the FSA is given the military equipment it needs to fend off the attacks on Homs and other cities; without this the APVs and tanks can move without restriction into anti-Assad areas. It is a demand the Arab masses should take up in Egypt, Tunisia and elsewhere.

At the same time the opposition needs to retain its independence of the west (and of Turkey), disavow any direct military intervention and build up a united, non-sectarian opposition force that protects the human rights of secularists, religious minorities and women.

Keith Harvey



Pension struggle at

THE RESPONSE to the call for strike action in defence of pensions on 30 November was enormous. Millions of public sector workers not only struck against the government attack on their pensions but held huge marches and meetings in towns and cities across the country.

Despite this, the fate of the campaign to force the government to back down hangs in the balance. The coalition remains determined to introduce increased employee pension contributions on 1 April, while many union leaders are seeking to avoid escalating the action in the face of government intransigence. UNISON leaders have split the resistance by rushing to grasp insignificant concessions.

They are doing this despite the willingness of rank and file union members to take on the government over pensions. Workers understand that the short term hurt of lost pay through strike action pales into insignificance against the huge bill they face in higher contributions and reduced benefits over the course of the next 10-30 years.

During the propaganda war that has surrounded the actions on pensions, issues of fairness and affordability have been at the forefront. But it should not be forgotten that in the first instance this war on public sector pensions is a political one, one that is being played out in line with a well-established script written years ago by the leaders of the World Bank, IMF and private

The strikes of last June and November showed the depth of anger of workers in the public sector who stand to work longer, pay more and receive less if the government's pension reforms are pushed through in spring. Why then, asks Keith Harvey, are union leaders running scared?



a turning point

pension providers.

In 2007-08 the unions negotiated changes to public sector pensions in response to Labour government demands that they were becoming “unaffordable”. Then came the credit crunch. Bailing out the banks did major damage to government finances across Europe and the US. The ensuing sovereign debt crisis, which started with Greece and spread across the Eurozone, created an opportunity to launch an onslaught against all aspects of state welfare provision: to pare back entitlements, rip up universal benefits and extend means testing. Above all, it provided an opportunity to further extend privatisation, the holy grail of neo-liberal governments for the last 30 years.

World Bank lays the plans

In 1994 the World Bank published *Averting the Old Age Crisis: Policies to Protect the Old and to Promote Growth*. A massive tome whose sole purpose was to demolish public pensions.¹

“The first step is to reform the public pillar by raising the retirement age, eliminating rewards for early retirement . . . downsizing benefit levels . . . and making the benefit structure flatter. The second step is to launch the private pillar.”

It argued: “The groundwork must be laid by an extensive public information campaign to bring expectations

into line with the reality that the old promises are bad for the economy and impossible to keep . . . [to make] sure that workers understand the full cost of the current programme”.²

It well understood the hostility this would provoke: “The costs of a transition from one system of old age security to another are large, and resistance is likely to be strong.”

In the UK a more gradual approach was taken, partly, as Goran Therborn puts it, because of the already ‘extreme misery of the British pensions system’

Spot on. Popular mobilisations against pension “reform” brought down Silvio Berlusconi’s government in Italy in 1995 and thwarted the pension plans of Alain Juppé’s government in France a year later.

In the UK a more gradual approach was taken, partly, as Goran Therborn puts it, because of the already “extreme misery of the British pensions system – at least by north-

ern and central European standards".³ For this reason, British pension provision presented no great burden on public sector finances.

Five years ago new pension schemes were introduced for civil servants, NHS staff and teachers. First, the age at which a scheme member could draw a full pension was increased from 60 to 65 years for new members. Second, employee contributions were increased by 0.4% of pay for teachers and by up to 2.5% of pay for NHS staff. Third, a new mechanism was introduced to transfer, from employers to employees, extra costs that arise if pensioners live longer than previously expected.

Government projections anticipated the changes would

In general people are living longer and are enjoying better health. But to use this generalisation as a benchmark to set the retirement age for everybody is wrong

reduce costs to taxpayers of the pension schemes by £67bn over 50 years, with costs stabilising at around 1% of GDP or 2% of public expenditure.

At the time The National Audit Office closely examined this package and concluded: "In addition to saving significant sums of money, the changes are projected to stabilise costs in the long term around their current level as a proportion of GDP."

But no sooner had this been implemented than the Hutton Commission popped up, set up under the Gordon Brown Labour government but reporting to the new Con-Dem coalition in 2010. Its main recommendations were accepted by the cabinet and formed part of its 2011 budget. They were:

- › The government should replace the final salary pension schemes with new career average schemes.
- › Existing members move to the new schemes for future accruals, maintaining the link to final salary for calculating the value of their pension rights accrued under the current schemes.
- › Normal pension age be linked to the state pension age and rise over time accordingly, with the exception of the police, firefighters and armed services where this would rise to age 60.
- › Ministers set a clear cost ceiling for the new schemes to limit employer contributions to a percentage of pensionable pay with automatic stabilisers, such as increases to employee contributions or reductions in benefits, being built into the design to keep future costs under control.

However, the Hutton report "firmly rejected the claim that current public service pensions are 'gold plated' . . . the median payment is around £5,600." This equates to just over £100 a week in retirement. The average public service pension is around £7,800 a year, for women working in local government the average is £2,800 a year, while the median for women working in the NHS is £3,500 a year.

Hutton did not recommend any specific levels of accrual rates, indexation or employee contribution rates. It was the last of these that would set the scene for mass trade union resistance to the new government plans when it spelled out what these would be in the 2011 budget.

Work for longer?

For those in favour of government proposals the age of retirement should be increased. Indeed, as we have already seen, the unions conceded this point five years ago. As *The Economist* argued: "We all have to work longer because we live longer. This should apply to the public sector as much as to the private. In Britain the ratio of those of working age to those in retirement was 4.3 in 1970, it is 3.6 now and is set to fall to 2.4 by 2050."⁴ The latter development means the tax basis of the population shrinks and so a greater burden needs to be shouldered by fewer people.

But this needs to be challenged. Of course in general people are living longer and enjoying better health, but to use this generalisation as a benchmark to set the retirement age for everybody is wrong. Many professionals (e.g. academics, doctors) work long beyond the statutory retirement age because their work is interesting and financially rewarding; nor is it physically demanding. They should not be made to retire.

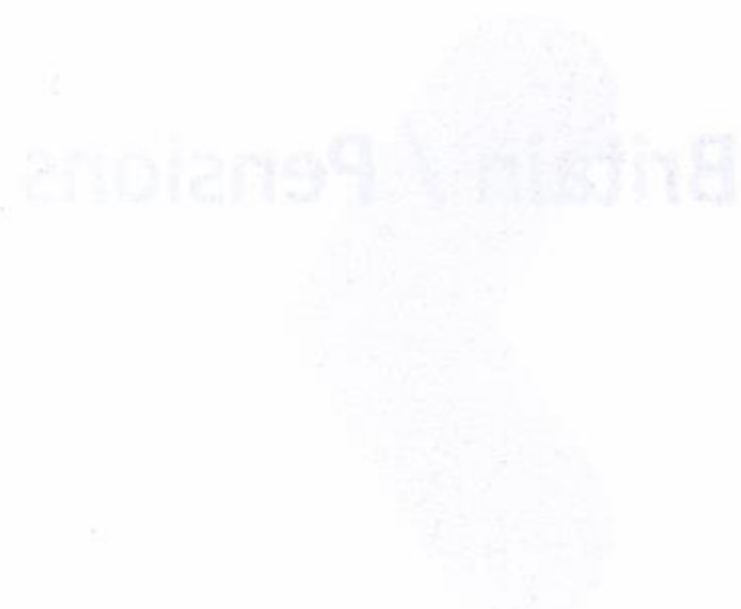
The idea that one size fits all when it comes to retirement should be rejected. To insist that someone doing a physically arduous job, which may also be dreary or mind-numbing, should work on until they are 68 is absurd. It could be dangerous to their health and possibly to the safety of others. Instead, fitness for work should be something that is assessed on a continuous basis for those older workers in paid employment.

In general all or nothing retirement is a bad idea as well. Tapered retirement (going down to four or three days a week first) should be a standard policy. This allows for adjustment to be made, mentally and physically, and crucially frees up work for the new entrants onto the labour market, especially the young and newly qualified.

What the evangelists for working until you drop never acknowledge is that modern capitalism is a regime of mass and precarious unemployment. In Spain youth unemployment is currently more than 50%; in the UK a quarter of 16-24 year olds are without a paid job. All studies show that the societal and individual costs of this are massive and raising the bar for all workers before they can retire with some financial security will only impede entry into the labour market.

Pay more?

There is no doubt that the most savage and immediate blow to those receiving public sector pensions is the immediate rise in contributions. All public sector workers are having their pay cut in real terms by a two year pay freeze in 2010-11 (followed by a two year capped below inflation increase of 1%) this in a period where inflation is running at 4 or 5%. For someone on £16,000 a year he or she is being asked to fork out a further 3% of salary in



higher contributions. It is no exaggeration to say that tens of thousands of workers will be forced to choose between pension provision or food on the table, or meeting their housing costs.

Even *The Economist* has admitted, "It doesn't really have an actuarial justification as far as can be seen, since it applies to funded and unfunded schemes alike". Indeed. It is nothing more than a direct tax on public sector workers to be used to shore up the deficit, which ballooned when the private sector banks had to be bailed out after 2008 and when a private sector-caused recession threw hundreds of thousands out of a job and onto state benefits.

It has been suggested that the increases are needed because without them the schemes will be "unaffordable". This is untrue. The Treasury's estimate of the cost of public sector pensions as a proportion of the UK's national output shows a modest increase from 1.5% to 2% by 2027-28. After this, projections show a slight decline.

Pension schemes come in two kinds: funded pensions schemes are those that invest the contributions and use their assets to pay benefits; unfunded plans pay out benefits to current retirees out of contributions of current employees and tax revenue.

It is accepted by the government that the local government pension scheme (LGPS) is fully funded (invested assets cover the liabilities). The NHS scheme which is an unfunded "pay as you go" scheme is also solvent. In 2009 the National Audit Office confirmed the NHS pension scheme was in surplus. The amount in NHS staff contributions more than covered the payments to those staff who had retired. This was in part because the numbers of NHS staff increased markedly under the last Labour government.

In 2009 the NHS pension fund paid over £2bn to the government. As the government downsizes the NHS and forcibly transfers NHS employees into the private sector then the increasing numbers of NHS retirees – together with lengthening life expectancy – means that at some point the pension scheme will go into deficit and the government will have to pay to bridge the gap.

The government could naturally forestall this by not sacking or transferring NHS staff so they keep contributing to the scheme. Perhaps it is an indication of the coalition's (unstated) plans for downsizing the payroll of the NHS that they envisage such a huge leap in staff contributions to a pension fund that is currently in surplus.

At the top end, pension contributions are set to rise by 2014 from 8.5% to 14.5%, a rise of £600 a month for some NHS staff.

John Hutton's report also showed that the cost of public sector pensions will decline from about 1.9% to 1.4% of GDP over the next 30 years. Union leaders made much of this in debates with government ministers when the coalition announced its planned changes last year. But what they did not point out is that while it is true it is only so because of the changes they agreed to in 2007-08 to the detriment of their members and because of the 2010 change in the indexation of pensions from RPI to CPI which further underestimates inflation. The PCS estimates that these changes will lead to a "20% cut in the value of the pension over the course of an average retirement".⁵

In other words, as *The Economist* notes: "The assumed

affordability of public sector pensions is dependent on future reductions in benefits ... The claim that public sector pensions are affordable over the long run is based on the assumptions that employees work longer, pay more, and get less generous indexation."

Nevertheless, the point remains that the additional planned huge increase in employee contributions from April 2012 cannot in any sense be justified by claims of current or projected unaffordability. Again, it is a savage tax on public sector workers to help the Con-Dems meet their deficit reduction plans for the end of this parliament.⁶

The recklessness of this tax has been pointed out even by supporters of the government's plans for increasing the

A survey by Unite confirmed that more than one in four members of the public would be likely to leave their pension scheme if contributions increased

age of retirement and changes in indexation. Hutton predicted in his report that "any increase in contribution rates is likely to result in some increase in opt-out rates".

A survey by Unite last year confirmed that more than one in four (27%) members of the public would be likely to leave their pension scheme if contributions increased and the amount they received in retirement declined. Earlier in 2011 the London Pensions Fund Authority warned: "The announced increase in local government pension scheme (LGPS) contributions of three per cent over three years could lead to a mass opt out of the scheme."⁷

Of the 740,000 public sector workers likely to be affected by higher contributions to their pensions, possibly 200,000 could choose putting food on the table over planning for retirement.

This can only have one result: a huge hike in benefit and state pension bills in future decades as people retire with no pension plan in place. But what do today's capitalist politicians care about the difficulties faced by future governments in 30 or 40 years time?

The resistance

UNISON, the biggest local government union

ON 30 November 2011 Britain witnessed the closest approximation in sheer numbers to a general strike since, well, the General Strike of May 1926. Even government sources reluctantly conceded that well over one million workers had heeded a strike call from nearly 30 trade unions and professional associations with members covered by public sector pension schemes.

Some estimates have suggested that more than two million took part, and there can be little doubt that numerous cities and towns across the whole of Britain witnessed their largest weekday demonstrations in generations. All told half a million may have marched. According to mainstream media reports some 25,000 took to the streets of Manchester, 15,000 in Liverpool, 5,000 in Cardiff, up to 20,000 in Bristol and 50,000 in London.

Fifty percent or more of those on strike were members of just one union, UNISON, with far and away the largest concentrations in the two biggest public sector schemes covering workers in local government and the NHS. In the midst of the three week long strike ballot and the four week run up to the strike itself, UNISON invested an unprecedented amount of resources into securing a "yes" vote.

A flurry of emails and text messages supplemented a steady stream of leaflets. Speaking in Birmingham on the day, UNISON general secretary Dave Prentis proclaimed the 30 November strike "an incredible success and one

of the proudest moments of my career". Even eight days later at the next meeting of the union's national executive, Prentis seemed to be suggesting that it was not a matter of if there would be further action, but *when*. In mid-December UNISON activists received copies of the union's monthly In Focus magazine telling them that they had "made history".

But even before the magazine had arrived at the printers, UNISON's negotiators had very nearly signed up to framework agreements (the so called "heads of agreement"), which conceded several of the fundamental issues that had been at the heart of the dispute:

- A retirement age rising in line with the state pension age to at least 68.
- Replacement of final salary with worse career average schemes.
- Pensions devalued by uprating them in line with the Consumer Price Index instead of Retail Price Index.

In essence what UNISON's unelected full time officials were recommending to members on 19 December as

Stop the retreat!

WITH UNISON leaders in retreat or indecisive in the aftermath of 30 November it is up to grassroots activists to mount a serious challenge to the government's intention to impose these pension reforms in the spring.

The UNISON leadership's abject surrender to the government's agenda over pensions can have only encouraged the Con-Dems to push on. But there is evidence of significant spontaneous opposition to the framework deal. In Camden the branch committee voted unanimously (20-nil) to reject the deal and issued a call to lobby the SGE meetings on the first working day of 2012. Lambeth UNISON annual general meeting attracted some 300 members, who voted unanimously against acceptance with many holding up posters declaring "Reject the Deal".

The frequently divided left within UNISON has a limited window of opportunity to try and overcome its divisions in order to reverse the defeats that have been inflicted in recent weeks. Dozens of branches have either voted on or will soon be considering a motion

calling for a special local government service group conference to try and stop the sell out. Opponents of the deal have roughly eight weeks from 16 January to garner the support of branches whose combined membership must account for at least 25% of UNISON members across local government. While challenging, this is an achievable task given the reaction to the leadership sponsored deal. It was done several years ago – on pensions!

Another opportunity for rekindling the fightback lies in the fact that members of the Health SGE in UNISON neither endorsed nor rejected the Heads of Agreement for the NHS scheme, but instead reaffirmed that any final proposed settlement would go to a full membership ballot among affected UNISON members with at least the possibility of the Health SGE recommending rejection.

This is no doubt influenced by the unanimous rejection of the NHS framework deal by Unite's health service committee the previous

week. They are aware that Unite's ranks have grown in the NHS over the previous year to nearly 100,000 members amidst a concerted push to exploit UNISON's organisational weakness. A fighting union will always grow at the expense of one that retreats and caves in to management, and this is happening in the NHS.

There are elections this spring to the union's various SGEs and the left should seek to mount a serious campaign in support of a comprehensive slate of candidates who firmly reject the pension sell out. A byelection is currently underway for a vacant women's seat from the local government service group on UNISON's national executive. Camden branch's co-chair Phoebe Watkins has a serious chance of defeating Prentis loyalist, Lynne Poulton.

Most importantly, in addition to using workplace, shop and branch meetings, websites and newsletters to expose the framework agreements and galvanise opposition, UNISON activists need to develop or revitalise existing

grounds for settlement hardly differed from what Chief Secretary to the Treasury, Danny Alexander, had outlined four weeks before the 30 November strike as the framework for future public sector schemes from 1 April 2015 onwards. The officials could only make a tenuous claim of having gained additional protection for those already within ten years of the current retirement age and a partial moratorium on employee contributions.

By 20 December they had left Alexander to boast to the Commons that the Coalition had achieved all its key objectives in terms of pension "reform", while his Tory sidekick, Francis Maude, proclaimed that the outcome demonstrated that "strikes don't work".

Less than six weeks after the massive 30 November action, members of UNISON's various Service Group Executive (SGE) committees met on 10 January to rubber stamp the heads of agreement framework documents for the local government (LGPS) and NHS pension schemes.

After a fractious debate, the vote within the Local Government SGE was 24 to 10, with three abstentions, in favour

of accepting the existing framework agreement as the basis for further negotiation over the next three months with the aim of achieving a final settlement with the local authority employers and ultimately the government.

The margin was much narrower in the Higher Education SGE, many of whose members come under the LGPS, but it too endorsed the heads of agreement. This means that there will be no further official strike action by UNISON members across local government and the higher education sector in connection with the pensions dispute unless the membership can force a sector special conference and overturn the leadership positions there.

In London neither the regional local government committee nor any other elected body met in the run up to the vote, so there was no mandate on SGE members. Instead, regional officials conducted a telephone survey of branch secretaries. In fact, while other regions saw meetings in the run up to the 10 January meetings, only Yorkshire & Humberside actually recorded a vote of delegates from local government branches.

links at local and regional level with members of the so-called rejectionist unions, especially the NUT PCS and Unite. Winning the argument to respect picket lines will be crucial and could lay the basis for future unofficial action in defiance of both the anti-union laws and union bureaucrats all too ready to capitulate to the Con-Dems' diktats.

Rejectionist unions must act.

Beyond the fight to reverse the sell out in UNISON what is urgently needed is a clear lead from one or more of the "rejectionist" unions, a lead based on a recognition of the need for extensive strike action and a willingness to name the dates when further action will take place. We need action that makes clear our seriousness and the scale of social disruption that will occur if the government's attack is not withdrawn.

Moreover, given that the government intends to impose the new employee contribution levels in April, it is vital that such action begins as soon as possible.

The NUT Executive, meeting on the 12 January, could have provided such a lead, but it was a challenge that it singularly failed to meet. The Executive formally rejected the government's heads of agreement but identified no dates for future action by the union.

A proposal to approach other

unions with definite plans for coordinated strike action in February and March was defeated on a vote of 26 to 13. Even some of the so-called left voted against this proposal. Longstanding members of the Socialist Teacher Alliance like Alex Kenny and Ian Murch of the Campaign for a Democratic and Fighting Union, ended up voting with the right wing against concrete proposals for action.

Instead the NUT will now seek to convene meetings with the rejecting unions and "press the case for joint campaigning and possible further strike and non-strike action". This is a pitifully weak formulation that evades the urgent need to signal to members that the struggle on pensions is still on. Meeting at this critical moment in the struggle to defend public sector pensions, the NUT Executive has decided to sit on its hands.

School NUT groups must quickly demand that the Executive, meeting again in late January, names the dates now for further action. If it can win other unions to such strikes - PCS, UCU, Unite, NAS-UWT - all well and good, but it must not tie its actions to other unions but push ahead as the NUT. At a rank and file level union activists should call meetings of militants across cities and regions, setting up rank and file networks of those determined to fight, posing

the question of unofficial action if the leaders refuse to act

The urgent task now is to end the prevarication on pushing ahead with action by the rejectionist unions - rejecting the heads of agreement without organising further action is just face saving; it will demoralise the movement that was built around 30 November. Earlier strike action on 26 March and 30 June showed that if individual militant unions lead they can force even right wingers like Prentis into action.

If the education unions take the lead in early action pulling in the PCS and the Unite health sector, enormous pressure will be placed on Prentis and co. Ongoing strike action will greatly strengthen the campaign in UNISON to overturn the leadership. It offers the possibility of rolling back the right wing sell out. Prevarication will have the opposite effect, it will strengthen Prentis and the government and demoralise the trade unionists ready for action.

Defeating the government's attack on pensions will require extensive and rapidly escalating strike action, action that makes clear our seriousness and the scale of social disruption that will occur if the pensions attack is not withdrawn. Such action is the only way to save our pensions and defeat the government.

Though hardly surprising, given the existing complexion of the committees and the pressure exercised by Prentis and the full time officials to secure consent, the decisions taken on Tuesday 10 January by the local government and higher education SGE committees mark a significant setback.

Preparing future attacks

If the government gets away with its pension attacks this spring it will be a green light to go to the next level.

CBI boss John Cridland has made it clear last summer that the bosses believe public sector pensions are “a brake on competition and make it harder for those in the private sector to bid for public service contracts”.

This is because where staff are compulsorily transferred from the public sector to a new non-public sector employer the latter must provide “broadly comparable” pensions under the Fair Deal policy. Since many private sector employers provides less generous, not to say pitiful, pensions to their workers, having to provide decent pensions raises their costs and cuts their profits. Their low cost base is naturally what makes their privatisation bid so “competitive” and so attractive to the government.

The Treasury wanted to end the Fair Deal policy in the summer of last year but in November as part of its last minute attempt to derail the 30 November strike, the government offered a “concession”; if the unions signed up to the rest of the pension changes it would not change or abolish the Fair Deal – for now. The unions rightly rejected the ploy at the time.

But the consequences of a defeat on pensions go far beyond further pension changes. Having mobilised and then demobilised the largest trade union strike since the 1980s to no effect, we could expect the government to give the green light to senior managers across the public sector to witch-hunt union activists in the workplace. Assaults on facility time for union representatives, victimisation of activists and a dilution of the limited protection afforded by the TUPE regulations are all on the Con-Dem checklist.

Already education secretary Michael Gove has teed this up in schools with his plan for a swift sacking regime for “under-performing” teachers.

We could expect the same in colleges, the NHS, local government and the civil service. In turn this would make it easier for the coalition to push through its cherished ambition of ending national pay bargaining.

Chancellor George Osborne says he wants local pay bargaining to start this July. He said, “There is substantial evidence that the differential between public and private sector wages varies considerably between local labour markets. This has the potential to hurt private sector businesses.” Breaking up national pay bargaining will open the road to paying public sector workers in the north east say, much less than in the south, for doing the same job.

He urges a race to the bottom whereby ruthless, union-busting private employers who pay lousy minimum wages can get their hands on good well-trained workers who have hitherto been able to spurn their sweat shop offers and find a job in the public sector.

Osborne also hopes this measure will make nearby hospitals compete with each other. The effect will be to further fragment the NHS and prevent any form of collaboration between hospital trusts that have different pay scales.

The combined effect of this assault will be to lower pay levels even further in large parts of the north east, north west and Wales.

And we can expect that any major defeat over pensions to undermine resistance in the face of massive job losses; in many parts of the UK the carnage has hardly started. This could be the crucial year with projected losses expected to exceed 700,000 across the public sector. Worse, it could see workers stream out of unions like UNISON believing that unions can no longer protect them from the bosses’ attacks.

That’s why an uncompromising stand now by the unions to reject the pension changes is crucial not only in its own terms but to fend off the further attacks in the pipeline.

ENDNOTES

1. Available on the Worldbank website at www.worldbank.org
2. Ibid, p261
3. NLR Number? p 133
4. Pensions: sense and sensibility, 30 November, www.economist.com/blogs/buttonwood
5. Fair Pensions for All, p 6, PCS, Unite, NUT, UCU and NPC, 2011
6. Footnote needed here
7. LGPS rise “could lead to mass opt out” 10 February 2011 www.publicservice.co.uk/news_story.asp?id=15459

Italian workers in the firing line

Italy's new government of unelected "technocrats" will be helped in its task by the country's unions and opposition parties, says Paolo Nebrio

THE €30bn austerity package imposed on Italian workers and pensioners by the unelected government of Mario Monti follows what amounted to a coup d'état by international financial institutions to oust Silvio Berlusconi last November.

Faced with the real possibility of Italian default on the national debt, the Sarkozy-Merkel axis lost patience with Berlusconi. Backed by the European Central Bank, the IMF and the bond markets, the German and French government leaders let it be known he had to go. According to the Wall Street Journal, their patience snapped in October, when the Italian president, Giorgio Napolitano received a phone call from German chancellor Angela Merkel that demanded Berlusconi's removal or see the Euro collapse. Napolitano, once a leading figure in the former Italian Communist Party, pushed his constitutional powers to the limit and bowed to their wishes. That month the cost of borrowing for Italy broke new records, debt repayment levels were becoming unsustainable; enough was enough.

Many in Italy had thought that the prime minister's actions in the preceding years were bad enough to have the President remove him. When Berlusconi wasn't organising orgies either at home or in government buildings, he was busy bickering with his finance minister, Giulio Tremonti, over how best to stitch together a budget that could convince the markets that the government was intent on getting Italy back on fiscal track.

Not only that, but the wavering government majority in parliament had been reconstituted on 14 December 2010 only by the barely concealed corruption of many

MPs, while in a recently intercepted phone conversation with one of his call girls Berlusconi revealed that he was only prime minister "in [his] spare time".

Napolitano evidently needed a much higher authority than the Italian constitution in order to pluck up the courage to move, and this was finally forthcoming in November.

Between the resignation of Berlusconi on 11 November and the installation of the Monti government on 16 November, purportedly left wing groups were tripping over them-

Not only should workers abandon the 'illusion' of a post-capitalist future touted by Marx, they should also be more realistic in the here and now

selves to claim the credit for the fall of Berlusconi and to give Monti a free hand to clean up the mess that Berlusconi's "bunga bunga" orgies had left behind.

At the front of the queue was the Democratic Party (PD) headed by former Communist Party functionary Pierluigi Bersani. Founded in 2007, the PD is the culmination of the 60 year Stalinist strategy of the Communist Party to forge a strategic alliance with the "progressive sectors" of Christian Democracy. The upshot was a completely unstable mish-mash; one part of the organisation continued to

feel the pressure of its working class base and the trade unions, while the other was under the sway of catholic-influenced workers and the "friends of labour" from the well-to-do middle classes.

The PD leaders soon went further, broadening their alliance to include the right wing christian democrats of the Union of the Centre (UDC). This was justified on the grounds that the PD on its own could not win an electoral majority and that an alliance with left wing forces, such

A fight against tax evasion would have covered at least eight Monti austerity budgets. But tax evasion is easy in Italy – it is virtually sanctioned by law

as the Communist Refoundation (RC) or Left Ecology Freedom (SEL), would scare off the more conservative middle classes, small business organisations, even the employers' federation, Confindustria.

The election of Bersani in 2009 as leader was deemed a turn to the left in PD, but his opposition to the Berlusconi government was largely limited to calling for the prime minister's resignation following whatever new sex or corruption scandal came out and to putting forward "alternative proposals" in parliament to a government that clearly had no intention of examining them, let alone adopting them.

But it took the international financial crisis and its effects in Italy to show Bersani up for what he really is. With polls showing his party in the lead, and with even the bourgeoisie prepared to back an alternative government to Berlusconi, Bersani sought to avoid elections at all costs and could not wait to give his full backing to an "authoritative" figure such as Monti in the clear knowledge that this "technocratic government" would be used to launch an onslaught on the working class.

It was left to the ex-Communist president of the Republic, Napolitano, to use the prestige of his office to clean up the colossal mess that the Italian bourgeoisie have found themselves in. Aware of the enormous pressure on him. How to explain a coup that hurt the poor and saved the rich? The national good of course. On 16 December he declared that "Italy [sic]... demands sacrifices even from the less well off classes" so that it can "deal with the major risks facing its finance and its economy". In his end of year address to the nation, Napolitano suggested that the "constructive drive of the working class and its organisations when facing a changing reality" and their readiness to make sacrifices in order to "save Italy", were a way in which they could "affirm their national vision".

This is an old Stalinist theme borrowed from former Communist Party leader Enrico Berlinguer, who between October 1976 and January 1977 theorised that workers could establish their "hegemony" by making sacrifices to save the nation. Austerity, for Berlinguer, was "synonymous with a new quality of development", since by reduc-

ing individual consumption the workers could conduct a battle against "waste" and in favour of "fairness".

Napolitano did not deny that there is "increasing corruption and parasitism, widespread illegality and even criminal poisoning" as well as "distortional and unjustifiable tax evasion" and that this needs to be "put in the firing line". But he then put this on the long finger by claiming that it would be "a job requiring lengthy will-power", code for reassuring the bosses that no immediate measures will be taken against their corruption, tax evasion and systematic criminality.

Bersani had the gall to claim that it represented "a passionate plea to the idea of community and closeness to the world of labour" and that this needed to be met half way "with justice, solidarity and courage". Courage, indeed. From the very man who announced his surrender before any fight began.

The full Monti

Clearly enchanted by the "sobriety" of Monti and his professorial aura, both Bersani and his closest associates gave the technocrat and his team of university hacks their full support in the chamber and the senate. The PD's chief whip in the senate, Anna Finocchiaro, implored Monti to see parliament as "your closest ally", clearly forgetting that the "parliament" is loaded with Berlusconi's crooks and cronies to say nothing of the politicians whom he bought off last December to stay in power.

The die was cast: from opposing Berlusconi and calling for his resignation over the economic disaster, the PD was now set to form part of the same parliamentary majority as Berlusconi to support Monti. Indeed, Bersani's number two, Enrico Letta, claimed that there was a need for "political coordination" between the PD, Berlusconi's Party of Freedom (PDL) and the so-called "Third Pole" made of the UDC and the former fascists of the Future and Freedom led by the current speaker of the chamber, Gianfranco Fini. Unlike Berlusconi, who has been prepared to use his supporters in parliament to force Monti into taking it easy on the rich, the PD gave its full support even before seeing what Monti's programme was.

It is not as though it was hard to predict the shape of any austerity budget drafted by Monti. He has form. Monti's reactionary position on the working class was expressed last year in an article published in Italy's liberal-conservative national daily, *Il Corriere della Sera*. On that occasion, Monti argued that "given the influence of Marxist culture and the virtual absence of a liberal culture", priority in Italy has always been given to the "ideal claims" of workers to better their lives and conditions over against what he sees as the need for "pragmatic claims", by which he means "what can be obtained... within the limits of competitiveness".

For Monti, to combat this "archaic style of making demands", which he sees as "an obstacle to reforms", what is needed is the anti-worker and anti-trade union measures pursued by the new FIAT boss, Sergio Marchionne. In short, not only should workers abandon the "illusion" of a post-capitalist future touted by Marx, they should also be more realistic in the here and now and capitulate to



the diktat of reactionary capitalists in the name of savage global competition.

Monti may not be a professional politician, but he was shrewd enough on taking office to play his cards close to his chest and to release the contents of the forthcoming budget in the form of unofficial leaks. This completely threw the PD and its electoral base, since the assurance that the budget would be "equitable" began to appear as so much hot air.

With just days to go before the budget was presented to parliament, Monti called in the various political parties one by one to explain the contents of his austerity measures, many of which had already been flagged up in advance. Pressed to state exactly what counter-proposals they would be presenting to Monti, Bersani and his acolytes reaffirmed that, as far as they were concerned, "those who have the most should pay most", and that the budget would need to contain a property tax on the rich and measures to curb tax evasion.

But when Bersani and Finocchiaro came out of the meeting, it was clear that they had come away empty-handed. Embarrassed, Bersani stated at a press conference that they had "brought [their] proposals to the prime minister". Monti just told them that the situation was now too serious and that it was too late to make any major amendments.

Italy's rich rob the state

A recent study by the right wing liberal newspaper, *Il Corriere della Sera* (for which Monti was a regular columnist), showed that tax evasion in Italy has quintupled since 1981. That year, tax evasion was the present day equivalent of €50bn, whereas now the figure stands at €250bn, at a conservative estimate.

A fight against tax evasion would, therefore, have covered at least eight Monti austerity budgets. But tax evasion is virtually sanctioned by law. It is not a crime, for example, to make a false tax declaration and hence to lie to the state. Even if it were, rich tax evaders could get round it by embarking on the lengthy processes of investigation and the three levels of justice up to the Court of Cassation, by which time prescription (the limit beyond which a crime is no longer punishable) applies.

Many Italian banks and multinationals have cases pending with the tax authorities to the tune of €5bn. The law has now been altered so that prison awaits only those company owners whose evasion amounts to 30% of turnover, a figure that is virtually impossible to reach. One of the institutions with an outstanding tax issue is the bank Intesa San Paolo: three of the present government technocrats were functionaries of this bank.

The long and the short of it is that Italian workers and pensioners will be made to pay for the financial crisis and the rich and the tax evaders will get away scot-free. The number of years of contributions now needed to claim a pension rises from 40 to 42 (in reality 43 years and 3 months). Particularly badly hit are workers born in 1952, many of whom hoped to retire in 2012 but who will now have to work an extra five or six years to reach the new age limit of 65.

As if all of this were not bad enough, on 1 January this year Italian families were hit by a 4.9% increase in electricity, a 2.7% increase in gas and a 3.1% increase in motorway tolls. We can add to this the decision of Italy's oil multinational, Eni, to flaunt its patriotism by increasing the price of petrol to €1.72 per litre – an increase of 30 cents in a year. In short, between rates, utilities, petrol and roads, the average Italian household will be hit for over €2,000 extra in 2012.

While calling for an election instead of the installation of the government, when faced with Monti's nomination Camusso announced a 'trade union truce'

A proposal for a property tax on the rich, which was demanded by the centre left opposition and even rhetorically threatened by Monti, has been abandoned. Monti explained helpfully: "We had thought about declaring that we would immediately implement new, investigative mechanisms that would allow us, in two years, to have a French-style tax on large fortunes. We would have obtained, perhaps, in two years, a bit of revenue, but today we would clearly have a flight of capital".

Perhaps, then, he should have proposed a ban on capital flight.

No "new" and "investigative" mechanisms are needed, however, when it comes to hitting working families, who will now have to fork out for the reintroduction of a form of council tax on the first home. This was abolished by Berlusconi as a result of a populist election promise in 2008, despite the fact that he had no budget measure in place to cover the cost. Now Monti intends to update valuations (last done in 1989), so handing working families with huge rates bills. In the meantime, the Catholic church continues to pay no rates on many of its properties even though Article 108 of the European Treaty states that exemption from rates on such properties is "unjust".

It is not clear how Bersani and the PD is going to wangle his way out of the political grave that he has dug for himself in supporting Monti. He claims, against all the evidence that, "this is not a right wing government. It is a government of national effort, as Monti calls it. If we had gone to the polls, we would have won. But I have no regrets. We have made an investment in the future, and our members have understood this. People are more mature than you would think."

Parliament feathers its nest

In reality, the complete opposite is true, and even a cursory glance at his Facebook page shows the deep rage expressed by PD supporters. This is certainly true as regards the pension cuts, but perhaps even more so as regards the horrendous privileges enjoyed, and defended tooth and nail, by Italian politicians. For one thing, there are 952

members of parliament in Italy, whereas Denmark, for example, makes do with 179 and Spain with 558.

Normal members of parliament in Italy pocket an astonishing €168,000 per year, tax free, which does not include allowances, in the UK MPs receive €76,000 before tax. A recent study by the bosses' organisation Confindustria's newspaper, *Il Sole 24 Ore*, showed that there are currently 2,238 pensions being paid out to former deputies and regional councillors and that for the chamber

Workers must call on the former communist members of the PD to break with the bourgeoisie and struggle for a revolutionary workers' government

of deputies and the senate alone this amounts to €218m per year. The chamber and senate together cost €1.7bn per year to run.

All of this is mere chicken feed when we consider that another €21.3bn goes on "other costs" such as government cars (of which there are over 620,000 in Italy against 55,000 in the UK), another €10bn on local government bodies, €2.5bn for the boards of directors of companies on which the government sits, and €2.5bn for external consultants.

None of this will change, but the workers are expected to make economic sacrifices "for the country". Clearly like Britain, the Italians "are all in this together".

Trade union response

With the reformist politicians actively collaborating with the austerity budget any resistance will have to come from the working class and its trade unions. For this to happen we will need to see an upsurge in direct working class action from below. But the trade unions remain weak. The lack of fighting action by the trade union leaderships over many years means the better organised workers exist in a sea of unorganised, low paid, casual and often black market labour.

The top leaderships of the three main unions in Italy, the Italian General Confederation of Labour (CGIL), the largest and most militant union, the Italian Confederation of Trade Unions (CISL) and the Italian Labour Union (UIL), have shown little willingness to fight the constant attacks from the bosses even in the better organised workplaces.

The struggle in Fiat last year was a good example. In early 2011 at the Fiat factories in Pomigliano and Turin, the new boss, Sergio Marchionne, pushed for regional and local bargaining to replace national bargaining. He refused to recognise the negotiating rights of unions that opposed his new agreement as regards shift work, wages and conditions. These included a reduction in rest breaks, an increase in overtime on demand, night shifts of up to ten hours, unpaid sick leave, and ending workers' right

to elect their own representatives if their union did not accept the terms.

In keeping with their class collaborationist and anti-strike policy, the leaders of CISL and UIL accepted not only local bargaining but also the exclusion of unions that did not accept Marchionne's diktats. Needless to say this has only one target: the much larger and more militant CGIL.

The Federation of Metallurgical Employees and Workers (FIOM), the CGIL affiliate at Fiat, resisted Marchionne with a strong one day national stoppage on 28 January. This gained the support of the CGIL leadership, but not without a fight. The new leader of the CGIL, Susanna Camusso, tried to convince FIOM to be less "dogmatic" and to accept parts of Marchionne's conditions so as not to "isolate" the union. And she even expressed her "appreciation" for Marchionne's promised investment plan.

Forced by the base to support the FIOM, Camusso refused to transform the strike of 28 January into a one day national stoppage of all sectors and stressed that, should Marchionne win a factory-place referendum, the FIOM should accept the "yes" vote. Needless to say, the vote was rigged, since not only did workers have a pistol to their heads with the threat of lay-offs and non-investment but sectors not directly affected by the plan, such as white collar workers and middle management, voted too.

The "yes" vote won with 54% but the "no" vote won on the production line, where it mattered most. Camusso and the CGIL leadership limited themselves to calling for "legal action" against the resulting non-recognition of the FIOM in the Fiat factories. In short, while Camusso has a more formally militant approach to that of her predecessor, Guglielmo Epifani, her initiation rite at Fiat did not bode well for the difficult future that lay ahead for Italian workers.

A growing fiscal crisis

As the year went on the international markets finally bore down on Berlusconi who pushed through new austerity measures and tax reforms which hit the workers. A one day national stoppage called by the CGIL on 6 May last year against the government was a huge success in terms of worker participation and militancy, but it was a classic example of the trade union leaders marching their troops on the streets to "pressure" the government. The CGIL leadership had no clear plan of campaign to throw back the attacks and bring down the Berlusconi government.

This was followed up shortly after by an agreement of 28 June signed by CISL, UIL and the Confindustria (the employers federation) which sanctioned local bargaining. Scandalously, Camusso and the other two union leaders then handed over to Emma Marcegaglia, leader of Confindustria, the role of sole spokesperson for the so-called "social parties". Emboldened, the Berlusconi government moved once again to attack article 18 of the workers' statute, which forbids unfair dismissal. Camusso then called another one day stoppage on 6 September to relaunch the agreement of 28 June.

The strike's platform said it all: amendments to Berlus-

coni's budget while accepting its general thrust, namely, the austerity measures such as; balancing of the budget by 2013, cuts to ministerial budgets, public incentives for businesses and the issuing of Eurobonds as somehow beneficial for workers. This strike unfolded at local level, was defuse and wholly ineffective.

Camusso's attitude to the Monti government was thus written in the stars even before Monti's emerged as Berlusconi's replacement. It would be marked by a fetishising of unity with CISL and UIL as a cover for passivity, while still having to answer for this inaction to what remains a large and militant base. While calling for an election instead of the installation of the technocratic government, when faced with Monti's nomination Camusso announced a "trade union truce".

Monti's decision to increase the number of years of pension contributions from 41 to 43 quickly ended this truce. Camusso declared the "sacredness of the number 40" and pointed out, quite rightly, that the weight of the budget proposals fell on workers and not on the rich or tax evaders and that this would be contested with force. However, the response fell short - dictated by her obsession with unity with CISL and UIL at all costs.

With more than a week left to go before the budget was voted upon, and with amendments underway in the parliamentary commissions, Camusso called for a mere four hour national stoppage for 12 December - a nominal protest. Far from a radical defence of the "sacredness" of 40 years' contributions, this was virtually a green light for Monti to go ahead.

But it got worse. Having agreed with CISL and UIL that they would act together, Camusso was ignored by these two unions who instead announced only a two hour stoppage. Visibly angry, Camusso went back to the negotiating table with her two counterparts and agreed a compromise: there would be a three hour national stoppage at the end of shifts on 12 December!

In Italy, a national stoppage is referred to as "general strike", yet the three hour stoppage Camusso announced was anything but general, since it excluded the civil service and transport, two of the sectors most hit by the cuts. Despite the union leaders' weakness, the strike of 12 December was strong and militant. At the end of it, Bonnani declared that this was "just the beginning" and that the unions would take the fight "to the end, and beyond". Fighting words, indeed. But there is no reason to suggest that they will be carried through.

Clearly, what is needed is not an unholy alliance between the leaders of the three main unions, but a unity of their members whose base committees must take over the conduct of the fightback against Monti and his allies in the PDL, the PD and the Confindustria. CGIL militants in particular must provide the lead here, but they must not subordinate their demands and actions to achieve unity with the workers of the other unions. Rather than the brief, ineffective and demoralising strikes called by the main union leaders

What is needed is an all-out general strike that will bring the country to a halt until the rich are made pay for the crisis of their system

in different sectors, what is needed is an all-out general strike that will bring the country to a halt until the rich are made pay for the crisis of their system.

Workers must call on the former communist members of the PD to break with the bourgeoisie and struggle for a revolutionary workers' government along with other socialists and communists. Such a government could only come out of a mass general strike and protest movement that shatters the capitalists attempt to make the workers pay for the Italian crisis.

Only by establishing such workers' government and linking it to struggles in Greece and across Europe will it be possible for Italian workers to save themselves and their families from the dire future of lay-offs and misery in old age that lies before them.

Chile and the struggle of the university students

Diego Carmoni of Alternativa Revolucionaria Comunista surveys the fight of Chile's students last year for a complete liberation of the country's higher education system from neo-liberalism

LAST YEAR Chile was rocked by nationwide protests by university students against government reforms. All through the second half of 2011 thousands of students mobilised in occupations and on the streets. They showed huge imagination in their tactics through the creation of cultural happenings, family activities and a variety of political, cultural, sports events.

The marches of the students pulled in hundreds of thousands of ordinary citizens, who flooded the demos to join students, political party members and parents.

These protests did not appear out of nowhere. In recent years there have been major student demonstrations – in 1997, 1999 (with the death of student Daniel Menco), 2002 and most notably in 2006, known as the “revolution of the Penguins”, where high school students were central to the protests. But none of these had shown the depth and breadth of last year's struggles. This time has seen the participation of all sectors of the universities – students, faculty and staff – of high school students and the teachers' unions.

To understand how these struggles have built up one upon another it is necessary to grasp the crisis gripping Chile's education sector.

A crisis of privatisation

In Chile, the state only funds 25% of public sector education budget, while the remaining three-quarters come from the pockets of students. Education is only free for primary and secondary pupils. Since 1981 any student wanting to study at a university must do so without state support. Chile only spends 4.4% of its GDP on education compared to the UN recommended 7% for developed nations.

This lack of spending is combined with growing integration of the university sector with business. After 1990 a new legal framework, based on the “university enterprise”, outlined in the Organic Law of Education (LOCE), enshrined the notion that higher education would follow the demands of neoliberal, business sectors.

The current mass resistance means that the student movement in Chile has been the most important in Latin America in the last 50 years. Not because the students of our country are more aware and active than the rest of the continent but simply because no other country has so dramatically experienced the degree of decay and privatisation of the educational system that was once one of the best in the region.

Naturally, the struggle against these market-led reforms were inspired by a catalogue of anti-market protests throughout Latin America in the last decade. Clear precedents are the Argentina popular movement that exploded in the aftermath of the currency and bank crisis of 2001, and the gas and water wars in Bolivia that impeded the privatisation of those industries.

Set against these struggles Chile, by contrast, seemed to be a country of exemplary political stability and economic success. But with this wave of mobilisations in 2011 Chile has joined the front ranks of the continent's key players against privatisation and neo-liberalism.

The importance of this turnaround cannot be overstated. Chile was the poster boy for neo-liberal reforms in the 1970s and 1980s under the dictatorship of General Pinochet, who made the country the world's first laboratory for economic shock therapy.

When managed democracy returned after 1990 the new coalition government composed of the Socialist Party, Christian Democrats and Radicals, (the Concertación) made no major changes, and in some ways deepened the economic model inherited from the dictatorship.

If there is a common theme in the movement's demands in 2011, it is the resistance to the logic of profit, which has seen the widespread privatisation of social rights and public services, causing growing economic and social inequality in Chile until it is one of the highest in the world.

Rising struggles

The election of Sebastián Piñera in 2010, a right wing businessman and dollar billionaire, ushered in a right wing government which seemed certain to provoke another round of social protest. Days before he took office a major earthquake concentrated popular and political efforts on recovery, but in due course people found their voice against the new neoliberal government.

On 24 August 2010 ministers approved the construction of the Barrancones thermo-electric plant in the middle of the Punta de Choros nature reserve, causing a spontaneous mass demonstration that mobilised eco-campaigners, students and young professionals. Thousands of people occupied the Santiago city centre forcing the president to rescind the project, thus encouraging others to believe that if they took their grievances to the streets they could win.

From October to December 2010 several protests were organised by the National Federation of Residents. While fighting for the right to housing, they recognised that their struggles were intimately related to the right to education, decent health services and work; they reached out to the student movement for help. Then in January 2011 the people of the southern part of the Magellan region, where temperatures fall very low, staged a strike against rising gas bills in Patagonia. The mobilisation was very powerful and combative and for two weeks the government was thrown onto the defensive.

On 27 February 2011, the first anniversary of the earthquake, thousands of its victims took to the streets to denounce the lack of progress in repairing affected communities, and formed the National Movement for Fair

Reconstruction, denouncing the reconstruction plans for putting private profit of the construction firms at the centre of the effort. Adding to this climate of social mobilisation the Mapuche people undertook their longest hunger strike for national rights between 15 March and 6 June, bringing people and supporters of the Mapuche nation onto the streets¹

Students move centre stage

In early May the first national strike by the education sector exceeded all hopes and recalled in its scope the major national protests against the Pinochet dictatorship in the late 1980s. It had been triggered by an increase in government grants to "non-traditional" universities that were known to make profits on so-called educational provision. The student protests, led by the Confederation of Chilean Student Federations (CONFECH), began to codify their demands. These revolved around demands for increased funding for public universities, measures aimed at ending the elitism of Chilean education where the better off had access to decent facilities while the poor entered institutions starved of funds, the ending of state funding for private and profit making institutions and the repeal of laws which banned student participation in University governance.

On 21 May the President of the Republic's annual state of the nation address was accompanied by massive political and social protests outside the Parliament in Valparaiso. At the same time demonstrations took place in Santiago, Concepción and in many other cities, gathering together the different struggles and reinforcing each other: against the mega dams, for Mapuche political prisoners, earthquake victims and students.

There was even talk of a "Chilean May", referring to May '68 in France, each day witnessed new demonstrations increasing in size simultaneously in all the cities of Chile. This intensity of mobilisation did not stop, but grew from May onwards. So powerful and deep was the social mobilisation that scores of high school children

Never have the media so blatantly refused to focus on the just demands for free secular and quality education, as well as the democratisation of the country

and some of their parents went on hunger strike for more than two months, an event ignored by the main media and the government.

The students were at the heart of this movement and developed new and imaginative forms of protest – besa-tones (kissing competitions), dances, bullfights, occupations, carnivals, among them – as well as the massive, peaceful and festive marches. Innovation has been key to generating sympathy among the broader public, with more than 80% public support for their demands. Despite

the peaceful demos and marches, the capitalist and official media only emphasised the violence, which has been isolated and more than once proven to be the product of police provocateurs disguised as a students.

Never have the media so blatantly refused to focus on the just demands for free secular and quality education, as well as the democratisation of the country, including a change of constitution.

Two further protests signaled a major development in the movement. On 4 August a national strike took place, but as the marches were not authorised by the authorities, those on the streets were harshly repressed by police. Repression and police violence had been a key aspect of these months of mobilisation, but it was so disproportionate on that day, with more than 1,000 wounded and hundreds arrested, that on the evening of the protest most the country resounded to the sounds of a cacerolazo (hitting cooking pots) in every quarter of the country. In this way

Taken altogether what we witnessed in the latter part of 2011 was the beginning of a terminal crisis of the "Chilean model" and its political and economic structures

4 August became the first national day of protest supporting the students' demands and against repression.

The second major development around this time occurred when the main trade union confederation (Central Unica de Trabajadores - CUT) agreed to call a two day general strike on 24 and 25 August. To the surprise of the trade union bureaucracy more than 80 organisations agreed to support the students on both days. It was in one of these demonstrations that, in the commune of Macul, a policeman using a UZI submachine gun to kill 16 year old student Manuel Gutierrez.

Democracy from below

One of the most important tasks of the new movement was to learn and practice direct, participatory democracy in the universities and colleges, in the thousands of assemblies that sprang up and in the hundreds of organisations that were born every day.

This protracted learning process of youth in struggle produced a cultural, transformation, schooling a new generation in how to transform society. As with new movements that have appeared in Arab countries in 2011 and with the Occupy movements in Europe and the US, the Chilean protestors are conscious of trying to build a new way of "doing politics" and exercising democracy.

Taken altogether what we witnessed in the latter part of 2011 was the beginning of a terminal crisis of the "Chilean model" and its political and economic structures. In the last four months of 2011 in Chile there has been more social participation and organisation than in the last 20 years. The challenge of the movement to the government is

manifold. First it is to meet the demands of the education sector for public, free education, with internal democracy, and without profit. Secondly, the protests demanded a radical overhaul of the political system which has given rise to the demand to change of the Pinochet constitution through a constituent assembly, one that establishes social rights funded through a major tax reform and the nationalisation of natural resources.

The government response

The government tried to defuse the movement early on through offering a number of minor concessions. In July Pinero replaced his education minister and offered a few concessions in a TV address. In August two more offers were made including a "21 point plan". The students rejected the offers outright and went on to mobilise further massive protests.

In September, after the government announced that it would not accede to the students' minimum demands - including a freeze on Congress discussing the reforms, new deadlines for closing the academic semester and school year and the end of private sector involvement in education services - students announced three further national strikes, 22 and 29 September and 7 October.

After these successful mobilisations however, the initiative was regained by the government. Its strategy in the face of the intransigence of the students' demands was to get its leaders off the streets and out of their popular organisations and into the normal bourgeois channels of negotiation.

We have been here before of course. In 2006 the "penguin movement" threatened to overwhelm the Bachelet government, but in the end the high school students were defeated by a strategy that co-opted its best leaders, while the others were tricked. At the end of the day both the MPs of the left (Socialists, Christian Democrats, Radicals, PRD) and of the right (the UDI and National Renewal) stood together, their hands lifted up to the sky, next to the president, congratulating themselves for finally replacing the Constitutional Organic Law of Education LOCE with the General Education Law, a piece of legislation that kept all the rotten elements of the existing system in place.

The same trick was tried on the university students. So the government sought to get the student leaders, or preferably political leaders who could speak "for" the students, to discuss their demands in the context of setting the annual budget. Discussions between student leaders and the government began without the movement agreeing a coherent plan for certain laws, the reform of the Constitution or the budget level.

Weaknesses of movement

One problem is that the student movement is not a single movement but a set of movements, a "magnet" which attracts many divergent youth groups. Inevitably, therefore the class composition of the movement varies; it includes a large component of middle class youth from both the public and private sector educational institutions. It also includes children of government officials

with strong links to the ruling coalition, the Alliance for Chile. And of course, there are many students from working class families.

Therefore, the student movement is made up of a motley collection of political organisations. For example at the University of Chile, there are organisations linked to the Alliance for Chile and to the traditional Coalition of Parties for Democracy (the official opposition in parliament). There is also the so-called "independent left", the University of New Left, the collective Arrebol, Creating Left and the Communist Party (PC). The organisation of the Catholic University is different as are those of other colleges. The existence and proliferation of these groups has no other explanation than the deep distrust of students towards traditional political organisations.

The decision to shift the discussion over the student demands into a parliamentary sphere has shifted the focus away from the government and towards all the parties, within both chambers of parliament. This naturally dilutes the government's role in organising the attacks on education and allows all the political parties to seem to take responsibility for finding a solution.

Whereas earlier the debate and discussion was centred on the streets, the campuses, the schools and popular forums – now it is in committees of professional politicians who are authorised to act as the supreme judge in the dispute. This is exactly what happened when Bachelet was President when she sought to bring an end the "penguins' revolt" in 2006. Some school students were aware of this trap but the Communist Party cleverly manoeuvred to divert the struggle to the parliament as part of an agreement with the Coalition over the municipal elections in 2007.

Another factor that conspired against the continuity of the student movement was the approach of summer in the southern hemisphere; Christmas and New Year brings summer holidays which always disrupts political activity. Of course, a committed layer of activists are not affected by this break but it is equally true that the vast majority of the population are.

Finally, continuing divisions between secondary and university students continues to hamper the struggle. This problem is not new but there has been little effort to solve it; on the contrary, the gap between the two sectors has widened. It is somewhat curious, for example, that when discussing educational reform the student movement did not put the issue of vocational skills on the table – an issue that directly affects high school students. The distance between the two sides has grown so much now that if an agreement is struck to settle the university students' demands it is possible that the "penguins" will be left to fight alone.

The future of the student movement

Whatever happens next as the struggle resumes in 2012 the student movement has already made gains. The methods of struggle, the degree of mass support and the fact that issues such as the need for tax reform to finance education are all being aired is a major step forward.

The student movement has succeeded in placing the

TIMELINE

A proud history of education struggles in Chile

1961-1973: University reform was a process that required the strengthening of university and associations partnerships with political parties, academics and other social sectors, under the motto "University for All". The process accelerated after 1967 and led to a new model based on broad selection, and a free and democratic educational management. The Chilean educational system reached the highest level of quality in its history.

1973-1982: The Pinochet coup and the subsequent repression cost the lives of hundreds of students, teachers and academics. They lost almost all the gains of the previous period, especially in 1981 when the constitution came into force. Partial struggles occur primarily expressed through cultural movements like the Cultural Action University, University of Chile and in the field of human rights.

1983-1989: Reconstruction and democratisation of student associations, both at university and in the secondary schools, which are expressed through Feses. The agenda focuses almost exclusively on the democratisation of the country and trying to stop the privatisation policies. Some successes achieved such as the dismissal of the rector, José Luis Federici, appointed by the dictatorship to push through his plan to "streamline the university." However, the centrality of the national political struggle with its focus on human rights prevents a specific mobilisation over educational reform.

1990-1995: The post-Pinochet transition produces confusion in the movement. On the one hand, the strong identification of the student leaders with the Concertación parties leads them to moderate their demands, "in case the military should be provoked". Corruption scandals dented student representation and participation, leading in many cases to the reconstruction of many student associations and the discrediting of political parties in the eyes of many youth.

1996-2005: The reconstruction of the student movement in resistance to the policies of the Coalition begins with the rebuilding of the Student Federation of Chile (FECH) in 1996, giving rise to a cycle of strong and massive mobilisations between 1997 and 1999. It manages to break the cycle of dependency and co-optation of the previous period and the movement acquires a certain autonomy and ability to intervene. Students actively confront the policies of privatisation with mixed results.

Since 2000 greater resources are won for public universities, a basic framework of institutional autonomy is agreed, but the overall pattern is not altered. The most common demands at this time were fairly minimal. The movement barely touched private universities. Nor were there any significant links with other social sectors such as high school students and teachers. In short, the student movement regained its independence and began an active phase of resistance in education, but their political objectives were diluted within the framework of the Popular Front of the Concertación.

2006-2011: The rise of the secondary students in 2006 pushed the education struggle way beyond the campus. Since that time political ambitions for educational reform have been consistently higher: e.g the Education Law and the Constitution of 1980 should be revoked, inequality should be reduced, free education should be available for all. These issues had only ever previously been discussed inside the universities, but now it was discussed by all families and society in general. It has helped make the transition from education being an issue of private grievance to one of mass public anger.

issue of education in the forefront of national discussion. It has insisted on the vision of an education system that is not enchained by big business, or shot through with inequality of access. In this struggle the student movement has raised broader questions about the inevitability and correctness of the whole economic model founded upon market laws.

Chilean society has been transformed to its roots, and the country will never be the same. A new conception of social solidarity has forced its way into society

Some the specific gains we can point to include:

- › Including parents and guardians in the fight for the students' demands.
- › Including headteachers of schools and class room teachers as key players in the struggle for educational improvements.
- › Introducing new methods of struggle for the movement as a way to attract people and arouse the sympathy of millions.
- › Organising a joint march of Chilean and Colombian students who have similar demands and attracting the sympathy and solidarity from other countries and continents.

Where to now?

From the outset the student movement was the dawn of a broad social movement; something like a "popular unity", i.e. an organisation capable of operating with parties and movements, growing incessantly, sweeping up all who wish to join its ranks and contribute by word and action to make it stronger, more permanent, more intense. Despite the difficulties it faces, this is still possible - the student movement remains undefeated. Yet we must take a step forward this year or the movement is doomed to extinction like the Penguins, or, at best, to remain in existence but in complete isolation from other sectors.

First, the problems that exist between the secondary and university students must be resolved. This is a high priority but small, sectarian political groups have prevented this unity from crystallising. The time has come to end this.

Secondly, the building of a larger organisation will

only be possible if the student leaders operate outside the traditional parties in which they are active. On the other hand, the left groups must end the practice of monopolising the leadership positions and instead encourage the emergence of new, natural leaders who have developed out of the struggle.

Admittedly, many of the student leaders under pressure from below have acted, if not against their party, at least, without asking permission first if they can take certain positions. However, this attitude must be made permanent and structural. If this is done then we can strengthen a new type of structure that does not reproduce the vices that have marred bureaucratic centralist organisations.

Thirdly, students should encourage unity among the trade unions. The existence of five trade unions centres today is a barrier which impedes the support of the student union movement as well as the construction of a broad movement of social and political struggle.

Students can play a key role in overcoming the bureaucratic inertia of the union leaders by fighting for unity with human rights organisations, those of women, immigrant workers, pensioners, the unemployed and tenants. But to achieve this students should encourage the formulation of an action plan that goes beyond the students' own demands, to address the problem of housing, welfare provision, health services, income inequality, pension provision and other big problems facing the Chilean workers.

During the past year a new generation of young people have emerged convinced of the possibility of building a better society on a new social, economic and political foundation.

Chilean society has been transformed to its roots, and the country will never be the same. A new conception of social solidarity has forced its way into society from the student protests. The professional politicians will not disappear, but will no longer be the same. The masses have entered the stage of history again, presaging the return of the working class after its historical defeat at the hands of the military and imperialism.

Forward to victory!

FOOTNOTES

1. See PR 16 After the Earthquake the man-made disaster and Chile: Mapuche Hunger Strike, www.permanentrevolution.net/entry/3156

Paul Levi's fight for communism

In the early 1920s the KPD was the only mass communist party in Europe outside of Russia. Stuart King looks the political writings and struggles of one of its most important leaders

**IN THE STEPS OF ROSA LUXEMBURG:
SELECTED WRITINGS OF PAUL LEVI**

Historical Materialism 31

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PAUL LEVI was variously Rosa Luxemburg's lawyer, lover and comrade. After her death in 1919 he was a key leader of the party she helped found, the German Communist Party – the KPD (Spartacus) as it was initially known.

David Fernbach has translated and introduced a selection of Paul Levi's writings and speeches from 1919 to 1925, a period covering the stormy events following the outbreak of the German revolution in 1918. It was a period when the central state, defeated in war and plunged into a cycle of economic and revolutionary crisis, desperately tried to establish a stable capitalist Germany.

Paul Levi was trying to do the opposite – attempting to forge a mass communist party that could destroy the capitalist state and bring the working class to power.

Levi was part of the Internationale group (later Spartacist League) that opposed the First World War and the Social Democratic Party's (SPD) support for it. This group included Rosa Luxemburg, Clara Zetkin, Karl Liebknecht and Karl Radek. During the war Levi worked closely with Lenin and Zinoviev in Switzerland. On some issues, like the need for an immediate split with the SPD and the formation of a new party and new international, he stood closer to the politics of the Bolsheviks than to Rosa Luxemburg.

David Fernbach however, tells his readers that there are "two paths by which socialist parties came to power in the twentieth century . . . confining themselves to a limited

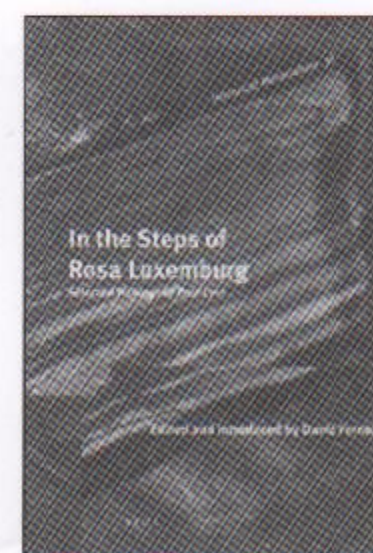
set of reforms [or] by taking power without a electoral-democratic mandate."¹ This starting point, a veiled attack on the Bolshevik revolution of 1917, becomes a recurrent theme that attempts to counterpose "majority revolution" advocates like Rosa Luxemburg and Paul Levi against the ideas of Lenin and the Communist International.

This false counterposition does not do justice to the debates in the early German Communist Party, nor to the politics of Levi and Luxemburg. Luxemburg, Levi and Russian Bolsheviks all believed in "majority revolution" in the sense that they recognised communists could only take power when they had won the support of the majority of the working class, expressed through a mandate via the

Just as the Bolsheviks did not ignore the demands of the peasantry so Luxemburg and Levi did not ignore the importance of the small farmers and 'middle strata'

direct rank and file democracy of soviets/workers' councils. All of them dismissed the idea that an anti-capitalist revolution would come via an "electoral-democratic mandate" through the rigged bourgeois parliamentary system.

The difference between Russia and Germany was that the working class in Russia was a small proportion of



the masses (the country had a huge peasantry) while in Germany workers were a clear majority. But just as the Bolsheviks did not ignore the needs and demands of the peasantry, so Luxemburg and Levi did not ignore the importance of the small farmers and "middle strata" in Germany.

One aspect of Levi's writings presented here is his emphasis on the importance of winning over, or at least not

Paul Levi's main task after 1919 was building a mass communist party that could win the majority of the working class to revolution

alienating, the large officialdom and lower echelons of the state bureaucracy in the highly "nationalised" economy of Germany at the end of the First World War. Levi argued that democratic and national slogans were an important weapon here: democratic slogans involving defence of the Republic against military coups backed by the most reactionary classes of German society, landowners and their supporters in the officer caste; national slogans which defended Germany against rapacious French and British imperialist attempts to take over the Rhineland, break off Bavaria and impose enormous reparations on the new Republic.

He argued that, "It should be the task of communists to come out, at the most critical moments with slogans that signify to those middle-strata a solution to their national pains. The slogan of alliance with Soviet Russia would have been such a slogan."²

Battling leftism

Paul Levi's main task after 1919 was building a mass communist party that could win the majority of the working class to revolution. To do this he had to fight the strong ultra-leftist currents in his own organisation. The KPD(S), was founded at the end of 1918 following a split from the Independent Social Democratic Party of Germany (USPD). The USPD was itself a result of expulsions by the SPD of the centre, led by Kautsky, and the left, led by Luxemburg and Liebknecht.

This meant that in 1918 there were two mass parties that competed for the majority allegiance of the German workers, the reformist SPD and the "centrist" USPD, and both shared the support of millions of workers. By comparison the KPD(S) was a small party. Its mass influence depended largely on the famous anti-war activist and parliamentary deputy Karl Liebknecht.

The relative strengths of the parties were shown in the first Congress of Workers' and Soldiers' Councils. The elections took place six weeks after the November 1918 revolution. The revolution had overthrown the Kaiser, established a republic and put the SPD and USPD leaders into power as a provisional government. Out of 489

delegates to the Congress the SPD claimed 288, while the USPD had 90, only 10 of whom were KPD/Spartacist supporters.

As a result the SPD won the Congress over to its plan to convene a constituent assembly and to rejecting the formation of a workers' council republic on the Russian soviet model. Karl Liebknecht and Rosa Luxemburg had no mandates and weren't even allowed to speak to the congress.

The KPD(S) itself was born amidst a disastrous leftist adventure in January 1919. It split from the USPD and within two weeks of its foundation as a separate party Liebknecht and the KPD left, with the support of leftist elements in the USPD and the revolutionary shop stewards' organisation, launched an insurrection against the SPD government in Berlin. The issue was the attempt by the SPD to remove the USPD chief of police, Emil Eichhorn, in Berlin. This action had already led the USPD to withdraw from the provisional government.

The SPD leaders in alliance with the military and the hastily organised "Freikorps" crushed the Spartacus rising, brutally murdering both Luxemburg and Liebknecht in the process. The SPD then unleashed a white terror against a series of strikes and risings across Germany over the next few months, crushing the Munich Soviet that had been proclaimed, and making the KPD (S) illegal.

By the end of 1919 thousands of militants had been killed including many local and national leaders of the KPD like Eugen Levine and Leo Jogiches. Radek, with many others, languished in jail. Paul Levi was left to pick up the pieces as the leading figure in the now underground KPD.

The early part of this book is taken up with Levi's writings and speeches against the leftists in the party, such as his address to the founding conference where he was given the task by the party leadership to argue the case for participation in the National Assembly elections. He was later to pose the question in the following way:

"If we communists join in the election movement, it is important for us not to lose sight for a moment that our goals lie outside of parliament. Catching votes and winning seats are of secondary importance for us, if they matter at all. The decisive thing is that we show our political face for what it is."³

At the first congress the leadership around Levi, Luxemburg and Jogiches were defeated on this question by 62 votes to 23 giving a clear indication of the strength of the anti-parliamentarians and the problems that lay ahead.

Other speeches in the collection deal with Levi's critiques of the actions that led to the Munich Soviet and the Hungarian Soviet Republic - both were short-lived and quickly crushed.

By October 1919 the leadership under Levi's direction were leading an offensive against the left, laying down basic principles for the party that rejected syndicalism, boycotting parliament, putschist adventures and leaving the trade unions. As a result of a purge of the party leftists, which probably halved the membership of the KPD to 50,000, an alternative left communist party, the KAPD, was set up in 1920.

Fusion with the USPD

1920 was a key year for the regroupment of communists. Strikes, general strikes and protests raged throughout Germany as the economy collapsed further into chaos and the victorious powers demanded hefty war reparations. The working class grew disillusioned with the SPD and the USPD's ranks swelled to over 800,000 members. The new members moved the USPD to the left.

At the end of 1919 the USPD conference had declared for the "dictatorship of the proletariat" and in favour of opening discussions with the Communist International (CI). After a period of prevarication by their leadership, a delegation of four representing both right and left of the USPD was sent to the CI's second congress in July 1920, where they actively participated in the discussions over the "21 conditions" for entry to the CI.⁴

In March 1920 the working class had united in a massive general strike against the Kapp Putsch, a military attempt by the right to overthrow the Republic. Paul Levi led the fight to correct the initial response of the KPD to the putsch, which was "no support to the Republic". And in so doing he paved the way for the KPD to secure genuine mass influence in the workers' movement.

The defeat of the Kapp Putsch greatly strengthened the left, particularly in the USPD, and at its October conference in Halle it voted by a majority to join the CI and fuse with the KPD. While Zinoviev's famous four hour long speech helped win over the delegates it was undoubtedly Paul Levi's organisational and political leadership throughout the year that helped consolidate the fusion.

The formal unification took place in December 1920; it produced a United German Communist Party (VKPD) with over 450,000 members. Levi and Ernst Däumig, formerly of the USPD, were elected joint chairs of the new party.⁵

Falling out with the Comintern

Having won over a significant section of the USPD the Executive of the Comintern (ECCI) saw their victory as potentially creating a problem for themselves and the balance of power within the CI – they now started to worry that they had strengthened "the right" of the KPD led by Levi. This was certainly the opinion of Radek, Zinoviev and Bukharin on the ECCI.

The ECCI suddenly started promoting the left in Berlin around Maslow, Fischer and Friesland, and making overtures to the KAPD. In late 1920 the ECCI opened discussions with delegates from the KAPD and proposed it should be invited to the third congress of the CI as a "sympathising section", a decision that brought unanimous protest from the VKPD Zentrale (Executive Committee).

In January 1921 the VKPD launched an Open Letter proposing that workers' organisations, trade unions and socialist parties join together to fight to defend living standards, free workers from political detention and arm themselves against attacks from right wing groups. Radek and Levi saw the proposal as an initiative to build a "proletarian united front of struggle", a tactic the Comintern itself was to adopt at its third congress.

Yet the left in Berlin attacked the Open Letter. The KAPD

declared it "opportunist and demagogic" and the ECCI in Moscow under, the influence of Zinoviev and Bukharin, also condemned it. This position was only reversed when Lenin intervened and made it a topic for debate at the upcoming Congress.

The real struggle broke out, however, over Italy and the split in the Italian Socialist Party (PSI), a party affiliated to the CI. Levi had been sent as the German fraternal

The socialists had also been under the hammer blows of Mussolini's fascist bands, which had launched an armed offensive against the workers in the north

delegate on the understanding that a struggle was going to take place to get rid of the right wing of the party led by Turati, something he supported. On arrival he found the ECCI had decided that the leader of the PSI, Giacinto Serrati, and his supporters, the bulk of the party, had to be broken with as well.

Serrati was vacillating about expelling the right wing even though he had formally signed up to the 21 Conditions. The result of the conference was that the left, which represented a small minority, split away to form the Italian Communist Party (PCI), a party that was dominated by sectarian leftists led by Amadeo Bordiga.

Levi publicly criticised the ECCI's representatives on this question in the VKPD press on his return, believing he had the support of the Zentrale. But immediately Radek and Rakosi, one of the ECCI representatives in Italy, launched a frontal assault on Levi both in the communist press, in the Zentrale and then in the Central Committee. Levi and his supporters were finally defeated by 28 votes to 23. As a result, in what turned out to be a disastrous move, Levi, Däumig, Zetkin and two other members of the Zentrale resigned. They were immediately replaced by members more sympathetic to the ECCI positions – a new leadership was created around August Thalheimer, Heinrich Brandler, Ernst Meyer and the leftist Paul Frölich.

An important article in the book is Paul Levi's speech to this central committee meeting of 24 February 1921 where he outlines his differences with the methods used by the ECCI representatives in Italy.⁶ In it he is beginning to draw conclusions about different approaches to party building between the Russian and the German parties, putting forward the idea that the "Russian model" could not be mechanically transposed to western Europe. He wrote:

"... the Communist International can be one of two things; it can either be an organisation of communists in the strictest and most exclusive sense, or it can be the organisation of the masses whose political understanding is not something firmly fixed, but who are led by Communists and, above all, are prepared to accept communist discipline."⁷

The first model he associates with leftists like Gorter

and the KAPD (and by implication with the split carried out in Italy) and the second he associates with the methods of the Second Congress of the CI and of the German fusion with the left of the USPD. His critique of the decision to split the PSI was that the ECCI had cut the Communist Party off, as he saw it, from a 100,000 workers who considered themselves communists under the lead-

Paul Levi worked closely with Zetkin and other allies in the leadership to build an opposition to the leftist policies encouraged by the ECCI.

ership of Serrati. Worse it had cut itself off from a party that was actually part of the CI and that had agreed to work under its leadership.

The split in the PSI was a costly one, especially as within a year Serrati had expelled the right wing and the CI then demanded the PCI pursue a fusion tactic with him and his organisation. But by now the PSI was a shadow of its former self; militants had left in disillusion following the split. The socialists had also been under the hammer blows of Mussolini's fascist bands, which had launched an armed offensive against the workers in the north at exactly the time the ECCI was splitting the PSI. The Italian movement never recovered the ground it had lost.

The March action

The defeat of Levi and his allies also had disastrous results for the German party itself. With Levi and others now resigned from the Zentrale, Zinoviev and Radek seized the chance to "activate" a German Communist Party free from the "passive leadership" of Levi. Bela Kun, fresh from his defeat at the head of the Hungarian Soviet Republic, arrived as the ECCI representative to push forward the "theory of the offensive" onto the German party.

The result was a doomed adventure in central Germany. In response to police action in the Mansfeld mining district the VKPD called a general strike and called for workers to arm themselves. It then spread this tactic across Germany calling for the overthrow of the government.

When the strike was failing, party organisations were encouraged to resort to provocations like fake attacks on communist offices and kidnappings of labour leaders. The unemployed were used to occupy factories that had failed to come out on strike, causing violent clashes between workers. Working with the KAPD, armed guerrilla groups were activated to attack the police and dynamite was used in a failed attempt to blow up a munitions factory.

Police and troop reinforcements poured into the Mansfeld region and occupied works were bombarded. Towards the end of March Communist leaders in the Ruhr signalled a return to work against instructions from the Zentrale. On 1 April the Zentrale finally called off the action. Hundreds of workers had been killed, thousands

were in jail and tens of thousands of militants, often striking as minorities of workplaces, were sacked. The March action had been a disastrous fiasco and hundreds of thousands of members poured out of the VKPD. By August 1921 there were only 150,000 dues paying members left in the VKPD.

Paul Levi was shocked by the events. Now off the central committee he was still working closely with Zetkin and other allies in the leadership to build an opposition to the leftist policies encouraged by the ECCI. Levi wrote to Lenin, who he and Zetkin had always seen as an ally against the leftist inclinations in the German party, a letter that is reprinted in the book. In it Levi sets out the results of the action and the dangers to the German party which he sees as "possibly fatal". He asks Lenin to intervene in the ECCI as he did not want to personally confront the policy of the CI in Germany. He ends by saying "I will also go no further than perhaps writing a pamphlet in which I present my views . . ."⁸

The pamphlet was the famous (or infamous depending on your point of view) "Our path against Putschism", which is translated in full in the book. It was published on 12 April and caused a sensation in Germany because of its biting criticism of the whole policy of the VKPD leadership around the March action and because it implicated the ECCI not only in encouraging the action but using agents to foster divisions in fraternal parties.

The Zentrale had already met and rejected Zetkin's attempt to make it responsible for what she saw as a major defeat; it had also refused twice to hear Levi's criticisms in person. Zetkin had been sent the draft of the pamphlet and thought it "quite simply excellent".⁹

The Zentrale had other ideas and expelled Levi from the party on 15 April for "breach of discipline", a decision confirmed by the central committee and then by the ECCI. Levi's appeal to the central committee is also published in the book. Levi's pamphlet and this speech taken together summarise his positions on the party, the dangers of leftism, the errors of the ECCI in Italy and Germany and the disaster of the March action, which he describes as the "greatest Bakuninist putsch in history".

Radek replied not only endorsing the offensive action by the VKPD but denigrating Levi's whole political life as a "salon Bolshevik" and "aesthete". The ECCI statement on Levi quoted Zinoviev declaring "It is an abominable lie that the ECCI or its representatives provoked the March rising. This fable was needed by the German counter-revolution, on whose side Levi stood."¹⁰

The Communist international takes stock

Levi remained hopeful that the third congress of the Comintern, due to meet at the end of June 1921, would take stock of the March action, condemn it, and allow his re-entry into communist politics, but it soon became clear that nothing of the sort was going to happen. Lenin, while he made clear to Zetkin that he agreed with much of Levi's political analysis of the events, saw the pamphlet as outrageous in "tearing the party to pieces". He suggested that Levi should subordinate himself to party discipline

after which Lenin would call for his rehabilitation after a few months.¹¹

The Third Congress did not condemn the March action. Indeed its Theses on Tactics, where the issue was dealt with, while recognising the VKPD had made "a number of mistakes", argued that the struggle was "forced on the VKPD" by the government. "The third congress of the CI considers the March action of the VKPD as a step forward. It was a heroic struggle by hundreds of thousands of proletarians against the bourgeoisie."¹² The resolution was in fact a compromise made with the left of the KPD in the interests of maintaining unity and avoiding yet another split. Trotsky argued that phrase "step forward" was not meant as a defence of the March action, which he characterised as a "mistake" and one that if repeated "might really destroy this fine party".¹³ Zetkin and the opposition, while voting for the Theses, put forward their own document which was not voted on.

No mention was made of the role of the ECCI in all of this and no criticism made, although the lessons of the March action were clearly drawn. The theory of the "revolutionary offensive" was quietly dumped and the Third Congress started to recognise that the defeat of the March action affirmed the end of the revolutionary wave that had swept western Europe in 1919 and 1920. Now the united front and unity of the working class in action was on the agenda, a policy developed further at the Fourth Congress.

Paul Levi was never re-admitted to the CI. In 1921 his publication of Rosa Luxemburg's critique of the Russian Revolution, written while she was in prison in 1918, led to further denunciations including accusations that he had "forged" the pamphlet.¹⁴ Levi's long introduction is translated here and it is a perceptive analysis of the problems of the Russian Revolution in 1921, not many months after the Kronstadt rebellion and the introduction of NEP, a policy he sees as a dangerous concession to a proto-capitalist peasantry. Levi interprets Kronstadt as a symptom of the Bolsheviks' loss of support in the broader proletariat. He points out the collapse of the Soviets as organs of workers' power, how the banning of other workers' parties like the Mensheviks has crippled proletarian democracy and how the dictatorship of the proletariat is now only guaranteed by a vanguard Communist Party and above all its all-powerful central committee:

"Public life is dead. The spirit of democracy, which alone forms the breath of the masses, is dead. A rigid centralised party, a splendid central committee, and a wretched bureaucracy, move over the waters. Below, all is waste and empty."¹⁵

But Levi had not given up on the Russian Revolution, which he refers to as "a valuable treasure for all workers". For Levi "the great tragedy of the Russian Revolution is that, in the last analysis, all its mistakes and all its errors were possible only because it saw itself as the first link in the great world struggle, and because the world proletariat left it in the lurch."¹⁶ As the former leader of the powerful German VKPD, a party that the Russians had put so many of their hopes in to rescue them from isolation through socialist revolution, Levi clearly felt a deep responsibility for this tragedy.

But isolated from the German Communists and constantly under attack from them, Levi quickly drifted away to the right. His organisation, the Communist Working Group (KAG), took the majority of the VKPD Reichstag deputies and in April 1922 it rejoined the USPD, only to accompany that party back into the SPD in September. In the SPD he remained a tolerated but isolated deputy, used

There is no doubt that Levi was influenced by Luxemburg's arguments about the relationship between party and class and the need for a mass communist party

mostly for his legal expertise. He died in 1930 by throwing himself out of a window while suffering a high fever brought on by pneumonia.

Paul Levi in history

David Fernbach tends in the direction of seeing Paul Levi as a continuator of Rosa Luxemburg's politics, someone in conflict with Moscow because of his commitment to "majority-revolution". He then recruits both Levi and Luxemburg to his own reformist politics, suggesting that had Luxemburg lived, in the face of the rise of fascism she would have had "less difficulty than the 'Leninists' in joining hands with social democrats and liberals in an 'historic compromise' that might well have averted the plunge into the abyss".¹⁷ Rosa Luxemburg as a proponent of an all class popular front – only in Fernbach's imagination!

But Fernbach's reformist twist on these debates amongst revolutionaries – committed to revolution not reform – should not blind us to the significance of Paul Levi's contribution to the struggle to build mass communist parties in the period immediately following the Bolshevik Revolution.

There is no doubt reading these articles that Levi was influenced by Luxemburg's arguments about the relationship between party and class, and the need for a mass communist party to win to its banner all sections of the proletariat, the oppressed and even sections of the middle strata in order to make a communist revolution. In 1919 he declared, "The question for communists is to have, not the largest party, but the most conscious working class. In this sense the party is nothing, the revolution and the proletariat everything."¹⁸

But it is also true that Levi recognised, particularly in the period when he was a leader of a mass party, the importance of the Bolshevik contribution to party building and revolution – the importance of organisation, discipline and leadership. He recognised the essential organisational and political role the mass Communist Party played as the vanguard in the struggle for power in a way that perhaps Luxemburg did not.

Levi's writings in English, alongside Pierre Broué's "The

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German Revolution 1917-1923" (also recently translated), allow English-reading socialists to obtain a fuller understanding of the German revolutionary period after the First World War, a period rich in lessons for anti-capitalists today.

They also give an insight into the beginnings of the bureaucratisation of the CI, which clearly started much earlier than most revolutionaries normally suggest. The mistakes, expulsions and bureaucratic practices evidenced in this period are certainly not the full blown degenera-

tion that was marked in 1923 by Zinoviev's "Bolshevisation" of the communist parties. But the ECCI intervention in the German Communist Party and the Italian PSI set the scene for regular intervention, ECCI control, and purges of independent elements that became hallmarks of the CI in the mid-1920s.

No doubt Paul Levi would have a good chuckle at the price his communist writings are on sale at today, but Brill and David Fernbach have done a service to the left in making them available to the English reader.

ENDNOTES

1. Introduction p1
2. Our Path Against Putschism p128
3. The World Situation and the German Revolution, Levi p 90
4. The Twenty One Conditions, largely written by Lenin, aimed at excluding reformist and centrist forces on the right.
5. Despite the congress voting for dissolution, the centrist leadership of the USPD under Crispian and Kautsky maintained the organisation in defiance of the vote. Of the 400,000 who did not join the VKPD many returned to the SPD while tens of thousands dropped out of organised politics. The centrists were left with a small rump. Zinoviev's speech at Halle is now available in English in Martov and Zinoviev: Head to Head in Halle, Ben Lewis and Lars T Lih, November Publications 2011
6. The Beginning of the Crisis in the Communist Party and the International, p92-112 - a prescient title as it turned out.
7. Ibid p 103

8. Letter to Lenin p211
9. Quoted in The German Revolution 1917-1923, Pierre Broué, Merlin 2006 p 509
10. The Communist International Documents 1919-1943, Vol 1, Jane Degras, Frank Cass 1971 p219
11. Introduction p22
12. Degras op cit p252
13. Degras op cit p 241
14. The pamphlet is available in The Rosa Luxemburg Reader, Peter Hudis and Kevin B Anderson Eds, Monthly Review Press 2004, pp281
15. Introduction to the Russian Revolution, p 254
16. Ibid p 255
17. Introduction, p32
18. Broué, op cit, p 453

TRANSITION TO CAPITALISM

Insights marred by bad theory

A new book details the trauma inflicted on eastern Europe as the market took hold after 1989. But the authors' use of state capitalist theory prevents a coherent explanation of the process, says Bill Jefferies

FIRST THE TRANSITION THEN THE CRASH: EASTERN EUROPE IN THE 2000S

Edited by Gareth Dale
Pluto / 2011 / £25

FIRST THE Transition then the Crash is a collection of essays by Marxists from the state capitalist tradition. It analyses the process of capitalist restoration in Central and Eastern Europe (CEE) from the 1990s onwards, and reviews the impact of the recent credit crunch. It contains much interesting and insightful material especially where the essays are more closely related to the empirical data.

Gareth Dale, the editor of the collection, sets the scene in his introduction where he summarises the key arguments of the text. Dale establishes two central objectives, first he aims to vindicate the state capitalist analysis of the centrally planned economies; second, he asserts that after the collapse of the now transition economies in the early 1990s, their subsequent recovery from around 1997 to 2008 is at an end. Hence the title of the book.

Dale's problem is the essential untruth of "state capitalism" as a description of the former non-capitalist centrally planned economies of Central and Eastern Europe. His first sentence admirably encapsulates the problem, "It is over two decades since the economies of the Soviet Central and Eastern Europe (CEE) experienced their 'transition' to the market." A statement that contradicts the state capitalist claim that markets already existed in them; there could only be a transition to the market if these economies were not market economies.

Origins of the crisis

From the late 1960s the stagnation of the bureaucratic plan in the USSR forced the Stalinists to increase exports of gas, oil and raw materials to the west. The combination of increased output and generally rising fuel prices in this period meant they had some initial success with oil and gas production – it doubled between 1970 and 1980. This protected the state plan during the 1970s. Their share of world trade in net material product peaked at

The final crisis was not a product of increasing engagement with the west, as Dale suggests in his introduction, but a decreasing one

11% in 1985, to around half of the OECD average.¹ But it was the slump in oil and gas prices after the mid-1980s that exacerbated the internal crisis of the regime. The final crisis was not a product of increasing engagement with the west, as Dale suggests in his introduction, but a decreasing one. The engagement with the west was not the cause of the crisis but a symptom of it.

The monopoly of foreign trade prevented Soviet production units from directly trading with foreign capitalist

enterprises. Introduced in the early 1920s, it effectively insulated the domestic economy from economic competition with the west. In 1989 Gorbachev sought to compensate for declining exports by enabling enterprises to deal directly with foreign capitalist firms. The plan was subjected to price competition with the west and it collapsed within two years. Dale tries to prove too much. The

What is missing is an account of the dynamics of the bureaucratic central plan. There is no explanation of the central plan's tendency towards stagnation

output of the central plan, outside of the raw materials sector, was uncompetitive compared with western production, literally indeed, as they were produced without competition. This precisely illustrates why these economies were not capitalist ones.

Contradictions of state capitalism

Dale describes the changing structure of the capitalist world economy with the end of the post-war long boom in the early 1970s. This provides interesting context but is largely beside the point, given that the USSR was not a capitalist state integrated into this world market. What is missing is an account of the dynamics – or not – of the bureaucratic central plan. There is no serious explanation of the central plan's tendency towards stagnation, the root cause of its crisis.

Dale says that, "G M Tamas and Stuart Shields argue, the Soviet-type economies were constructed from a recognisably capitalist set of constituent parts: the separation of the means of production from the producers, wage labour and the coercion to work, money and the drive to accumulate capital – an imperative that was decreed by both geopolitical and geo-economic competition".

It is a moot point how far the Soviet type economies were constructed from these parts. The mode of production was based on the central allocation of inputs to produce a pre-determined set of outputs according to a central plan drawn up by a bureaucracy. There was a process of debate between the different levels of the apparatus, the sectors and individual enterprises, but decisions were made hierarchically with the last word going to the centre. Prices were passive units of account, themselves a subjective construct of planners. Money did not circulate. Means of production could not be owned by individuals. There was no organic composition of capital – the "value" of the means of production was a subjective construct. The circuit of capital accumulation money-commodity-more money (M-C-M') did not exist. There was no capital. There was no surplus value and no profits. Wages were determined centrally by the bureaucracy.

The degree of subjective discretion production units could apply to motivate their work force was similarly a

central construct. The state owned all production units so a change of employer was nominal. There was no wage market. There was coercion to work, but there was full employment and a chronic labour shortage. The bureaucracy appropriated the surplus and this was certainly akin to exploitation, but it was not *capitalist exploitation* – surplus value received by the capitalist on the sale of commodities on a market. The capitalist law of value, the distribution of social productive capacity according to the profitable exchange of commodities, did not exist in the USSR or CEE. There was no commodity production or exchange. There were no capitalists. This was not a recognisably capitalist economy in any sense of the term. To define these non-capitalist economies as nonetheless capitalist, state or otherwise, is to re-define the essential nature of capitalism as understood by Marx.

The contradictions of the bureaucratic planned economy were quite different to those of a capitalist one based on generalised commodity exchange. Capitalists survive and thrive by constantly revolutionising production. They aim to reduce the cost of their production below that of their rivals, and sell it above its cost of production, thus earning a surplus profit. In contrast apparatchiks in charge of production units in the Stalinist economy had no incentive to reduce costs, they did not have to sell their output, only deliver it. As a result there was an inherent tendency towards stagnation. As Simon Clarke explains:

"The enterprise had no regard for costs, for which it was not responsible, nor did it benefit from the services it provided. The strength and prosperity of the enterprise depended not on its efficiency but on its ability to negotiate a favourable plan with the Ministry. The resulting incentive structure led to the familiar evils of the Soviet system; the hoarding of labour, the maximisation of costs, over investment and the neglect of maintenance and repair, health and safety and ecological consequences."²

Certainly what was produced was influenced by geopolitical competition, particularly in the hypertrophy of the military industrial sector, but this did not restore commodity production or exchange inside the CEE. The collapse of the bureaucratic planned economies in the late 1980s was caused by the transition to a market economy. It was the overthrow of bureaucratic central planning and its replacement with market capitalism. One mode of production, central planning, made the transition to another, commodity production.

Party and economy

When the reader turns to Tamas and Shields' essay to seek support for the state capitalist argument, they will find that Tamas' piece is not really an argument about state capitalism at all. Instead it largely consists of a discussion about the theory of the party. Tamas argues that the socialist nature of the Soviet Union in the early 1920s rested on the socialist consciousness of the Communist Party that led it. This is questionable to say the least. By 1921, while Lenin and Trotsky were still in command, profoundly undemocratic, un-socialist measures were implemented – the banning of factions in the CP and

of other pro-Soviet parties, restrictions on trade union democracy, the freedom of the press and so on. This facilitated the rise of the Stalinist bureaucracy. As Trotsky later noted, Lenin created the apparatus and the apparatus created Stalin.

What Tamas misses out is the destruction of the material bodies of socialist democracy, the soviets, trade unions and indeed the Bolshevik Party as a mass revolutionary party of the working class. Consequently, Tamas' assessment of the socialist or otherwise nature of these societies rests on the highly subjective criteria of whether the actions of the ruling party were socialist. Tamas' conclusion that these societies were already capitalist in 1990 is not then based on an assessment of the driving forces within the economy at all. He asserts that "In Eastern Europe, capitalism without a bourgeoisie was replaced by capitalism without a bourgeoisie", but nowhere does he prove this strange thesis. And of course he is wrong on both points. In Eastern Europe bureaucratic planning was run by a bureaucratic caste, the Stalinist apparatus, but no bourgeoisie – and it was replaced by capitalism with a highly corrupt bourgeoisie that arose, sometimes from the apparatus itself, but sometimes not.

Shields opens his chapter with the assertion that, "The transition to capitalism and democracy... was intended to happen quickly..." how so, if capitalism already existed? Maybe Shields is using short hand for the transition from "state capitalism" to "market capitalism" but the ambiguity of the terms rather illustrates the point. Why defend a definition that is such an essentially false description of the essential nature of the bureaucratically planned economies? Shields' later argument that these economies were already capitalist, is just one sentence long. He says, "State ownership of the means of production, planning etc, were ostensibly state socialist, but wage labour, money, the division of labour, coercion to work, labour time and the separation of the means of production from the producers existed in the pre-1989 states of CEE". Certainly all of these things existed, but this is hardly enough to make an economy capitalist.

Tony Cliff's 1948 account

As Cliff's 1948 book *State Capitalism in Russia* explains, this "money" was nothing of the sort, but simply a nominal passive unit of account. There was no labour market, and most importantly no internal market or commodity exchange. Cliff concludes his analysis of the bureaucratic plan with the assertion that, "Hence if one examines the relations within the Russian economy, abstracting them from their relations with the world economy, one is bound to conclude that the source of the law of value, as the motor and regulator of production, is not to be found in it."³

Actually Cliff's analysis of the bureaucratic plan does not abstract it from the world economy. Cliff's description of the plan is as it operated under the influence of military competition with the west. Nowhere does Cliff explain how military competition restored commodity exchange as the internal motor of Soviet planning. There is a good reason for that. It did not.

Nonetheless for Cliff the capitalist tendencies of non-capitalist bureaucratic planning manifested themselves through non-capitalist military competition with the capitalist west. He says, "Hence the commercial struggle has so far been of less importance than the military. Because international competition takes mainly a military form, the law of value expresses itself in its oppo-

The contradictions of the bureaucratic planned economy were quite different to those of a capitalist one based on generalised commodity exchange

site, viz, a striving after use values."⁴ But if money-commodity-more money, the circuit of capital accumulation, M-C-M', is expressed in its opposite, commodity-money-commodity (C-M-C) then this is not capitalist production rather it is what Marx called simple commodity circulation/production. If the effect of military competition is to make the USSR compete on the basis of use values – that is on the basis of non-capitalist production – then it is not a capitalist economy and military competition does not make it so.

Indeed Cliff confirms this point again: "But as competition with other countries is mainly military, the state as a consumer is interested in certain specific use values, such as tanks, aero planes, and so on. Value is the expression of competition between independent producers; Russia's competition with the rest of the world is expressed by the elevation of use values into an end, serving the ultimate end of victory in the competition. Use values, while being an end, still remain a means."⁵ If use values are the end and use values are the means, then the relation is that of commodity-commodity (C-C), not of capital accumulation M-C-M'.

Cliff emphasises that even after accounting for the impact of military competition the Russian economy is not directed towards the production of exchange values, and that therefore the law of value cannot operate in it. Instead this nonetheless non-socialist economy produces use values, "The fact that the Russian economy is directed towards the production of certain use values does not make it a socialist economy, even though the latter would also be directed towards the production of (very different) use values. On the contrary the two are complete opposites."⁶ These two economies may well be complete opposites but the fact that, by Cliff's own admission, the Russian economy is not directed towards the production of exchange value means that it is not a capitalist economy either.

Cliff's conclusion that, "The law of value is thus seen to be the arbiter of the Russian economic structure as soon as it is seen in the concrete historical situation today – the anarchic world market"⁷ is therefore, perverse and unfounded. It fundamentally contradicts the evidence of his own analysis up to that point.

Haynes version

Mike Haynes provides an alternative defence of the state capitalist theory in his summary of the impact of capitalist restoration on Russia. Again, interesting empirically based observations and insights show the impact of capitalist restoration. Haynes describes the appalling consequences of the introduction of the market into Russia during the 1990s. Between 1991 and 1998 output fell by 40%. Russia's ranking in the UN Human Development Index of 174 countries dropped from 26th in 1987 to 72nd in 1994. Wholesale privatisation transferred the produc-

Many enterprises maintained the old bureaucratic structure of the enterprise albeit now subordinated to the needs of competition and profit

tive wealth of the country to a clique of oligarchs. From 1998 the economy began to recover.

Haynes examines changes in the structure of the Russian working class, the shift in its employment by sector and public to private employers. Output rose at nearly 7% a year up to 2008. The collapse of oil prices in late 2008 forced the government to bail out the economy, nationalising the banks and financial sector. The economy contracted by -7.9% in 2009. It has subsequently grown by over 4% a year and by the end of 2011 will have more than recovered its entire fall. Unfortunately, the article takes no account of the strong recovery of the Russian economy over the last two years.

Haynes directly addresses the issue of whether the USSR was capitalist. He asserts that "... if capitalism was something that was created anew in Russia in the 1990s, then it must have involved the development of new class groups based on new relations of production - perhaps by a process of primitive capital accumulation or what has been called accumulation by dispossession." Certainly his subsequent description of how a layer of billionaires was created out of the wholesale privatisation process, even if they generally originated out of the central state apparatus, seems to confirm that this is what had in fact taken place. The market replaced central planning, and the oligarchs replaced the bureaucracy. New class groups based on new relations of production were created by the introduction of the market.

But of course in many enterprises the old management simply appropriated the enterprises by buying up the workers' shares, or outside investors maintained the old bureaucratic structure of the enterprise albeit now subordinated to the needs of competition and production for exchange and profit. Simon Clarke identifies two phases in this process, the first up to approximately 1997, that he calls the formal subordination of production to capital accumulation, the second from then onwards, the actual subordination of production to capital accumulation.

Clarke draws an analogy between the development of capitalism itself in the west and the stages of manufactory and then industrial production. It is not at all surprising in this process that the old privileged elite group managed to defend their privileges within the new economy. Even after 1917 the Tsarist bureaucracy was able to protect its position to a degree by joining the new Soviet state apparatus. After 1990 members of the existing apparatus had the contacts, the education, the knowledge of the labour process, and the access to finance to transform themselves into capitalists. But even then the transformation of parts of the bureaucracy into capitalists was uneven. In Poland the apparatus did not become the new ruling capitalist elite, but this was rather the creation of western agencies.⁸

Cliff's 1948 theory argued that the development of capitalism came out of the bureaucracy in the late 1920s, in a gradual process in which the central characters remained the same, there were no new classes or indeed new relations of production then. Stalin's apparatus was transformed into a proxy for the role of the capitalists in Russia in a gradual process of capitalist counter-revolution. How can this be reconciled with Haynes' rejection of the gradual transition to market capitalism in the 1990s?

Haynes demonstrates how market capitalism was introduced into the USSR and, at great cost to the working class: it destroyed an economy based on bureaucratic central planning. The advocacy of "state capitalism" seems like a pointless attachment to an out of date and basically unfounded semantic. It hinders rather than helps an analysis of the bureaucratic plan and the transition to capitalism in the late 1980s and 1990s.

Best of the bunch

Maybe the best article in the book is Marko Bojcun's "The Ukrainian Economy and the International Financial Crisis", a chapter which traces the development of Ukraine and the contradictions between the pro-western and pro-Moscow factions in the ruling class there. It is maybe no accident that this piece entirely eschews the state capitalist framework applied in the rest of the book and aims to explain "the transition to capitalism from within the national economy and state". It shows how the response to the crisis of the pro-western Yushchenko faction was symbolised through their acceptance of an IMF loan to bail out the banking sector; how this faction used opposition to privatisation to renationalise and then attempt to re-privatise state assets owned by their pro-Russian rivals. "Thus the new historical phase of capitalist development in Ukraine was being shaped by a state strategy that preserved the concentration of industry on a very narrow social base." Nonetheless a lack of investment meant the shape of industry was retained, ensuring its vulnerability to the credit crunch of 2008. An analysis of the Czech and Serbian transition to the market reprises the same themes.

Adam Fabry's analysis applies state capitalist theory to the Hungarian transition to the market from the command economy. A description of the restoration process precedes what Fabry claims is a version of Trotsky's theory

of uneven and combined development. Fabry points out that Trotsky's theory is based on the operation of the capitalist law of value. That is perfectly true of course, but as has already been established not even Tony Cliff's analysis of the bureaucratic plan demonstrated how the bureaucratic plan was subordinate to the law of value.

Fabry implies that Trotsky would have supported state capitalist theory by the 1970s given the nature of the regime. This seems a stretch considering Trotsky was a vehement opponent of the analysis throughout his life. Fabry claims that the crisis of the Hungarian economy goes beyond the "normal" up and downturns of the business cycle. Certainly the recovery of the Hungarian economy since 2008 has been anaemic, but what happens next in Hungary really depends on what happens elsewhere. Fabry's case is not helped by his mistaken claim that in the run up to the credit crunch world GDP per capita growth had slowed to just 1%, its lowest rate since World War Two. In fact it was double this: it exceeded 2% each year in the noughties, including during the recession. As the Conference Board of the Groningen Growth and Development Conference (GGDC) put it, "The long term trend in world labour productivity growth (in terms of output per worker) has increased well beyond 2% every year since 2000, but the trend has flattened slightly since the 2008/09 crisis."⁹

A mistaken view of the crash

The conclusion to the book, authored by Gareth Dale and Jane Hardy, repeats Fabry's mistaken claim that the world economy has been stagnant since the early 1970s, with only wage cuts and credit expansion fending off a deeper crisis, a familiar argument found regularly in the pages of *International Socialism*. It asserts that higher profits have been spent on speculation rather than investment in real accumulation. Certainly speculation has been an aspect of globalisation, but to ignore the growth of capitalism in the former CEE, ex-USSR and China, the expansion of the world market by a geographical third, doubling the world population which could be exploited by capital, starkly illustrates the flaws in the state capitalist mindset.

The conclusion goes on to reprise the basic themes of

the credit crunch, explaining how the financial crisis of late 2008 hit these states. It provides figures for 2009 and 2010 covering GDP growth, the government deficit and unemployment, strangely excluding Russia, easily the biggest economy in the bloc and worth almost as much as the rest combined. A weighted average of GDP growth for the entire bloc shows that growth fell by -5.3% in 2009 before recovering to 2010 4.2%,¹⁰ a figure which will likely be repeated in 2011.

Gareth Dale's book provides a good summary of the impact of capitalist restoration on the formerly centrally planned economies of Central and Eastern Europe. It demonstrates how the introduction of the market has transformed these societies from top to bottom. It shows in practice the impact of the destruction of the bureaucratic plan and the creation of capitalism out of it.

The book's avowed adherence to the theory of state capitalism proposed by Tony Cliff is no help in analysing this transition. Rather it is a hindrance. Cliff's theory was incoherent even in its own terms, and failed to prove its avowed intention – the existence of a "state capitalist" economy in the USSR.

Today its advocacy no longer has even a romantic political appeal. Instead it prevents a clear understanding of the impact of the transformation of these transition economies has had in creating globalisation. It is time to move on from state capitalism, a theory of little use in explaining what has occurred in the USSR and the CEE over the last two decades.

FOOTNOTES

1. Simon Clarke, 2007
2. Simon Clarke, Peter Fairbrother, 1993:13
3. Tony Cliff, p221 *State Capitalism in Russia*. (1988 C. Harman, Ed.) London: Bookmarks
4. Ibid p222
5. Ibid p223
6. Ibid p224
7. Ibid p224
8. Hardy, J. (2009). *Poland's New Capitalism*, London: Pluto
9. Board, T. C. (2011). Productivity key findings. GGDC. Retrieved November 9, 2011, from http://www.conference-board.org/pdf_free/economics/TED.pdf
10. Ibid.



The Occupy movement through the ages

economic power in the workplace, the pace at which this should proceed, and the forms this should take – supervision of the old bosses by delegate bodies of workers, expropriation by the workers of an individual enterprise, or full-scale nationalisation by the state?

Similarly, an extremely interesting essay examines the tactics and forms of organisation adopted by the revolutionary shop stewards in Germany during and immediately after the First World War. This example highlights the problem of political leadership within autonomous workers' struggles. Here there was a workplace-based network of revolutionary shop stewards intervening in the municipal workers' councils which were politically dominated by reformist social democracy. For several of the shop stewards' leaders this fact was all the more reason to win the German councils for revolutionary communism *before* launching an uprising in Berlin, something which Luxemburg and Liebknecht failed to do, with catastrophic consequences.

Further essays examine the Italian factory councils in Turin in 1919-20 and the shortcomings (as well as the undeniable potentialities) of the uneven patchwork of revolutionary committees during the Spanish Revolution of 1936-37. These are informative and well-written surveys which should no doubt serve as good introductions to episodes about which much has been written already.

However, quite apart from the "classical" revolutions of the twentieth century, the main strength of this book, arguably, is to provide examples of workers' struggles in less familiar, less studied, but possibly far more relevant contexts.

There is an inspiring account of Portugal in 1974-75 which provides a vivid picture of the sheer power and optimism when the working class moves centre stage. In the ferment which followed a military revolt against an ageing dictator, increasingly well-rooted workers'

workers' control across the last 150 years – in every corner of the globe.

The editors distinguish between those examples of workers' initiatives which seek to encroach upon or challenge capitalism itself – factory councils, strike committees and revolutionary workers' councils – and those instances where workers have taken over factories and enterprises within a national context implacably opposed to workers' control. Most of the contributors also sharply counterpose the radical left traditions which have supported rank and file initiatives – anarcho-syndicalism, council communism and autonomism, as well as various strands of Trotskyism – with the "official" left and trade union movements dominated by Stalinism and social democracy. The book resonates with enthusiasm for workers' action from below, and leaves readers in no doubt that it is a good thing, but not unproblematically so, as workers' control can sometimes throw up as many problems as it solves.

Those readers expecting a detailed, lengthy analysis of the major high-points of workers' struggles over the last 150 years might be disappointed. Despite the title, there is little said about the Paris Commune of 1871. As far as the Russian, German and Spanish Revolutions are concerned, the essays seek to examine less well-known and possibly under-researched areas rather than give a comprehensive overview.

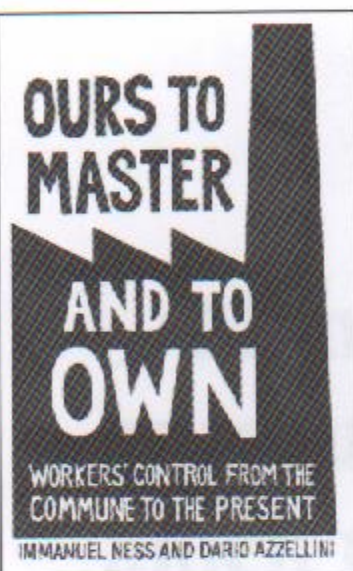
A single essay on Russia examines the factory committees in the period 1917-18, and the debates which took place as the slogan of "all power to the soviets" gave way to the reality of soviet power. This led to controversy on the extent to which this *political* conquest of power should be accompanied by

**OURS TO MASTER AND TO OWN:
WORKERS' CONTROL FROM THE
COMMUNE TO THE PRESENT**
Immanuel Ness & Dario Azzellini (eds.)
Haymarket Books / 2011 / £13.99

➤ "WITHIN A short time, strike committees were deciding what moved in and out of the ports and factories. Passes were issued for essential materials... In some cases strike committees controlled the public services of whole cities." This might seem to be a description of a foreign country in the grip of revolution. In fact it is how one commentator described the winter of discontent in Britain in 1978-79.

This quote is from just one of this collection of essays on workers' control, an international and historical survey that is particularly timely. Throughout the trade union movement, in the local anti-cuts committees and in the universities, new generations of activists are being drawn into battle. The global Occupy movement has taken over public space in a challenge to corporate greed; students have battled with a police force intent on silencing a new generation protesting against a lifetime of indebted penury; and significantly, millions of trade unionists have taken united industrial action on 30 November in the largest strike in Britain since the General Strike of 1926.

Unfortunately rank-and-file voices challenging the trade union bureaucracy are far too few. But there is every sign that they are growing, which is where this new collection of essays comes in. For anyone frustrated at the state of the left and the working class movement in the new age of austerity, this book is potentially a weapon, since the central objective of the editors is to gather and analyse instances of rank and file



councils began to co-ordinate strikes and protests, as well as attending to the most immediate needs of the population. A radio station under workers' occupation, Rádio Renascença, hung microphones in the street so that passing demonstrations could articulate their demands. A golf course in the Algarve declared that it was now open to everyone apart from its members. Unfortunately, this was also a story of sell-out and betrayal, most notably from the Portuguese Communist Party (PCP). The PCP misled and then systematically disarmed the workers who looked to it for revolutionary leadership, at a time when the potential for workers' power was real.

Closer to home, an analysis of factory occupations in Britain in the 1970s illustrates that occupation can be a useful tactic when the bosses seek to throw workers on the dole. The occupation at the Upper Clyde Shipbuilders (UCS) in 1971-72 is now the stuff of legend. Workers refused to accept the closure of the shipyard and instituted a work-in where, as CP shop steward Jimmy Reid famously remarked, "We are not strikers. We are responsible people and we will conduct ourselves with dignity and discipline".

This sparked a modest wave of occupations across Britain. Workers at a leather factory in East Anglia occupied against closure, produced handbags bearing the label "Fakenham Occupation Workers", and considered forming a workers' co-operative. In several places, such as at Leadgate Engineering in Durham and Briant Colour Printing in East London, workers did form themselves into co-operatives, and began competing on the market. Due to a lack of credit and the vagaries of capitalist competition, most of these co-operatives were short-lived. Others like the Meriden Motorcycle Co-operative ended up super exploiting themselves to try and compete with the capitalists.

In some circumstances, capitalism can very well accommodate workers' control, as long as this does not threaten to

spill over into a threat to the system as a whole. These examples also show that occupation as a tactic can only work if it escalates into a more generalised offensive against capitalism itself, not to run our enterprises better than the private bosses within the system, but to fight for a new type of society. Yet whilst these occupations lasted, they showed real creativity in their methods of struggle.

Furthermore, amongst some CP-affiliated trade unionists and intellectuals in Britain in the 1970s, ideas of "workers' self-management" along the lines of Tito's Yugoslavia became fashionable, seeing them as an

highlighted by several articles on Latin America. These include analyses of factory and land occupations in Argentina in the 1970s and the take over of factories following the financial crash of 2001, which includes some coverage of the Zanón ceramics factory which this journal has reported upon on several occasions. There is also a very weak contribution on Venezuela, which seeks to portray the attempts by Chavez to set up workers' co-operatives and community councils as proof of the socialist nature of the Bolivarian Revolution. Little mention is made of the fact that the Venezuelan bourgeoisie is currently doing very

There is an inspiring account of Portugal in 1974-75 which provides a vivid picture of the power and optimism when the working class moves centre stage

alternative to bureaucratic control through state nationalisation. Unfortunately, as an essay on factory councils in Yugoslavia illustrates, these councils were little more than a rubber-stamp for the factory bosses appointed from above. Worse still, the councils lent legitimacy to the regime by providing a radical cover using the language of Marxism.

They produced a layer of workers' representatives with a stake in the Stalinist system not dissimilar to that of trade union bureaucrats in western Europe. Similarly, a contribution on Poland covering the workers' struggles over three decades from the 1960 to the 1980s, demonstrates that when so-called "communist" regimes have been threatened with the power of real workers' self-organisation, they are crushed with riot police, water cannon and guns.

These twin dangers – of worker-managed enterprises seeking to survive in a capitalist marketplace and workers' councils organised from above by "socialist" governments – are further

well under Chavez.

The contributions to this volume are not naively optimistic about the results and prospects of autonomous workers' struggle. This is what makes this volume all the more important. But the overriding message is that real workers' power can never be dispensed from on high – it can only be demanded, and taken, by organised workers themselves. This has happened many times before, and it will happen again.

There are 22 essays in this volume, by an even greater number of contributors, and the editors admit that there are some notable omissions. There are no contributions on China in the 1920s, France in the 1930s, on May '68, or on Chile in the early 1970s. Fortunately, this will be a two volume project. The editors have also set up a website, intended as a resource to collect and study examples of workers' control from around the world. This can be found at www.workerscontrol.net

Moreover, any attempt to review such a collection should surely



leave some essays unremarked upon and waiting to be discovered afresh. To their credit, the editors have commissioned some extremely novel contributions on little-known instances of strikes, take-overs and workers' self-organisation in the post-colonial world. These include Indonesia in the late 1940s, self-management in Algeria in the 1960s, and workers' struggles in

"Communist-ruled" West Bengal in India in the 1990s.

Activists should get this book. The next time you're sitting in a meeting at work annoyed with your boss, or in a union meeting listening to some unaccountable officials arguing for a sell-out – read it, then pick it up and throw it at them.

James Drummond

class politics. The "barbarians" were at the gate and no one understood this better than the Tory grandees and the grocer's daughter. How much she understood of the real power structure of the Conservative Party is not clear.

The Tory Old School whisper a lot about her wild utterances in the film, but that only happens once she is leader and no longer the creature they thought they could control. "We simply have to maximise your appeal" is the part of the film that shows "Thatcher the Construct" in the run up to the Tory leadership contest, the persona carefully shaped by her advisers: the hair, the clothes and That Voice.

Her premiership is portrayed in a series of flashbacks and news footage from the period. Because this is seen through Margaret Thatcher's eyes, it avoids overt judgment, but the images speak for themselves. Her political legacy of inequality, greed and social breakdown is symbolised by the pickets, discontent and mobs that are constantly present wherever she makes a public appearance.

"There is no such thing as Society" will always remain the phrase that rings out of the Thatcher years – coupled with three million unemployed, council house sell offs, the deaths of the Irish hunger strikers and the fights with the unions.

The images used in the film richly symbolise the strife, hatred and unrest that were her legacy. In the film her decision to sink the Belgrano steaming away from the conflict zone, with over 300 drowned as a result, is her decision alone and she is shown unequivocally taking that decision.

Towards the end of her leadership there is a scene of a cabinet meeting in which it becomes apparent that the Iron Lady does have a weakness, and that is hubris. She gives her Chancellor, Geoffrey Howe, a public dressing down in front of the cabinet, while other ministers look on appalled. It is obvious from this brief scene she will have to go, and go she did. The poll tax debacle gave the Tories the chance to get rid of her.



Hate figure gets a Hollywood makeover

THE IRON LADY
Dir. Phyllida Lloyd / 2012

WE'RE NOT asking people to vote differently. It's just a contemplation of mortality. This isn't a plea for forgiveness for policy, it's the contemplation of a cost of a big life." Phyllida Lloyd on her latest film *The Iron Lady*.

The film has attracted mixed reviews, not least for its "lack of a political agenda". Critics are having a field day because it refuses to be either a left wing critique or a right wing hagiography. But on one thing they are agreed, for a film about politics it is not very political. It has not fallen into the trap of immortalising Thatcher, but of making her life a human study – a much more effective mechanism than the Oliver Stone method of checking off the ten most political events of a lifetime.

It is a film in three parts: youth, premiership and dotage and it opens with a young Margaret in Electra-like thrall to her father's small town politics. Cut to 1951 and her unsuccessful challenge to become MP in Dartford and subsequent marriage to Denis Thatcher, a millionaire who made it possible for her to train as a barrister and pursue her political career. Elected as one of a handful of women to Parliament in 1959 she distinguished herself by voting for the restoration of birching.

There are two myths that

surround Margaret Thatcher, that of the "feminist icon" and the "great leader". Feminists have spoken of her as the shopkeeper's daughter who conquered a patrician world. As she saw it her aims had nothing to do with feminism; by her own admission she preferred the company of men and did nothing to help the cause of women, indeed her actions once in power hit women the hardest.

Although the film shows her in tears, leaving her children running after the car while she returns to work, she seems not to have shared any empathy with the difficulties women faced in the workplace. And she did not promote women in politics, believing that women should win on merit as she believed she had done. In her younger years she was not above using her sexuality when she wanted something. Beware the muddled feminist thinking of former Labour MP Oona King: "I don't care if Margaret Thatcher was the devil, it meant so much to me that I was growing up when two women – she and the Queen – were running the country."

However it is the "great leader" myth that is the most misleading and needs to be roundly demolished. The defeat of Edward Heath's government in the 1970s in its battles with the unions, especially the miners, provided the opportunity for Thatcher's own particular brand of anti-working

And it is that rejection by the party and the country that is the main content of the film, to which, in her confused state, she now returns. The bewilderment of old age runs in tandem with the bewilderment surrounding her rejection when she lost the leadership election in 1990. The structure of the film is deliberately fragmented and confused to reflect her mental decline.

Every day events trigger happenings in the past and she can't let go of her dead husband, Denis, or his clothes because he reaffirms who she was. When he is gone she is no one again.

It is a film as much about ageing and loss as about politics; the loss of family, status and ultimately one's mind, perhaps the consequences of a life lived in a particular way. In

the film the only contact she has with her adult son is by long distance phone call.

Her family is now that of paid staff and strangers. Meryl Streep delivers an astonishingly good performance, both as the haughty middle aged prime minister and as the aged, mentally frail pensioner.

Margaret Thatcher was the most socially destructive prime minister in modern times and her real legacy is not that of feminist icon or great leader but the destruction of a large part of the country's industrial base and the jobs and communities that went with it. Pat Stack says about the film "the grief and loss is being suffered by Margaret Thatcher, therefore I don't give a damn and in that I expect I'm far from being alone". Hear hear.

Linda Wilde

leaders, hierarchies and formal structures.

That these horizontal movements exist and can span borders and link continents, as in the Occupy movement, owes much to the recent revolution in communication technology which enables mass actions to be organised without the need for long term planning, committees and leaders.

Mason, however, also recognises the limits of such temporary alliances and actions, which he acknowledges, may have helped topple dictators but have yet to define or establish a progressive alternative. But he is rightly fascinated by the possibilities.

It is well written, urgent and provocative. Those who follow his blogs and tweets (@paulmasonnews) will be familiar with his reporting from tear gas-choked Athens, student occupations in London, the slums of Manilla, as well as from the offices of the finance chiefs and mainstream economists.

He recalls how one of his blogs, *Twenty reasons why it's kicking off everywhere*, went viral in early 2011 and seemed to strike a chord with people who were looking for explanations. The very way this sparked discussions with a global audience added to his conviction that what we were witnessing was something new.

He talks of the rise of the networked individual, suggesting that new media offers a more dispersed power through control of information.

A quote variously attributed to Mark Twain, C H Spurgeon or perhaps even Shakespeare, maintains that "a lie will go round the world while truth is pulling its boots on".

Not any more, according to Mason who argues that the truth now travels faster than lies.

The revolutionary potential of being able to organise, publicise and then report from actions is indeed immense, and he provides excellent examples of how the direct reporting and publishing of pictures and videos has undermined attempts by the authorities to control information

Social media and the new protest movements

WHY IT'S KICKING OFF EVERYWHERE

Paul Mason

Verso / 2012 / £12.99

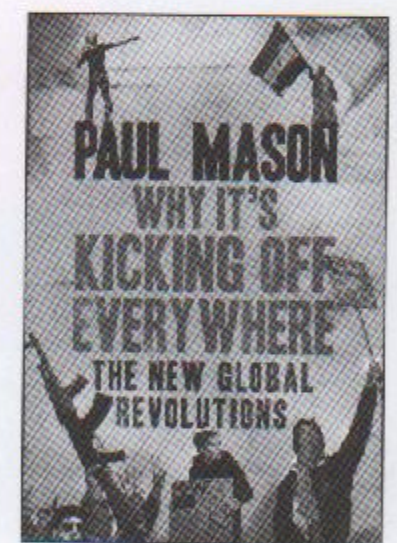
INTERVIEWING PAUL Mason about his new book, *Why it's kicking off everywhere*, David Frost could only see doom and gloom in its pages, a present and future of worldwide social division and unrest. Conditioned as he is by decades of interviewing the high and mighty of bourgeois society, it's maybe no surprise that the contents of Mason's book, full of history being made on the streets by the unnamed multitude, should be unfathomable to Frost.

But anyone uplifted and engaged by the dramas that have unfolded since the Arab Spring will find much to enjoy in this book. Subtitled *The new global revolutions*, Mason, BBC *Newsnight*'s economics editor, offers a short, punchy journalistic account of some of the key political upheavals of 2011. He expertly weaves

eyewitness accounts from the streets and personal stories of the combatants with a tentative meta-narrative that sees the current technological and social revolutions producing a sea change in social and political movements. This he suggests has far-reaching implications for capitalism and its revolutionary opponents.

The primary thesis in *Why it's kicking off* is that the economic crisis that followed the financial collapse in 2008, together with the deep and accelerating penetration of social media across the globe, have created conditions for a synchronised upsurge. At its heart, he argues, is the unemployed graduate who combines thwarted ambition, anger and insight.

Mason has found these new talismen and women in the squares of 2011 – Tahrir, Syntagma, Puerta del Sol and even Trafalgar. His witnesses and actors are not leaders because, he is keen to point out, one of the defining characteristics of these movements is their lack of





and establish their propaganda as truth.

But can these horizontal connections really challenge the general control of ideology held by the ruling elites? In some revolutionary situations clearly this is a major new tool for anti-capitalists, just as direct access to newspapers, leaflets and broadcasting were in their day. Sadly as we are seeing in Egypt, and as we saw in eastern Europe in 1989 and many other popular revolutions, after the uprising has removed one set of tyrants, the massive influence of the old technologies of communication – schools, churches, family, work, bourgeois parties and state run media – can prove decisive.

There is a challenge to the left in Mason's views on the rise of the networked individual and the importance and potential power of horizontal movements

To create a single narrative from economic crash to revolution through new technology is attractive, but a closer look raises many questions. The Arab Spring was not directly related to the credit crunch, and the reasons underpinning the synchronised revolt are complex. It is not the first time that a region has finally started to topple despite many of the fault lines being in place for some time – eastern Europe comes to mind – and it happened long before the advent of new technology.

Have there been more uprisings in the last couple of years than in comparable timespans? It depends what you include, and what you compare it to. The riots in the UK, while clearly linked to poverty and alienation of sections of inner city youth, were a different kind of response and, although organised on Blackberry Messenger and Facebook, have little else in common with the mass demonstrations in Spain or Yemen.

The Occupy movement which has spread impressively, is relatively small, and is arguably less international and radical than the anti-capitalist movement of 1999-2004.

There is a specific challenge to the left in Mason's views on the rise of the networked individual and the importance and potential power of horizontal movements. He clearly thinks that the old (vertical) ways of organising – the Leninist party for example – are not relevant for today. But if it is not then how will the power of the network challenge the power of the state or, as he suggests, does it simply make possible the creation of alternative economic and social models within (alongside and against) capitalism?

Mason suggests many possible analogies for this period – 1848 and 1913 for example – but as always these are useful up to a point. What is most interesting to discuss is whether there is a generalised, synchronised set of conditions and potential responses that could herald an international revolutionary situation.

Why it's kicking off includes a number of powerful sections describing the lives of people in different countries who are living with the consequences of globalisation. In Egypt we meet Musa Zekry and his family in the Moqattam slum, where 65,000 zabbaleen (“garbage people”) make their living sorting through rubbish and preparing it for recycling – 80% of solid waste is reused in scenes reminiscent of the mudlarks and ragpickers of eighteenth century London.

But with waste management now a global industry they have seen even their paltry livings threatened by privatisation which has

introduced a corrupt and far less efficient system, alongside a forced slum clearance programme.

Mason returns to the issue of slums later in the book with a piece on Manilla, where he finds the semi-permanent and self-managed slums a crucial part of the functioning city. They provide a key source of cheap labour for the city without the state having to invest in basic utilities, housing, healthcare and education. These patterns of super-exploitation sitting alongside inspiring solidarity and ingenuity are repeated across the globe and have been well-described before, but Mason provides a graphic update.

Many people will have seen the coverage Mason did on Newsnight last year, retracing Steinbeck's *Grapes of Wrath* journey through the southern US to California. He expands on this in a chapter that movingly depicts the impact of the collapse of Lehman Brothers on the lives of the modern day Tom Joads. As always in his writing and broadcasting he gives a voice to the people whose lives are most affected by these global crises, where so many in his position reduce the impact to a set of sterile statistics.

The book is stimulating, and everyone on the left and involved in activism should read it and, more importantly, discuss it. At the end of the day the challenge for all of us, is to go from the networked individual to the networked class; to use these new technologies and ways of organising, not only to protest but to raise the class consciousness and organisation of the working class and urban poor to a level that allows it not just to indict capitalism but to consign it to history.

Claire Heath



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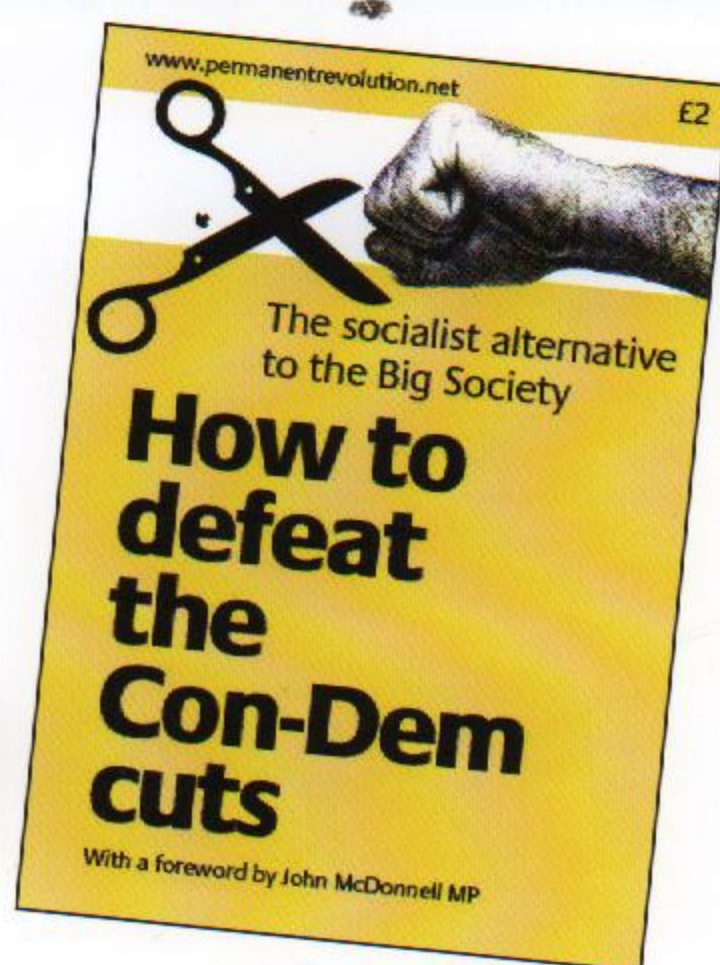
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