

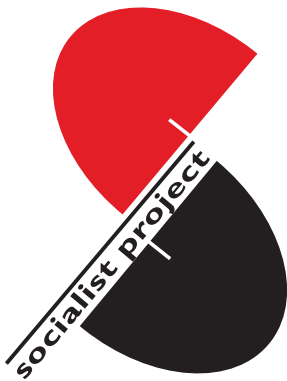
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ELAY

A SOCIALIST PROJECT REVIEW



Impasse of the Union Movement • Auto Industry
Robert McChesney Interview • Canadian Media
21st Century Socialism • Elections in India



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Relay, A Socialist Project Review, intends to act as a forum for conveying and debating current issues of importance to the Left in Ontario, Canada and from around the world. Contributions to the re-laying of the foundations for a viable socialist politics are welcomed by the editorial committee.

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THE CRISIS OF NEOLIBERALISM AND THE IMPASSE OF THE UNION MOVEMENT

Gregory Albo

It is impossible to separate analytically or politically the emergence of neoliberalism as a set of policy proposals of the New Right in the early 1980s from the defeat of working class politics and unions after the radicalisations of the 1960s and 1970s. From the outset, a central thrust of neoliberal policies was wage and social austerity for workers to restore the profitability of capitalist firms and the capacity of the state to assist in economic restructuring. These income policies were supplemented by labour market policies for ‘flexibility’ and labour policies, especially in North America, targeted at weakening unions in the workplace, in collective bargaining and as political actors (Albo 2008).

The consolidation of neoliberalism across the 1990s saw its policy agenda expand in ambition and scope, particularly as social democratic parties (and the American Democratic Party) – the so-called political arm of the labour movement – began to incorporate neoliberal policies into their programmes and rule as neoliberals in power. Indeed, as new production technologies, in both manufacturing and service sectors, intensified workplaces, extended management control over labour processes and increased global competition between firms and states over market shares and employment, the balance of power shifted decisively toward the capitalist classes. Unions became decidedly weaker in making gains in collective bargaining, organising and defending new members, especially in new service sector employment and for migrant workers, and advancing their traditional redistributive policy agenda for social justice.

The political climate since September 2001, particularly in North America, has been especially hostile as slower economic growth, military interventions by the NATO countries and hard right governments broke initial efforts by unions to form alliances with a fledgling anti-globalisation movement. The period of neoliberalism has depended upon – and meant – the organisational, economic and political impasse of the union movement. It exposed the limits of the union movement in the core capitalist countries: the ideological failure to grasp the nature of

neoliberal globalisation and union strategic and organisational capacities to respond to it.

It is possible to see in the political conjuncture that has opened up since the financial turbulence of 2007 began to grip the world market, however, an emerging crisis of neoliberalism. The overaccumulation of capital in key sectors in the U.S. and Europe,

particularly in commercial and residential real estate markets, auto production and financial services, has led an economic contraction that has been spreading across the world market. This crisis of global capitalism has been aggravated by unprecedented turmoil in the financial sector due to the overextension of credit, and the tax-cutting excesses and liberalisation policies of national governments and the international financial institutions. The credit expansion and crisis is not the result of problems of corporate governance or lax regulatory measures over the capital leveraging of financial institutions, whatever role these may have in fact played. They are the consequences of structural imbalances in the world market between trade surplus and deficit countries, and the undermining of working class incomes that were then compensated by resort to credit markets to maintain relative living standards. Together, these global economic trends have ended the export-led – particularly driven by high demand and prices for commodity exports in metals and fossil fuels – mini-boom over the last six years in many parts of the world, as well as the consumption-led upswing in the U.S. that supported the exports.

Over the first half of 2008, economic growth in the advanced capitalist countries has stalled to under 1 per cent on an annual basis, and further declines are expected for the second half of the year and beyond that. Growth forecasts across the world market are continuing to be lowered. These developments have meant that consumption-sensitive sectors, such as housing and retail, are suffering sharp declines in activity. As speculative financial and asset bubbles continue to burst – in mortgage, personal and commercial credit, in commodity markets, in hedge fund capitalisation, and in the Yen-carry trade – financial chaos is deepening in the core states and spreading globally. Bank credit and loan capital of all kinds are tightening and even locking up. Radically looser monetary policies in the G20 countries, and a range of desperate measures of state intervention into financial markets to restore confidence for investors and bankers, have yet to yield any signs of economic stability as 2008 comes to a close. The spectres of deflation and a bout of stagnation are now haunting the world market.

As a consequence of the economic slowdown and crisis, job losses are mounting in the labour market, and unemployment is beginning to climb upward. This is intensifying a number of negative longer-term trends in the labour market in the capitalist countries over the period of neoliberalism: downward pressures on real wages, an increase in precarious and marginal work, the undermining of public sector services and employment, increasing reliance on migrant workers with restricted rights, and mounting global inequalities. It has further encouraged employers to step up their political struggles against unions in favour of further policies of labour flexibilisation. There is developing, moreover, major employer efforts across the advanced capitalist bloc to undermine (at the state level) and redefine or even scrap (at the

A central thrust of neoliberal policies was wage and social austerity for workers to restore the profitability of capitalist firms and the capacity of the state to assist in economic restructuring.

company level) workers' pension plans, and to cut healthcare provisions (private health plans in the U.S. and public healthcare provision in other countries). These calls from employers, despite the hardships they entail for working class people, have so far received a sympathetic hearing in the economic policy-making branches of states. The initial policy efforts of governments have been an attempt to reconstruct the existing policy regime and political relations, despite the severity of the recession limiting the possibility of doing so.

The economic turmoil has produced, however, an ideological crisis of neoliberalism: the free market ideology that has been virtually uncontested at the level of political power for almost two decades is now totally discredited. It has become impossible to contend that smaller states and liberalised markets will lead to prosperity for all (the trickle-down thesis); that public services could be protected and improved by increased reliance on markets (the theses of self-regulation and marketisation); that new financial instruments were spreading risk and increasing economic stability (the theses of transparency and shareholder value as central to efficient capital allocation); that flexible labour markets and de-unionised workplaces improved job security and pay (the thesis of all employment and unemployment as voluntary individual decisions); and that increased market dependence meant a parallel increase in freedom and equality (the thesis that all collective action is coercive and anti-democratic). These theoretical claims by neoliberal ideologues have now proven to be unmitigated failures as policy frameworks, and a social disaster for whole societies and workers where they have been adopted.

What remains of neoliberalism, it needs to be underlined, is its political embeddedness in state structures, policy instruments and the political field of social forces. The 'disorganisation' of working class organisation, in unions and political parties, was one of the central objectives of neoliberalism. It remains, at this point, the most formidable obstacle to both thinking about and establishing a postneoliberal political order. This is why it is necessary to make a deeper assessment of the impact of neoliberalism on the labour movement and the prospects for a new union politics in the context of the renewal of the Left.

UNION MOVEMENT CHALLENGES

Unions have been one of the most effective social movements for the advancement of democracy and social justice in capitalist societies. Unions have been the first means by which workers, who to earn their living have only their labour to sell, struggle to equalise the advantages that the owners of capital assets have in bargaining over wages and the distribution of new value-added activities in workplaces. Unions have also continually campaigned, in conjunction with socialist parties, for the extension of democracy through advocacy of universal participation in politics, civil rights such as freedoms of association, assembly and dissent, and the universalisation of social programmes to meet the basic social needs of all. These struggles for social justice were opposed historically by the capitalist classes, and the advent of neoliberalism as the policy response of em-

ployers and conservative parties renewed their anti-democratic efforts (Moody 1997).

Neoliberalism sought to roll back the gains of unions and workers in the workplace, and put an end to the push by unions and Left parties for greater worker control in enterprises and democratic determination of economic priorities at the level of the state. Their policy response was measures to weaken unions in workplace representation, deregulation of labour markets, increased corporate property rights and free trade in capital and goods. After a long period after the war in which expansionary state policies and high employment strengthened the bargaining power of union, this was the first challenge unions faced.

Beginning with the economic slowdown of the 1970s, and particularly after the 'Volcker shock' in the U.S. in 1981-82 radically drove up U.S. and thus world interest rates to force an economic restructuring to break workers' wage expectations and power, an 'employers' offensive' ensued across the advanced capitalist countries. Employers began a series of labour-saving plant shutdowns and a major shift of production to locales with lower union density, for example the southern U.S. and northern Mexico in the case of North America. Further workplace restructuring continued through the 1990s. It took the form of the so-called 'new economy': a rise in service sector employment (especially linked to ICT – information and communications technologies – and the mass growth of various kinds of low-paid servant work), lean production-intensifying work processes, flexible manufacturing systems, non-standard work arrangements and extensive resort to cheap migrant labour pools and temporary worker programmes. The 'employers' offensive' and much higher levels of labour reserves meant that inter-worker competition increased as well, particularly as migration and increased female participation changed the character of the working classes. Indeed, the entire period of neoliberalism has seen a remarkable degree of wage compression and widening gaps between the share of new value-added activity taken by capital and that taken by workers.

The pressure on wages and workplace controls has posed, in turn, a challenge for collective bargaining. This has often entailed extensive efforts to overhaul union agreements to give management increased flexibility in employment, deployment of workers and over wage structures. This has been quite diverse in the forms it has taken across the capitalist countries. In Europe, for example, this has been a form of 'competitive corporatism' where unions form social pacts with companies to increase competitiveness through wage restraint, new work arrangements and long-term contracts; while in North America flexibilisation agreements have been a more common pattern in unionised workplaces, along with sustained efforts at de-unionisation. In traditional manufacturing strongholds in North America, this has meant that unions like the United Steelworkers have often engaged in 'partnership' and co-management schemes introducing flexible work arrangements as a trade-off for some job protection and union security. And unions like the Canadian Auto Workers (CAW) have been willing to forego the right to strike to gain union recognition to bargain with auto parts companies, notably Magna. The latter is a

variation of the 'voluntary recognition agreements' of unions by management occurring in the service sector, often after long unsuccessful organising campaigns but extensive losses to corporate image and time, with unions accepting certain workplace and bargaining concessions in the process. There have also been similar adjustments, again with significant national variations, to national and sectoral collective bargaining institutions. This has given variation to a common pattern of wage compression and bargaining setbacks: the 'shared austerity' of Sweden, the 'co-managed austerity' of Germany, and the 'punitive austerity' of Canada and the United States.

A third challenge has come in the form of flexible labour market policies. Neoliberal governments explicitly abandoned Keynesian economic policies geared toward full employment for monetarist policies of 'inflation-targeting.' The latter has meant targeting low inflation rates normed so that wage increases largely do not surpass the rate of inflation and thus all productivity gains are claimed by employers. It has also meant a preference for maintaining a ready pool of labour, available – because of a 'natural rate of unemployment' – to take up new work, particularly in the service sector, as it becomes available. Another component of flexible policies has been restricting access to, and reducing benefits for, programmes such as unemployment insurance or social assistance. These are seen to cause disincentives to work and labour market rigidities which hamper economic stability. Finally, flexible labour market policy has entailed a series of continual restrictions on union organising and free collective bargaining, notably the increasing invocation of back-to-work and right-to-work legislation across all North American jurisdictions.

The internationalisation of capital and the global reorganisation of labour processes has been a fourth challenge for unions. Multinational corporations have chosen expansion of international production networks, in particular distributing repetitive and ecologically damaging labour process in poorer countries where low wages can be paid. But they also shifted higher value-added activities to places where union strength is much

weaker to allow the introduction of new labour processes. This reorganisation has increased the leverage for employers through the threat of capital flight and the relative immobility of labour. The World Trade Organization (WTO) and international trade agreements such as the North American Free Trade Agreement (NAFTA), as well as the political arrangements of the European Union, all have rules restricting the ability of governments to impede capital mobility. Moreover, they often contain clauses blocking more active industrial policies. Workers in Mexico, for example, earn about one-tenth or less of the wages of workers in Canada and the U.S. for similar work; the initial period of NAFTA saw some 2 million less skilled jobs move to Mexico, particularly in the *maquilas* free trade zones in the northern border states. Parallel global pressures have hit Mexican workers, and indeed all workers, by the massive shift of so much of the world's manufacturing capacity to China and other low-wage Asian countries. The internationalisation of capitalism, aided by trade liberalisation and new trade rules, further compels employers to drive down unit labour costs and hold back wage gains.

Indeed, the weakening of unions, in turn, fuels competition between workers and further shifts the balance of power in favour of employers. In the most recent phase of neoliberalism, this has led to the embrace of 'competitive unionism.' The inequalities and divisions between workers as a consequence become not only greater, but embedded in the very logic of union organisation and strategy. With competitive unionism, union democracy, mobilisational capacity and ideological independence from employers all become strained or even atrophy.

NEW STRUGGLES, NEW MOVEMENT?

The challenges that emerged with neoliberalism put union movements in the advanced capitalist countries on the defensive and, in more than a few cases, meant a decisive defeat. Union density in the U.S., for instance, have declined to just over one in 10 workers being in a union today, and more than a dozen core capitalist economies have seen an absolute decline in union mem-

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bership. This reflects, in part, the difficulty of organising the service sector. But the inability of collective bargaining to deliver systematic real wage gains and to block welfare state reforms also tells of the broader impasse of the labour movement over the period of neoliberalism.

Still, despite the major challenges, it is necessary to note that key struggles and signs of political resistance keep surfacing, from both inside the labour movement and also associated social forces and movements (Schenk and Kumar 2006). In North America, some of this has come from 'living wage' struggles led by local labour councils in major cities, in alliance with community groups, to reach out to the low-waged and unorganised, who are predominantly women and people of colour. The mass immigrants' rights May Day protests, as well as the day-to-day campaigns for the protection of non-status workers, have taken place outside the main union movements, but also led to new linkages and alliances. Similar types of struggles are helping to rebuild local labour movements in many countries. Despite often defensive and weak leadership beaten down by neoliberal attacks, central labour organisations are also developing a new sense of urgency, at least in the sense of convention resolutions on organising, mobilising and political issues. If there is still great distance to go in translating sentiment into political action, it does suggest some significant openings for rebuilding the labour movement.

The economic recession, in the most pressing example of an opening for new union activism, is leading to a major decline in employment. The weekly announcements of workplace layoffs and closures in the manufacturing sector suggest an even further undermining of 'good jobs' in core union strongholds. The layoffs are spreading across the service sector as well, with the often female and minority workforces there moving from precarious work to no work at all. In early 2008, employer pressures on collective bargaining were already visible, and the long period of neoliberalism has encouraged employers in crisis to adopt all kinds of abuses of severance and overtime pay, pension obligations and so forth. At a time when governments are also bailing out banks and financial institutions, the building of an anti-concessions movement is not only a necessity for the union movement, but it will have broad popular appeal. This can begin with opposition to contract concessions on worktime and wages, but more militant workplace tactics such as plant occupations and community confiscation of assets will have to be explored. In reaching out to unorganised sectors with vulnerable workers facing abusive employers, 'flying squads' of union militants need to be actively built up as part of an anti-concessions movement. Indeed, 'organising the unorganised' has to be a central component of an anti-concessions campaign. It would have to include a campaign for a new legal framework favouring union organising to overturn neoliberal policies of deunionisation. In a moment of economic crisis and political transition, such a movement has to extend beyond the defence of particular plants and workers to be framed as a class and community demand.

A second opening is in the public sector where workers have confronted both limits on their rights and deteriorating working conditions as public services have declined as a result of neoliberal

policies. It is possible to envision new kinds of union campaigns linking public sector workers and communities, producers and users, in opposition to neoliberalism. It can also be insisted that responses to the economic slowdown begin with restoring the public sector, since so many years of financial sector-led growth has ended in the current debacle. A number of campaigns – notably some of the anti-privatisation struggles around healthcare, universities and municipal services – have had successes across several countries. These community-union alliances have often lacked full union support, even when major campaigns and demonstrations suggest enormous potential. This is, however, also a reflection that social democratic parties have moved to a 'post-class,' 'post-partisan,' and 'post-campaigning' managerial culture. Unions and community groups have been fighting without organising support at the political level of forces that these campaigns engage. But whatever the limits, new union and Left organisational capacities, in both connections and political consciousness, keep being built in the process.

The closing of the gap between international solidarity and social justice movements and the union movement is a third opening that needs to become central to union strategy and struggle (Waterman 2001). The formation of international production networks has partly made this a central need for collective bargaining. Works councils and campaigns are needed across companies and sectors as a basic mechanism to reduce competition between workers (rather than serve as a mechanism, as works councils have sometimes been, to increase company competitiveness) and to form a capacity to coordinate struggles. There have been interesting examples of these efforts in the steel, auto and healthcare sectors extending from North America to both Europe and Latin America, with perhaps some of the most interesting campaigns forming in the fight against the militantly anti-union Wal-Mart. But the common interest of different union movements in class struggle against international corporations has yet to form at the strategic and organisational levels. With union movements on the defensive on a national basis from neoliberalism, it has been hard to forge new international solidarities. But union and social justice struggles between one country and another are more linked now than ever as a part of global production systems.

Such an orientation also puts on the union agenda other international solidarity campaigns: notably against the intolerable conditions of Palestinian workers in the Occupied Territories and inside apartheid Israel; against the continued assaults on unionists in Columbia; for the rights of migrant workers; for the rights of workers in countries like Venezuela to nationalise industry and experiment in workers' control; and against the NATO alliance wars of intervention and occupation. These internationalist campaigns require a significant re-orientation by union centrals and affiliates, but they could play a disproportionate role in union renewal.

The very defeat of the union movement in the advanced capitalist countries at the hands of neoliberalism provides a fourth opening. It requires unions to fundamentally assess and transform their own institutions and practices in the struggle for a postneoliberal – even postcapitalist – order. This is partly about

looking at the organisational divisions of unions as they now exist. It is especially about a process that sees unions as developing workers' capacities and contributing to building a different society – social justice unionism (Fletcher and Gaspasin 2008). This entails democratising the internal practices of unions, expanding education of members, encouraging rank and file activism in leading strategic orientations and struggles, and examining union practices on gender and race and incorporating a diverse membership into an equally diverse leadership.

These are steps of internal organisational renewal. But it is also necessary to re-insert unions as a central component of wider struggles about work and production. One way is through extending union membership into workplaces even where a majority membership has not been attained as a means to break through employers' hostility or to amalgamate workers dispersed across small service-sector worksites. Another is to make local labour councils key centres of working class political activism. This has been an aspect behind 'union city' organising campaigns and also campaigns for living wages and immigrant workers' rights. It is possible to see this approach extending into other activities, from issues of local development and 'jobs and justice' campaigns to assemblies of working class organisations. Organisational renewal in both its internal and outreach dimensions is crucial to forging a new form of postneoliberal 'common sense' in the day-to-day activities of union members.

If these openings lead to new political struggles that create wider traction across the union movement, a reversal of the way neoliberalism has damaged working class organisation will have begun. In such a context, it is possible to envision an outline of an alternative union development model emerging. In collective bargaining, for example, new ways to address wage improvements and employment expansion could be adopted. Solidaristic work policies that radically redistribute work through work-time reduction, overtime caps, and sabbatical and parental leave might be vigorously pursued. Bargaining might put an annual work-time reduction factor alongside an annual wage improvement factor (set to reduce social and wage inequalities) for sharing-out of productivity gains. Work-time reduction could also be put toward education and skills that expand the capacity for self-management at work and leadership in the community. And alternative workers' plans for quality, ecologically responsible production – an imperative, given the need to make a 'green' transition to a carbon emissions-neutral energy economy – could begin to build the foundation for expanding workers' control over enterprises. An expansionary fiscal policy to respond to the economic crisis might not only rebuild the public sector, but also be linked to unionisation and a longer-term strategy to re-establish a redistributive tax system. Such a postneoliberal agenda emerging from the union movement will, of course, be equally about the renewal of the Left.

RENEWAL OF THE LEFT

The impasse of the union movement is, in this sense, also reflective of a wider decline of the Left, in North America and, indeed, globally (Panitch and Leys 2001). Working class politi-

cal organisation, in unions and parties, achieved a great deal in the course of the 20th century: leading de-colonisation and self-determination struggles; struggling for liberal freedoms and democracy; improving wages and benefits; and advancing welfare states and social citizenship. But the social forces that achieved these gains are now quite different: the communist parties have, for good and ill, all but disappeared even in places where they once held power (or they have made their peace with capitalism as in China); the social democratic parties have politically realigned to chart a 'Third Way' that no longer even poses a reform agenda to neoliberalism; unions are in retreat; and many civil society movements have evolved into professionalised NGOs navigating the grant economy. The central political coordinates for labour movements over the last century – being for or against the Russian revolution; attempting a vanguard seizure of the existing state apparatus or reforming it piecemeal; conceiving unions as primarily the industrial wing of this or that political party – vanished almost at the same pace as neoliberalism consolidated as the all-encompassing social form of rule.

From both the neoliberal assault on unions and the decline of socialist parties, there emerged the sense across the Left of 'starting over' in mapping out the organisational and strategic agendas for social justice and socialism, to the extent that the latter was still seen as a desirable objective at all. This meant initially, especially in Canada but soon spreading to the U.S. and other parts of the world, an effort to work through social coalitions apart from political parties. In this schema, unions are only one node in a network of oppositional power. This strategic outlook became incorporated into the anti-globalisation movement at the end of the 1990s as a clustering of dissident groupings, with unions cautiously making linkages to the movement through so-called 'Teamster-Turtle Alliances.'

This political 'movement of movements' has had, more or less, three predominant clusters. One has been remnants of the radical Left, and certain strands of Trotskyism in particular, that emphasise global resistance 'from below,' and that in the revolutionary juncture near at hand that a 'Leninist' organisation is still the necessary vanguard for a deepening anti-capitalist movement. A second has been an uneasy mix of anarchist, 'autonomist' and indigenous groups with the view that a combination of spontaneous rebellion and alternative direct practices could directly confront – and also bypass – existing capitalist states. And, third, a more encompassing 'anti-power' politics standpoint that has contended that neither party nor programme is necessary as the Left can 'change the world without taking power.' These views have all, in certain ways, made a contribution to a revitalised anti-capitalist politics. They have continued on in the loose organisation form of the World Social Forum, with its national and local offshoots. Most of these decentralised forums have floundered, however, and exist only as occasional regionalised social justice fairs with little or no capacity to engage in organised political struggle.

It is often claimed that the anti-globalisation movement was 'cut short' when U.S. President Bush began his 'war on terror' after September 11, 2001. This requires a sober assessment of

the organisational state of the movement and its seeming eclipse over the last years. It seems clear that its 'network' vision of power has not been adequately grounded in working class politics – a renewal of unions, day-to-day community struggles, and the contestation of the class power crystallised in state power and institutions. The movement of the Western powers toward the policy of a 'long war' across the Middle East, for instance, did not give added vitality to the anti-globalisation movement. This is especially surprising given the strengths of the global peace movements in fighting the Second Cold War of the 1980s and the first Iraq War. Similarly, the lack of grounded organisation has left unions and the Left as a whole floundering in both protest and strategic response to the financial crisis and the largest single blow to neoliberal hegemony yet struck.

It is hard not to conclude that the political thinking and organisational forms that emerged with the anti-globalisation movement have been quite limited in capacity and tentative in strategy. It has not yielded a viable means to contest political hegemony and power in a period of neoliberal globalisation, and the spread of liberal democratic political institutions. The 'national-popular' framing of the issues of the day by neoliberalism, discredited as it has become, has not yet been displaced by a socialist version of 'common sense' that would seem fundamental to charting a path out of a neoliberal social order. If the anti-globalisation movement was quite right to insist on the necessity of moving beyond political frameworks formed in quite different historical moments and contexts, it has failed to supply the political, ideological, organisational and working-class resources essential to building a postneoliberal order, let alone the capacity to contest capitalism at the political level of social forces.

The sudden setback of a movement that seemed so compelling, vibrant and globally engaged has been politically unsettling. It has necessarily given way to a period of experimentation in new Left political formations and organisational creativity. This can be seen in the important political struggles in Latin America under the banner of building 21st century socialism. Significant political realignments and breakthroughs appear also to be unfolding in Greece, Germany, France, Portugal and other places. This can hardly be said to be the case in North America: from once leading some of the most noteworthy fightbacks against neoliberalism and globalisation in the 1990s, against NAFTA and in Seattle and Quebec City, the North American Left is deeply fractured, at an organisational dead-end and only beginning to pose the question of how to build anti-neoliberal politi-

As neoliberalism enters a phase of crisis, important struggles are being waged in workplaces, communities and states. These struggles have quickly been coming up against the obstacles put in place by neoliberalism and the limits of existing working class organisational capacities.

cal alliances and a new politics of a pluralist Left (Aronowitz 2006).

There is, then, profound unevenness in Left renewal in different parts of the world. In all cases there are only fragile linkages to union movements and only the beginnings of the remaking of working class political organisation. But a new dynamic of struggle seems to be unfolding. As neoliberalism enters a phase of crisis, important struggles are being waged in workplaces, communities and states. These struggles have quickly been coming up against the obstacles put in place by neoliberalism and the limits of existing working class organisational capacities. Even the best union campaigns and most significant struggles soon reach these limits and have had to make every effort to push beyond them.

In the first instance, the fights to preserve jobs and pensions, public healthcare and community spaces for women, to improve the status of immigrant workers, or against imperialist wars in the Middle and Far East, has led to efforts to connect anti-neoliberal struggles across unions and communities. Increasingly, such struggles are pushing union activists and movements in the direction of anti-capitalist politics to oppose the barbarism that is neoliberalism in crisis. This wave of struggle is only in its earliest stages, and still needs to be set against the backdrop of neoliberal power structures and union impasse, particularly in North America, where the labour movements are just beginning the long process of renewal. Yet, glimmers of hope are breaking through the structures of neoliberalism: the possibility for remaking working class organisations, and the active rediscovering of a 21st century socialism that is the necessary condition for imagining and making actual a postneoliberal social order. **R**

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Teachers, Public Opinion, and Tough Times

David Banerjee

Public sector professionals, such as elementary teachers, have doubts about the possibility of job action, given the difficult economic circumstances. Of particular interest is the reaction of the public to assertive demands in negotiations. Do these workers, especially those with decent salaries and benefits, have public support? The following article attempts to shed some light on some of these questions by starting with a brief recap of recent economics.

As many progressive economists have explained, economic productivity has been increasing fairly steadily in North America and the advanced capitalist countries since industrialization almost two centuries ago. With that increase, the workers driving the economy have seen a steady increase in their purchasing power, as long as they have had the bargaining power to insist on real wage increases.

But since the 1980s and the advent of the 'neoliberal era,' productivity has continued to increase while real wages have levelled off. More stuff is being sold, but those sales have been translated into profits instead of increased wages. These profits are deposited in banks and that money in turn has been used as credit, alongside other expansions in speculative money and credit, for the public through car leases,

home mortgages, and credit card debt. From the perspective of capitalists, why should workers be paid more, when they can borrow the money, pay it back with interest, and still sustain the final demand for the increased output? This is a good part of how neoliberalism worked.

Statistics Canada recently reported that the rich are getting richer. Between 1980 and 2005, the top earners have raised their incomes by 16% while the bottom fifth of the population have dropped by 20%. In contrast to the postwar era, middle and working class purchasing power has stagnated. Some public opinion polling seems to indicate that, in 2004, half of people felt they were worse off than they were a year ago. And while public opinion typically swings between feeling worse off or the same, people don't seem to feel as though they're better off. As for many low-wage workers, Jonah Schein of The Stop Community Food Centre relates: "Years of economic growth did little to raise the incomes or living standards of low-wage workers in Ontario as throngs of 'the working poor' came to depend on food banks each month. Indeed, the current crisis has underlined this insecurity and demonstrated the problems of economic growth dependent upon growing debt arising from social inequalities. There is a real risk that this recession will pit workers against each other to drive

down wages and work conditions for all Ontarians."

BARGAINING IN THE PRESENT

The recent economic reversal is not simply a matter of perspective. The Ontario government is seeing a massive reversal from surplus to deficit. There are generally two strategies available to governments in this position. On the one hand, you can try to expand production and consumption by spending directly, for example on building roads, hiring education assistants, increasing welfare payments, etc. Under the right conditions, this might expand the tax base with a short-term deficit. On the other, a government can attempt to boost private sector spending by cutting taxes and freezing wages. The latter strategy is one that current leaders favour as it is consistent with the neoliberal policies they have been adopting, although they can't abandon the first without deepening this crisis.

Fortunately for teachers, public sector negotiations most often take place in cycles, with each cycle having a particular pattern. According to Greg Albo, a professor of Political Economy at York, the current public service bargaining cycle has been characterized by contracts of three or four years, with 2-3% raises each year, with



most contracts having limited cost-of-living (COLA) protections. Albo suspects that things will be different after the province's budget this summer: "With private sector workers making concessions and inflation going to zero, the pattern of bargaining will be very different in the next cycle." Negotiations with teachers are coming at the end of this cycle and the beginning of the new one, and these agreements have been consistent with this pattern.

PUBLIC OPINION AND BARGAINING

Canadian public opinion has always expressed some resentment toward public sector unions. Public sector workers are often shielded from economic shocks because of services being provided for the 'public good' more than for the needs of private production. Thus, public sector work has, to some degree, been less subject to concessions or layoffs (although the threats of privatization and commercialization have been used to undermine workers' strength in the public sector). To the public, our strikes or service disruptions have an immediate and very direct impact. And unlike professional unions (like doctors and professors) that use their qualifications to make gains, many public sector professionals (like teachers) actually withdraw their services as a (very legitimate) bargaining chip.

Public sector unions do earn public support in difficult times if they are seen to be militant and just. Doug Hart, who studies public attitudes toward education at OISE (Ontario Institute for Studies in Education), uses the Ontario under the arch neoliberal Premier Mike Harris as an example. "The Harris government was seen to be a bully, and people trusted the teachers more than the government to say what the education system needed." In 1998 public 'faith' in the education system was at 44%, but hit 60% in 2007. What is interesting is that the public's opinion of teachers went from 62% to 68% in that same time frame, and much of the public saw "the system as crippling the efforts of teachers" during the unrest of the Harris years. In fact, Hart attributes some of this success to groups like People for Education, whose ability to collect and publish actual data about educational services from

across the province kept the public informed about what was actually happening with service delivery in schools.

It is here that Hart's insight is especially valuable. He identifies the changes to the tax structure (brought in by neoliberal policies) caused the funding shortfall within the entire education system, from daycare to university tuition, from closing schools to IBI therapy for children with autism. But Harris went after the public school teachers and the fight was intensely focused in one area, making the crisis very visible. It cost the Harris government a good deal of time, conflict and votes to fight with teachers. People were angry at the unrest, and many understood that it wasn't about teachers being greedy or lazy: the issue was proper funding for public services (and the taxes that go along with that).

The economic crisis is now raising demands from all over the educational map, and not just from public school teachers. "This is not the situation now where the schools are seen as only one, and by no means the most desperate institutions seeking help," Hart argues. "In the current crisis underfunding of schools is probably much less visible than earlier." This works against teachers, as they are no longer positioned as victims of conservative thugery. According to Hart: "To the extent that teachers are less prominently seen in the context of threatened schools, labour disputes will focus public attention on their identity as a relatively highly paid group of public sector professionals charged with what many will regard as an 'essential service' even if not legally so." Teachers' struggles have become more intertwined with public sector struggles as a whole.

JUSTICE AND BARGAINING

The Canadian public is generally perceptive enough to see through the typical media anti-public sector messaging. When unions demands are seen as just and when they connect their demands to problems with the system's underfunding (e.g. overworked nurses in understaffed ERs, teachers with 35 kids in a class), the public may well side with the workers. According to Albo: "In conditions where unions are militant and in pursuit of narrow interests, and

if they don't carry the sense of justice with them, they don't go very far. If they're connecting their struggles to wider struggles for social justice, they can re-shape the bargaining terrain and win wider public support."

But public sympathy is also limited by interest and understanding. Hart's data indicates that less than half the public knows that teachers negotiate with a school board. Moreover, there is record high support for increased taxation and funding of public schools (60% and 73%, respectively in 2007) although it is questionable whether the public realizes that the bulk of this goes toward teacher salaries.

Hart makes two other observations that relate to the public relations component of our bargaining strategy. The first is that parents have far more faith in their children's own school than in the school system in general. The public can identify more easily with the actual public servant who teaches their kid or collects their trash, as opposed to the abstraction of the union. The obvious implication is that personal relationships can be important for public support, and unions need to build their members' capacities to fight for social justice and engage public debate. It is also interesting that, according to Hart, public attitudes toward schools and education are often set by people's own school experience as kids. The positive impact that teachers have on students can play an important role in support for education a generation later. Parent opinion is determined mostly by their relationship to their child's school, and to a lesser extent by their own experiences as a student.

So, given the possibility of public sector (including of teachers) job actions in a recession, should we care about public opinion? Again, it all depends on the optics. During the Harris years, people knew that teachers were trying to protect public education. Now, given the public's relationship to public sector bargaining issues, and the relatively positive attitude toward schools, will be more difficult. This should not impinge on bargaining goals. As the saying goes, the dogs bark but the caravan moves on. The public may well be annoyed by pink listings, work to rules, and potential service withdrawals. But public sector

strikes have recently most often been shorter and less intense (although the pressure of recession has been lengthening many disputes). Public support for schools and other public services is not really determined by labour peace, but also the issues of social justice, equity and quality of services unions are struggling for

In this context, there may be or may not be election reprisals that are targeted at specific union actions. But anti-union legislation may also come in a general, rather than targeted, form. Harris, for example, went after schools for a variety of reasons, from a dislike of teacher unions to the goal of privatizing much of the education system.

Would teachers be playing into the hands of an attack on public education if our unions are militant in our demand for a raise, in line with raises that most public servants have been receiving during a bargaining cycle? Likely not. But this also depends upon building upon current support for public education, and the hostility toward public funding of private schools. And this depends upon teachers placing themselves squarely with wider struggles for a just education and social justice more generally.

BUILDING SUPPORT BETWEEN BARGAINING ROUNDS

This round of teachers' bargaining in Ontario has ended in negotiated settlements, although this will not be the case in all areas of the public sector (as in the strikes in Ottawa and Windsor). Given the constant restraint and austerity of the neoliberal era, and now recession and private sector concessions, public sector bargaining will not get any easier. The neoliberal tax structure almost guarantees that labour peace will be more of an occasional luxury than a permanent reality.

In this context, it would be worth examining the role of a union in between bargaining periods. Given that the working poor are getting poorer and wider income stagnation, public sector workers also need to see that their target should be the economic system that is perpetuating the constant budgetary crises. "The politi-

cal project is much wider than the collective bargaining project," Albo notes. "I can't see anything happening in the public sector or the school system without addressing the tax levels. You can't bring in full day early learning on the basis of the existing revenue from neoliberal tax structures."

An easy starting point is the minimum wage. Currently, it is \$8.75 and increasing gradually over the next two years. A recent study, *A Living Wage for Toronto*, estimates that two parents working full-time with two young children would need to earn \$16.60 each to live adequately in the GTA. The last thing politicians want to do in the current climate is to hike the minimum wage, despite demands by poverty activists to raise it to \$11/hour by 2011. One of the most effective responses to a recessionary demand shock is to shift income distribution toward people who will spend it. Even David Olive, a business columnist with the *Toronto Star*, makes the point: "By the simple device of raising the minimum wage, you can instantly boost the income of the working poor by a stunning 20% or 30% in one day, even while you're busy slaying the deficit dragon."

Unions need to look at using their resources in grassroots campaigning, hiring organizers, and organizing the poor, in addition to the normal lobbying, public outreach, and other tactics used to force the Ontario Liberal government to raise the minimum wage.

Not only would this make a real difference in the lives of our students and communities, it would push back against the system that perpetuates economic inequality. Albo notes that this campaign has helped the union movement in general: "The minimum wage campaign has been a key part of revitalizing unions. It provides a way to reach out to new service sector workplaces and creates a more positive impression about unions especially in cities like Toronto, Winnipeg, and Vancouver."

A second place for teachers to start is by supporting our colleagues in daycare, many of whom are women of colour. At an average of \$23,000 a year (over 12 months, not 10), support for our day care

sisters is a matter of equity. Given the advent of full day early learning, teachers are going to have to grapple with this sooner rather than later.

Public sector bargaining and struggles in the current period, for teachers as much as for other workers, are going to be about blocking the concessionary bargaining unfolding in the private sector from spilling over into the public sector. It will also continue to be about opposition to privatization, contracting-out and commercialization of services. Any successes here are going to depend upon connecting struggles for social justice more widely. For teachers, this will partly depend upon social justice issues related to schools, for working class people and racialized groups. But it will also depend upon reaching out beyond strictly educational issues to questions of inequalities caused by neoliberalism and capitalism, and organizing the unorganized. As the current bargaining cycle winds down, it is necessary to move on to these important projects. **R**

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The Rise of NUHW and the Future of American Labour

Peter Brogan

For the past two years a battle has been raging within the American labour movement. This has been most prominent in healthcare and more specifically within the Service Employees International Union (SEIU). “We have to drive a stake through the heart of the thing that is NUHW, we gotta put them in the ground and bury them,” said Dave Regan, appointed trustee of SEIU-UHW and executive vice-president of SEIU, in a speech to hundreds of SEIU staff in Fresno, California on May 31.

No, NUHW is not a new political initiative of the right in California or a major employer in the California healthcare industry. NUHW is the National Union of Healthcare Workers, which was launched on January 29 by Sal Roselli and other former leaders and stewards at the California-based UHW (United Healthcare Workers-West), who resigned from SEIU after being removed from their elected positions. After almost two years struggling for democratic reform within SEIU, UHW was put into trusteeship by the International union on January 28. In this process, SEIU seized all UHW’s assets and replaced its elected leadership with appointees from D.C, handpicked by Andy Stern, SEIU’s president.

In contrast to some accounts, this is not simply a turf war between Andy Stern and Sal Roselli (both of whom are veterans of the 1960s student movement). Rather, at the heart of this fight are two contending approaches to rebuilding the U.S labour movement. The first is what Kim Moody identifies as a new corporate unionism, embodied by Andy Stern’s SEIU. It goes beyond the traditional business unionist approach in the degree to which it

prioritizes the centralization and concentration of power upwards in its structures, away from locals and member control, and in the institutional relationships it is building with employers. The motivation behind this restructuring is the contention that in order to breathe life back into the U.S. labour movement, the number one priority needs to be increasing union density (the percentage of the workforce represented by unions) at all costs. The costs include the disturbing trend of making partnership deals with bosses and capitalist politicians, which often include concessions and agreements by the union to lobby for bosses. These deals are usually made at the expense of the workers SEIU purports to represent, is trying to organize, and in the case of healthcare, the patients their member serve.

In contrast, Roselli and UHW activists, along with other reformers in SEIU, have been fighting from within for a more democratic membership-based unionism that refuses to sacrifice militant struggle against employers as a means to increase union density. Even many long-time SEIU activists and staff, some of whom have been at odds with Roselli in the past, or who were initially skeptical of his commitment to genuine rank-and-file power and militancy, are now supportive. They admit that over the past year, as Stern and SEIU stepped up efforts to break apart UHW, Roselli and the broad mass mobilization by (not just of!) UHW members demonstrates the authentic rank-and-file character of UHW’s, and now NUHW’s, fight.

The formation of NUHW forces us to confront the question of how the American labour movement will advance. Will it be



along Stern's top-down corporate unionist model? Or will it be through a bottom-up membership driven unionism with actual workers at the forefront of their own struggles?

As Dan Clawson recently observed, "When NUHW leaders talk, it is all about the workers and what the workers want; when SEIU leaders talk, it is about the need for labour to be powerful" (*Znet* 6/20/09). Clawson, however, frames the issue in a problematic and, I think, false way. It is as if, on the one hand, workers must choose between SEIU, which he views as having a convincing case that its size and resources have proved key to winning improvements for workers (the basis for its foundational tenet of building density at all costs). Or, on the other hand, workers can choose a union like NUHW, where they're the ones in charge and are given the space, opportunity, and skills to develop their capacities to fight. This is a false dichotomy, and a strange one given Clawson's advocacy of rank-and-file unionism.

It needs to be stressed that the massive support NUHW has received since splitting with SEIU, derives primarily from the increased benefits members have seen in their contracts. Overwhelmingly, gains they recognize as products of having well organized workplaces and dynamic steward structures, in place prior to the trusteeship. As Vanessa Tait writes in her book, *Poor Workers' Unions: Rebuilding Labor from Below*, "Union strength and internal democracy are linked, as is clear from study after study that shows rank-and-file organizers build stronger unions."

BACKGROUND

Prior to the trusteeship, UHW was the third largest affiliate in SEIU (representing 150,000 workers in California). It represents hospital workers, nursing home employees, and home health care aides. Under the leadership of Sal Roselli, UHW was one of the fastest growing affiliates in SEIU, with a dynamic and successful organizing department. Between 2002 and 2006 they brought in approximately 65,000 new members – more than any affiliate in SEIU!

In February 2008 the leadership of UHW began publicly challenging Stern and the International's approach to organizing, politics, and the top-down restructuring of its affiliates. While their criticisms were similar to those being raised by the California Nurses Association (CNA), especially in opposing "sweet heart deals," the rebellion "from within" would prove to be the bigger threat to SEIU leaders. In mid-March SEIU and CNA signed an agreement to bring an end to their conflict, discussed in more detail below.

Similar to the U.S. invasion and occupation of Iraq, the stated reasons for putting UHW under trusteeship shifted rapidly: when one justification was demonstrated to be without merit a new one would emerge. The first charge that the UHW executive had misappropriated funds by setting up a special fund to be used for the express purpose of fighting SEIU was dismissed by Ray Marshall, former U.S. Secretary of Labor, who presided over the trusteeship hearing, another rational popped up. Marshall ultimately ruled that UHW would be put under trusteeship unless its

leadership agreed to allow the transfer of 65,000 homecare and nursing home workers – approximately 40 percent of its total membership – into a new long term care local under the control of Stern appointees from Washington. Knowing that there was no support for this at the base, Stern refused to allow UHW members to vote on it. According to Roselli, the real reason they were being put into trusteeship was in retaliation for their critiques of Stern and their larger efforts at democratic reform in SEIU (which was completely shut down at the last SEIU convention, held in summer 2008 in Puerto Rico).

Putting locals under trusteeship has been a longstanding practice in SEIU under Stern. The stated rational for doing so has usually been because locals were stagnant and unable to get a solid organizing program together. Therefore, they needed to be taken over by smarter, more savvy organizers, many of whom had experience in other social movements, and were thought to be in possession of a 'big picture analysis that eluded the broader membership and local leadership. Their job was to transform these locals into lean mean organizing machines. This usually meant 'staffing up' with other 'savvy' organizers from outside the local (many of whom, like this author, were student activists recruited from university) rather than in developing organizers from the ranks.

Since the mid-1990s, when Stern became president of SEIU, he has put nearly 80 locals under trusteeship. It should be noted that Stern is following the direction of restructuring begun by his predecessor, turned rival, the current president of the AFL-CIO, John Sweeney.

According to labour studies scholars, such as Rick Fantasia, Kim Voss and Rachel Sherman, this practice of putting locals into trusteeship (or threatening to do so) is the basis for SEIU's vibrancy. They argue that it is a key part of a broader "progressive" transformation being implemented by SEIU's "new militants." However, as Steve Early points out in his new book, *Embedded with Organized Labor: Journalistic Reflections of the Class War at Home*, rank-and-file activity and union democracy are absent in the conception of social movement unionism put forth by these authors.

In addition to deposing and replacing the executive board of UHW with appointees from Washington, SEIU fired most of the UHW's organizers because they refused to toe the party line; mostly those folks who had been loyal to the elected leadership of UHW. Those staff members that were not fired either quit immediately following the trusteeship or soon after. In either case, many of these organizers have since joined NUHW as unpaid volunteers, as have other key leftist and experienced organizers from throughout SEIU, who make no secret about their disgust and sadness with the way things have devolved in SEIU.

Perhaps most troubling, SEIU has been removing elected UHW stewards from their positions, leaving workers with virtually nowhere to turn for help on day-to-day grievances in their workplace. Instead, members are forced to rely primarily on SEIU "call centers," another recent Stern innovation in which mem-

bers call a toll-free hotline to report grievances. Former stewards continue to do their best to help their co-workers, but are no longer able to act in any official capacity as union representatives. Amongst other things, this means they are excluded from attending meetings between workers and management.

From SEIU's perspective, however, UHW was simply another short-sighted and selfish affiliate, whose criticisms revolve around making gains for its existing membership over "organizing the unorganized" and creating broader changes to improve the lives all workers. SEIU leadership alleges this is a choice between "justice" unionism or "just us" unionism. But, as noted, UHW's was one of the fastest growing affiliates in SEIU, with a successful organizing record along with a reputation for achieving major gains for its members on wages, benefits and other working conditions.

NUHW is not the first force to rebel against Stern's authoritarian restructuring of SEIU. As Steve Early notes, a group of about 3,000 janitors in San Francisco, who similarly to UHW, had their elected leaders removed, formed an independent union called United Service Workers for Democracy (USWD). In 2004, they managed to beat SEIU in a representation election at the largest buildings service contractor in the city, by a margin of 947 to 573. USWD won despite SEIU's flooding of San Francisco with out-of-town staff organizers.

DIFFERENT PERSPECTIVES

Both sides of this conflict see the present situation in radically different ways. As SEIU's Dave Regan reportedly told Clawson: "The point of the other organization [NUHW] is to divide UHW up and take members out of a large and powerful organization and put them into one with no resources and no power." Regan goes on to make the case that the bulk of the 90,000 plus workers NUHW claimsigned petitions for representation elections is irrelevant because at least 65,000 of them are at Kaiser or Catholic Healthcare West, and have already been ruled as ineligible to switch by the National Labor Relations Board (NLRB). Regan also claims that in whatever elections result from these petitions workers will also have the option of choosing "no union." This is a real danger. It is also one SEIU is using as a central propaganda tool in fighting NUHW.

However, the wacky folks at NUHW, like John Borsos, who was formerly a vice president at UHW, maintain that what matters most is what workers actually want! In elaborating on this he reportedly told Clawson that: "When we filed [worker signatures] on Catholic Healthcare West, and the NLRB ruled that the contract was closed, SEIU thought that was a victory. That's not a victory, that's a problem. Within seven days of the formation of NUHW a majority of workers said they didn't want to be part of SEIU. How can it be a victory to force them to stay in?" NUHW is contesting this in court, arguing that at least 45,000 of those workers are in fact eligible to change unions now, if they vote to do so. As Borsos continues, "We filed petitions covering 91,000 workers at 350 worksites. SEIU filed to block us at all but one of those sites, Alameda Hospital, where they thought they would

win. So clearly SEIU is not confident of winning any of the others."

As reported by Clawson, Regan insists that, "Democracy and member empowerment has nothing to do with what's taking place. This is not a debate about some principle. This is real. Real people are being asked to risk everything. Those folks could lose their union and end up being totally vulnerable." Maybe workers have signed cards but: "Don't get fixated on the cards; I can't understand why people are so fixated on the cards." Regan explains that in their view, elections should be prevented from taking place anywhere, as they eat up resources that could be better spent and may ultimately leave workers with no union. He concludes by telling Clawson that: "We will not relinquish our position anywhere.... If we have to go to elections, we will and we will win. At Fresno, we will stomp NUHW in that election. Workers are going to say, 'I ought to put my job at risk to join an organization that has no members and no resources?' We will make it clear that members should not have to take that risk."

NUHW'S FOUNDING CONVENTION

At NUHW's founding convention on April 25th, 2009 in San Francisco, Mike Casey, President of the San Francisco Central Labor Council and UNITE-HERE Local 2, thanked those in attendance for standing up to the SEIU. He predicted that they "would look back on this day as when we got the movement back on track." He then went on to denounce Andy Stern as a "misleader" who sells concessions as the "tough decisions" unions must make if they are to survive, which Casey quickly labeled more aptly as "selling out." Casey concluded that this "was our generation's chance to make labour relevant – or be consigned to the dust bin."

Over 700 rank-and-file labour activists attended this historic meeting. The convention elected an interim national executive board, consisting mostly of former UHW leadership and rank-and-file activists, and adopted a new constitution.

The constitution includes provisions empowering members with the right to elect and recall officers, bargaining committees and stewards; hold regular membership meetings; and set up an extensive steward structure and training program. While these provisions may seem fairly basic to some, they are the bedrock of democratic unionism (which of course doesn't necessarily translate into a radical, social justice oriented, or militant unionism). These are the very institutional mechanisms that Stern and company have been systematically dismantling for the past decade. Moreover, in reducing the number of signatures needed to 25 it is now easier for members to run for office.

NUHW is now building rank-and-file campaigns throughout California's healthcare sector in order to hold elections so members can choose to remain in SEIU or join NUHW. Not soon after the formation of NUHW was announced in late January representation petitions were filed at 350 healthcare facilities, covering over 90,000 workers.

Sal Roselli informed the convention that by 2010 they would be representing an additional 56,000 members as a result of successful electoral victories. This is despite the ferocious legal battle being waged against them by SEIU, which Roselli and other NUHW leaders describe as frivolous, yet extremely costly for both sides.

CNA, NUHW AND SEIU

Before the SEIU-UHW conflict spilled out into the public, a battle between the California Nurses Association (CNA) and SEIU has been fought over the last two years, a dispute which has been incredibly heated. The conflict between the two unions in fact goes back about 15 years. In a narrow sense, it was over who should be organizing nurses. A few years ago the CNA formed the National Nurses Organizing Committee to organize on a larger scale, thus spurring a flare up in the fight. But a key part of CNA's strategy was to make their struggle with SEIU a broader one by counter-posing itself as social movement union that placed union democracy and militant struggle at the core of its practice (similar to what UHW and now NUHW has done).

As already noted, a chief criticism CNA and NUHW share is of the deals SEIU has been cutting with employers around California and nationally, which it claimed were not only undemocratic (which they were and are) but also detrimental to nurses, patients and all healthcare workers more broadly. Without reviewing the details of these deals, which has been done elsewhere, it is hard to disagree with the CNA's assessment. However, their argument for the need for a single national craft union of nurses is far less convincing.

So, while other unions throughout the country were putting the bulk of their resources, including an incredible number of staff and members, into getting Obama elected President and passing the Employee Free Choice Act SEIU was splitting its resources up between the prior and fighting first CNA, and then UHW, and now NUHW. However, in March the CNA and SEIU signed an agreement to end all hostilities.

Since its emergence, the CNA has been a crucial ally of NUHW. The financial support provided by CNA included paying the healthcare premiums for NUHW staff. Unfortunately, a key stipulation of the CNA's agreement with SEIU is that they suspend all support to NUHW. In exchange, SEIU has ceded to them exclusive jurisdiction over all nursing issues in nursing practice and with the exception of a select number of locations SEIU has conceded all nurse organizing to CNA.

However, according to one of NUHW's leading organizers Angela Glasper, who works as an optical services clerk at Kaiser Antioch, while they no longer receive institutional support from CNA every CNA nurse at her job contributes \$100 a month to the new union and remain supportive of their co-workers to build a new union. Nothing in the agreement prohibits CNA members from providing this kind of support.

In the latest issue of *Labor Notes*, Deborah Burger, one of the co-presidents of CNA, told Mark Brenner that ending hostilities with SEIU will allow CNA to use its much more limited time and resources for organizing and fighting employers, rather than another union. It will also, she hopes, allow the two unions to wage a more united fight against employers in facilities where they both represent workers and also in the fight for single payer government funded healthcare system. On the last issue SEIU has only agreed to push single-payer with CNA and others in a few states. Burger claims that this agreement will not lead CNA to compromise any of their "core" principles when it comes to how they fight employers, how they engage in politics, and their advocacy of single payer healthcare. However, isn't turning their backs and cutting off such crucial support to NUHW the very definition of compromise?

THE BATTLE IN FRESNO

Some have dubbed Fresno, California ground zero in the battle between SEIU and NUHW. From June 5th to June 15th, 10,000 homecare workers there will have voted for the union they want to represent them – NUHW or SEIU.

These workers are part of the 65,000 current UHW members that SEIU is planning to put in a separate local divided from other union healthcare workers at hospitals and clinics across California. Workers are not happy about this.

According to Cal Winslow many of these homecare workers in Fresno believe that they have greater bargaining power when they are in the same unit as hospital and clinic workers. "This is an important issue because most homecare workers believe, as the Fresno example indicates, that their bargaining pressure increases by inclusion in the same unit with hospital and clinic workers. Stern believes each craft should essentially be divided into separate units" (*CounterPunch*, 5/15/09).

In the United States healthcare industry, homecare is one of the fastest growing sectors in the industry. Consequently, this has made it a key organizing target for SEIU. Yet, as healthcare historians Jennifer Klein and Eileen Boris write, "Despite such socially necessary labour the homecare workers' wage is lower than all other jobs in health care with the exception of janitors." Winslow adds that because of their importance as an organizing target, "home health care workers are often at the center of the wheeling and dealing back-room bargaining of SEIU President Andy Stern and his regime of appointed lieutenants."

According to one Fresno homecare worker and NUHW supporter, Florence Furlow, "The thing that made me most proud of the union we built was that it was based on a fundamental value we learned from our friends in the disability rights movement: Make no decision about us without us." In our union, we elected our own representatives from neighborhoods all over Fresno County, and we made the decisions about our own futures. The era of dignity and respect for homecare workers had begun. We won our current wage of \$10.25 an hour and lifted thousands out of poverty.

Furlow further explained to Winslow that, “SEIU stopped our elected bargaining team from attending an arbitration over our contract... The arbitrator allowed the County to slash our wages, and now SEIU has refused to share the arbitrator’s ruling with workers. I went to the SEIU-UHW office myself to ask for a copy, and they refused. Instead, they’ve kept it secret and told us that losing the arbitration was actually a ‘victory’.”

As reported in Central Valley *Indymedia*, SEIU has been harassing workers in Fresno, telling them that they can be fired and/or removed from their positions as stewards for any activity in support of NUHW. *Indymedia* further reports that at least one steward and certified nursing assistant, Maria Garcia, was fired from her position at Bay Point Healthcare Center in Hayward for circulating a petition to join NUHW.

“I’ve circulated union petitions for years with no problem,” Garcia said. “But this time my boss said he was going to call SEIU Trustee Eliseo Medina and if he didn’t like the petition, I would be removed. After he called SEIU, he fired me, and now the union won’t respond when I call them for help. Union leaders should be on our side, not team up with administrators against us.”

OBSTACLES AND PROSPECTS

While the birth of NUHW is exciting and full of promise, it is necessary to be realistic about the many obstacles standing before it. Not the least of which is the disturbing alliance between SEIU, employers in the California healthcare industry, local and state governments, and in some instances, the police.

The resources SEIU is spending on crushing NUHW through the courts alone is staggering. According to Gordon Kaupp, a member of NUHW’s legal team, “SEIU is probably spending over \$3-million trying to block our decertification petitions. It’s disturbing to watch SEIU eat its own like this.”

It is true that SEIU has some huge advantages in its fight with NUHW, chief amongst which are: deep pockets; an army of organizers and lawyers at its disposal; a very sophisticated propaganda apparatus; and significant political clout.

NUHW on the other hand has the widespread support of the workers, who continue to identify it as their real union and see SEIU as more of an occupying force than anything else. Because of the emphasis and resources placed on developing stewards and worker activists, this support may well translate into a powerful and more effective force than SEIU. The fire and spirit of this new union is being put to the test now, along with its bottom-up approach to rebuilding the

labour movement. Clawson is correct when he writes that: “If democracy and a larger vision are central to unions, NUHW’s challenge could be the best news we’ve had in years.” Given the present context of the global economic crisis a battle between unions may indeed lead to a broader upsurge in labour.

It is only through building their own organizations that workers will develop the desires, skills and collective capacities to engage in progressive politics and broader transformative struggles. If we believe in building fighting organizations, controlled by workers themselves and not authoritarian technocrats, then we need to support the workers trying to build NUHW as an alternative pole of democratic and militant unionism in the United States.

For the latest news on the National Union of Healthcare Workers, or the “New” UHW, see their website at www.nuhw.org.

Individuals and organizations can support the efforts of NUHW by making financial contributions on-line at: www.fundforuniondemocracy.org. **R**

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The North American Auto Industry in Crisis

Herman Rosenfeld

The current financial crisis marks a series of turning points in the history of the North American auto industry. First, the iconic “Big Three” have been downsized to “The Detroit Three.” Once the global symbol of U.S. productivism and consumerism, they now teeter on the brink of bankruptcy and, in the process, profound questions are being raised about the decline of U.S. manufacturing jobs more generally. Second, the auto unions, themselves once emblematic of what workers could achieve within capitalism, have been reduced to lobbying to save “their” companies, and a decades-long trend in private-sector labour negotiations has now confirmed collective bargaining as having shifted from demands *by* workers to demands *on* workers. This highlights the broader crisis of labour: if labour cannot find a way to renew itself it could fade into irrelevancy. And third, the environment – which the industry so rapaciously disregarded and the unions so short-sightedly ignored – seems to have forced itself onto the agenda. In coming to grips with both the threats and opportunities provided by this historic moment, the following points are crucial:

1. The current financial crisis may have been the immediate factor that drove the U.S.-based auto companies to the wall, but their troubles precede and go beyond this crisis. Their problems are rooted in the particular strategic choices they made in the pursuit of profits, in the uneven impact and failures of the privatized U.S. welfare state, in the destructive dynamics – to workers and their communities – of the intensified global competition that now characterizes capitalism, and in overcapacity in the auto industry.

2. The postwar successes of the auto unions in winning a “middle-class” lifestyle are over. The union strategies of those years came at the expense of building longer-term class capacities inside and outside the union – neither developing the capacity of workers collectively to challenge the power and control of employers in the workplace, nor contributing to a class-wide movement against the entire class of employers on the political

and social terrain. When circumstances changed, the costs of this neglect were manifested in the unions being left dependent on trying to accommodate the companies. This, too, has come to a dead end.

3. We cannot take much solace from the apparent crisis of neoliberalism. While this current ideological setback represents an

important political opening, the essence of neoliberal practices, on the part of both the state and companies, has hardly disappeared – as has been made clear in their pressures on auto workers to conform to “market realities” and the March 30 ultimatum from President Obama.

4. The current challenge is not how to save the companies, but how to save our productive capacities and communities. Only such a shift in how we define the problem can effectively address immediate needs – including not only the needs of those who will remain in the Detroit Three, but also of the tens of thousands of workers already laid off and the tens of thousands more that will come.

THE CURRENT CRISIS

The collapse of credit markets for major industrial borrowers hit all auto companies and their suppliers, with the drop in consumer borrowing leading to massive declines in sales.

While the slump presents short-term challenges to the Japanese and European car firms, it signals a crisis of survival for the Detroit Three. Unable to get credit from seized-up private markets, the Detroit Three were forced to borrow from the state. Both GM and Chrysler applied for and received loan guarantees from the U.S. and Canadian governments (with conditions), while Ford mortgaged its assets to access a line of credit.

In order to receive the loan guarantees, the lame-duck Congress and the Bush administration imposed a set of conditions on the companies, accompanied by a vicious attack on the workers. The companies were forced to submit formal restructuring plans to cut costs, streamline their operations, and change their product offerings, subject to approval by the new administration at the end of March, 2009. A key element was the closing of plants and the dramatic reduction in jobs.

The demands made on the workers were harsh: The United Auto Workers (UAW) had to match the wage, benefit, and working condition levels at the U.S. operations of Honda, Nissan, and Toyota. This applied to Canada, too (the Canadian Auto Workers [CAW] argued that they would match the U.S. parent companies of the Detroit Three branch plants). In addition, at least half the contributions to the new U.S. union-administered funds for retiree health care benefits (called a VEBA), would have to take the form of (now devalued and fragile) company stock. The requirement was that the workers should “come to the table,” with the unions referred to as *stakeholders*. Of course, their fellow stakeholders – the top managers and bondholders – hardly faced demands that threaten their health, incomes, and economic survival. At least 80 percent of the bonds are owned by enormously rich private and speculative “vulture” hedge funds. The require-



ment to match non-union workplaces was nothing more than an open challenge to unionization itself.

The Obama administration rejected the initial restructuring plans of both GM and Chrysler. Taking a decidedly hands-on approach to shaping the restructuring process, it demanded that GM fire its chairman and CEO, Rick Wagoner, and engage in “a more aggressive restructuring plan” that would include more concessions from the workers and bond-holders, changes to product lines, and other efforts to make it competitive with the transplants. It was given sixty days of working capital, and if it failed to live up to the conditions, it would be subject to what Obama called a “controlled” bankruptcy proceeding. In his first news conference, the new GM chairman confirmed what financial analysts had already noted: that the bankruptcy plan was “more probable” than ever. Bankruptcy could allow a judge to invalidate worker pensions, benefits, and all contractual benefits.¹

Chrysler was deemed “not viable as a stand alone company” and was ordered to form a partnership with Fiat. It was given thirty days of working capital to consummate the merger and was also threatened with bankruptcy.² The Canadian federal and Ontario provincial governments quickly demanded more concessions from CAW members.

Obama and his auto commission decided to use the power of the capitalist state to impose a solution fully in keeping with neoliberalism. Whatever the ultimate outcome for GM and Chrysler, the industry would be modeled on the lean and mean transplants: competitive, profit-making machines with weak or no unions. Finance would retain a dominant role in deciding its priorities (Obama’s auto team were all Wall Street types). And the demand for short-term profitability, discouraging longer-term investments and costly new technology, would come at the expense of the environment. The administration used its power to force reluctant bondholders to accept hugely discounted returns, in the name of the broader interests of the capitalist class as a whole. It used the threat *liquidation* to force workers to accept further job loss, reductions in wages, benefits, pension rights, work intensification, and deteriorating working conditions, imposing an historically significant defeat on the auto workers, as part of an effort to complete the defeat of the U.S. and Canadian labour movements. The firing of Wagoner was an effort to appeal to the growing anger of many Americans with the greedy CEO’s of the financial sector – while making no real fundamental changes, other than reinforcing the disciplining power of Wall Street financial interests. In a similar way, in appearing to be equally harsh with both bondholders and the UAW, the administration maintains a façade of fairness – even though workers will end up paying with their basic livelihoods and pensions.³

In the face of a lack of mobilization and struggle by their unions, North American workers have been disoriented, demobilized, and frightened by mass layoffs, speedup, plant closures, and threats of the bankruptcy of their employers. Both the UAW and CAW were compromised by previous concessions, and the larger labour movements in both countries have been unable to mount any real challenges to neoliberalism. This emboldened

employers and the state in their demands on auto and parts workers. The auto unions accepted the terms of the original demands with minimal conditions of their own.

The CAW bargained a pattern agreement of concessions with GM, but hit a snag in Chrysler Canada bargaining, with the latter demanding deeper cuts than at GM and publicly threatening to pull out of Canada. Ford of Canada also complained that the cuts didn’t go deep enough. Right-wing Canadian Prime Minister Harper, Finance Minister Flaherty, and Ontario Premier Dalton McGuinty insisted on further concessions.

Chrysler entered a “surgical bankruptcy,” at the end of April, after feverish efforts to put together a package fell short. It included provisions for more layoffs and plant closures. The U.S. and Canadian governments translated their \$15.5-billion in aid into a total of 10 percent ownership of the company (8 percent going to the United States and 2 percent to Canada); Fiat will own 20 percent and eventually 35 percent; the UAW will hold 55 percent of the company through shares in their VEBA, to pay for retiree medical costs (minus vision and dental benefits which were given up). A group of bondholders refused to swap their devalued debt claims for shares and was forced to give in during the bankruptcy period. The new Chrysler board includes three members from the U.S. Treasury, one each from the Canadian government and the UAW’s VEBA (the latter without independent voting rights), and three from Fiat. It appears that Chrysler will soon exit bankruptcy.⁴

This was preceded by massive new concessions by both the UAW and the CAW, which radically undermined the traditional package of rights won by those unions over the years. The UAW gave up the right to strike through 2015. The unions then moved to apply the new round of concessions to GM and Ford as well – in a perverse version of “pattern bargaining.”

The Chrysler bankruptcy arrangement was seen as a “dry run” for GM. In both cases, the illusion of union participation and part ownership hides the fact that workers’ wages, benefits, working conditions, and pensions will now be held hostage to the need to increase the return on “their” investments in the company and their responsibility to pay for their own retirees’ health care.

GM entered bankruptcy on June 1st. The U.S. government promised \$30-billion and the Canadian federal and Ontario government put in \$9.5-billion. Technically, the U.S. held 60% of the company and the Canadian government 12.5%. The UAW held 17.5% in its VEBA, with 10% going to a group of unsecured bondholders. New and more stringent concessionary agreements were bargained by the



UAW and CAW with GM, although the latter managed to get the company and the Ontario government to contribute to the future solvency of the pension funds. GM also planned to close 14 more plants in the U.S., reduce the number of dealers and dramatically cut the number of workers.

The UAW and CAW both sought to put a positive spin on the outcome of the latest round of concessions and the GM bankruptcy plan. Neither organized any resistance, although the CAW did build some demonstrations calling on the Ontario government to guarantee pension shortfalls. Both unions remained committed to the new survival plans of the company and governments and had no independent perspective on how to restructure and rebuild the auto or parts sector. Both claimed “victory” in the midst of one of the most fundamental strategic defeats in the history of the U.S. and Canadian working classes – a sure sign that there will be more to come.

The hard right wing in both the U.S. and Canada denounced bailout efforts, calling on governments to both demand more worker concessions and let the market further discipline both the companies as well as the unions. They also began a campaign to highlight the contribution that government bailouts of the auto sector would make to the future budget deficits. Liberal and social democratic commentators defended the existing strategy as contributing to a possible healthy future for a smaller and more competitive GM. All fundamentally accepted the defeat of the auto unions as a necessary component of a renewed neoliberal auto and auto parts sector.⁵

SURVIVAL OF THE DETROIT THREE

A number of factors have contributed to placing the survival of the Detroit Three at risk.

A key element is the dependence of workers on privately-bargained pension and social insurance plans – the so-called “private welfare state.” The weak U.S. social safety net and the privatized, employer-based health insurance system worked to reinforce some of the structural advantages of the transplants. They have younger workforces and radically lower “legacy costs” – the cost of paying for retirees’ pensions and health care.⁶ General Motors, alone, has about five retirees and surviving spouses for every active worker in its plants in the United States. Toyota has fewer than three hundred retirees in its entire U.S. operations.

Even in Canada, pension costs are an issue. Although the single-payer health care system limits costs to the employers and evens the playing field somewhat, public pensions are also low and the legacy costs to the Detroit Three for retirees’ benefits there are substantial. Cutbacks in government health care spending and privatization have increased the role of private insurance, while access to drugs, vision, and dental care remain private.

As the companies increased productivity over the years through technological change, outsourcing, speedup, and the adoption of lean production techniques, the number of active workers decreased and the proportion of retirees correspondingly

increased. Factoring in market share losses and buyout packages for active workers, the costs of pensions and retiree health care became unsustainable. Productivity doubled in the past twenty years, alongside a 25 percent reduction in jobs. At the end of the 1970s, when the concession era began, there were about 750,000 hourly workers at the Detroit Three – today, more than two-thirds of those jobs are gone.⁷

In most developed capitalist economies, the market is not likely to grow more than 2 or 3 percent annually. So ongoing productivity increases will push up the rate of job loss in the overall manufacturing sector even higher over time.

Much has been made in the media about the wage differentials between the Detroit Three and the transplants, although labour costs reflect no more than 7 percent of the cost of an average new car. Auto workers create enormous surplus value for capital, and concerns about their wages ignore this reality.⁸ Before the latest UAW collective agreement in 2007 that cut in half the wage rates of newly-hired workers in GM, Ford, and Chrysler (and made them ineligible for some benefits and pensions), there was a three dollar an hour difference between them and the transplants. Of course, this reflected efforts of the non-union plants to prevent unionization. Factoring in the new base rates, even this differential disappears.⁹

Another factor is the increasing share of the market by the transplants and imports, enhanced by trade liberalization rules and the perception (and sometimes the reality) that foreign-made cars were of higher quality. A major component of the changes in buying patterns has been the rise in oil prices and the tendency of the Detroit Three to concentrate on large, gas-guzzling vehicles, especially SUV’s.¹⁰ In fact, it was the explosion in SUV sales that explains much of the last wave of sales growth for the Detroit companies.¹¹ These manufacturers were simply acting as “rational” capitalists, specializing in market segments that brought in the greatest profits.

Finally, there is overcapacity in North American and world auto markets. Auto is a classic example of how the profit-seeking drive of capital – along with limitations on working peoples’ capacity to buy goods – leads to the production of more goods than can be consumed, driving and sharpening competitive pressures. *The Economist* notes that, “According to CSM Worldwide, an automotive market consultancy firm, the world could produce about 94 million cars a year – about 34 million more than it is buying.”¹² Even with the wealth and depth of the North American market there is a huge imbalance between capacity to produce vehicles and the market for them. In the context of the current downturn, this is even more problematic. Sales of a little over thirteen million light vehicles, including imports, in 2008, were down 18 percent from 2007. The high point of the market – around sixteen million units – is not expected to return until possibly 2013, according to the Michigan-based Center for Automotive Research. Another auto analyst predicts that, even with the plant closures, capacity will be something like 16.9 million units in 2009.¹³ Actual output is forecast to be just 9.5 million, with an anemic capacity utilization rate of 56 percent.

CANADIAN DIFFERENCES

The Canadian UAW developed in a different political and cultural environment than that of the United States. The left wasn't completely purged from the union and its political influence lasted well into the 1990s. Local rank and file power (often tied to left opposition caucuses concerned about workplace issues) survived long after its marginalization or disappearance from U.S. locals, becoming a source of strength for a number of struggles, even with centralized pattern bargaining. The continuing presence of the left helped to foster internal debates, despite the bureaucratization and centralization of the leadership.

Anger over U.S. political and economic domination in Canada fed opposition to multinational corporations, free market capitalism, and U.S. foreign policy across the Canadian labour movement, and this, too, resonated inside the Canadian UAW.

The existence of even a moderate social democratic party like the Canadian Co-operative Commonwealth Federation (CCF) and later the New Democratic Party (NDP), contributed to a political space independent of employers for labour. Although the union developed close ties to the party, it built its own independent political campaigns against wage controls and free trade.

After the 1965 Auto Pact between the United States and Canada, which provided for managed free trade of parts and finished vehicles, the union made steady gains in bargaining. A growing confidence, rooted in an ongoing tradition of struggle, helped it develop an approach that argued for union independence in the face of demands for concessions and partnership. All of this contributed to the rejection of the 1982 concessions made in the United States and later the Canadian break with the UAW in 1984.

From its inception, the CAW continued to oppose concessions, make new bargaining breakthroughs, and wage important political struggles against free trade, globalization, and right-wing governments. It defended the rights of public sector workers. During the late 1990s, it organized a series of plant occupations against workplace closures. CAW stood as a respected example of the idea that a union did not have to embrace the ideology of competitiveness, even in an era where there seemed to be no real alternatives.

When trade agreements transformed the regulatory environment in the 1980s and early '90s, the industry and the union continued to benefit from the low Canadian dollar, low energy prices, and the existence of public Medicare.

UAW, CAW, AND THE CRISIS

At the beginning of the millennium, it seemed that the UAW and CAW could not have been more different. Yet, by the onset of the current crisis, the similarities became unmistakable. True to form, the UAW adopted a strategy of jointness and concessions, in return for promises of job protection, access to outsourced jobs, and protectionist measures from the state. When a movement arose in opposition to jointness and concessions, it was de-

feated by the ruthless power of the administration and the continuous restructuring and plant closures. The UAW became increasingly isolated from other sections of the working class and other social movements. It opposed the application of more rigorous environmental standards and defended the model choices of the Detroit Three. Its single-minded concern with defending only its members and protecting relatively well-paid jobs (and private benefits), gave it the appearance, to other less secure and well-paid workers, of a kind of special interest. The failure of the UAW to address real divisions within the working class came at a cost.

The union also never mounted credible efforts to organize the transplants and major non-union parts producers, instead relying on voluntary recognition agreements and the imposition of prearranged contracts on workers, often with no-strike clauses and other limitations.

In the context of the massive market losses of the Detroit Three, the union bargained two-tier wages for new hires in the 2007 agreement. It is difficult to see how a union can continue to operate in an environment where some workers make half as much as others, do not receive the same amount of benefits, and are asked to support tens of thousands of former workers who might get more in pensions and benefits than they make slaving away on the assembly line. (Some might argue that, with the crisis, there will be no new hires, but the companies have already begun aggressive buyout and early retirement programs for current workers, to clear out those who have traditional wage levels and make room for those working for half that.)

Overall, Dan La Botz, the American left educator and activist has described it well, "The union relegated itself to be the Big Three's junior partner, then sidekick, and finally, hanger on." Clearly, the UAW was in no position creatively to challenge the agenda of the state and employers, in the face of the current credit crisis.

A combination of factors led to a change in the approach of the CAW. In the early 2000s, the Canadian dollar began to rise sharply against the U.S. dollar, energy prices began to rise, and the market share of the Big Three began to decline, in relation to both the transplants and imports. Political regulation of the market was reduced through the adoption of neoliberal policies, and the competitive advantages previously benefiting the Canadian industry gradually disappeared.

The union also began to change. In the wake of the 9/11 attacks, the leadership – extremely powerful in this highly centralized union – became frightened by the new political, economic, and regulatory environment. Despite their left-wing reputation, and often militant actions, they lacked the kind of broader, anti-capitalist or socialist perspective needed to develop the radical strategies and approaches that could challenge the employers. Even more, the process of bureaucratization had begun to take hold, with the top leaders losing any belief that a mass movement of working people could ever challenge globalization or the power of major employers.

The New Democratic Party also accepted the impossibility of challenging neoliberalism. As in the United States, without a socialist, working-class-based political movement or party operating both outside and inside the union, there was no real political reference point to the left of a right-moving social democracy. The entire political space for labour changed during this period and this, too, strongly affected the CAW leadership.

Partly because of the CAW's history, the leadership retained enormous prestige, power, and internal support and used these to stifle dissent. The left inside the union began to abdicate its critical role and ceased building an independent base inside local unions or other union bodies. The leadership was, therefore, relatively free to make major policy changes, justifying collaborative strategies as being in keeping with the union's traditions. As long-respected leaders started to make these arguments, it confused and weakened the activist base that had been the driving force behind many of the union's struggles.

Reflecting this evolving perspective, the union sought new bases for the competitiveness of the Canadian industry. It argued for subsidies to lure new Big Three investments and made political alliances with business-oriented parties to do so. It created political campaigns calling on members to get community support for subsidies and limitations on imports. It formed corporatist institutions and committees to jointly develop demands for policy changes, in partnership with industry and state representatives and the largest parts producers. It encouraged appeals to "buy domestic," in a context where much of the competition was from the transplants, located in Ontario and the United States. Many people close to the leadership dismissed trying to organize the transplants because they were "foreign." Long before the current round of concessions, the union agreed to a series of contract reopenings, reducing break times, and allowing the outsourcing of unionized positions, in exchange for promises of new products.

Rather than see its role as building the power of the working class, the union decided on a growth at all costs strategy. However, union growth was secured mainly through mergers, rather than organizing campaigns. Instead of proposing and developing a larger crusade to organize the transplants and major suppliers, the union sought bureaucratic solutions similar to those of the UAW and the SEIU. At Magna International, the huge Canadian-based parts manufacturer, the CAW bargained what it called the "Framework for Fairness," which would take away the workers' right to strike and eliminate independent union shopfloor representation, in a joint effort with the employer. This was justified by the "necessity of getting our foot in the door."

In the last set of "normal" negotiations in 2008, the CAW started negotiations early and bargained away \$400-million worth of new concessions, claiming, defensively, that "at least we didn't bargain two-tier wages." The union committed to the notion that it had to remain competitive with the declining cost structure of its U.S. brothers and sisters in order to convince the corporations to maintain branch plant investment in Canada.

Canadian auto workers, too, became fairly isolated from the rest of the highly segmented working class. The CAW had previously built solidarity with anti-poverty, anti-globalization, and low wage struggles. It also led a highly popular strike against outsourcing at GM in 1996 that captured the imagination of working people across Canada. Those kinds of actions have more or less disappeared in the past few years. The anger and frustration of other workers against the CAW's appeals for the auto loan guarantees reflect the union's distance from the working class as a whole today.

Limited collective struggles, isolation, the "save our employers" mentality, and the endless series of plant closings and job losses, left the union increasingly weakened and demoralized. Union members – and leaders – quite literally couldn't conceive of an auto sector independent of their existing employers. This hardly placed the CAW in a strong position when the credit crisis actually hit at the end of 2008.

The weakness of the UAW, CAW, and larger labour movements in both countries was not missed by the ruling classes and the U.S. and Canadian governments, when they imposed the conditions for the loan guarantees.

ALTERNATIVE POLICIES AND APPROACHES

1. Socialist Perspectives

A socialist approach to the search for solutions to the auto crisis might properly begin with a set of principles: class solidarity, democracy, independence from employers, alternatives to the logic of competitive markets, the development of democratic and productive capacities, and environmental responsibility and sustainability.¹⁴

If we were to apply these principles, what might we demand?

First, the "private welfare state" needs to be replaced by a set of strengthened, democratically administered, universal public programs. Pensions, health care, dental, vision, and pharmaceuticals cannot be guaranteed through private plans, dependent on corporate profitability and administered by private insurance companies. These should be fundamental rights that strengthen the independence and well-being of working people. For now, governments should at least guarantee already negotiated plans, which, after all, were funded by the deferred wages of the workers in the first place.

Second, the banking and finance sector should be nationalized and socialized and run by democratic bodies. Finance needs to become in fact what current bailouts implicitly assume that it is – a public utility. It should be used to fund the legitimate social and economic needs of society.

Third, auto production and trade must be regulated. Democratic planning bodies need to be created to regulate trade, the entry and location of production facilities, and the movement of

capital. Whatever the immediate result of current restructuring efforts, all of the companies cannot produce vehicles at full capacity and continue to sell their products in North America.

Fourth, the need to deal with climate change and the general environmental crisis requires that there be fewer personal and commercial vehicles. We need: (1) new, smaller vehicles that use non-fossil fuels; (2) mass transportation and the infrastructure for it; (3) development of alternative sources of fuel and energy; and (4) new forms of living, working, and enjoying recreation time. All of this requires changes in industry and society that go far beyond the logic of private capital accumulation and competition.

Fifth, much of the productive capacity currently used to produce cars must be redirected to produce other goods or services. Government-owned corporations should be created to take over the productive facilities and resources – such as tool and die making – left idle by today's downsizing, to create environmentally-friendly goods, such as wind generators, solar technologies, and mass transit. These resources have been subsidized by the state and communities, so why should we allow them to disappear because they no longer fit into the logic of market profitability? The unemployed and underemployed would have to be mobilized and organized to demand these changes and ultimately work in this new sector, earning decent union wages.

Sixth, communities must be organized to defend their right to decent jobs and a share of new production facilities. New institutions have to be created to allow working class communities like Pontiac, Michigan and Windsor, Ontario to investigate and analyze their needs (be it infrastructure, housing, transportation, services, recreation, etc.), and then access the technical and financial resources to address them. This is one way to avoid the proliferation of deindustrialized urban centers across North America.

Seventh, we need a bold alternative vision for transforming the auto industry. Some call for a nationalized auto, mass transit, and energy corporation, which would take over the auto companies, reintegrate key supplier facilities, dramatically increase investment in mass transit, phase out fossil and nuclear fuels, and move toward renewable forms of energy.¹⁵ They point out the enormous success of nationally planned industries during the Second World War, when GM – although still privately owned – became the largest aerospace manufacturer, under public control in a planned environment.

The existence of U.S. and Canadian government shares in both the Chrysler plan won't lead to the functional nationalization of the companies. Both governments are clearly dedicated to minimizing their direct role in the operation of the two firms and neither challenges the logic of private profit as the ruling principle for their futures. Neither is interested in controlling the entire sector. This is a strong argument for the necessity of challenging the nature of the state as part of working toward a more radical solution to the crisis in the industry.

Eighth, there need to be solidaristic strategies to protect jobs

and income. These might include work sharing (using unemployment insurance programs to subsidize incomes) and extension of various negotiated forms of time off, such as vacation, parental leaves, reduction of overtime, and the like.

2. Getting from Here to There

How could we fight for these things and what kinds of political projects would we have to build to make them possible? Two necessary conditions come to mind. Our unions must be changed, and we must develop an alternative politics.

The UAW and CAW are seen by many simply as advocates of the narrow sectional interests of their members. The anger and envy that mark the outlook of many workers toward auto workers are more than just ideas caused by the media. They reflect the real life experiences of many workers who, in this neoliberal era, have never participated in collective, class-oriented struggles to address their concerns and needs. There is a tendency to dismiss the trade union movement and look toward individual solutions.

Unions – and not just the UAW and CAW – need a fundamental *cultural* change, much like the one that took hold in some of the industrial unions of the CIO in the 1930s, in response to the hidebound and narrow craft unionism of the old AFL unions. Unions must see their role as representing and mobilizing both the employed and unemployed; in communities as well as in workplaces. They must fight against the increasing stratification within their membership and become involved in concrete forms of rebuilding working class communities, all in the spirit of solidarity.

Unions need to be open, democratic, and participatory, going beyond formal democracy to develop member capacities through education, access to information, and mobilization.

Aside from standing up against concessions, unions have to take up the almost forgotten struggle for creative, rewarding, and productive alternatives to lean production and management-controlled work organization. Such efforts would address a major concern of all employed workers.

There also has to be a new movement – a crusade – to pass the Employee Free Choice Act in the United States and to organize the transplants and other non-union strongholds in both countries.

Today, a radicalized capital is bent on fundamentally altering the power of unions and the living and working conditions of workers. Unions, in response, need to radicalize their practices, policies, and politics. The lack of mass resistance to the current round of concession demands is a sad reflection of the failure to recognize the urgency of this task.

While unions must play a critical role in the process of change, they have important limitations. They must collectively bargain for their members and are dependent on the success of employers in specific segments of the marketplace. They have to deliver

gains in the short run in order to retain credibility with their membership, and this often conflicts with longer-term goals and the interests of other workers.

What's needed is a socialist political movement – one that challenges the logic of private capital accumulation and seeks to fight for an alternative social system. Such a movement would provide an alternative pole of reference for workers and unions.

In the 1930s, the existence of radical anti-capitalist movements and parties inspired working class activists to create the industrial union movement and other mass community struggles in the face of seeming impossible odds. They ended up mobilizing tens of thousands of working people, forcing governments to implement key social reforms and institutionalize the CIO unions.

Today, we are left with a small number of radical groups, individuals, and networks in both Canada and the United States, with a tenuous base in the union movement and ties to a number of community projects. A larger anti-capitalist or socialist political movement has to be built, working inside and alongside working class communities and trade unions. How can we begin to do these things? First, we need to talk and plan together. In Toronto, for example, a group of socialist and other radical activists – trade unionists, community organizers, and others – are organizing a mass assembly this fall to (1) address some of the differences and similarities in various aspects of working class life; (2) build on and deepen our common understanding of the roots of the current crisis; (3) work toward linking our short-term defensive struggles to more ambitious efforts to challenge the system; and (4) to see what might be the most appropriate organizational forms for moving forward.

Second, we need to support, help build, and participate in ongoing struggles. In the United States, anger over the bonuses and massive bailout money for capitalists – in the face of continuing demands for sacrifices and job losses for workers – is growing. Here in Canada, labour unions are starting to mobilize around modest defensive demands, such as the extension of unemployment insurance, severance guarantee funds, and the rights of temporary and precarious workers. New links between unions and non-unionized workers are being re-established as well. The CAW organized occupations to demand improved severance packages in workplace closures and a huge demonstration in defence of pensions. The Steelworkers are building opposition to the possible closure of major steel facilities and some leaders and activists in the union have argued for nationalization of the steel industry. The Toronto Labour Council has created a number of larger fightback campaigns, meant to dovetail with but push forward the efforts of the broader demands of the labour movement. Hopefully, each struggle will build confidence to do more and provide space to talk about how we can raise the political level of our demands and the breadth of the movement.

The overall economic crisis might very well still be in its early stages. The eventual scale and direction of the larger fightback movement is impossible to predict. Socialists need to be

there, popularizing socialist ideas and orientations, and contributing to developing a new generation of socialists. **R**

Herman Rosenfeld is a union activist in Toronto.

Notes

¹ The contrast between the way that bailouts to the financial sector have been handled and the obsessive scrutiny of workers in the auto companies has been noted by many analysts. As Robert Scheer wrote in the *Nation* (April 1, 2009), “As opposed to the financial high rollers richly rewarded for crawling in and out of balance sheets, the folks who crawl in and out of cars along an assembly line are left with permanent aching backs and hard-won health care and retirement plans about to disappear through their company’s bankruptcy. Where’s their bonus package?”

² Chrysler’s survival was already in jeopardy as a result of its majority ownership by the vulture fund Cerberus Capital Management, which was widely conceded to have no interest in the long-term future of car manufacturing.

³ As auto analyst Brian Johnson of Barclays Capital in Chicago noted, “Improvements in liquidity for GM will come out of the UAW.” See John Lippert and Keith Naughton, “Obama Weighs Buyout Rage Against Future of Iconic Auto Union,” Bloomberg.com, April 2, 2009.

⁴ The union’s stewardship of its new shares would also be subject to certain restrictions: if the stock moves above a certain level, the difference has to be returned to the government and there will be a committee to adjust the level of benefits to match the value of the assets. The UAW has already announced its intention to sell its Chrysler shares in the future.

⁵ Some more progressive commentators called on the governments to use their share ownership to implement policies more favourable to workers and communities, but most of them also accepted the limitations of “the rules of the game.”

⁶ The first of the U.S. transplants opened in the late 1970s and early ’80s (Volkswagen, 1978; Honda, 1982; Nissan, 1983). See Dan La Botz, “What’s to be done about the Auto Industry?” *MRzine*, October 18, 2008, mrzine.monthlyreview.org/labotz181108.html.

⁷ Sam Gindin, “Saving the Detroit Three, Finishing Off the UAW, Learning from the Auto Crisis,” *The Bullet*, December 24, 2008, www.socialistproject.ca.

⁸ This doesn’t include the labour of miners, steelworkers, parts workers, and those who contribute to the product before it gets to the assembly plant. Of course, for capital, the surplus value must be realized through the eventual sale of the product which is being blocked by the crisis. Lowering labour costs will not contribute to solving the crisis.

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Revisiting Marx: Is Marxism Still Relevant?

Leo Panitch

Leo Panitch comments on a panel with David Harvey and Meghnad Desai. London School of Economics (LSE) Ralph Miliband Public Lecture Series 18/11/08.

The turnout this evening itself is evidence that Marxism is still relevant, and I must say that it pleases me enormously that this event is being held in this impressive new theatre. For however much I felt a certain warm nostalgia when I returned to the LSE and spoke in the Old Theatre a few times over the past 10 or 15 years, bringing back memories as this did of my student days here in 1968 when revolutionary rhetoric filled the Old Theatre, speaking tonight in this new theatre makes me feel hopeful that what we are about is not merely making the ‘old ghost walk about again’ but rather renewing “the spirit of revolution,” if I may borrow a few choice phrases from Marx himself.

Perhaps the first measure of whether Marxism is still relevant these days is the way sales of *Das Kapital* appear to have shot up amidst the current economic crisis – in Germany alone from only 100 sold in 2007 to 2500 sold in the first 10 month of this year. Of course those sales pale on comparison to the numbers sold by the opportunistic Bishop of Munich, Reinhard Marx, whose decision to entitle his own book – which appears to be a rather traditional corporatist Catholic appeal to class harmony in the face of the current capitalist crisis – *Das Kapital*, had the effect of shooting it up to the top of the best seller list. But this is also a measure of the crisis of neoliberal ideological that attends the current economic crisis. There was nothing more pleasurable for me during the recent U.S. election campaign than seeing Obama elected despite the right wing media calling him a socialist. Indeed one of them even went so far as to quote Marx on “from each according to his abilities to each according to his needs” and then ask VP Joe Biden whether Obama’s promise to spread the wealth around didn’t make him a Marxist. I loved it, although what was rather less pleasurable was Biden’s responding to this question as though Obama had been called a child molester. What may be especially significant about the outcome of the election is that most American voters didn’t respond with such shock and horror to Obama being called a socialist or even a Marxist. When the day comes that they don’t just shrug their shoulders in indifference at such charges but actually see this designation as a positive one, we shall really have gotten somewhere.

In this respect, there are two senses in which the question of whether Marxism is still relevant really matter. One is whether the radical aspirations for social transformation that Marxism has represented since the *Manifesto* was published 160 years ago are still relevant – and the other is whether the conceptual tools that Marxism has developed over those 160 years are still relevant. These two are not the same thing. The conceptual tools of historical materialism may indeed be necessary to understand the global capitalist world we live in and how we got here, but that does not allow us to predict the future or give us the strategic

keys to getting there, even if might point us in the right direction.

RADICAL ASPIRATIONS

Let me first take up this question of radical aspirations. What has been most troubling from my perspective about the current crisis has been the remarkable lack of ambitious vision and program that has characterized the left’s response to it. In the U.S., for instance, one saw the rather mindless populism of those, like Michael Moore, who merely opposed Henry’s Paulson’s bail out of the banks as a rip-off of the taxpayer, saying Wall Street should be left to stew in own juices, and thereby leaving aside what the dependence on people on private financial capital markets actually means: their paychecks are deposited with banks, their pension savings are invested in the stock market, their consumption is reliant on bank credit – and keeping the roof over the heads depends on what happens to mortgage derivative markets. On the other hand, one saw reform proposals coming from the left which appeared to be radical only because they went beyond what even the left of the Democratic Party were prepared to call for. This was seen in the two main proposals advanced by the leading left voice in financial matters in the U.S., Dean Baker, who called for a \$2-million limit on Wall Street salaries and financial transactions tax, along the lines of the Tobin tax. This is a perfect example of thinking inside the box: explicitly endorsing two million dollar salaries and the practices of deriving state revenues from the very things that are identified as the problem – very much along the lines of tobacco taxes. Indeed, even additional proposals for stringent regulations to prohibit financial imprudence mostly fail to identify the problem as systemic within capitalism. At best, the problem is reduced to the system of neoliberal *thought*, as though it was nothing but Hayek or Friedman, rather than a long history of contradictory, uneven and contested capitalist development that led the world to 21st century Wall Street.

The same thing appears to be the case in the UK where most people on the left seem to accept the notion that the Brown government’s response to the crisis has involved taking the Banks into public ownership. Nothing could be further from the truth as regards the extensive capital the state has put into the private banks. No voting rights come with the preferred shares they have bought. The company that has been created to look over the state’s investment in the banks, as its chief executive and chairman made clear in an op-ed in the *Financial Times* last Friday: This was reinforced by speeches by the Chancellor of the Exchequer and the Minister responsible for the City of London the same day. But it was already evidenced in practice when the Bank of England reduced interest rates by 1.5% and the when the banks said they wouldn’t follow, the government was reduced to moral suasion to try to get them to do so.

Indeed, what has been really striking here in the past few weeks is that while Larry Elliot and Will Hutton fret that the City will respond badly to a fiscal stimulus that will be seen as exces-

sively increasing the deficit, it has been left to a far from radical LSE political economists, Willem Buiter – a former member of the Bank of England’s Monetary Policy Committee and certainly no Marxist – to call (albeit only in his blog) for transforming the whole financial sector into a public utility.

“There is a long-standing argument that there is no real case for private ownership of deposit-taking banking institutions, because these cannot exist safely without a deposit guarantee and/or lender of last resort facilities, that are ultimately underwritten by the taxpayer.... Private banks collectively cannot self-insure against a generalised run on the banks. Once the state underwrites the deposits or makes alternative funding available as lender of last resort, deposit-based banking is a license to print money. That suggests that either deposit-banking licenses should be periodically auctioned off competitively or that deposit-taking banks should be in public ownership to ensure that the tax payer gets the rents as well as the risks. The argument that financial intermediation cannot be entrusted to the private sector can now be extended to include the new, transactions-oriented, capital-markets-based forms of financial capitalism. The risk of a sudden vanishing of both market liquidity for systemically important classes of financial assets and funding liquidity for systemically important firms may well be too serious to allow private enterprises to play. No doubt the socialisation of most financial intermediation would be costly as regards dynamism and innovation, but if the risk of instability is too great and the cost of instability too high, then that may be a cost worth paying.... From financialisation of the economy to the socialisation of finance. A small step for the lawyers, a huge step for mankind. Who said economics was boring?”

This sounds pretty much like the demand that Marx and Engels put forward as the 5th of their 10 measures put forward in the *Communist Manifesto*. It just goes to show that you don’t need to be a Marxist to have a radical aspirations. But you do have to be some sort of a Marxist to recognize that even at a time like the present, when the most important fraction of the capitalist class is on its heels, demoralized and confused, this type of radical measure which entails a radical change in power relations in this country, indeed which involves dispossessing what has been the strongest element of the capitalist class of its base of power, is not likely to be undertaken just by educating the ruling class to socialism overnight or even by sitting all the stakeholders representatives down together in a room. What has been distinctive to Marxism is the recognition that without the development of popular class forces through new movements and parties this kind of proposal will fall on empty ground. And since these cannot be created overnight, this is why there is such a problem with addressing radical aspirations only at times of crisis like we are now living through. The question of how to encourage and develop support for radical aspirations in the face of all the individuation, privatization, competitiveness and commodification of both personal and institutional life when capitalism is thriving is the hard question. And it is with this in mind that I want to turn to the question of whether Marxist conceptual tools are still relevant.

DEVELOPING MARXIST THEORY

As I try to suggest in chapter three of my *Renewing Socialism*, there are two ways that creative intellectuals committed to social justice have related to this question of the adequacy of Marxist conceptual tools. The role of the intellectual, on one view, is to employ Marxism to help develop the theory and strategy of socialist movements; and to help improve Marxist theory in light of the changing world and the changing needs of socialist movements as they confront this world. A second approach of radical intellectuals has entailed attempting to bring the insights of Marxism to a understanding of the capitalist order, but stopping short of locating themselves theoretically and strategically in terms of Marxism and what it brings to the socialist movement. One should be careful not to caricature either approach. The first approach does not necessarily mean subordinating one’s intellectual work to the momentary ‘political line’ of a Communist Party, or any other. It does not require refraining from passing critical judgement *on any part* of the revolutionary socialist movement or on the inadequacies and errors of Marxism itself. Precisely because this approach does not entail reducing science to ideology in the narrow sense of the “Party School,” it does *not* mean cutting oneself off from, or merely attacking, other intellectuals who embrace an alternative, even an opposing, theory to Marxism. On the contrary, the task of the Marxist intellectual, on this view, is to maintain a scientific dialogue in order to *incorporate* the best of opposing and alternate theories, *into* Marxism. As Gramsci put it:

In the formulation of historico-critical problems it is wrong to conceive of scientific discussion as a process at law in which there is an accused and a public prosecutor whose professional duty it is to demonstrate that the accused is guilty and has to be put out of circulation. In scientific discussion, since it is assumed that the purpose of discussion is the pursuit of truth and the progress of science, the person who shows himself most “advanced” is the one who takes up the point of view that his adversary may well be expressing a need which should be incorporated, if only as a subordinate aspect, in his own construction. To understand and to evaluate realistically one’s adversary’s position and his reasons (and sometimes one’s adversary is the whole of past thought) means precisely to be liberated from the prison of ideologies in the bad sense of the word ... that of blind ideological fanaticism. It means taking up a point of view that is “critical,” which for the purpose of scientific research is the only fertile one.

There is no less danger that the second approach may be caricatured, however. Its difference with the first approach *cannot* be captured in a presumed rejection of Marx’s famous aphorism about the point of philosophy being to change the world, not just to understand it. The work of Bendix or Mills or Moore was often explicitly directed toward contributing to progressive democratic social change and even justifying revolutionary change to the end of overcoming human degradation. It is perhaps one of the ironies of the second approach, however, that it may sometimes

lead one to be much more *tolerant* of Marxism's weaknesses and failures than one ought to be, or than the best practitioners of the first approach are.

And there is much to improve in Marxist conceptual tools. Sometimes it involves recapturing some classical Marxist insights that have been ignored or dismissed by subsequent generations of Marxists. This is what I believe Professor Desai and I have both been trying to do by stressing certain of Marx's insights on the continuing revolutionary nature of the bourgeoisie in the sense that it is impelled by competition to this day to continue to introduce changes which revolutionize the means of production, exchange, distribution and communication. Those who have focused on the falling rate of profit, monopolization and capitalist crises have sometimes discounted the continuing dynamism of the bourgeoisie. There has been a tendency in too much Marxist work to look to concentrate too much on understanding crises as if these crises would themselves lay sufficient grounds for the social transformation.

Those who took up the study of the state in capitalist society in the 1960s and 1970s, not least Ralph Miliband, were precisely taking responsibility for Marxism's severe conceptual weaknesses as regards the state and were concerned to understand the role the state played in reproducing capitalism in the face of crises. That the work was done in this period was subsequently marginalized by those who stressed state autonomy and adopted the impoverished categories of state and markets as conceptually and in power terms external to one another – even as state became increasingly and openly and self-descriptively capitalist in the neoliberal era – has been a very sorry departure in social science from the advances made by Marxist theory. But those of us who have continued working in their vein have made some progress, I believe, especially by bringing the new conceptual tools in Marxist state theory to understanding of the internationalization of the state and the development of a new non-Leninist understanding of the new integrative and coordinating type of capitalist empire that has emerged under the aegis of the American state in the process of the making of global capitalism.

The Marxist sociological advances made in the 1970s in the refinement of class analysis to understand better the differentiation developing within both the working and middle classes were also marginalized amidst the confusions generated by post-structuralism and postmodernism, yet there has been considerable progress in developing Marxist class analyses of globalization, not least in terms of understanding the process of globalization in terms of the way the movement of capital has entailed landing on so many new and reorganized proletariats as well as new professionalized middle classes.

POLITICAL ORGANIZATION

But if we are to make progress in combining advances in Marxist theory with the rekindling of ambitious popular aspirations for social change the most important work that needs to be done, and this specially involves building on the legacy of Ralph

Miliband with his monumental work on parliamentary socialism and the limitations of the British Labour Party, lies in the field of Marxist concepts that pertain to political organization. The key insight of the *Communist Manifesto* was that if it is its propensity to competition that makes the bourgeoisie a revolutionary class in history it is its propensity to political organization that does this for the working classes. The *Manifesto's* stress on the political organization of the proletariat into a class sounded very fresh at the turn of the 20th century when the great mass socialist parties were just emerging – the first permanent organization of the subordinate classes in history. By the end of the twentieth century, as those parties, Communist, labour, social democratic, all seemed to have played out their historic role in a way that ended up blocking rather than developing subordinate class capacities for transforming society, the importance of developing Marxism's conceptual tools to better understand the process of organization was also sidelined. The *Manifesto's* confidence that differences of age and sex would be overcome via class organization even was problematic during the heyday socialist party building at the beginning of the 20th century. When added to our experience with the staying power of differentiations of language, religion, race, ethnicity and so on over the course of the 20th century, it is perhaps not surprising that the post-structuralist and postmodernist stress on identity should have blossomed as it did. But the costs have also been severe in the way this has contributed to what Bill Fletcher called *Solidarity Divided* in his new book on the U.S. labour movement.

This brings us directly back to the question of developing once again radical aspirations. Rather than assume that communities of active, informed citizens are ready and waiting to take up radical alternatives, the first task of relevant Marxism, intellectually and politically, is to work out how to actively facilitate the creation of democratic capacities. This must start with promoting the capacity for isolated individuals to discover common needs and interests with others in various diverse aspects of their lives, and then encouraging the formation of collective identities and associations and capacities to develop the institutional means and resources to determine collectively how their needs and interests might be fulfilled. This relates to the points I made earlier regarding the opportunity afforded by the current crisis for thinking ambitiously again, especially with regard to the financial system. It is highly significant that the last time the nationalization of the financial system was seriously raised, at least in the advanced capitalist countries, was in response to the 1970s crisis by those elements on the left who recognized that the only way to overcome the contradictions of the Keynesian welfare state in a positive manner was to take the financial system into public control. In 1976, the left in the British Labour Party were able to secure the passage of a conference resolution to nationalize the big banks and insurance companies in the City of London. This had no effect on a Labour Government that was as determined to show its independence from the party outside of Parliament as the Blair and Brown governments have been (in this sense there is nothing new about New Labour) and which in the same year embraced one of the IMF's first structural adjustment programs. We are still paying for the defeat of these ideas. Their proposals were derided as Neanderthal not only by neoliberals

but also by social democrats and postmodernists. It is now necessary to build on their proposals and make them relevant in the current conjuncture.

The scale of the crisis today provide an opening for the renewal of radical politics that advances a systemic alternative to capitalism. It would be a tragedy if a far more ambitious goal than making financial capital more prudent did not now come back on the agenda. It hard to see how anyone can be serious about converting our economy to green priorities without understanding that we need a democratic means of planning through new sets of public institutions that would enable us to take collective decisions about allocating the investment for what we produce and how and where we produce the things we need to sustain our lives and our relationship to our environment. The reasons why trading in carbon credits as a solution to the climate crisis is a dead end is shown in this financial crisis. It involves depending on the kinds of derivatives market that are so volatile and are so inherently open to financial manipulation and to financial crashes.

In terms of immediate reforms – in a situation where the only safe debt is public debt – this should start with demands for vast programs to provide for collective services and infrastruc-

tures that not only compensate for those that have atrophied but meet new definitions of basic human needs and come to terms with today's ecological challenges. But such reforms would soon come up against the limits posed by the reproduction of capitalism. This is why it is so important to raise not merely the regulation of finance but the transformation and democratization of the whole financial system. This would have to involve not only capital controls in relation to international finance but also controls over domestic investment, since the point of taking control over finance is to transform the uses to which it is now put. And it would also require much more than this in terms of the democratization of both the broader economy and the state. But without rebuilding popular class forces through new movements and parties this will fall on empty ground. And crucial to this rebuilding is to get people to think ambitiously again. However deep the current crisis, this will require hard and committed work by a great many activists as well as intellectuals – and in the end this alone will be the measure of whether Marxism is still relevant. **R**

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Is Nationalization of the Banks Good for Us? Is it Socialism?

Yen Chu

The financial crisis has prompted the nationalization of major banks in the United States and in several European countries. The move to nationalize has sent journalists proclaiming the arrival of socialism. “We Are All Socialists Now” was the cover story in the February 16th issue of Newsweek. The story claims that the nationalization of the banks by the Bush administration back in September is a strong sign of socialism.

Unfortunately, socialism is not just around the corner. While nationalization can be an aspect of socialism, it has also occurred under capitalism. As George Bush said when he moved to nationalize, “These measures are not intended to take over the free market, but to preserve it.” But while the government works to preserve the free market, the working class is left to suffer the effects of the crisis. Although no Canadian banks are facing nationalization, the nationalizations in the U.S. and Europe raise the issue of what consequences these measures have on

capitalism and what potential it has for the left.

Nationalization occurs when private firms are taken into state ownership. Traditionally, nationalization meant that an enterprise simply became state-owned and operated. The implication is that private interests lose out on the profits. Profitable nationalized industries can generate a lot of revenue for government coffers and some on the Left believe this can benefit the working class if the government distributes that wealth. However, the working class doesn't always benefit; the political and economic reality of nationalization is far more complex.

Under capitalism, nationalization sometimes occurs when the private sector is unable to operate an industry, service or enterprise profitably. But because some enterprises are considered an economic priority, the government runs and operates them, such as VIA Rail. The working class does not have direct input into how these

enterprises are operated and as such do not directly benefit from them.

Today, the term nationalization is often used loosely – the current “nationalization” of banks means that the government owns shares in these firms, but the capitalist owners still run them and receive the profits.

In the mainstream press and among capitalist economists, reaction to the recent “nationalization” in the financial sector has been mixed. There is an ideological debate over the role of government in the capitalist system. There are those free market purists who believe that any tiny speck of government interference is a whiff of socialism. They believe that everything from social services to public infrastructure must be left to the free market and that the system will sort itself out on its own without any government intervention. But most feel that the government needs to do whatever is necessary to save capitalism.

President Barack Obama is caught in the middle of this ideological debate. His administration has so far resisted calls for further nationalization and control of the banks. But there is pressure for further nationalization from members of the Democratic Party, some in the Republican Party and finance capitalists, including Alan Greenspan. They see nationalization as a temporary measure to overturn the crisis. Some point to bank nationalization in Japan and Sweden as examples of how bank nationalization can help overcome the crisis in capitalism. Once things stabilized in those countries, the banks went back to private ownership.

The Obama administration has not ruled out more nationalization, but it recognizes some of its dangerous implications for the capitalist marketplace. A *New York Times* article on January 26, 2009, quotes a political adviser saying that if the government is seen as owning the banks “the administration would come under enormous political pressure to halt foreclosures or lend money to ailing projects in cities or states with powerful constituencies.”

The key word here is political pressure. The government does not act in the interests of working people without significant pressure. With trillions of dollars going to the banks and financial sector, the U.S. government can not avoid the issue of foreclosures without significant political backlash. It has implemented a foreclosure rescue plan that mostly subsidizes the bank into renegotiating mortgages. The plan, however, does not halt all foreclosures and does not address the issue of affordable housing.

Political pressure was used last December by workers in Chicago who occupied Republic Windows and Doors. Bank of America pulled the company’s credit even though the bank was partially nationalized through a \$25-billion injection of capital by the government to encourage lending. This partial nationalization of the bank by the government did not automatically mean that the workers would be given what was owed to them. Instead, it was only through the workers taking direct action in occupying the company that Bank of America agreed to restore the credit in order for the company to issue the sever-

ance and vacation pay owing to them. The workers’ victory was bittersweet as they have been left unemployed. The trillions of dollars given to the banks is not trickling down to workers and the poor.

The current “nationalization” of the banks is not even a moderate social reform where there is the potential to improve the living conditions of the working class. It is the nationalization of the banks’ losses and not the banks themselves. Working people in the U.S. are paying for the losses but receive no benefits.

Banks’ decrees affect our lives, but we have no control over these decisions. We deposit our money in banks and get very low rates of return. We have no say in how they use our deposits. They charge us inexplicable user fees for every transaction. We borrow money from them at very high interest rates and can become homeless when the banks refuse to renegotiate our loans when we become unemployed. We can become unemployed when the bank refuses credit to the company we work for. If we are workers in a company that goes bankrupt, we lose out to the banks, who get first claims on the company. We’re left without severance and vacation pay. Furthermore the banks refuse to set up branches in lower-income neighbourhoods, where residents end up relying on services such as Money Mart, which charges exorbitant fees to cash cheques and ridiculously high interest on pay day loans.

DEMOCRATIC NATIONALIZATION

Credit unions exist as an alternative to banking and offer some ideas and possibilities of what a democratic nationalization of banks could look like if financial institutions were nationalized and turned into public utilities. Credit unions are owned by the members who use the service. Members elect the board of directors who act on their behalf to oversee the operations of the credit union. Profits are used to ensure members get a higher rate of return on their deposits and are used to keep interest rates low.

Another alternative to the current banking system is participatory budgeting, which was first implemented in Porto Alegre, Brazil. There, the public was di-



rectly involved through public forums in the decision-making process of how public spending would be allocated and what projects to implement. In banking, the model of participatory budgeting would allow the public to actively participate in the decision making process of allocating credit, setting interest rates and determining the supply of money in the economy.

However, both credit unions and participatory budgeting have their limitations. Neither model address the issue of workers’ control and both highlight the limitations of a democratic nationalization of banks within a capitalist system, as they must operate within the framework of capitalism. Credit unions, for instance, were hurt along with the commercial banks when the value of hedge funds plunged. In Porto Alegre, participants had to make decisions on where to make cuts to social programs. Furthermore, if other industries are still privately owned, workers’ exploitation still remains.

Democratic nationalization does not automatically lead to socialism. Socialism is not simply the redistribution of wealth; it is about building the capacity for workers to run the political and economic life of society. It is only through strong social movements that democratic nationalization and the move toward socialism is possible. The current way in which banks are being rescued through “nationalization” should not be endorsed by people opposed to neoliberalism. But these new circumstances offer an opportunity to challenge the neoliberal orthodoxy of the free market – and the capitalist system that gave rise to it. **R**

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Media Capitalism, the State and 21st Century Media Democracy Struggles

An Interview with Robert McChesney

Tanner Mirrlees

In *The German Ideology*, Marx said the following about the media: “The class which has the means of material production at its disposal has control at the same time over the means of mental production, so that thereby, generally speaking, the ideas of those who lack the means of mental production are subject to it. The ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas.” Since Marx’s time, “the means of mental production” in society have expanded into a globalizing capitalist media and cultural industry that encompasses both print and electronic mediums, news and entertainment. The media is a contradictory institution; it is once a means of production and a terrain of struggle. “The class that is the ruling material force of society” continues to rule the media and therefore is a very powerful “ruling intellectual force” in society. Yet, control of the media by the ruling class is being opposed by media democracy struggles.

Robert McChesney, eminent historian and political-economist of the media, founder of the Free Press, leading U.S. and international media activist, and author of *The Political Economy of the Media: Enduring Issues, Emerging Dilemmas* (Monthly Review Press, 2008) and *Communication Revolution: Critical Junctures and the Future of the Media* (The New Press, 2008), spoke with Tanner Mirrlees, of the Socialist Project, about contemporary media capitalism and 21st century media democracy struggles to understand and change it.

THE MEDIA, THE LEFT AND POWER

TM: Why do you think it is important for progressives to understand the media and participate in media democracy struggles?

RM: The media is one of the key areas in society where power is exercised, reinforced and contested. It is hard to imagine a successful left political project that does not have a media platform. The media was not a major political issue for earlier generations of the Left. In the 19th century, a very different media system was in place. 19th century socialists wouldn’t be talking much about the need to criticize the *New York Herald Tribune* because they weren’t organizing people who read the *New York Herald Tribune*. It was much easier and more common for the Left to have its own media. The workers had worker papers. They weren’t consuming mass produced commercial media products. But this started changing in the first half of the 20th century. Capital accumulation colonized much more of popular culture and communications. Capitalism became the dominant mode of producing and distributing information in society. The media has since become central to politics; it is a central concern for anyone that wants to understand politics and intervene politically. The chal-

lenge for us is to understand, use and struggle to change the existing media.

TM: The corporate media play a dominant role in political struggles. Despite the power of the mainstream media, the Left still has its own media network. However, I worry that much Left media tends to be read almost exclusively by people that have already participated in or have a historical understanding of socialist struggles. How can we move from the level of building and maintaining our own Left media to engaging in a broader media struggle?

RM: In my experience and in the experience of others who study the media, we wrote articles and books that outlined the many problems of the corporate media. We critiqued the media. We gave many speeches. We came to a point where audiences asked: “what do we do about it?” “What should we do about the problem of the media?” There was a traditional Left response available at the time: “we understand that the media is not separate from, but an integral part of how capitalist power is upheld in society; when we make the revolution or the revolution just happens, the problem of the media will be resolved then.” This was an unsophisticated answer. Of course, very few people on the Left were that simplistic. Many understood that the battle over the media, just like the battle over the workplace, was a key part of engaging with and contesting power. Educating people about the media and fighting to make changes in the short-term, not just in the long term, became of utmost importance. Instead of waiting for the revolution to happen, we learned that unless you make significant changes in the media, it will be vastly more difficult to have a revolution. While the media is not the single most important issue in the world, it is one of the core issues that any successful Left project needs to integrate into its strategic program.

NETWORK NEUTRALITY AND THE STRUGGLE FOR A PUBLIC INTERNET

TM: What are the most significant sites of political struggle for media democracy activists in the U.S. today?

RM: There are three overriding and connected issues that are central to media democracy activism in the United States.

The first issue is the Internet. The battle for network neutrality is to prevent the Internet from being privatized by telephone and cable companies. Privatization would give them control over the Internet, would allow these firms to privilege some information flows over others. We want to keep the Internet open. What we want to have in the U.S. and in every society is an Internet that is not private property, but a public utility. We want an Internet

where you don't have to have a password and that you don't pay a penny to use. It is your right to use the Internet. The benefits of a public Internet are numerous. It would end the digital divide, which remains a very serious problem in the U.S. and worldwide.

TM: What is the greatest obstacle to achieving network neutrality?

RM: The political influence of telephone and cable companies, which are state created monopolies. The one thing these companies are good at is buying off and controlling politicians. That is their "comparative advantage" over other firms. They are not any good at the actual business of telecommunications service provisioning. In the realm of Internet service provision, the telephone and cable companies play a parasitic and negative role. They do nothing positive. Their future is predicated on their ability to privatize the Internet and force people to use their version of it and pay an exorbitant highway robbery prices for that use. This applies to cell phones companies as well. All of these firms rank in the bottom five of the most hated industries in the country, with the banks and other predatory lenders. Their power rests upon their ability to successfully buy off politicians, just like the banks and predatory lenders. Our struggle to make the Internet into a public utility conflicts with the interests of telephone and cable firms. So it is a tough fight, but a very important one.

TM: Has the network neutrality struggle encountered any public resistance in the USA? American neoliberal ideology associates public utilities with "Big State control," a threat to the "free" marketplace. The belief is that there is an inherent antagonism between media capitalism and the U.S. state. But as your work shows, there is a big contradiction in this neoliberal ideology. You've highlighted how the large telephone and cable companies currently arguing for the total privatization of digital communications using the slogan of the free-market mystify how their existence was and continues to be dependent upon U.S. government policy and regulation. Are U.S. citizens aware of the extent to which the U.S. state has always played a direct and indirect role in facilitating and legitimizing the corporate media system?



RM: They certainly would be if they were forced to read everything I've written. Fortunately, for a free society and unfortunately, for my book

sales, most people are not aware of this fact. Obviously, the last thing the phone and cable companies are going to do is publicize the fact that they are state-constructed monopolies and that their entire business model is based on owning politicians. They spread the myth that they are the victors of free-market competition. It is crucial that we expose and debunk this myth. We also need to reveal the price we pay for these state-created corporate monopolies, which exploit public subsidies.

Nevertheless, we have had much success around the net neutrality struggle. I expect within the next twelve months, we will have a formal law passed by U.S. Congress, signed by President Obama, and backed up by orders from the Federal Communications Commission (FCC). Network neutrality is well on its way to becoming the new law of the land.

TM: By making net neutrality the law of the land, is there any risk of lending support to the accumulation interests of digital capitalism's dominant corporations? Is the network neutrality fight also expressive of a rivalry between old media interests such as the telephone and cable companies and the interests of new media firms such as Google, eBay, Amazon, and Microsoft?

RM: Absolutely. One of the reasons we've been able to win this fight is that most of the new digital capital community is not supportive of the telephone and cable monopolies either. We have been in bed with some media companies that on other issues we are mortal enemies with. For a lot of people on the political Left who practice their politics on a barstool, we've committed a high-crime and misdemeanour for building a short-term alliance.

But I've learned, by participating in over a decade of specific media struggles, that when you are in the short-term and you are fighting to win, sometimes you make tactical alliances. You don't sacrifice your principles and embrace someone else's lame political agenda. If you want to win public credibility and advance a progressive media agenda that actually has a broad impact, this is what you do. That is how politics works. Most progressives understand this. But there is always going to be those who say: "here is a checklist of seven-hundred points that we think reflect the ideological foundations of the Left today. And everyone we work with is going to have to agree to all seven-hundred points or they are our enemies." This old approach to politics is paralyzing. You will never ever, in any circumstance, win any struggle at any time. That being said, we have a long way to go. At the moment, the battle over network neutrality is not to completely eliminate the telephone and cable companies. We are not at that point yet. But the ultimate goal is to get rid of the media capitalists in the phone and cable companies and to divest them from control.

THE NEWS CRISIS AND THE STRUGGLE FOR THE FUTURE OF JOURNALISM

TM: A piece entitled "The Death and Life of Great American Newspapers" written by you and John Nichols was recently published in *The Nation* (April 6, 2009 edition). You describe in great detail the disintegration of U.S. news organizations and re-

veal how contemporary journalism is in crisis. Is the current crisis in journalism – the closure and downsizing of newspaper operations – related to new media technologies and the emergence of the Internet as a dominant source of information? Is there a relationship between the crisis of mainstream newspapers and the explosion of online alternative information sources?

RM: The Internet is one of the factors that brought news journalism to its knees. But it is not the only factor. Likewise, the world economic crisis is a very important factor, but not the only one. The Internet and the economic crisis are better understood as aggravating and accelerating a crisis with much deeper historical roots. Journalism was in trouble decades before the worldwide web was invented and long before the worldwide economic crisis reached its current stage. The crisis began before news advertising revenue was lost to Craigslist. The real problem is the corporate consolidation and monopoly control over journalism, which began in the late 1960s and unfolded throughout the 70s. In highly profitable monopolistic news entities (newspaper firms and network broadcasters), media owners, seeking to make more money, began to cut newsroom staff and commercialize news values. By the 1980s there was already a huge crisis in U.S. news journalism. Journalists became despondent about the commercial pressures shaping their work. The Internet and the world economic crisis have only intensified this deeper crisis in journalism.

But there is another aspect too. Some might say that I am just harking back to the good old days before corporations consolidated control over journalism, that I am nostalgic for 1960s journalism and advocating a return to it. I am not. Even in the 1960s, American professional journalism was highly flawed. About one hundred years ago, the idea of “professional journalism” emerged as a direct response to the monopolization of newspapers. The idea of professional journalism was represented as form of self-regulation by monopolistic media owners. This was established to prevent public scrutiny of the inordinate control over journalism by media owners. The idea of professional journalism says: “you don’t need to worry about who owns and controls the media because the individual journalists are empowered professionals; journalists ultimately determine the quality and content of the news.” Furthermore, professional journalism in the U.S. has always been comfortable with corporate ownership, the dependency on advertising, and the status quo. The idea of professional journalism has been a very conservative force. It

gives working journalists the illusion that they are being fair, balanced, and neutral when reporting. In fact, the code of professionalism they abide by has built into it certain values that push them, almost unconsciously, in certain directions. This was as true in the 1960s as it is today. But the situation has become worse today because newsrooms have been gutted. There are fewer and fewer professional journalists trying to cover more and more new stories.

TM: What is to be done about the corporate control of the media and the current crisis facing journalism?

RM: We are at a very early stage in the process. In the U.S., there is a sort of religious attachment to the idea of “free press,” which is taken to mean the state has absolutely no role to play. In fact, the existence of the American free press was predicated on enormous public subsidies. For the U.S. media’s first three generations, government postal subsidies, printing subsidies, and monopoly licenses were used to build the media. Just getting this basic fact into the public discussion, revealing the truth about the history of the U.S. media, is an important starting point. Much of the Left has been incapable of dealing with the crisis because it has accepted the argument that journalism is a function of private interests; if private interests can’t generate journalism, then you just don’t have it. That is the mainstream argument as well. Both arguments are wrong. We have to appreciate that the U.S. media system is based on subsidies, monopoly power and the government playing a large role. Government policy, however, have been made to serve corporate interests. Subsidies have gone mostly to corporations to serve monopolistic interests. Until people understand the relationship between the state and the media, it will seem like there is no political solution to the current problem. Everyone will write their own personal obituary for journalism because the media owners have decided they can’t make money selling newspapers. But we can do something about it. We can seize the policy-making process to democratize and develop a vibrant journalism. We need quality journalism if we want to govern our own lives.

The last thing we want to do, however, is rebuild the old media system. We are moving ahead toward a new kind of journalism. We are struggling for a journalism that incorporates the new media technologies so as to greatly democratize, open up, and make more accountable, the public information system. We want to democratize the media system so that people without property can play a much larger role in the media and in political life. The result of such democratization will, in my view, be a marked shift to the political Left. I might be wrong. Maybe the great majority of the people will decide they want 1% or 2% of the population to own everything. But in a fair debate, I don’t think that would happen.

TM: Me neither. But the proposal for new democratic media policies is attacked by neoliberal pundits, who often argue: “if you allow the state to save journalism, you will have totalitarianism!,” “State interventionism in the media is undemocratic!,” “Press freedom will be threatened.” What is your response to these kinds of statements, echoed by the mainstream media?



RM: If you look at the actual history of the relationship between the U.S. state and the U.S. media, you are faced with the question: was Thomas Jefferson the first Stalin? Was James Madison a Hitler? No, the “founding fathers” self-consciously established enlightened media subsidies to develop the media system, not to censor freedom of speech. These guys’ subsidies were content neutral. Postal subsidies were implemented to make mailing a newspaper virtually free. This applied to every newspaper, regardless of the political content. This is the kind of subsidy we are talking about. We are not intent on giving some elite in government the power to go into a newsroom and tell the publisher what to do and what not to do.

That being said, we are challenging the belief that all journalism in society should be a private enterprise. Many say that corporate journalism, based on profit maximization, best serves a free and democratic society. The position is incorrect. The connection of capitalism to journalism, which has always been fraught with problems, has always been unstable. The relationship between capitalism, journalism, and democracy has never been a sure thing. In the U.S., the notion that capitalism is the natural steward of journalism and should be left alone to provide for a free and self-governing society refers to a period that began during the 19th century. This period ended when owners realized they could make a lot of money by turning journalism into big business. Corporations are not in a position to generate and pay for quality journalism. The news is not a commercial product. It is a public good, necessary for a self-governing society. Once we accept this, we can talk about the kind of media policies and subsidies we want. What are the best ones? How should they be implemented? We are now trying to answer those questions and organize around them. If we don’t do anything, if we just sit back and hope that some new technology will magically solve the problems, or that George Soros or some billionaire philanthropist will just bankroll everything, we are dreaming. The future of journalism is an issue of the highest magnitude.

THE NEW MEDIA, THE BLOGOSPHERE AND CITIZEN-JOURNALISM

TM: Some new media libertarians argue that we may not need to reform the mainstream capitalist media, nor do we necessarily need to develop policies to save traditional journalism from disappearing. Why? Anyone, so long as they possess adequate media literacy skills, new technology and leisure-time, are using the new media tools (digital cameras, camcorders, computer software, internet, websites, Youtube, Googlevideo, etc.) to independently produce an abundance of media content and participate in politics. What are your thoughts on popular (and populist) arguments about the democratizing potential of the new media?

RM: There is a lot of truth to it. It corresponds to the reality of people’s experiences. The new media has dramatically changed the nature of all communication in society, not just journalism. No longer do the vast majority of people have to be merely recipients, on the receiving end, of information produced and transmitted by a very small number of opinion makers. The problem with the argument that people’s use of new media technologies,

personalized blogs and YouTube posts will solve the crisis faced by journalism is that it makes it seem as though we don’t have to worry about the end of journalism as we know it. The fact is that journalism is not just done by volunteers, during their spare-time. Will blogging and YouTube produce anything near satisfactory journalism? I really want to know where the trillions of dollars that the U.S. Government is giving to the financial sector are going. I want to know exactly how those deals between politicians and financial elite were made. I want a thousand I.F. Stones, combing Washington and Wall Street, investigating power.

TM: Can a blogger do this?

RM: To do this well, they would need a decent salary, professional training, and a newsroom to protect them from the powerful. They would need much more time. If I work at an office or a factory all day, go home, feed my kids and make their lunch for the next day, clean the house and do the laundry, and then sit down to blog at 11pm, it is going to suck. What people can do, though, let’s say if they’ve studied some economics and become really interested in economic issues, is this. They can actively search for, collect and read numerous pieces by journalists on the economy. They can compare different points of view, fact-check, and scrutinize sources. Then they can blog on all of this. They can actively participate in the media debate. But this does not mean trained journalists are no longer important. I view the blogosphere (the part-time or volunteer citizen-journalist) as a number of musicians improvising on a melody written by journalists. Bloggers may contribute to the melody in interesting ways. But without journalism, there is just a lot of noise. Journalism should be there to make sure that blogging is not just a lot of noise, but a beautiful song.

MEDIA POLITICS AND THE STRUGGLE TO CHALLENGE OFFICIAL SOURCES

TM: You’ve talked about how the economic organization of the media limits the autonomy of journalists. It seems that political pressures outside of the media threaten the autonomy of journalists as well. Many journalists have become integral parts of the state and private sector’s public-opinion and image-making machine. They are regularly fed information from a number of contracted spin agencies and think-tanks to participate in the manufacture of consent.

RM: Yes, the problem is this: professional journalists rely on people in power as legitimate or official sources of information. Their reliance on official sources, in turn, allows people in power set the legitimate range of debate, frame issues in certain ways, and try to determine what can and should be written about by journalists. The reliance of journalists on official sources is antithetical to what real journalism ought to be. The greatest 20th century American journalist is probably I.F. Stone, who worked in the media for almost five decades. Stone is currently celebrated by professional American journalism schools as a great hero. But for most of his life, Stone was an anathema to those that relied on official sources. Stone refused to have any relationship with people in power because he knew that relationship would corrupt his

ability to be a real journalist. He knew that this would limit his capacity to get at the truth of what the government does and whose interests it serves.



What passes for professional journalism today is opposite to the precedent set by I.F. Stone. Professional journalism is now about currying close relations to the powerful so you have access to their news. When the powerful are entirely in agreement on an issue, for example, whether or not the U.S. has the right to invade another country (taken as a given by many people in power), the journalists don't ask questions. They reproduce the elite consensus, take it as a given. In fact, if a journalist were to question the right of the U.S. to invade a country, they would be regarded by the professional news community as un-professional. They would be seen as someone who was bringing their ideological agenda or axe to grind to the discussion. When a journalist dares to question the motives of those in power, they are framed as bringing their own personal political bias into news reporting. But when a journalist just reports and repeats what people in power say and doesn't try to weigh in with critical observations, they are regarded as professional, "fair and balanced."

TM: So, U.S. media audiences take for granted the necessary separation of the state from the media system. But then they go on to question or see as ideologically "biased" a journalist's critical questioning of state power? This is a fascinating and contradictory position. How do we begin to explain it?

RM: The contradiction is built right into the capitalist control of the media. Monopoly control is one of the factors that led to the decline of quality journalism. If you have a bunch of journalists that never go after people in power, that cheerlead foreign wars whose justifications are proven to be completely false, and that promote an economy that is in deep crisis, audiences tend to tune out. It is logical and rationale for people over time to say I don't really need to know this crap. I've got to make my way through life and the media is not helping.

TM: Is this because the corporate media does not and cannot reflect the everyday concerns of working people?

RM: Well, when the media does deal with issues that people care most about – war and peace, the economy, the environment – it is made to seem like these issues are wrong or just bullshit. We need new structures capable of sustaining a vibrant new media sector that is diverse and de-centralized. We want a massive non-profit sector that is diverse and which has the resources to do journalism which engages us as citizens so that we can actually participate in our society. That is really what the battle for journalism is about. This is a central fight for anyone who is concerned with democracy (or who hates democracy). The interests of the Left are identical with those of democracy. If we had a better media system, our ideas would win.

THE STRUGGLE AGAINST HYPER-COMMERCIALISM AND DIGITAL SURVEILLANCE

RM: The final issue that we have to deal with (and everywhere in the world has to deal with) is what I call *hyper-commercialism*. This is the conversion of every space and moment of time in our lives to selling something, promoting something, branding something. This is a huge problem in the U.S. As I travel abroad, I see hyper-commercialism all over the world. As the Internet is increasingly hyper-commercialized, we open our entire lives to 24/7 injections of advertising messages. We need to organize against hyper-commercialism. This is an easy-sell for the Left. We understand that advertising is not something done by all people equally, but rather, done by a very small group of people working on behalf of multinational corporations. Advertising is commercial propaganda; or, as the great critic James Rorty put it in the 1930s: "advertising is our master's voice." Advertising is the voice of capital. We need to do whatever we can to limit capitalist propaganda, regulate it, minimize it, and perhaps even eliminate it. The fight against hyper-commercialism becomes especially pronounced in the era of digital communications.

TM: How so?

RM: Corporate surveillance is widespread throughout the media networks in society. Software has developed to the point where corporations can now take the personal information we input into the Internet and from what we watch on TV and personalize ads to us. They monitor us and then insert personalized ads into the online webpages we visit and the content of the TV programs we watch. Extraordinary digital wiretapping practices are emerging.

TM: Yes, but this creeping Internet surveillance is promoted by the corporations doing it as beneficial to consumers, even benevolent. Its proponents say that it makes for a more efficient and interactive relationship between producers and consumers, that it is "democratizing the marketplace." "Now that companies know our individual tastes and preferences, they can customize ads on our behalf and make our consumption of goods more con-

venient!” What is your critical response to this mainstream justification for surveillance?

RM: The media corporations are lining up world-class public relations bullshit. But the public relations bullshit obscures how new media surveillance practices lead to the elimination of personal privacy. You will have no privacy whatsoever if this continues to move ahead, unchallenged. This is an outrage. It is George Orwell’s 1984 Big Brother on steroids. Corporations would like to know literally every website you go to, every icon click you make, what TV shows you watch, what commercials you skip. They want to collect, package, and sell this information, and then use it against you to try to make you spend more money. They can dress this up however they want. We need to organize to fight this and I am looking forward to it. And I think we will win this fight. But this doesn’t stop the fact that everywhere you go in our culture it is still hyper-commercialized. There is a fundamental crisis when you are in a world that is entirely commercial, in terms of the integrity of speech and thought. We are at the tipping point and we need to struggle directly against it.

TM: The world economic crisis presents us with an opportunity to do so.

OUR CRITICAL JUNCTURE: THE ECONOMIC CRISIS AND GLOBAL MEDIA DEMOCRACY STRUGGLES

RM: We are at a critical juncture in the history of communication. The world economic crisis is accentuating that critical

juncture because it impacts all of society. The capitalist economy dominated by corporations has failed. The entire world is struggling to come up with something that is sustainable and humane and allows for human happiness and democracy. Issues, proposals, and solutions to the problems of the media and the world that would have seemed outrageous just a few years ago, may seem common-sense in five or ten years. This is the type of critical juncture we are in. These critical junctures only come along once or twice a century and we are in one now. But I don’t want to romanticize the present. If we don’t do it right, the alternative is going to be a nightmare. We have our work cut out for us here.

TM: We have our work cut out for us in Canada too. Canada’s media monopoly is in crisis; the Canadian Broadcasting Corporation is repeatedly attacked by the neoconservative Harper administration; Canada’s New Right is waging an American-style culture war against the Left. How might we move from the level of particular national struggles for media democracy toward a broader coordinated struggle for global media democracy?

RM: I don’t have a specific proposal, but what I can say with certainty is that every country is dealing basically with the same fundamental issues, but as they are shaped by specific local conditions. The response to my work on the U.S. media has been as strong from people living in countries all over the world as it has been from people in the U.S. The media is a fundamental issue of our time and that is why we struggle around and through it. It is about human beings everywhere developing the capacities to control their own destinies. **R**

Notes continued from page 24

⁹ Christopher Martin, “Detroit’s Problem: It’s Health Care, not the Union,” CommonDreams.org, December 13, 2008, www.socialistproject.ca/bullet172.html.

¹⁰ It is important to keep in mind that the transplants are not the same as imports. Even though they tend to source much less of their parts locally, they produce domestically. Toyota alone has thirteen installations in North America, in states far from the Detroit area. Inside the NAFTA area, the Detroit Three only produced half of the total manufactured in 2007. See Jean-Claude Vessilier, “Cars, the End of the Cycle,” *International Viewpoint*, March 2009.

¹¹ Harry Katz, “The Future of the UAW and the Big Three Auto Companies,” webcast from Cornell University School of ILR, February 27, 2009, www.ilr.cornell.edu/events/02270_Future-of-UAW-Webcast.html.

¹² “The Big Chill: The Car Industry,” *The Economist*, Jan. 17, 2009.

¹³ Haig Stoddard, auto analyst at HIS Global Insight, quoted in Liam Denning, “Heard on the Street: Detroit is Facing a New Normality,” *Wall Street Journal*, January 12, 2009.

¹⁴ Many will argue that the following approaches and demands are unrealistic and unrealizable. In the current context, only structural reforms, inspired by a socialist perspective can begin to address the underlying problems laid bare in the current crisis. While they are impossible to realize without a movement fighting for their implementation, raising them is part of the necessary effort to build such a movement.

¹⁵ La Botz, “What’s to Be Done about the Auto Industry?” See also *Labour Notes*, April 2009 Issue, pages 7-10, which argue the necessity and feasibility of nationalization. See also, “Restructure the Big 3 But Not with Bankruptcy,” by Mark Brenner, Mischa Gaus, and Jane Slaughter, *MRZine*, March 31, 2009, mrzine.monthlyreview.org/bgs310309.html.

The Canadian Media Oligopoly Against Media Democracy

Tanner Mirrlees

Since the mid-1970s, a neoliberal paradigm shift has occurred in Canadian media and cultural policy discourse. Moving away from a cultural nationalist and public interest approach, policy-makers embraced a point of view that emphasizes the production of culture for cold cash and the media as part of a cultural industry. Culture – like every other public good – has been subordinated to market imperatives; it is no longer a “whole way of life,” but an accumulation of commodities produced by cultural labourers and sold for profit on the market by private firms. As a 2007 report from the Conference Board of Canada commissioned by the Heritage Department declares: “the cultural sector helps drive the economy.” In 2007, the Canadian cultural industry directly contributed about \$84.6-billion – or 7.4 per cent – to overall Canadian gross domestic product (GDP). Canadian culture is indeed a big industry, but one that is still supported by the state. “Our Government is stimulating the economy through investments in targeted sectors, including arts and culture,” said the recently appointed Heritage Minister, James Moore. “We are not just renewing our support for cultural and heritage infrastructure projects, we are increasing it.”

The Canadian state protects and promotes the Canadian media corporations with policies and an overall regulatory framework that facilitates and legitimizes their accumulation interests. The Canadian Broadcasting Acts (of 1968 and 1991) limit foreign capitalist control of Canada’s media and promote Canadian media content. The 1991 Broadcasting Act mandates that 80% of Canadian radio and TV should be effectively owned and operated by Canadians, that such Canadian firms must produce and circulate media (news and entertainment) made by Canadian workers, and that the media ought to represent Canada’s multicultural identity. The Canadian Radio-Television and Telecommunication Commission (CRTC), established by Parliament in 1968, regulates the radio, TV, and cable corporations. The CRTC’s purpose is: “to maintain a delicate balance – in the public interest – between the cultural, social and economic goals of the legislation on broadcasting and telecommunications.” So long as Canadian media owners abide by a few CRTC Canadian content quota requirements (35% of songs played on the radio must be “Canadian”; 50%-60% of TV shows scheduled by networks must be “Canadian”) and contribute a percentage of their revenue to support Canadian media development, they receive monopolistic licenses to use public airwaves to accumulate profit. If they break the rules, the CRTC *can* impose fines or refuse to renew their broadcast license.

The Canadian state has supported the expansion of other Canadian media corporations (film and television production facilities, book and magazine publishing companies, advertising firms) with specific granting agencies and taxation measures, administered by the Department of Canadian Heritage, which

oversees a number of sub-organizations. The National Film Board is mandated “to produce and distribute distinctive, culturally diverse, challenging and relevant audiovisual works that provide Canada and the world with a unique Canadian perspective.” Telefilm is “dedicated to the development and promotion of the Canadian audiovisual industry” and provides “strategic leverage to the private sector, supplying the film, television and new media industries with financial and strategic support.” The Canada Council for the Arts is “the arm’s length arts funding agency” which administers grants to giant media corporations and small-scale cultural producers.

THE CANADIAN STATE AND MEDIA CORPORATIONS

The cultural executive of the Canadian state – the CRTC and the Heritage Department – has long tried to balance its commitment to the public interest and national culture with its overall role as a committee for managing the common affairs of the Canadian media bourgeoisie. The state provided an overall legal and regulatory framework for capitalist accumulation with the expectation that the media and cultural bourgeoisie would manufacture media commodities that popularized nationalism and increased Gross Domestic Product (GDP), both sources of the state’s legitimacy and expanded reproduction. There was a time when media bourgeoisie obliged the state’s regulatory demands. This was largely due to the fact that the media bourgeoisie was weak. Fledgling Canadian media corporations positioned themselves as defenders and protectors of Canadian culture and public interests. They lobbied the state to protect them from an American cultural imperialist takeover. Canadian media firms received strong state support and due to years of state intervention, Canadian media firms grew larger and more powerful. Once gaining the confidence to compete as powerful oligopolies internationally, Canadian media corporations began to rebel against the state’s cultural nationalist and public interest regulation.

Since the mid-1970s, the Canadian media bourgeoisie have struggled to dismantle the old public interest regulatory regime. In Canada’s growing capitalist system, media corporations function to maximize profit on behalf of elite shareholder interests. That is their purpose. The profit-imperative conspires against and takes precedence over cultural nationalist and democratic regulation. Media corporations despise CRTC Canadian content quotas and public interest regulations. The careful balance between public and capitalist interests that formed the backbone of Canada’s media system since the Second World War has been resultantly undermined.

However, the rebellion of media corporations against the old regulatory order has not entailed a turn away from the state. Rather,

the Canadian media's ruling class needs a state. It wants a strong state whose ultimate goal and function is to facilitate and legitimize capitalist accumulation nationally and internationally. To do so, media firms have proposed a new regulatory regime which intends to free them from existing "public interest" and "cultural-nationalist" obligations. The new set of regulatory policies promoted by the media bourgeoisie is called *neoliberalism* – the purest ideological expression of class power in the media system.

Neoliberalism has its origin in the United States. Since the early 1980s, the U.S. imperial state, on behalf of transnational media corporations headquartered within U.S. territory, has struggled to universalize neoliberalism. The neoliberal media policies of the U.S. have been gradually generalized as the media policies of most nation-states in the world system. Neoliberalism has facilitated global technological integration and digital divides, the speeding up of cross border flows of commoditized information and media, and the global corporate takeover of many local and state-owned broadcasting and telecommunication systems. There is a world neoliberal media framework in the making; it reflects the interests of globalizing U.S. media firms that have integrated with local media firms. Neoliberalism has been adopted by many states due to top-down pressure from the U.S. state and global media corporations as well as bottom-up pressure from local ruling classes. The U.S. is responsible for the export of neoliberalism, but neoliberalism has been locally embraced by Canada's media elite. Neoliberalism means three things for Canada's media system: *deregulation* (reducing or refocusing public oversight of the media on behalf of corporate interests), *privatization* (the privatization of publicly owned broadcasting, telecommunication systems and cultural industries), and *liberalization* (the relaxation of restrictions on foreign ownership caps and nationalistic content quotas for domestic media firms).

Canadian media corporations are attempting to make neoliberal media policy 'common sense.' They dominate public discussion about media policies and attack the public policies and regulations that facilitated their original rise to power. Their control of the dominant means of symbolic production in society empowers them to promote points of view that support neoliberal ideology while ignoring views that do not. Neoliberal ideology is transmitted to the public through the channels media corporation's control. "It's time to deregulate the broadcasting system" Quebecor President and CEO Pierre Karl Peladeau told the CRTC at a recent panel meeting in Quebec. "Competition promotes quality and helps the broadcasting horizon in Canada" he continued. Leonard Asper, President and CEO of CanWest Global Communications, stated: "The Canadian TV system is the best in the world." It is the best because "Canadians offered unparalleled choice and diversity." CanWest Global, says Asper, "is determined to keep this diversity and choice a reality for Canadian consumers." Ivan Fecan, President and CEO of CTVglobemedia said: "We [at CTVglobemedia] embrace the future." "We look forward to working cooperatively with the CRTC to rebalance our regulatory framework to preserve real choice for Canadian consumers." Rebalancing the regulatory framework means a neoliberal re-regulation of the media system on behalf of corporate interests.

Media corporations, media owners and their speechwriters regularly disavow the public-ness of the airwaves. They make it appear as though the Canadian media system was never intended to serve public interests or play a role in protecting and promoting Canadian culture. They represent the Canadian media as though it is naturally a capitalist system. The form and function of the Canadian media system is being re-written, in public ideology and state policy, on behalf of present-day capitalist exigencies. This effort turns us away from Canada's public media history and attempts to discredit democratic media policy-making practices. The very meaning of the media's role in democracy is changing, being connected to market values. Media owners build consent to their un-democratic control of the media by lauding their commitment to the free-market and propagating their apparent eagerness to satisfy individual consumer choices with diverse commercial content. Media democracy is reduced to a media commodity, delivered "on demand" to the public through an efficient feedback loop which connects citizen-consumers and media corporations, demand and supply. The argument, however, is preposterous. The Canadian media has little to do with democracy or free-markets; it is an elite oligopoly protected and promoted by the Canadian state.

Corporate lobbyists have attempted to form a neoliberal regulatory framework that legitimizes and facilitates the deregulation, privatization and liberalization of the media. Canadian media policy is influenced by the media's ruling class through the elite staffing the state bureaucracy. Canadian state policy-making agencies and cultural apparatuses give the class interests of the media bourgeoisie public legitimacy. They coordinate and mediate intra-capitalist collaboration and conflict within the Canadian media system. Though still claiming to make policies on behalf of Canadians in general, the state increasingly serves the particular class interests of media owners. The Canadian state prioritizes and privileges capitalist media interests over public and cultural interests. Cultural-nationalist and public interests have been made tantamount to the *de facto* national and internationalizing capitalist interests of the Canadian bourgeoisie. With neoliberalism, public and national interests in culture and media (the interests of the many) have been articulated to capitalist accumulation interests (the interests of the few). The CRTC and the Heritage Department have implemented and enforced the neoliberal policies often at the expense of the public they are mandated to serve. In a recent review of broadcasting, the CRTC said it is conducting the hearings with a view to reducing regulation to the "minimum essential to achieve the essential of the Broadcasting Act."

Canadian media policy has not led to a media system comprised of diverse public interest media or a vibrant national culture. What has emerged, due to a combination of capitalist strategies and state policies, is a technologically integrated and globalizing media oligopoly.

CANADA'S MEDIA OLIGOPOLY

For much of Canadian media history, CRTC regulations limited media cross-ownership. News corporations, broadcast networks, and telecommunications firms were separate, occupying

distinct areas of business: TV networks produced and broadcast TV; news firms produced and published the daily news; independent media production companies sourced other companies. The owners of the means of delivering media to audiences (broadcast networks) were largely separate from the owners of the means of media content production. But over the course of the last twenty years, the Canadian media ruling class struggled to combine these distinct spheres under one ownership roof. They lobbied to the Canadian state to fundamentally change CRTC rules governing media cross-ownership patterns.

The deregulation of ownership restrictions occurred gradually in the 1980s, but was accelerated throughout the 1990s. The CRTC started allowing big Canadian media firms to own multiple TV stations in large city-markets. In 1996 – the year the U.S. passed the neoliberal Telecommunications Act – the CRTC over-turned regulations preventing the owners of broadcasting, newspaper, and telecom corporations from merging and converging. As a result, large national media conglomerates grew even larger, acquiring and amalgamating TV broadcast networks and newspaper chains. In 2000, CanWest Global put up \$3.5-billion dollars to buy Western National International Communications and the Southam newspaper chain. This chain, formerly owned by criminal-capitalist Conrad Black, controls the largest newspapers in Canada's major cities. Following CanWest's lead, Bell Canada Enterprises took over CTV and the *Globe and Mail*. Quebecor then took control of Groupe Videotron. And only a few years later, CTV GlobeMedia acquired CHUM, Alliance Atlantis became part of CanWest Global, and Quebecor took over the Osprey media chain.

The trendy word used to popularize these mergers was “convergence.” In response to critics of this process, former conservative Heritage Minister Bev Oda said: “convergence was an essential business strategy to become competitive.” Media corporations promoted convergence as a technical response to the new information economy. They promised to present Canadian consumers with more media content selections and to make such content accessible through more media platforms than hitherto available. Convergence was publicly branded as an age where Canadians could actively search for and retrieve media content from online websites, streaming videos, newspapers, and TV broadcasts. Media convergence, however, was also a strategy of profit-maximization. By controlling every point in the media commodity chain – from content development to production to distribution – big media corporations were able to target audiences at all times of the day through promotional multi-media synergies intended to maximize advertising revenue. The CRTC's “de-regulation” of cross-ownership restrictions was a form of re-regulation on behalf of a convergence of capitalist interests.

Resultantly, a few Canadian corporations now control the lion's share of the means to produce, distribute, and promote media: internet, television networks, TV stations, cable TV channels, radio broadcasters and stations, newspaper publishing and distribution chains, and magazines. Source diversity has been undermined. The appearance of more media choice mystifies fewer sources of diffusion. Canada is now one of the most tech-

nologically integrated and highly concentrated media systems in the world. More than 84% of Canadian media is owned by seven media corporations that are controlled by a few ruling class families (see box on next page “Media Ownership in Canada”).

Together, these seven firms comprise a national media oligopoly. They are each aware of the actions of rival firms; they compete and collaborate within but collectively dominate the media landscape. The firms are not only national in orientation, but also, global. Institutionally, they emulate U.S. media firms, enter into co-production arrangements with U.S. and other international media corporations, and copy globally popular (American) media formulas, recycling pre-packaged and discounted American commodity culture. Neoliberal media policy, implemented by the Canadian state on behalf of Canadian media corporations, has facilitated the intensification of media ownership concentration we see today. The interests of media corporations have been privileged by the Canadian state at the expense of continued support for public, alternative and community media initiatives. In the media, corporate and consumer interests take precedence over working class and public interests. And to maximize profitability, media management centralizes administrative power, downsizes the workforce and increases the workloads of those who remain.

Given the consequences of concentration, it is no surprise that the majority of Canadians do not support it. The Canadian state itself has long been aware of how media concentration threatens Canadian democracy. A 2003 Report from the Standing Committee on Canadian Heritage entitled “Our Cultural Sovereignty” recommended that the state issue a clear policy statement concerning cross-media ownership before 30 June, 2004. No statement materialized. Media concentration continued to be facilitated by the state. In June 2006, The Standing Senate Committee on Transport and Communications issued a report which said: “[T]here are areas where the concentration of ownership has reached levels that few other countries would consider acceptable.” But nothing was done about it. In 2007, following CanWest Global's purchase of Alliance Atlantis Communications (which granted U.S. investment bank Goldman Sachs nearly two-thirds ownership) and CTV's acquisition of CHUM, more than two-thousand Canadians, prompted by media democracy activists, demanded that the CRTC enforce domestic and foreign ownership rules.

To temper a growing crisis of legitimacy, the CRTC announced new ownership rules in January 2008. But the damage to Canadian media democracy had already been done. As Lisa Lareau, President of the Canadian media guild, stated: “The CRTC is preserving the current unacceptable levels of concentration and is not even adopting meaningful measures to stop it from getting worse. By their own admission, they are legalizing the status quo since they admit that their new rules are not being contravened anywhere in Canada.” In the absence of democratic control by diverse workers, activists, and citizens, Canadian media policy is nothing more than a site for turf wars between different sectors of media capital.

Media Ownership in Canada

The major media corporations include: CanWest, CTV-Globemedia, and Quebecor.

CanWest Global (owned by the Asper family) controls Global television network and E!, fourteen local television stations and twenty-one specialty channels; thirteen daily newspapers (including the *Ottawa Citizen* and *National Post*) and *Metro*, a free daily newspaper.

CTV-Globemedia (owned by Woodbridge Co Ltd., Bell Canada, Teachers Pension, and Torstar) is a giant multimedia company; it controls CTV network and *The Globe and Mail* newspaper. CTV also owns twenty-seven TV stations across the country, with interests in thirty-two specialty channels, including the Business News Network, Bravo!, the Discovery Channel, MTV, MuchMusic, Star!, The Comedy Network, and TSN. CTV-Globemedia also owns the CHUM Radio Division, which operates thirty-four radio stations including CHUM FM. Other CTVglobemedia properties include the Internet website workopolis.com, Maple Leaf Sports & Entertainment (which has interests in the Toronto Maple Leafs, Toronto Raptors and the Air Canada Centre).

Quebecor (owned by the Péladeau Family and with revenues of \$9.822-billion) is one of the largest communications companies in Canada. Its operating subsidiaries produce newspapers (Osprey Media Corporation publishes more than twenty dailies and thirty-four non-dailies while Sun Media publishes eight urban dailies, seven free commuter dailies, nine local dailies and approximately one hundred and fifty weeklies); cable companies (Videotron, the largest in Québec) and TVA Group (nine English and French channels). Quebecor also holds the intellectual property to a variety of music, books and videos and controls business in telecommunications, interactive marketing and Internet.

Canadian cable firms including Rogers Communications, Corus Entertainment, Astral Media, and Cogeco Cable also

play a significant role in shaping Canada's media landscape.

Rogers Communications (revenues of \$1.95-billion in 2008) is a leading service provider of Wireless, Cable TV, High Speed Internet and Home Phone. It holds TV networks such as five City-TV (five stations), OMNI; it broadcasts specialty television channels including Sportsnet, The Shopping Channel, and others. Rogers Media Broadcasting controls forty-five radio stations; it also produces dozens of popular magazines including Maclean's, Canadian Business, Châtelaine, FLARE, Hello!, L'actualité, MoneySense, and Today's Parent.

Corus Entertainment (revenues of \$768.7-million in 2008) is a leading Canadian specialty television and radio producer; its majority is held by the company's founder JR Shaw and his family, which also owns cable operator Shaw Communications. Corus Entertainment controls numerous TV stations (CHEX-TV, CKWS-TV, and CHEX-TV), specialty TV channels (CMT Canada, Cosmopolitan TV, Discovery Kids, SCREAM, Telelatino, Teletoon, Teletoon Retro, Treehouse TV, YTV, Viva, and W Network), premium pay-per-view TV channels (Movie Central and Encore Avenue), TV advertising production services (Corus Custom Networks), more than fifty radio stations (including Q107 Toronto and Country 105 Calgary), and children's book publishing (Kids Can Press) and animation production studios (Nelvana).

Astral Media (revenues of \$865-million in 2008) is the largest radio broadcaster in Canada; it owns radio stations in eight provinces, and is a major player in premium cable and specialty television in Canada (The Movie Network, Family, Teletoon, Canal D, etc.).

Cogeco Cable (revenues of \$746.9-million in 2006) is the final major cable TV distributor in Canada (with operations primarily in Quebec and Ontario); it sells analogue and digital TV, high-speed Internet and VoIP telephonic services.

MEDIA DEMOCRACY AND SOCIALIST MEDIA STRATEGY

The Canadian corporatist media system is un-democratic and un-representative. Media reform and revolution will not happen without a long struggle. Counter-hegemonic struggles to democratize the media are proliferating. The Campaign for a Democratic Media (www.democraticmedia.ca) proposes new ways to democratize Canada's media system. The Campaign for a Democratic Media advocates the reform of the media system, supports alternative and activist media for groups marginalized by the state-capitalist media, and is empowering workers to become journal-

ists. Within the media system, cultural workers are struggling against the intensification of their exploitation as well. And on the receiving end of the media flow, the couch potato media critic is no longer content to smarmily denounce the ideology of mass entertainment. The age of independent-media has arrived: more media is produced by independent sources not affiliated with the state-capitalist media system than ever before.

Media democracy activists, cultural workers within the state-capitalist media system, and independent media producers outside of it, are developing their own capacities to produce ideas, question the ruling class's official line, and challenge the system's

ideology. If the radical Left wants to reach and influence a broader audience – one beyond its own subcultural niche – it ought to experiment with a counter-hegemonic media strategy. Corporations and political parties have the connections and resources to insert their images and messages into the mainstream media. Might we develop capacities for doing something similar? This proposal does not discount the significance of our activist media apparatus. But to reach larger audiences with radical analysis and proposals for change, the Left ought to rise to the challenge of struggling against and through the existing media as well.

WHAT MIGHT BE DONE?

1. *Encourage socialist public media intellectuals.* Become a credible, relevant, popular, and widely cited socialist public intellectual, referred to by both activists and mainstream media pundits. The Left has a few public media intellectuals, but we need more. Who has the courage to outflank the ruling class's tastemakers in front of millions of people? Neoliberal and neoconservative pundits from think-tanks are dispatched to the media daily. Who do we have? On May 1, 2009, Leo Panitch was interviewed by Steve Paikin of TVOntario's *The Agenda*. Panitch relayed a socialist message in a clear, compelling and persuasive fashion. Even Paikin seemed convinced of its merit. I want to see more socialist intellectuals on screen, on TVO, CBC, CTV, and GlobalTV. Make a list of "specialists" in certain subject areas (of course, all from social movements). Send these lists to the TV networks. They need commentators to fill up time and space in scheduled programming. Build a cadre of public media intellectuals.

2. *Develop socialist new media production.* Use new media tools (digital cameras, camcorders, computer software, internet, websites, Youtube, Googlevideo) to produce and distribute socialist analysis and messages. Build a community of media producers. Document and publicize the ideas of activist-intellectuals. Every meeting within the activist community is an opportunity to meet other activist-intellectuals and document their ideas and struggles. Follow a specific Question/Answer template that makes the message palpable to non-specialist audiences. What is the issue? Why is this issue important? What should or is being done to change the situation? What struggles are forming around the issue? What are the *limits* of what's being done? How has the ruling class responded to the struggle? What is the next step in the strategy? Publicize and promote the interview. Post video clips on YouTube. Circulate the interview across your international networks and listserves. Send the clip to all of the mainstream networks and demand they interview you or the other activist-intellectual.

3. *Engage in 'talk-back.'* In the past, media broadcasting was a one-way flow. Information was produced by a dominant sender/source (corporate media networks) and distributed to a mass audience. There was no opportunity for activists to disseminate rapid responses to the corporate networks and reach a mass audience. The new media and the Web have changed this paradigm. Produce media content and disseminate this content to a large audience. The new media's interactivity and immediacy presents us

with the ability to respond, present counterpoints to, and debunk the worldview expressed by the corporate media's opinion makers in real-time. Instead of waiting two months to publish a printed article or have it reviewed, use the new media to formulate a response to a particular pundit or issue immediately, and then post this response to the Web. Thousands of people are already using webcams and Youtube to do this. Additionally, bring camcorders to demos. Record your experience. Put the police under surveillance. Email video clips of the demo to the media networks, which are now relying on user-generated media content. You might also engage in "adversarial PR" against your intellectual opponents. Attend neoliberal and neoconservative conferences and media events with comrades. Bring a camcorder. Publicly critique the neoliberal pundits; illuminate the class interests they serve. Post it.

4. *Learn from and use the media spectacle.* The Left has no shortage of erudite books and long-winded journal articles that document, with facts, excellent prose and solid reason, the capitalist disaster. Much Left activist-academic work is read by privileged classes that have accumulated "cultural capital" (being "in the know," understanding the meaning of key words, university-level radical theory). I had no idea what "neoliberalism" was before I started my MA. Keep producing activist-academic work. Activist spectacle media, however, might be a more effective way of popularizing ideas. Gramsci understood the significance of popular culture to both ruling class and socialist hegemony. Fast and funny socialist messages might appeal to more people. Create emotional messages with images and music to stimulate the senses. The tendency to privilege logic, truth-telling, and cool reason must continue; but feeling, humour, and affect are just as important to the cultural struggle.

There are many ways to challenge the hegemony of the ruling class through the media. The media is a contradictory institution. It is a mode of capitalist production and a terrain of hegemonic and counter-hegemonic struggle. Marx the activist-journalist knew this and struggled to bridge the gap between anti-capitalist media theory and action. We can too. **R**

Tanner Mirrlees is the *Relay* culture editor.



Avila TV Mural

Avila TV in Venezuela: Revolutionizing Television

Lainie Cassel

In Venezuela they are a key force in the country's ongoing media-war. Armed with video cameras, they are a team of some 380 young people working for Caracas television station, Avila TV. Started as an experiment just three years ago, according to one study it is now the third most watched station in the city. Funded completely by the government, they consider themselves a voice of President Hugo Chávez's "socialist revolution."

Located on Avenida Urdaneta, in the center of the city, Avila TV is in a large beautiful building bustling with young adults sporting Caracas' latest urban fashions. The building, a former bank, has been transformed with floors of state of the art equipment and walls decorated with elaborate murals and posters of well-known revolutionary figures.

Hip yet political, the station addresses issues of urban society from the eyes of a staff of mostly 20-somethings and themselves products of Caracas' poor slums. Their use of urban culture has earned them mass appeal among urban youth, a group disenfranchised by mainstream media.

Avila TV is part of a handful of media projects that began in the last decade under President Chávez. In a country where nearly all media outlets are in the hands of the rich, the government has been forced to seek new ways to reach out to Venezuelan people.

From community newspapers to pan-Latin American television station, Telesur, hundreds of new media-outlets have been created in the years since the brief 2002 coup against President Chávez. In what many call a "media-coup" because of the alleged involvement of television station RCTV and similar privately run stations, Chávez and his supporters have felt the need to fight back. Since the 2007 decision of Chávez to deny the renewal of RCTV's license, there has been a constant battle between private and state-funded media. The so-called media-war has pressured the government to create new mechanisms that reach broader audiences.

Avila TV has arguably been one of the most important media creations. Founded by a group of middle-aged entrepreneurs and the then Caracas mayor, Juan Barreto, the goal was to appeal to a broader base of viewers. Channel 8, the news based government-run station had been the only station in favour of Chávez at the time of the coup. "We felt this was problematic," explained co-founder Victor Rivas. "We saw a need for something more socialist but that would appeal to youth."

Rivas and the other founders all have backgrounds in media but their idea was to turn the station over to a young staff, people

like 28-year-old Yender Mellado, a producer of the early morning news program, El Programa Mio. He and other workers are directly involved in the decision making of the channel through a workers' assembly and are able to control what they put on air.

Mellado recalls that before joining Avila, "I was a slave to private companies. I worked in fast food and shoe stores. I then went on to study advertising, which opened my eyes to the deceiving culture of consumerism. However, it also got me interested in media and when I was hired as a producer, I was able to use my experiences to promote my own values."

COUNTER CULTURE

Avila TV was officially put on air in October of 2006 with a newly trained 30-person production team. Since then, it has played an integral role in the media-war, covering the underground culture of Caracas while trying to promote alternative lifestyles.

Their use of music and culture has put them in a category with channels such as MTV, which also attracts young audiences. However, workers would argue it is far from any corporate channel. According to Mellado: "We aren't trying to sell shampoo or brand name clothes or any capitalist products for that matter. We are trying to stay true to our principles and combat consumerism." The channel refuses to show advertisements for any product arguing that consumerism and the capitalist system have caused the situations of poverty and crime in their city.

More than anything, however, Avila TV is an urban station that attracts young adults mainly between the ages of 14 and 30. With teams of highly skilled graphic designers and hip-hop artists, they put together shows and videos using the music of underground hip-hop groups from around the world.

Additionally, there are a number of news and political programs that address topics from international solidarity to community counsels. "We have to be able to promote values while keeping our audience informed, we have that responsibility," commented Mellado. By covering news from around the world, informative programs try to draw ties of solidarity between domestic and international struggles. And of course the station has its own *telenovela* (soap operas that are extremely popular throughout Latin America), which documents the reality for families living in Caracas' slums. **R**

Lainie Cassel is currently living in Caracas, Venezuela. To contact her and read more about her activities visit her blog at: Lainiecassel.blogspot.com.

Social Movements and the Movement for Socialism: No Pat Analysis, No Pat Solutions

Badili Jones

Throughout the left in the U.S., people have come to a greater awareness of a left presence in the social movements. For theoretical consideration the concepts of “social movement left” and “party left” have been developed. Like any theoretical concept they have their use but they are not totally adequate to contain the reality of day to day practice. That is always the challenge of theoretical work. We abstract from practice and make logical distinctions in order to explain practice on the one hand. On the other hand the abstraction never grasps the totality of the reality. This does not mean that we don’t theorize. In fact it is probably impossible for human beings to not theorize about their reality.

I open up to saying this because while the concept of “social movement left” and “party left” are useful concepts I believe that they have been taken up and used in an all too general and simplistic way. They have not been sufficiently used in light of an understanding of the reality of the U.S. For example some folks use these concepts to conclude that in the U.S. there exists an immense gulf between what we have called the “social movement left” and the “party left.” I will touch on this below. This paper is an attempt to take these useful concepts and view them in light of our reality in the United States.

There has been extensive discussion of the crisis of socialism. Because the discussion of the crisis of socialism has been dissected and discussed so frequently some have been led to believe that other movements of the left are above and immune to the experience of crisis. While we have and can certainly elaborate a crisis of socialism it is also appropriate to speak to a “crisis of the left.” Fundamentally the left has not been prepared to confront capitalism in an effective way. That is the crux of the crisis.

THE U.S. LEFT AND POLITICAL PARTIES

Social movements simply defined are mass actions and activity for social and political change. Organizations arise within social movements. Some of these organizations may tend to represent almost the entire movement while more often they represent sections or tendencies within the movement. In the U.S. we have the Black Freedom Movement, the women’s movement, the labour movement and the LGBT movement, just to name a few. We could make a lengthy list of significant social movements and that would be useful in examining the reality in the United States. Social movements are not monolithic in character and can manifest a number of different characteristics. They can be based in a single class or can be multi-class manifestations. They can be movements for limited reforms or they can be revolution-

ary movements. Social movements can be overwhelmingly progressive, they can be reactionary, or very often have politically advanced, moderate and backward elements. Social movements for the most part rise up and take up the interests of a particular sector. I agree firmly with Marta Harnecker. Social movements cannot replace the need for an “instrument of articulation.” We in Freedom Road have been calling it a party. “What’s needed are political instruments that articulate and raise a national proposal, that make an ideological proposal in today’s world, where the wars are fought in the plane of ideas, where the means of communication in the hands of the powerful are almost overpowering” (“Social Movements” at www.marxsite.com/Harnecker1.htm).

“Articulation” in this case is the active and organic process of constructing a new identity out of the disparity of identities that rise up out of the various responses to exploitation and oppression. Gramsci expressed this when he said that the work of the party is to be the instrument for the construction of a collective national-popular will. In other words a force is necessary that will bring unity and cohesion to the diverse movements and actions that we are undertaking today. The absence of a revolutionary party leaves the movements scattered.

When I first introduced the concepts of party left and social movement left I also acknowledged that they were useful signifiers but not perfect signifiers for our reality here in the USA. In other countries, especially in Europe and in Latin America, left parties have been relatively institutionalized and entrenched in the political and parliamentary processes of their countries. Social movements often emerged separately and at times were at odds with the left parties. Overall this is not the experience of the United States. Of course, we are also now seeing the emergence of new political parties with a different relationship to movements emerging in some countries, such as Venezuela, Bolivia and France. Undoubtedly some will be quick to bring up examples of where there were incidents with a left formation in the United States. But I would contend that overall the experience of the left and social movements in the U.S. have been different than the experience of the left parties and social movements in other countries.

There is not and has not been for quite some time any organization in the U.S. that exists on the level of a party in the sense that parties exist in Latin America and Europe, even though some may call themselves a party. Most non-sectarian leftists in revolutionary organizations and independent leftists have made it there explicit work to build the strength and capacity of the social movements, be it the efforts to build the Black Radical Congress, or the participation of revolutionaries in the labour movement, etc.

Rather than there existing a tremendous gulf between the leftists who belong to revolutionary organizations and social movements there actually exists a level of interpenetration between the revolutionary left and the social movements. Right now there are leftists who belong to socialist or left organizations and leftists who are outside of any socialist formation.

While it is not quite clear, one could speculate that some of these leftists who don't belong to socialist organizations believe that the revolutionary movement may move forward without a party. Some of this was articulated in the theories of "horizontalism" and "autonomism" which developed particular forms almost a decade ago in Latin America. These ideas were attractive to many leftists. And while there are certainly lessons that could be learned I would venture to say that many attempted to transplant or practice these theories without making an analysis of the concrete situation of the movements in the United States nor the ways and levels of organization of the bourgeoisie and the bourgeois state in the USA. Even in Latin America after many years of experience the left is coming to the conclusion that a grave error of these theories was the rejection of political organization in general and the need for a revolutionary party in particular.

Among those who call themselves socialists here in the U.S. there has been political views and actions that understandably could incline leftists to recoil from socialist leftists. Some organizations have behaved in a sectarian and dogmatic manner. They have not attempted to unite with the organizations that have developed out of the social movements in a principled manner. What they have done was to attempt to control and direct these movements in an anti-democratic manner. Unfortunately for some the entire socialist left has been stigmatized by the practice of a sectarian few.

POLITICAL PARTIES: WHICH WAY IS LEFT?

To paraphrase Marx and Engels, the socialist organizations should not have interests separate and apart from the working class *as a whole*. Socialist organizations strive not to assert the interests of any one sector of the exploited and oppressed nor do they have any interests that are separate from the overall interests of the oppressed and exploited. While there is today a great deal of talk and theory around the intersections of oppression, we have talked little about the intersections of resistance and the intersections of the struggle for liberation. I believe that the revolutionary party is the organizational manifestation of the intersection of struggle against the exploitation and oppression that the working class, people of color, immigrants, women, transpersons, lesbians, gays and other marginalized and oppressed people face.

The revolutionary party will not rise up spontaneously nor should we wait for some magical time in the unforeseen future to build it. One comrade recently expressed hesitancy about joining

a socialist organization because it wasn't an organization that his mother could belong to. He was correct that revolutionary organizations at this time in the U.S. are not the type of organization that are mass revolutionary parties. That is just the reality. The political and cultural realities in the U.S. at this time does not lend itself to that type of organization. Certainly in order to win that is the type of organization that we will need. The key question is how will we get there? This is a strategic question. We want to get to a political reality where a significant number of the population can shift the political balance of power in favor of the masses

of people. Call the effort whatever, that's where you want to go. To get anywhere you have to start where you are. Where are we? I think we touched on some of that in the Freedom Road pamphlet, "Which Way is Left?" (freedomroad.org/content/view/464/1). This was, in many ways, a contribution to a strategic discussion but not a final strategic conclusion. It was our hope that comrades in other revolutionary organizations and those who are not in revolutionary organizations but who are in leadership of social movements would contribute to the discussion.

We are at a place where the unity of the "cohesive element," which Antonio Gramsci spoke about in his essay, *The Modern Prince*, should be placed squarely

on the table. That doesn't mean that unity in one organization with one program is on the near horizon. What it could mean is an effort toward greater unity around some minimal points of unity and common projects. One of those points of unity should be the need for an "instrument of articulation," how ever we ultimately call it, "party" "front" etc. Moving forward toward the coordination of resources and energy would move us light years toward being able to go broader and deeper into the movements and win people to the "national-popular" project, the "counter-hegemonic" project of "flipping the script" of capitalism and winning power for the dispossessed.

The overarching task is the unity and formation of those revolutionaries who can be united. This formation and unity won't happen in a study group, or in other intellectual exercises. As valuable as study is I think that history has verified this reality. Revolutionary consciousness and unity comes out of the crucible of practice informed by theory producing deeper and enriched practice.

It is important that comrades who disagree with the need to develop this type of unity openly and clearly articulate not only their differences but the strategic and tactical direction that they see for the movements at this time. If they believe there is another way to develop the project for revolutionary change then they have a historic responsibility to put it forward. **R**

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Eleven Talking Points On 21st Century Socialism

Carl Davidson

The current discussion around socialism in left and progressive circles in the U.S. needs to be placed in a more substantive arena. This is an effort to do so. I take note in advance of the criticism that the following eleven working hypotheses are rather dry and formal. But in light of the faux ‘socialisms’ bandied about in the headlines and sound bytes of the mass media in the wake of the financial crisis, especially the absurd claim in the media of rightwing populism that the Obama administration is Marxist and socialist, I felt something a little more rigorous might be helpful. Obviously, criticism and commentary is invited.

1. Socialism’s fundamental building blocks are already present in U.S. society. The means of production, for the most part, are fully developed and in fact are stagnating under the political domination of finance capital. The U.S. labour force, again for the most part, is highly skilled at all levels of production, management, marketing, and finance. The kernels of socialist organization are also scattered across the landscape in cooperatives, socially organized human services, and centralized and widespread mass means of many-to-many communication and supply/demand data management. Many earlier attempts at socialism did not have these advantages.

2. Socialism is first of all a democratic political system where the interests and organizations of the working class and its allies have attained and hold the preponderance of political power, and thus play the critical leading role in society. It is still a class society, but one in a protracted transition, over hundreds of years, to a future classless society where exploiting class privileges are abolished and classes and class distinctions generally wither away, both nationally and globally. So socialism will have classes for some time, including some capitalists, because it will be a mixed economy, with both public and private ownership, even as the bal-

ance shifts over time. Family farmers and small proprietors will both exist and flourish alongside cooperatives. Innovative ‘high road’ entrepreneurial privately-held firms will compete with publically-owned firms, and encouraged to create new wealth within an environmentally regulated and progressively taxed system. Past efforts to build socialism have suffered from aggravated conflict between and among popular classes and lack of emphasis on building wide unity among the people.

3. Socialism at the base is a transitional economic system anchored in the social mode of production brought into being by capitalist development over several centuries. Its economic system is necessarily mixed, and makes use of markets, especially in goods and services, which are regulated, especially regarding the environment. But capital markets and wage-labor markets can be sharply restricted and even abolished in due time. Markets are a function of scarcity, and all economies of any scale in a time of scarcity have them, even if they are disguised as ‘black’ or ‘tiered’ markets. In addition to regulated markets, socialism will also feature planning, especially on the macro level of infrastructure development, in investment of public assets and funds, and other arenas where markets have failed. Planning will especially be required to face the challenges of uneven development and harsh inequalities on a global scale, as well as the challenge of moving from a carbon and uranium based energy system to one based on renewable green energy sources. The socialisms of the last century fell or stagnated due to failure to develop the proper interplay between plans and markets.

4. Socialism will be anchored in public and worker ownership of the main productive forces and natural resources. This can be achieved by various means: a) buying out major failing corporations at penny stock status, then leasing them back to the unions and having the workers in

each firm – one worker, one vote – run them, b) workers directly taking ownership and control over failed and abandoned factories, c) eminent domain seizures of resources and factories, with compensation, otherwise required for the public good, and d) public funding for startups of worker-owned cooperative businesses. Socialism will also require public ownership of most finance capital institutions, including bringing the Federal Reserve under the Treasury Department and federal ownership. Lease payments from publically owned firms will go into a public investment fund, which will in turn lend money to community and worker owned banks and credit unions. A stock market will still exist for remaining publically traded firms and investments abroad, but will be strictly controlled. A stock transfer tax will be implemented. Gambling in derivatives will be outlawed. Fair trade agreements with other countries will be on a bilateral basis for mutual benefit.

5. Socialism will require democracy in the workplace of public firms and encourage it in all places of work. Workers have the right to independent unions to protect their social and daily interests, in addition to their rights as worker-owners in the governance of their firms. In addition to direct democracy at the plant level, the organizations of the working class also participate in the wider public planning process and thus democratically shape the direction of ongoing development on the macro level as well. Under socialism the government will also serve as the employer-of-last-resort. Minimum living-wage jobs will be provided for all who want to work. Socialism is committed to genuine full employment. Every citizen will have a genuine right to work.

6. Socialism will largely be gained by the working class and its allies winning the battle for democracy in politics and civil society at large, especially taking down the structures and backward laws of class,

gender and racial privilege. Women have equal rights with men, and minority nationalities have equal rights with the majority. It also defends equal rights and self-determination among all nations across the globe; no nation can itself be fully free when it oppresses another. Socialism will encourage public citizenship and mass participation at every level, with open information systems, public education and transparency in its procedures. It will need a true multiparty system, with fusion voting, proportional representation and instant runoff. Given the size and diversity of our country, it is highly unlikely that any single party could adequately represent all popular interests; working class and progressive organizations will need to form common fronts. All trends are guaranteed the right to speak, organize, petition and stand for election. With public financing as an option, socialism can restrict the role of wealth in elections, moving away from a system, in effect, of “one dollar, one vote” and toward a system more reflective of “one person, one vote.” These are the structural measures that can allow the majority of the people, especially the working class and its allies, to secure the political leadership of government and instruments of the state by democratic means, unless these are sabotaged by reaction. Some socialisms of the past used only limited formal democracy or simply used administrative means to implement goals, with the failure of both the goals and the overall projects. Americans are not likely to be interested in systems with elections where only one party runs and no one can lose.

7. Socialism will be a state power, specifically a democratic political order with a representative government. But the government and state components of the current order, corrupted with the thousand threads connecting it to old ruling class, will have to be broken up and replaced with new ones that are transparent, honest and serve the majority of the people. The U.S. Constitution and Bill of Rights can still be the initial basic organizing principle for a socialist government and state. The democratic rights it has gained over the years will be protected and enhanced. Government will also be needed to organize and finance the social development benefitting the people and the environment already mentioned; but the state power

behind the law will be required to compel the honest use of resources and to protect people from criminal elements, individual and organized. Forces who try to overturn and reverse the new socialist government illegally and in violation of the Constitution will not be able to do so; they will be broken up and brought to justice. Our society will need a state power for some time to come, even as its form changes. Still, government power has limits; under socialism sovereignty resides in the people themselves, and the powers of any government are necessarily restricted and subordinate to the universal and natural rights of all humankind. Attempts to ignore or reject these principles have severely harmed socialist governments and movements in the past.

8. Socialism will be a society in harmony with the natural environment, understanding that all economies are subsets of the eco-system and ignore it at their peril. In its economics, there are no such things as “externalities” to be pushed off downstream or to future generations. The nature of pending planetary disasters necessitates a high level of planning. We need to redesign communities, promote healthier foods, and rebuild sustainable agriculture – all on a global scale with high design, but on a human scale with mass participation of communities in diverse localities. Socialism will treasure and preserve the diversity of nature’s bounty and end the practice of genetic modification to control the human food supply. We need growth, but intelligent growth in quality and wider knowledge with a lighter environmental footprint. A socialism that simply reproduces the wasteful expansion of an earlier capitalism creates more problems than it solves.

9. Socialism values equality, and will be a society of far greater equality of opportunity, and far less economic inequality. In addition to equal rights before the law, all citizens and residents will have equitable access to a “universal toolbox” of paid-up free public education for all who want to learn, for as far as they want and are able to go; universal public pre-school care; a minimum income, as a social wage, for all who create value, whether in a workplace or otherwise; our notions of socially useful work, activity that creates value, has

to be expanded beyond market definitions. Parents raising children, students learning skills, elders educating and passing traditions to younger generations—all these create value that society can in turn reward. Universal single-payer health care with retirement benefits at the level of a living wage is critical to start. Since everyone has access to employment, the existing welfare system can be abolished; individuals will be free to choose the career path and level of income targets they desire, or not. There are no handouts for those able to work, but there are also no irrational barriers to achievement.

10. Socialism is a society where religion can be freely practiced, or not, and no religion is given any special advantages over any other. Religious freedom remains a fundamental tenant of socialism, but naturally neither its practitioners nor anyone else can deny anyone the benefits and protection of civil and criminal law, especially to women and children.

11. Socialism will require an institution of armed forces. Their mission will be to defend the people and secure their interests against any enemies and help in times of natural disasters. It will not be their task to expand markets abroad and defend the property abroad of the exploiting classes. Soldiers will be allowed to organize and petition for the redress of grievances. Armed forces also include local police, under community control, as well as a greatly reduced prison system, based on the principle of restorative justice, and mainly for the protection of society from individuals inflicted with violent pathologies and criminal practices. Non-violent conflict resolution and community-based rehabilitation will be encouraged, but the need for some coercive means will remain for some time. **R**

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Venezuelan President Calls for Re-definition of Socialist Party

James Suggett

Mérida, May 4th 2009 — On his weekly talk show *Aló Presidente* on Sunday, Venezuelan President Hugo Chávez said the United Socialist Party of Venezuela (PSUV), of which he is president, will undergo a “re-definition” in which sectarianism and corrupt party leadership must end and the party must strengthen its ties to social movements.

The PSUV is “on course toward the redefinition of many things in the party’s internal operating,” Chávez said on the nationally televised talk show. “In the PSUV, we must distance ourselves from the tendencies of the past; we cannot let ourselves be trapped by sectarianism,” he said.

However, Chávez said this does not mean debate and difference of opinion are not allowed. “It is positive that there are internal currents, but they must have a political basis, not a personal one,” he said.

Chávez also told PSUV leaders not to take their leadership positions for granted and not to prioritize their personal concerns over those of the party’s more than four million members. “We cannot permit a small group of unconditional [party leaders] to construct their personal projects over the hopes of the people,” he said.

Since Venezuelan voters approved a constitutional amendment to lift term limits on elected offices last February, Chávez has called for an acceleration of Venezuela’s drive toward “21st Century Socialism.”

His administration has revived land redistribution to empower food production

“communes,” which are based on a new form of legally sanctioned social property.

However, internal barriers to change persist within the party. Last month, a state police squad forcibly evicted more than sixty small farmers and workers from the National Lands Institute (INTI) who were demarcating idle and under-used private lands for re-distribution in the Portuguesa state. The state police fell under the responsibility of the the governor, who is a member of the PSUV national directorate.



Chávez said on Sunday, “The party should be a strong articulator of the workers’ movement, the students, the small farmers, women, the indigenous people, and all the social movements.”

In his weekly presidential op-ed column, which is published on Sundays and titled “Chávez’s Lines,”

Chávez spoke of the importance of the workers’ movement for the construction of Socialism in Venezuela.

“There cannot be institutional or governing practices that contradict our pro-

worker definition,” Chávez said. “There cannot be a relationship of tutelage with respect to the workers... It is not the state, nor the government, nor the PSUV whose duty it is to organize and lead the workers; it is the workers themselves who must assume this historic responsibility.”

A commission of national party leaders has been formed to carry out a new membership drive for the next five weekends. The party will issue membership cards and update its membership registry.

In addition, the commission has been tasked with organizing more socialist battalions at the local level, which will come together in a national congress of the PSUV in August to discuss the organizational structure and future direction of the party.

Also, the party plans to found an editorial foundation to spur the ideological formation of its members.

Chávez called for the creation of the PSUV after his reelection to a second presidential term in 2006, with the purpose of bringing together all the existing leftist parties that supported his presidency into one party whose leadership is democratically elected by the membership base.

Last year, 2.5 million PSUV members went to the polls to choose the party’s candidates for the mayoral and gubernatorial elections, making the PSUV the only political party to comply with Venezuela’s constitutional requirement that party leaders and candidates for office be elected democratically within the party. **R**

Germany's New Left Party:

Lessons To Be Learnt From Social Democracy's Neoliberal Turn

Ingo Schmidt

A fascination with European welfare states is commonplace among Canadian and American unionists and leftists. Recently the creation of The Left (Die Linke) party in Germany gained some more concrete interests. Compared to the disappointments with the Pluralistic Left in France, recent splits in the British Respect coalition and the crushing defeat of Italy's Rifondazione Comunista at the last election, growing numbers of members and voters let The Left appear as a beacon of hope in Western Europe. However, the following ramble through East and West Germany's labour history shows that The Left currently benefits from widespread discontent with neoliberalism but still has to hammer out economic alternatives, which would grossly depart from Germany's export-oriented capitalism, if it wants to establish itself as a lasting and viable force for social change. Particularly the failure of the "Red-Green" government from 1998 to 2005 to develop a progressive alternative to neoliberalism may contain some lessons for The Left.

THE NEOLIBERAL PROJECT OF THE 'RED-GREEN' ALLIANCE

In 1998 a government of Social Democrats and the Green party was elected, from which voters expected social protection against the impositions of neoliberal globalization. People with such expectations, which were shared in East and West, were disappointed, just as with the hopes for an economic miracle after German unification in 1990. Instead of prosperity with a welfare state, modelled after West Germany's post-war experience, the newly elected government prescribed another round of neoliberal globalization. The blueprints for Germany's new Social Democrats were imported from Clinton's United States. Though Clinton was very popular in Germany, the New Economy he was advocating for was seen with considerable scepticism. Its reliance on free trade was seen as



a threat to the world market position of German export industries in the face of competition coming from Asia's emerging economies. Its reliance on financial markets was at odds with the productivist ideology that was built into (West) Germany's persistent corporatist consensus.

Germany's Social Democrats, as much as their companions in other EU countries, tried to put an end to such reservations with the notion of an European Social Model, which was defined as a New Economy plus welfare state. Practical measures, however, were geared toward a New Economy against the welfare state. Compared to their Conservative predecessors, Social Democrats and Greens accelerated the rollback of the welfare state even further.

Once the Social Democrats regained government power, it turned out that the party had fundamentally changed while it was in opposition from 1982 to 1998. The party had lost power in the early 1980s for two reasons. One was its inability to reach out to parts of a young generation that was concerned with technocratic rule of the welfare state and the environmental impact of industrial production. The other were embryonic steps toward welfare state retrenchment, which led to the estrangement between the party on the one side and parts of its working class base and the unions on the other side. As an opposition party, the Social Democrats prepared for a political project that was meant to reconcile the welfare state and its constituencies with the environment and the Green party. However, an erosion of the party's working class base accompanied the process of strategic and programmatic reorientation. Under pressure from the German and international bourgeoisies to dismantle the wel-

fare state in the course of the 2001 economic crisis the welfarist faction within the party was already too weak to reject such claims.

A NEW LEFT ALTERNATIVE EMERGES

Disappointment and frustration with the Social Democratic turn against their own historical project, the welfare state, led to a wave of protest, unprecedented quarrels between the Social Democratic Party and the unions, and eventually secession of those party currents that were still committed to some kind of social democratic reformism and Keynesian economic policies. This "Electoral Alternative for Jobs and Social Justice" united with the SED's successor organization, the "Party of Democratic Socialism" into a new party, "The Left" in 2007. The membership and voter base of this new party still lies mostly in East Germany, where the Party of Democratic Socialism attracted people who regretted the disintegration of GDR or were suffering from economic and social degradation that came with the deindustrialization of East Germany after 1990. Only when the economic crisis of 2001 led to unprecedented cuts of unemployment and welfare benefits such degradation also occurred in West Germany and created a social base for The Left party in the West. Since its foundation the party could not only increase its membership but also win seats in four of West Germany's provincial parliaments. Pollsters find approval rates between 10 and 14 percent on the federal level.

The creation of The Left is the most visible indication of widespread discontent with neoliberalism. However, such sentiments are prevalent way beyond the ranks of members or voters of The Left. Much to the dismay of most capitalists, neoliberalization has come to an almost complete halt in the political system. The

dominant currents within Germany's two main parties, the Christian Democrats (CDU) and the Social Democrats (SPD), are afraid of not only offending voters by continued assaults on the remnants of the welfare state but also of driving them into the arms of The Left. Thus, there is a deep rift between a majority of people, not only from the working class but increasingly from an insecure middle class as well, that are looking for alternatives to neoliberalism and a political establishment that doesn't want to deliver any such alternatives. This establishment constrains its neoliberal policies only because it fears the actual crisis of legitimacy of neoliberal capitalism might turn into powerful anti-capitalist sentiments. Therefore, the political conditions for The Left, or any other political or union organization, organizing for change seem quite good.

THE LEFT PARTY IN ITSELF IS NOT ENOUGH: BUILDING AN ANTI-NEOLIBERAL BLOC

However, the subjective and economic conditions are more complicated. Neoliberalism is rejected by workers in export-industries whose owners' aim at higher profits and market shares through relentless speed-ups, lay-offs and use of labour-saving technologies. Public sector workers and the recipients of any kind of welfare expenditures whose jobs and incomes are under threat from fiscal constraints also reject it. Increasing numbers of precarious workers reject neoliberalism because they neither earn living wages nor entitlements to welfare expenditures beyond a very basic level. It is difficult, not just for The Left party but for unions and any other social movement as well, to merge those differing and legitimate concerns into a coherent program, around which an alternative historical bloc to the crisis-ridden neoliberal bloc could be built.

The welfare state in (West) Germany was always, and still is, based on export-led growth economically and on corporatism politically. Under those conditions individual as well as organized workers in export industries were, and still are, susceptible to neoliberal arguments that explained stagnation and job losses with increasing tax burdens and their det-

rimonental effects on international competitiveness. For this reason, workers resistance against industrial restructuring in this sector was always constrained by the, perceived or actual, needs to maintain or restore international competitiveness. At the same time, the leeway for fiscal redistribution was as widely accepted as the need for austerity that constrained public sector employment.

The Social Democrats, before they were elected in 1998, were well aware of this conflict between international competitiveness and a redistributive welfare state. Leaving the imperatives of the world market unchallenged, they declared this conflict could be resolved by transforming fiscal redistribution into an "activating" welfare state. Once in power, it became perfectly clear that the vague term was just a linguistic cover for a massive rollback of the then existing welfare state. Politically, discontent with Social Democracy's neoliberal turn produced The Left. However, it remains to be seen whether this new party will be able to invent economic alternatives to neoliberalism. Without such alternatives, the Social Democratic experience of the early 2000s suggests, the widespread and deep-seated discontent with neoliberalism can't be consolidated into a power that produces real social changes. Challenging the economic primacy of export-oriented growth, as (West) German history since the Second World War implies, would be a prerequisite for a political economy geared toward jobs, justice and environmental sustainability.

WELFARE CAPITALISM IN THE WEST AND STATE SOCIALISM IN THE EAST

The other prerequisite is a break with the corporatist traditions in East and West Germany. Though welfare capitalism in the West and state socialism in the East were fundamentally different modes of production, there also were important parallels in terms of political structures. In both countries decision-making powers were taken away from rank-and-file workers and concentrated in state, union, and party bureaucracies. As long as workers interests were represented, at least to some extent, by these bureaucracies, the subsequent politi-

cal systems were widely, though not enthusiastically, accepted. This has changed since union bureaucracies, mostly clinging to the corporatist welfare state, lost their counterparts in the political system.

The Social Democratic turn toward neoliberalism and the ever-deeper penetration of state apparatuses with neoliberal bureaucrats led to a crisis of legitimacy of actually existing forms of political representation. Thus, the founding of The Left party may not be sufficient to rebuild working class power. To this end a broader working class culture, which allows the articulation of ideas and aspirations outside the political system, is needed. Without such a socio-cultural basis the new party might, just as other workers parties in the past, be drawn into a political system that represents business interests against workers.

However, not even the unionists and socialists within The Left party can agree on a strategy for working class renewal. Some of these labour forces aim at reinventing politically negotiated class compromises, some at winning government positions at all costs and others at some sort of rainbow coalition that either ignores or denies the actual and potential roles of class. To be sure, other social forces are active in the party as well. The Left party was founded, and developed up until now, as a rallying point of all kinds of people who were discontent with neoliberalism. By no means, the party can be called a workers party of any kind. Since its inception, the character of the party and its current and future strategies was ambiguous. Yet, the economic conditions under which it operates, started to shift the same year the party's founding convention was held in 2007.

The U.S. housing crisis sparked a world economic crisis that hit the highly export-oriented German economy, so far at least, even harder than the American economy, which, after all, is less dependent on imports than other countries are on exports. Particularly hard hit by the crisis in Germany are export-sectors such as automobile, machine tools and chemicals, which are also the sectors with comparatively strong union representation, and the contingent workforce whose growth was

significantly fostered by Red-Green labour market reform. Because The Left, whatever else its internal differences were, had fairly consistently opposed such measures and advocated for better labour protection, it was widely expected that the party would win support from deteriorating economic and social conditions. So far, that hasn't happened. In fact, The Left is struggling to maintain its 10 – 14 percent-share of the popular vote; the only party whose approval rate increased since the crisis became serious in September 2008 is the Liberal Party, doubling its share from 8 to 16 percent. While the government, formed by a coalition of Social Democrats and Conservatives since 2005, jumped, reluctantly though, onto the international bandwagon of fiscal stimulus and ultra-lax monetary policies, the Liberal Party could gather the hard core of tax-cutters around it.

At the other end of the economic policy spectrum, The Left party lost its unique selling point. Before the crisis, The Left was the only party in Germany advocating for Keynesian policies. Though these policies were never unanimously supported within the party, public perception saw The Left much more as Keynesian welfare state than as a workers or socialist party. Now, its claims for public expenditures and employment programs pale compared to the government's spending spree. It is certainly true that the government spends most

money for banking bailouts whereas The Left party advocates for publicly funded protection and creation of jobs but, until now, it didn't succeed in making these differences known to potential voters.

Though Keynesianism had a certain resurgence over the last months, it wasn't The Left party that benefitted from this unexpected departure from neoliberal policies. To be sure, some within the party, and even more in the broader, particularly the activist left is skeptical about Keynesianism anyways and would rather suggest the nationalization of banks and industries. And in fact, The Left gave up its hesitation to advocate such measures in tandem with Keynesian spending programs. How-

ever, the government had already occupied this political territory through a preemptive political strike. While The Left was still debating the pros and cons of state ownership, given the party's roots in East Germany's state socialism this is certainly understandable enough, the government had no difficulty in broadening its policy toolbox beyond neoliberalism. As in the case of public spending, nationalizations on government terms are not meant to help workers but to socialize private losses and moderate the process of devaluation of over-accumulated capital, while The Left's ideas on nationalization might actually help to protect jobs and redirect the economy from exports to ecological sustainability.

However, nationalization is another field in which The Left doesn't appear as a driving force but rather an organization driven by economic changes and the governments' quick responses to these changes. The test for The Left will come once these government responses either completely fail or once workers can clearly see that the government-mix of neoliberalism with Keynesianism, topped with sprinkles of nationalization, only serves the rich and powerful. **R**

Ingo Schmidt is a Vancouver labour educator and activist.



REVOLT GOES GLOBAL

Phil Hearse

The period of weeks from the end of 2008 to February 2009 saw the fall of the Icelandic and Latvian governments at the hands of daily mass protests, a one-day general strike and millions demonstrating in France, a general strike in Martinique and Guadeloupe, mass protests in Russia, the strikes against social dumping in Britain, a factory occupation in Chicago (!), a semi-insurrectional uprising in Greece and almost daily localised protests in Bulgaria, Chile, India and China. Protest has gone global. And that happens at a time when in two countries, Venezuela and Bolivia, governments claiming adherence to socialism are already in power.

France dramatically illustrates the political turnaround. When right-wing president Sarkozy was elected in May 2007 to thoroughly 'Thatcherise' the country, the media saw it as a spectacular defeat for the workers movement and the left. But when on January 29th 2.5 million demonstrated on the streets during a one-day general strike, Sarkozy's cabinet referred to it as 'Black Thursday,' well understanding the huge defeat for Sarkozy it represented.

As the global crisis deepens every continent is being engulfed by unrest, with panic buttons being pushed even by ultra-repressive governments such as those in China and Russia.

When the global justice movement started at the beginning of the decade socialists debated how to extend support for its anti-neoliberal politics in the labour movement in the west and worldwide. Global economic meltdown has provided the answer.

CAPITALISM'S BIGGEST ECONOMIC CRISIS

In all likelihood this crash is the worst economic crisis in the history of capitalism and while its duration cannot be predicted by anyone, a short-term fix is impossible. Because the engine of neoliberal globalisation was ever-larger amounts of credit, the current destruction of the mountain of fictitious capital means the system lacks a mechanism for stabilisation and regrowth. Cutting interest rates no longer works because they are effectively already zero; the only option left, particularly in Britain, is so-called 'quantitative easing' – printing money, stoking up potentially dangerous inflation.

Even if the global economy reaches a temporary stabilisation in two or three year's time, it cannot be a stabilisation at anything like the rates of economic growth seen in the last two decades, if only because of the huge debt mountain. A long wave with an undertone of recession is certain, and could last for decades, paralleling the long depression at the end of the 19th century.

Meanwhile millions of people worldwide face life-ruining catastrophe. According to the *New York Times*:

"Worldwide job losses from the recession that started in the United States in December 2007 could hit a staggering 50 million by the end of 2009, according to the International Labour Organization, a United Nations agency. The slowdown has already claimed 3.6 million American jobs.

"High unemployment rates, especially among young workers, have led to protests in countries as varied as Latvia, Chile, Greece, Bulgaria and Iceland and contributed to strikes in Britain and France."

In such a catastrophic economic and social situation political instability and mass protest is inevitable and unstoppable. The problem is what these protests will lead to. Who will take the leadership of them? What will be their demands? What will be the political outcomes? And how can the left respond?

INDIA AND CHINA CENTRE OF GLOBAL REVOLT

Understanding the way that global revolt is likely to unfold means looking at the context in which neoliberal globalisation went into crisis. Behind the nonsense about the 'nice decades' is the reality that economic expansion affected different social classes differently and that the gap between rich and poor grew exponentially almost everywhere in the world. Hundreds of millions of people understand this and anger is at fever pitch in many countries.

Economic deregulation from the mid-1980s onwards led to the further enrichment of the super-rich elite whose philistine, narcissistic, wasteful and environmentally catastrophic hedonism is on show for all to see. From the new super-rich in China, the billionaire Punjabi yuppies (Puppies) in India, the drug-financed ultra-rich in Latin America, mafia-capitalists in Russia and the Balkans, gold-encrusted sheikhs in Dubai and Saudi, tax evading bankers in the U.S. to Britain's own tax-fiddling billionaires, the gap between rich and poor has never been greater.

Neoliberalism and corruption have gone hand-in-hand. But beyond corruption, the general workings of neoliberal globalisation have created a small percentage of winners and a massive percentage of losers.

In China economic growth has been achieved at the expense of millions of rural poor whose land has been seized or have been dragooned into becoming itinerant labourers in the big cit-

ies paid poverty wages. The abuse of power and corruption has become the norm, leading to violent protests. Three examples from 2008 show what's happening:

“ • a huge demonstration and riot in Guzhou province, southwest China. As many as 30,000 people mobilised in response to claims that police had covered up the alleged rape and murder of a teenage girl; cars and government buildings were set on fire (see Li Datong, “The Weng'an model: China's fix-it governance,” 30 July 2008).

• a three-day demonstration by hundreds of migrant workers in Zhejiang province, eastern China. The protest began on July 10th after the arrest of one of their number by police.

• an attack on a police station and local administrative offices on July 17th by more than a hundred people near Huizhou, Guangdong province. This was sparked by rumours that a motorcyclist had been beaten to death by the police. In the confrontation, one person was killed and ten injured.” (1)

This kind of incident illustrates the elemental, spontaneous nature of the China protests, targeting the police, party bosses and the courts, who always line up behind the increasingly gansterised rich.

In India economic growth has been massive but the beneficiaries relatively few. Anupam Mukerji points out:

“In the last 12 years, India's economy has grown at an average annual rate of about 7 percent, reducing poverty by 10 percent. However, 40 percent of the world's poor still live in India, and 28 percent of the country's population continues to live below the poverty line. More than one third live on less than a dollar a day, and 80 percent live on less than two dollars a day. India's recent economic growth has been attributed to the service industry, but 60 percent of the workforce remains in agriculture.

“The rate of increasing disparity between the ‘haves’ and the ‘have-nots,’ is hard to miss in tech centres like Bangalore, Chennai and Delhi. Technology professionals are returning, having made their millions in the USA. They are driving expensive cars and living in luxury apartments. Cities are growing in all directions. Farmlands are being acquired to build luxury townships, golf courses, five star hotels, spas and clubs. Poor farmers get paid off, and are forced to move further away from the city. And while global leaders and businessmen wax eloquent about India's growing status as an IT superpower, everyone turns a blind eye to the majority of the population untouched by the economic growth.”(2)

The result of this, massively under-reported in the West, is armed rebellion. According to Professor Paul Rogers:

“A striking and largely unexpected feature of these years, however, has been the continued and increasing vigour of the rebellion by the Naxalite guerrilla movement (see Ajai Sahni, “India and its Maoists: failure and success,” 20 March 2007).

“The Naxalite rebellion, named after one of the original villages involved (Naxalbari in West Bengal) originated in 1967. Its political leadership developed its ideology and strategy from Maoism, though its appeal to its militants and supporters may often have owed more to its defence of their rights and interests rather than to its propaganda. In any event, it was long regarded as being more a persistent but barely effective irritant rather than a serious threat – until a few years of surprisingly rapid expansion; to the extent that India's prime minister Manmohan Singh described the Naxalites in April 2006 as ‘the biggest internal security challenge ever faced by our country’.” (3)

Much of the Naxalite revolt is centred in rural areas outside the spotlight of urban-banned news agencies. However it is much more socially significant than, for example, the recent Mumbai terrorist attacks.

RUSSIAN BILLIONAIRES IN TROUBLE

Former Russian Prime Minister Mikhail Kasyanov, who heads a liberal opposition political party, has predicted mass protests in Russia this summer as the economic crisis worsens.

He said mass protests will begin “when people in Russia realize that they are in a deep economic hole...In less than half a year, when the current leadership has spent all the money, there will be nothing left in the arsenal to engage with the public except batons and the use of force.”

Russia's economic crisis has been deepened by both world recession and then sharp decline in energy prices which a year ago were holding crisis at bay. Now, horror of horrors, the number of Russian billionaires has declined from 101 to 49. The situation is vividly illustrated by a *Sky News* investigation in the industrial town of Chelyabinsk, a city in the Urals built around the engineering industry, where unemployment is soaring. The report says:

“Inside the massive Mechel steel factory, one of the biggest in Russia, they have had to cut production. Some 70% of the steel it produces is exported around the world to markets in America, Europe and Africa. But as those economies sink deeper into recession the orders have been drying up. The plant's managing director, Sergey Malashev, told *Sky News* everybody is worrying about how bad the crisis will get.

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“ ‘We produced 360,000 tonnes of output per month on average but in the crisis months this came down to 290,000 tonnes – up to a 25% reduction,’ he said. ‘This is not the worst result other metal plants in Russia saw their output go down by 50 or 60%.’

“The Mechel plant has not had to make any staff redundant but other workers in Chelyabinsk have not been so lucky. Thousands have been laid off in the last few months and the prospect of finding new jobs is not good.

“A weary Oleg Kuznetsov told us: ‘I am a brick layer, out of work. My friends who still have work have their working hours and pay slashed in half, others are on unpaid leave. Almost everyone I know has been affected.’ ”

These same comments could be repeated for thousands of towns and cities across Russia. In dozens of Russia’s monotowns (towns with one central factory or industry, it’s the same story. The automobile and metal industries have been particularly hard hit as the crisis has taken hold, and monotowns are particularly vulnerable. If the factory closes down or experiences trouble, the future of the entire settlement comes into question.

It’s because of this that protests and demonstrations have cascaded throughout the centre and east of the country. Although Western media chose to use photos of demonstrators from the National Bolshevik Party, a far right caricature of Stalinism, few of the protesters were from the organised far right, and many more from Communist and ‘democratic’ groups. But their influence is so far small. The road to cohering anything like a coherent political or social opposition will be a protracted one in Russia. But social desperation is likely to lead to mass protest and, given the nature of the Putin-Medvedev regime, vicious repression. According to *Der Spiegel*:

“The real threat comes from another direction. The Kremlin fears that members of the middle class, loyal Putin supporters, will withdraw their support if the prosperity of recent years vanishes. In December alone, disposable income sank by 11.6 percent, and 5.8 million people are already officially unemployed. Arkady Dvorkovich, economic advisor to President Medvedev, believes that the unofficial figure is closer to 20 million.”

EUROPE: CONFRONTING NEOLIBERALISM

Three governments in Europe have now fallen because of the crisis – in Belgium, Latvia and Iceland. In some ways the fall

of the Iceland government at the end of January was the most emblematic event of the crisis so far.

With a tiny population of 320,000 Iceland is not a ‘normal’ European state – about the size of two London boroughs. But the bankruptcy of any state is a sensational event. Iceland went bust because the political leaders bet everything on the financial system, turning their state into a high interest rate lending bank.

The collapse of the Icelandic banks has been catastrophic for the Icelandic population. Thousands have had their savings completely wiped out and unemployment is now soaring. The government fell because of the outrage of the population and what was virtually a people’s insurrection. On a small scale it paralleled the bankruptcy of Argentina in 2000-1 and the consequent collapse of the government there.

According to the *Washington Post*:

“Protests have mounted throughout Europe, where the political backlash to the crisis is growing. In Ireland, Britain, Spain and other countries where bankruptcies and home foreclosures are rising, polls show that approval ratings of leaders are sinking. In Eastern Europe and Greece, where there is less of a government safety net, protesters have spilled onto the streets by the thousands. Last month’s collapse of the Belgian government, which had been wrestling with long-standing conflicts, was also hastened by the banking crisis, analysts said.

“Perhaps nowhere has the economic crash been more spectacular than Iceland, an island with 300,000 residents on the edge of the Arctic Circle. Last fall, its largest banks went bust and the value of its currency plummeted. In recent days, protests intensified as no leader took responsibility for the crash, prompting police to use tear gas for the first time in half a century.”

Last year UNESCO ranked Iceland as number one in its international quality of life index, which seems now like a sick joke.

A NEW HISTORICAL PERIOD

With the onset of the credit crunch in 2007 the world entered into a new historical period. Every aspect of economics and politics will be shaken up, especially as the economic crisis combines with the ecological crisis to create a major crossroads in human civilisation.

The political dimension of the anti-neoliberal protest movement is uneven worldwide, but almost everywhere new spaces for radical and anti-capitalist politics are opening up. The U.S. and Britain, centres of neoliberalism, are lagging behind, but given the depth of the crisis and the numbers of workers and youth likely to be excluded from the workforce or victims of welfare cutbacks, some form of new radicalisation will certainly occur over time.

For the left, the key is to develop mass politics that goes in an anti-capitalist direction. This is a period that shows the bankruptcy of Keynesianism as well as neoliberalism. Leading British Keynesian theorist Will Hutton, a strong critic of neoliberalism and Thatcherism, can think of nothing better than to act as a cheerleader for Gordon Brown as his government robs billions from present and future taxpayers to bail out the crooks who run the banks.

We should remember however the global context in which the crisis takes place – at end of a 25-year period of neoliberal offensive in which the workers movement and socialism as an ideology have taken a fearful battering. This means that in some places the left is not well placed – in the short term – to fill the vacuum left by the crisis of mainstream politics.

Bourgeois politics will doubtless swivel toward what Walden Bellow has called ‘Global Social Democracy’; but mainly this will probably *not* be attempts at social concessions, but state intervention in the economy; Barack Obama’s policies in the U.S. are a perfect example. After all, even Nicholas Sarkozy says “laissez-faire capitalism is dead.”

Changing capitalist politics can lead to some odd results. In China for example the planned increase in the minimum wage has been postponed, but the government has been handing out ‘red envelopes’ of cash payment to the poor. On many consumer goods shoppers can now get a 13% discount to encourage them to buy. But none of this will do anything to help the millions made unemployed; those forced into casualised hire-by-the-day jobs where workers are picked out from pens for 10 hours at pittance wages in scenes reminiscent of the 1930s docks in Britain; the millions of graduates who will not get jobs, like many of the 6 million who will graduate this year; or the armies of migrant workers losing their

jobs at a breathtaking rate and forced into homeless desperation.

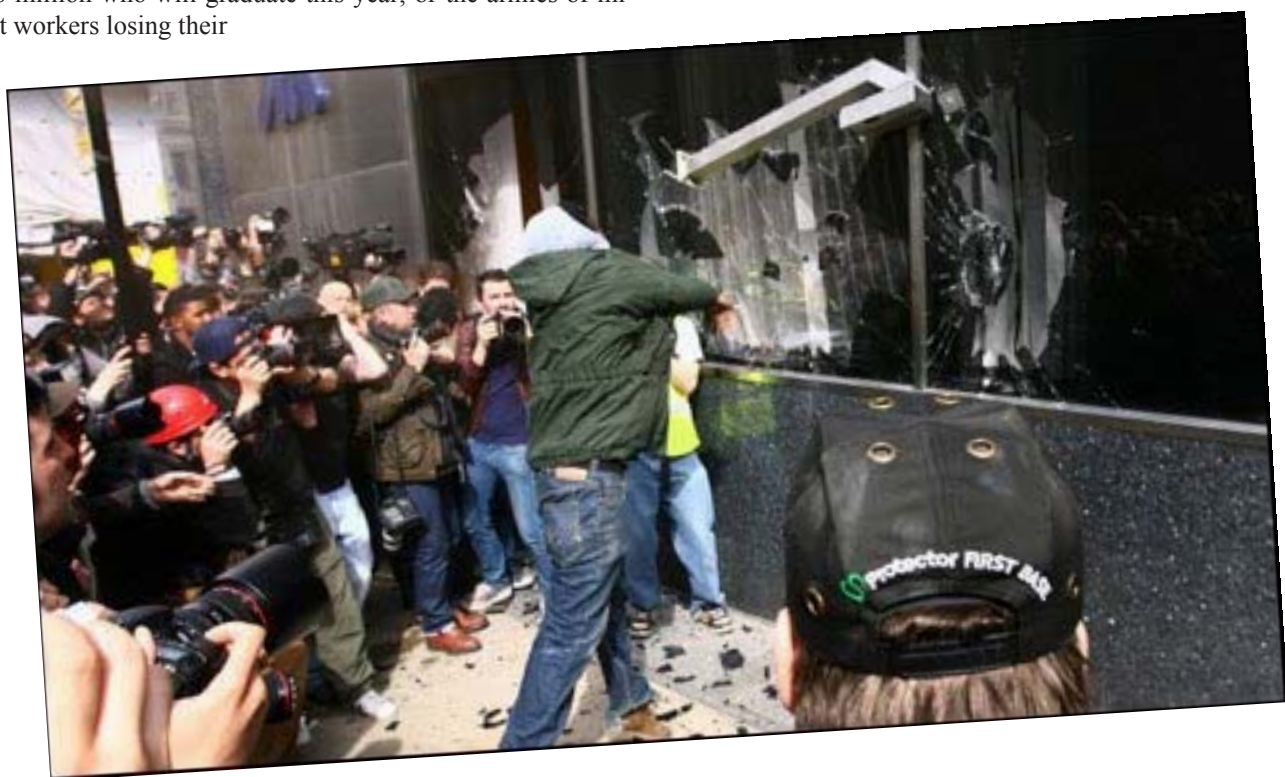
Global Social Democracy may become an aspiration but social democracy needs huge resources to create social programmes. That’s its problem; without social programmes it becomes mere government economic management without addressing the roots of the problem. Capitalist politics of any type cannot solve this crisis; only solutions based on national planning, social solidarity and ecological conversion banishing wasteful luxury ‘consumerism’ (including its close partner militarism) can face the crisis.

LEFT VERSUS RIGHT

Among the protests movements and hundreds of millions of enraged citizens major opportunities will be created for reactionary as well as progressive social forces. For example, in Hungary the crisis is impacting worse on the Roma population who are the victims of repeated pogroms in which more than a dozen people have been murdered and which is fuelling the growth of the far-right Jobbik party (and its paramilitary wing the Hungarian Guard).

In Sarajevo ethnic conflict is being stoked up again by the rise of Islamism backed by millions of Saudi dollars. Anti-Turkish racism is on the rise again in Bulgaria.

In a swathe of the former Eastern Bloc nationalism and racism continue as potent threats. In France, by contrast, the crisis has not benefited the far-right National Front, a party whose economic programme concentrates on tax-cutting measures to suit its middle-class base. And in Germany the far right, while having



some appeal among sections of *lumpenised* youth and reactionary middle classes, is weak compared with the left and especially *Die Linke*.

But the political shape of protest can change rapidly – we are at the beginning of the movement, not the end of it. As we have seen with the recent protests against social dumping by bringing in Italian and Portuguese contract workers to the Total refinery in Lincolnshire, a progressive movement can throw up reactionary or nationalistic sentiments along with progressive ones. That is inevitable in all major struggles in the real world and happens in many strikes and protest movements unequivocally supported by the left. For socialists it is important to be able to discern the real issues involved and contest with the right and reactionaries for leadership of the movement.

For the left to take the leadership at a national level means the creation of political parties that can have a state-wide political impact with a viable programme that favours the workers and the other popular sectors of the population. In some cases this means, for the moment, simply a political regroupment dominated by left social democratic ideas like *Die Linke* in Germany. In other places where mass politics are more advanced it is possible to create anti-capitalist parties with broad support in the short term, like the New Anti-capitalist Party in France. The best instrument for this process in England and Wales is Respect, which, while taking the side of the workers and poor on decisive questions, is ideologically not yet a consistently anti-capitalist party with some sectors of its support conforming to a left social democratic approach, while allowing crucial space for class struggle and anti-capitalist politics.

ANARCHISM AND THE POLITICS OF RAGE

Almost nowhere however will the fight for political leadership simply be between the left, the far right and/or religious fundamentalists. This global movement, prefigured by the movement in Argentina in 2001-2, will be powered by rage and desperation as life savings go up in smoke, purchasing power collapses and hundreds of millions head for the dole queue (or more likely in many places the soup kitchen).

Desperation and rage on their own create riots and social confrontation, not necessarily political programmes and parties capable of inspiring millions over a long period. The explosions in Greece and Iceland demonstrate the power of spontaneous indignation and upsurge. The politics of anarchism – explicit or otherwise – can come to the fore in these situations. This can also be aided by the natural distrust among the abused and desperate of all ‘politicians’ and ‘parties,’ without making any distinctions.

In Greece the movement, although supported by the left and workers movement, had anarchists among its important leadership groups. But without building a sustained left political party, anarchist leadership can lead to movements simply dying out after the latest explosion. Anarchist politics can be explosive, but modern anarchism, unlike some of its historical predecessors, is

mainly a label given to the anti-authoritarian moods of the youth and lacks staying power. Upsurges, trashing elite shops and spectacular riots can be contained if they lead to no permanent political results.

THERE'S A STORM COMING...

In April 2007 a British military think tank published a report for the next 30 years predicting growing chaos as the environment degraded and people became exasperated by the huge gap between rich and poor. The report predicted the growing influence of Marxism as the middle classes became revolutionary, the emergence of ‘flash-mobs’ of criminals, protesters and terrorists and a growing centrality for the environmental movement.

Some aspects of this report were certainly one-sided and exaggerated. But like a previous and similar report by the Pentagon, this report revealed a lot about the thinking of the political and intelligence elites of Western capitalism. Their self-confidence for the long term has been shaken by emerging environmental catastrophe and now growing economic collapse. We are a world away from the self-confidence and self-satisfied smugness of the ‘Golden Age’ in the 1950s and ‘60s. Today everything is being shaken and thrown in the air. “All that is solid melts into air, all that is holy is profaned.” Capitalism’s crisis is a huge opportunity for socialist and environmentalist politics, with dreadful consequences if those politics fail. **R**

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Notes

1. www.opendemocracy.net/article/china-and-india-heartlands-of-global-protest
2. Ibid.
3. Ibid.



The Left's Electoral Debacle in India: Moving Toward an Explanation

Mitu Sengupta

On May 16th, 2009, some 60 percent of India's 714 million eligible voters delivered a definitive victory to the Congress-led United Progressive Alliance (UPA), awarding it a commanding 262 seats in the country's 543-member lower house of parliament. The UPA's principal opponent, the National Democratic Alliance (NDA), led by the Hindu nationalist Bharatiya Janata Party, took a serious beating, dropping to 159 seats from the 181 it had claimed in 2004.

A gaggle of small parties rushed to offer the new government unconditional support, raising the UPA's working tally of 322 seats, a comfortable margin that has firmly reversed the prediction India was headed for a weak coalition government in which the Left Front – an alliance of Leftist parties led by the Communist Party of India Marxist (CPM) – would play an authoritative role, possibly one of “kingmaker” status.

Indeed, the Left Front emerged as a key player following the 2004 election, when it garnered 59 seats. The UPA, which won 218 seats, was able to form the government only when the Left agreed to support it externally (the Left refused to formally join the government, and thus was not part of its cabinet). The Left maintained its alliance with the UPA for four of the five years it was in office, gaining considerable sway over the government's policies and priorities. It was expected to do even better in the 2009 election, and fortify its influence in national politics. When the results rolled in, however, it was clear that the Left had lost all such potential.

The Left suffered a sound hammering, losing in even its bastion states of Kerala and West Bengal. Nationally, the Left won only 24 seats, a decline of 35 since 2004. The picture appeared even more dismal at the state-level: the Left won a dismal 4 of Kerala's 20 constituencies (down from 15 in 2004), and a shocking 15 of West Bengal's 42 (down from 34 in 2004). This was the worst showing in 32 years for the Left Front in West Bengal, which has governed the state without pause since 1977.

The Left's stunning electoral defeat is, without question, related to the abject performance of its frontrunner party, the CPM, which bagged only 16 seats nationwide, down from 43 in 2004. The Left's second most important party, the Communist Party of India (CPI), dropped to 4 seats from 10 in 2004. Indeed, some of the smaller parties on the Left together – such as the Revolutionary Socialist Party and the All India Forward Bloc – did better than the CPM and CPI, and held on to their usual 2 to 3 seats.

The Left's battering has provoked a number of important questions: first, how might these losses be explained; second, will they be enduring, and third, how might they be reversed?

While it's probably too early to provide definitive answers, this essay makes an attempt to do so. It argues that – contrary to speculation in the mainstream media – the Left's defeat is not the consequence of a sudden swelling of support for the Congress, and the “political stability” this “national” party supposedly represents. Neither does it stem from a wholesale rejection, by the electorate, of the issues and concerns championed by the Left. Rather, the Left's defeat is owed chiefly to the blunders of its principal party, the CPM, at the state-level, and that too, mostly in West Bengal. It also owes to a number of errors of strategy – again committed mainly by the CPM – at the centre. Consequently, revival of the Left's electoral fortunes will hinge, to a very large extent on the CPM's recovery in West Bengal where the party must rethink its priorities. A reimagining of its electoral strategy in national politics will also be vital.

This certainly appears a moment of triumph for the Indian National Congress (the Congress party), the 124-year old organization born out of India's freedom struggle. On its own, the Congress has won 206 seats, its best performance since 1991 (the Congress won no more than 150 seats in the last four elections, leading to speculation of its permanent demise as a “national” party). Manmohan Singh, a former economics professor, is the first Prime Minister in 48 years to be voted back after completing a full five-year term.

In India, the verdict is being widely read as a vote for political stability, national unity and “development”; the refreshing ability of a “maturing” electorate to look beyond the divisive politics of region, religion and caste. It's also being seen as a personal victory for the “level-headed” Dr. Singh, and for Rahul Gandhi, the 38-year old scion of the Nehru-Gandhi dynasty (India's first Prime Minister, Jawaharlal Nehru, was his great grandfather). Gandhi's glamorous looks, candid manner, and “natural” political savvy are seen as central to the Congress's surprising resurrection, and have set off rumours that Gandhi will replace the elderly Singh as Prime Minister within a few years.

Yet this narrative of the Congress's sweep to victory does not stand to challenge.

In an insightful analysis on *Sanhati* (a website devoted to “fighting neoliberalism in Bengal”) Deepankar Basu points out that although the Congress has won 206 seats – a gain of 61 seats from 2004 – its share of the votes polled (28.55%) has increased only marginally, by less than two percent. In fact, the Congress's vote share has declined in several crucial states, such as Orissa, Chattisgarh and Andhra Pradesh. Basu also suggests that, despite appearances, regional parties have done well in terms of vote shares, though these gains have not always translated into seats,

thanks to India's first-past-the-post electoral system. He points out that the combined vote share of the Congress and BJP – considered the country's two “national” parties – has actually declined, from 48.69 percent in 2004 to 47.35 percent in 2009. This contradicts the notion that Indian voters are on their way to looking beyond the politics of region and locality.

Basu's analysis of changes in the Left parties' vote shares is also illuminating. He says that, at the national level, the CPM's vote share has declined only marginally, from 5.66 percent in 2004 to 5.33 percent this year. The CPI, on the other hand, has registered a marginal gain, from 1.41 percent in 2004 to 1.43 percent this year. The Left's also managed to increase its vote share in a number of states, such as Andhra Pradesh, Madhya Pradesh and Uttar Pradesh. “Going by national figures,” says Basu, “there is no evidence of any nationwide wave” against the Left.

The key to the story of the Left's defeat, as Basu suggests, lies in explaining its losses in Kerala and West Bengal, two stronghold states where “the loss of vote share [has] wreaked havoc for the Left parties.” In Kerala, the Left's vote share has declined from 39.41 percent in 2004 to 37.9 percent, leading to the vanishing of 9 parliamentary seats. In West Bengal, the Left's vote share has declined from 50.72 percent in 2004 to 43.3 percent this year, leading to a massive loss of 19 seats. Indeed, the Left's vote share has plummeted in all but 3 of West Bengal's 42 constituencies. Basu argues that the Left's “debacle in terms of seats” owes to the fact that “the bulk of the decrease in [its] vote share was concentrated in the electorally important states of Kerala and West Bengal,” while increases were “spread out electorally across states where the Left parties are marginal.”

SOMETHING'S ROTTEN IN THE STATE OF WEST BENGAL...

With a population of more than 80 million, West Bengal is India's most densely populated state. The state has been ruled for 32 years by the CPM-led Left Front, making it the world's longest-running democratically elected Communist government (though many would argue that the Left Front is social democratic rather than communist). On the other hand, Kerala's Left



alliance – known as the Left Democratic Front – has always alternated in power with the Congress-led United Democratic Front. Given this, the Left's kick-in-the-teeth in Bengal is far more serious than its setback in Kerala. So what happened in West Bengal? Here, two words are significant: Singur and Nandigram.

Let's turn, first, to Singur, a tract of prime agricultural land in Hooghly district that the state government attempted to hand over to one of India's leading private conglomerates, Tata Motors, for the production of its \$2,500 car, the Tata Nano. The controversial decision, made public in 2006, was immediately opposed by a storm of farmers, who faced potential displacement by the project. It was most fiercely resisted by landless farmers, many of who are migrants from neighbouring states. These “tenant farmers” and “daily-wage labourers” stood to benefit little from the compensation packages offered by the government (which went to farmers who could prove their title or longstanding connection to the land). Singur soon unleashed a wave of protest that was championed not only by Mamata Banerjee – the fire-brand leader of the CPM's main opposition in the state, the Trinamool (“Grassroots”) Congress – but also by high-profile environmentalists and intellectuals associated with the Left, such as Medha Patkar, Vandana Shiva, and Arundhati Roy. It's noteworthy that the sharpest decline in the Left's vote share in West Bengal (35%) was in Hooghly district.

The story was similar at Nandigram, an area of fertile agricultural land in Purba-Mednipur district, where, in 2007, the state government nodded through a proposal allowing an Indonesian multinational (Salim Group) to set up and operate a complex of chemical industries as a “special economic zone” (SEZ). This decision, too, was fiercely opposed, and resulted in clashes with police that left 14 villagers dead and triggered allegations of police brutality. As a portent of things to come, in January, 2009, the Left was roundly defeated by Trinamool in a by-election to the state assembly from Nandigram.

The CPM-led government defended these ventures on the grounds that they would promote industrialization and expand higher-income, formal sector jobs in the state (only 8 percent of India's workforce is employed in the formal economy). The government also hoped that the funds raised through the leasing of land to private entrepreneurs would help with the resuscitation of underperforming (“sick”) publicly-owned industrial units, as well as settle unpaid wage-bills. Not surprisingly, the government was supported, for the most part, by the trade unions aligned with the Left, and, indeed, it was expected that labour's backing would translate into votes for the Left in the state's urban areas. This, however, did not happen.

Writing in *Sanhati*, Dipanjan Rai Chaudhri explains why the Left did not do better with urban voters: “The slow pace of industrialization in West Bengal has hampered the formation of truly urban towns centred on consolidated groups of industrial workers...The so-called urban centres, including the poor quarters of Kolkata, retain strong links with the countryside and their inhabitants have intense sympathy with rural folk and their problems.” Thus, even in the urban areas, the “CPM's justification of

industrialization by acquiring agricultural land” was “rejected,” along with the Left’s attempt to “portray Mamata Banerjee as an opponent of development.” Only a small section of the middle class and students, who have “no links to the villages,” accepted the CPM’s rationale. One should point out, in this connection, that the main Left-aligned trade unions are seen by many critics, like Chaudhri, as catering to the interests of upper-caste Hindu men in the urban lower-middle class rather than to the concerns of the urban poor, the bulk of whom work in the informal economy, have deep rural roots, and are Muslim, Dalit (the lowest Hindu castes once known as “untouchable”), and women.

Anjan Chakrabarti, an economics professor at Calcutta University, makes a valuable point in *Radical Notes* – “I have a thesis: no party can win elections in West Bengal if it is not seen as Leftist in orientation...First through social reform and then through long decades in which the Left played an instrumental role, the ‘poor’ have come to acquire a voice; an assertive political voice [in West Bengal].” He points out that, over the years, Mamata Banerjee tried many tactics to outmanoeuvre the Left – but she failed every time because “the symbolic authority of the Left Front remained intact.” Though charges of petty corruption and bullying were always around, the Left managed to preserve its image as guardians of the poor and marginalized. Singur and Nandigram changed all of that. Chakrabarti states, rather dramatically: “The sight of the CPM working in tandem with the police to evict farmer from land, shooting constituents (including women) and abusing citizens, and that too for a bunch of abrasive capitalists, snapped the psychic relation of the people with the Left Front. It was as though the father had turned his gun on his mother and children.”

Ultimately, then, the Left did not lose in West Bengal because voters rejected leftist politics, but because they perceived the governing parties of the Left, along with their fossilized, out-of-touch unions, to have swung too far to the right. As Siddharta Vardarajan argues in the pro-CPM newspaper, *The Hindu*, “The Left Front paid the price in West Bengal for the ‘rightism’ of its policies, which allowed Mamata Banerjee to emerge as a defender of the peasantry’s right to till the soil.” Indeed, Banerjee successfully projected herself as more left than the Left Front; a veritable messiah of the poor who was willing to die for the cause (she undertook a highly publicized hunger strike over Singur). The damage to the CPM’s reputation resonated even in Kerala, where party bosses, such as P. Vijayan, were also seen as too “pro-capital,” along with being highly corrupt (a deep rift surfaced in Kerala’s Left government between Vijayan, the secretary of the state party unit, and the “incorruptible” chief minister, V.S. Achuthanandan).

THE LEFT HELPS THE CONGRESS WIN – MISHANDLING THE DELHI CONNECTION

There’s no denying that the sustained buoyancy of the Indian economy helped the UPA. India grew at roughly 8 percent per annum for four of the five years the UPA was in power, and even now, amid a severe global slump, it is the world’s second fastest growing economy. Yet for the poor, who are the bulk of India’s voters, such claims to affluence are meaningless if there’s

no direct impact on their lives. Exit polls indicated that the aspect of “development” that mattered most to UPA-supporters had to do with the government’s redistributive interventions in the economy, such as the National Rural Employment Guarantee (NREG) scheme, which guarantees the poor 100 days of paid work, and a loan-waiver plan for indebted farmers.

But it is to the Left that the Congress owes the pro-poor tenor of its economic strategy, a fact that Congress heavyweights, such as Jyotiraditya Scindia, have acknowledged quite openly. It was at the Left’s behest that the UPA adopted the NREG and loan waiver schemes, as well as some social security legislation for the country’s impoverished non-unionized workers. It was the Left, furthermore, that prevented pro-market hardliners in the Congress from pursuing privatization and other liberalizing reforms too aggressively, particularly in the financial sector, thus shielding Indian banks from the toxic assets that felled global giants such as AIG and Lehman Brothers.

Most interestingly, however, the Left helped improve the UPA’s standing among lower castes and Muslims. The Left advocated persistently for the Central Education Institutions (Reservation in Admission) Act, which was passed in 2006. The Act provides for the generous “reserving” of seats – about 50 percent of the total number – for lower caste students in educational institutions run by the central government. This was precisely what lower caste parties, such as the pro-Dalit Bahujan Samaj Party (BSP) have wanted for years (the BSP is among the Congress’s most formidable rivals, especially in the key state of Uttar Pradesh). The slow pace of privatization further buoyed the UPA’s popularity among lower castes, since caste-based job reservations apply (thus far) only to government-run companies.

The Left also backed the government’s appointment of the Sachar Committee in 2006, which was set up to inquire into the continued marginalization of Indian Muslims. This helped offset some of the harm later done to the UPA’s relations with Muslims, when the Singh government endorsed the re-introduction of the draconian Prevention of Terrorism Act (POTA) in the wake of Mumbai attacks of November, 2008. The government successfully spun its renewed stress on “national security” as “patriotic” rather than anti-Muslim, even though hundreds of Muslims were targeted, rounded up and held without due process in and around Mumbai. The Left, for its part, did little to challenge the UPA’s blatant hypocrisy. In fact, to complete the irony, the Sachar Committee’s report named West Bengal as among the three worst states in India when it came to the issue of adequate Muslim representation in government employment. This, along with Singur and Nandigram – where many landless farmers are Muslim and Dalit – sullied the Left’s pro-minority image considerably.

It is a tragedy, indeed, that the Left’s stint in national politics will be remembered not for the weight and focus it lent to the UPA’s progressive policies – for which failed to claim sufficient credit – but for its vehement opposition to the civil nuclear cooperation treaty sealed between the Singh government and the United States. Raising a bigger stink over the “nuclear deal” than it had ever done over the Singh team’s neoliberal proclivities, the CPM

high-command ruptured the Left's alliance with the UPA in July 2008, stating that it could not, as a matter of principle, allow the "Congress government to surrender before U.S. imperialism." While this stance was popular inside the party, it rang hollow with the Left's voters, especially in the face of the events already underway in Singur and Nandigram. The Left's decision to leave the UPA so late in the day was also a tactical error on its part, since it prompted the Congress to forge a transparently opportunistic alliance with the CPM's main rival in West Bengal, Mamata Banerjee (many Congress stalwarts were consistently contemptuous of Banerjee's "irrational" campaign at Singur). Banerjee's Trinamool Congress ran as part of the UPA in West Bengal, delivering it 19 of the 26 seats it won in the state. Now part of the UPA cabinet, Banerjee is advocating for issues traditionally important to the Left, such as halting privatization.

WHAT IS TO BE DONE?

Writing in the Marxist periodical *Mainstream*, Sobhanlal Datta Gupta calls for rejuvenating changes at the party-level: "The problem is that the Stalinist mindset of the partners in the Left Front does not allow them to recognize any brand of Marxism other than the official version, resulting in the alienation of a section of the intelligentsia over issues like Nandigram and Singur... The result is that, while the champions of official Marxism consider the propagation of any other version of Marxism a threat, the dissenting voices feel that their space for autonomy and freedom is under attack." He argues for the relinquishing of bloody-minded "Stalinist dogmatism" and the infusion "in the mindset of the Indian Left" of "fresh inputs from the revolutionary humanist legacy of Marxism, associated with not just Marx, Engels and Lenin, but also Gramsci, Rosa Luxembourg and many

others who have never figured in the official discourse of the Indian Left."

Others, like Vardarajan (in the *Hindu*), argue for a shift in the Left Front's electoral strategy. Vardarajan excoriates the Left for joining the "Third Front," an alliance, he says, that was based on no program "other than the desire to establish a non-Congress and non-BJP government." The short-term electoral gains yielded by such unprincipled alliances, he says, are not worth the damage done to long-term political goals. Vardarajan presses the Left "to be critical of its preference for conjuring up expedient top-down coalitions rather than organic, bottom-up alliances based on the kinds of struggles and movements the communists know best." Unless it does so, "the parliamentary communist movement will find itself increasingly squeezed by Maoist extremism on the left and the electoral machine of the bourgeois parties on the right, against which it cannot easily compete."

Indeed, the burgeoning discussion among India's left-intellectuals indicates that the road to recovery will be long, complex, and possibly fraught with conflict. What's also certain, however, is that the left will never be irrelevant in the context of India's egregious poverty and gaping inequalities. Populists such as Mamata Banerjee know this all too well, and, from time to time, successfully appropriate the language and appearance of left politics. They can never compare, however, with the cohesion of principle, passion of commitment, and power of genuine achievement that parties such as the CPM are known for. It is time the CPM reclaims the grassroots struggles that made it great, and once defined its soul. **R**

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WHAT IS THE LEFT TO DO IN INDIA?

Raju Das

The Left has suffered a huge defeat in the 2009 national election in India. Its electoral strength at the national level (in terms of the number of Members of the Parliament who are directly elected) has been reduced by more than half. How the current economic crisis plays itself out, and with what implications for workers and peasants in India, will in good part depend on how the crisis of the Indian Left is resolved. A few preliminary thoughts are offered here about this defeat, which may have some wider relevance for the Left in other parts of the world.

The electoral defeat of the Indian Left (gathering parties like the CPI-M, CPI and others under the Left Front grouping) is unfortunate, if not unexpected. But history has provided the Left with an opportunity for rethinking its political strategy. It is true that the success or failure of Left forces cannot and should not be judged (solely or even mainly) by its electoral performance. If the electoral loss was the only form of loss, it would not be a cause of much concern. But the electoral loss experienced by the Left is also indicative of the fact that most segments of the Left

which are participating in elections have more or less distanced themselves from radical mass movements of the marginalized, and especially rural and urban workers, poor peasants and petty entrepreneurs/traders, at local, regional and other scales. The Left forces who fight in elections spend most of their limited political energy on elections *per se* or matters directly related to elections. To the extent that it is important for them to fight in elections, electoral fights must be rooted in, and grow out of, their participation in, and leadership of, class-based democratic movements. Elections must be used for ideological and mobilizational purposes – for educating masses and sections of the (urban) middle class about the failure of the ruling classes and their governments and about the potential for radical change.

CONTRADICTIONS OF THE LEFT

It is time for the Left to become self-conscious of its contradictions. These contradictions emanate from, and reflect, the fact that the Left's ideology and practice are one thing at the centre of

the Indian state in Delhi and another in the states There are two points to be made here.

Firstly, supporting one bourgeois political formation after another (Janata coalition, Congress coalition, etc.) at the national level allows these formations, and especially Congress, the traditional party of the bourgeoisie and landlords, to implement blatantly right-wing neoliberal policies with a so-called human face. The fact that Prime Minister Manmohan Singh, a former economics professor who belongs to the Congress, and others constantly refer to reforms with human face mean that the so-called reforms are essentially inhuman and must be seen as such. By supporting a certain type of national government in order to keep a nationalist and religious fundamentalist party (BJP) at bay, the Left is partly seen as responsible for these inhuman policies. On the other hand, to the extent that the Left puts pressure on the national government to implement a few poor-poor policies such as the employment guarantee scheme in rural areas, it is the parties running the government and especially the Congress that take the credit for these policies. As a result, these parties get votes from the poor in exchange for a few crumbs thrown at them. So, the Left does not get credit for the good thing it does (i.e. pro-poor policies it forces the national government to implement; some kind of government regulation over the financial sector which has allowed the nation to avert the worst consequences of the economic crisis so far). It is indeed bound to be (rightly) discredited (among workers and peasants) for the bad thing it is seen as responsible for (i.e. supporting a government which is basically for neoliberalism and thus providing much-needed legitimacy to the bourgeoisie and its government).

It is also discredited in another sense, and this time rather wrongly. Thanks to the hegemony of neoliberal ideology, development is construed as market-led development. Given that development is the *mantra* for winning elections, and to the extent that the Left has stopped or slowed down some market-reforms, it is portrayed by the bourgeois media and politicians and by the bourgeoisie itself as an obstacle to development as such. Who does not want 'development', and who wants a political formation which is not for 'development'? 'Development' – sometimes packaged as *bijli, sadak, pani* (electricity, roads and water) in the vast rural periphery — has become a big bourgeois ideology. This is an ideology which helps the ruling classes and their political representatives to buy consent from people. The bourgeoisie (and its government) does not want to give the credit to the Left for propping up a government under which it has benefited both politically (in the sense of both creating governmental stability and keeping a lid on the militancy of workers and peasants) and economically (in terms of many pro-business policies that the government has implemented despite the Left).

Secondly, in the subnational states where the Left is in power, it behaves like a version of 'Left Congress' at best. This it cannot do. It just cannot criticize the same policies of the central government which it itself adopts in the states in which it rules. By shaking hands with big-business, domestic or foreign, and implementing some of the neoliberal policies, the Left allows bourgeois parties (in their regional incarnations) to opportunistically bear

the mantle of pro-poor parties in Left-ruled States and to gain electoral advantage. This is exactly what happened in the largest Left bastion (West Bengal). The Left, of course, does this in the name of creating jobs (as one Left leader put it to me: unless there are industries, there is no working class to mobilize).

Jobs can be created; people's productive power can be developed; modern technology can be adopted (and if necessary obtained from foreign sources); and people can expand their needs which make for a better quality of life. All these and many other things can happen under a variety of social relations of ownership and control of property. A factory owned by the (big) bourgeoisie (on land from which poor peasants have been forcefully displaced) indicates one type of relations. A democratically-run cooperative of (women) workers (producing, in an ecologically sound manner, a thing that satisfies a need of a vast majority of the local/national population) indicates another. Where and when in power, the Left really must show that jobs can be created under a different framework of social relations than those that are corporate-dominated. It is the corporate domination of our lives that both the ruling-class parties (i.e. Congress and BJP) support in exactly equal measure. This, unfortunately, most ordinary people do not understand, and changing this situation is a major ideological challenge for the Left.

In Left-governed states, jobs must be created in a manner in which it is consistent with the Left's ideological premises (one of which is the democratic control over means of production to be used for the satisfaction of basic material-cultural needs of people). Otherwise, the connection between Left theory and Left praxis is broken. It *has* been broken in these States, which is why many people – including parts of the middle class – may not find much difference between the Left and the two mainstream parties (both of which may chant some anti-poverty rhetoric and/or even throw some crumbs at the poor to buy their votes).

MASS MOVEMENTS AND MASS EDUCATION

Let me return to the issue of 'mass' movements. One important reason for organizing these movements is to get immediate relief for the oppressed and exploited from factory owners, (upper-caste) landlords and capitalist farmers, big traders and governments. But perhaps more importantly, these movements *shape* class consciousness of the poor and enhance their political power, which may, from time to time, bear electoral results (which is secondary). In turn, both elections and mass movements – both kinds of Left practice – *presuppose* ideological education of the masses. The cause becomes the effect and the effect becomes the cause. Local reading groups and working-class based cultural associations, among other things, are important here. The political energy of the oppressed and exploited workers' can and must be channeled in productive and progressive directions, the energy that the mainstream parties electorally mobilize in order to continue the current system where a few are growing richer while the vast majority are eking out a minimal existence. The Left must be a part of the everyday life of workers and peasants.

Here it is important to stress the role of the 'middle class' in relation to the revival of the Left. The 'middle class' includes not only the better-paid and educated parts of the working class but also independent educated small entrepreneurs, many of whom happen to be private proprietors because decent salaried work is not available. The 'urban middle class of the mall' must feel that it is 'cool' to be on the Left. They must feel that it is 'un-cool' to accept (American) imperialism, or communalism. They must feel that it is 'un-cool' to accept a system where the country's land, forests, water and machines are owned and controlled by just a minority of the population who determine how we live and how well we live. Vast segments of this middle class must understand that the inequality between the rich and the poor (and more specifically the control of our major resources in the hands of a few and associated exploitation) is not un-connected to such things as caste and gender oppression as well as ecological destruction, the things which many conscientious middle class people find easy to relate to.

One must have faith in 'ideological development and transformation': when we work on our ideas, our ideas about the world change. Running reading groups and discussing radical theory as well as current Left policies/actions (including their shortcomings which are inevitable) in a polite and democratic manner can contribute to a change in the consciousness of sections of the middle class. A large number of middle class people may just care about themselves. But not everyone of them falls in this category. There are many who seriously think that they can make a difference to the world of the poor through individual charity, through participation in political parties of the rich and through some NGO activities. The challenge for the Left is to patiently show that while these things are not absolutely useless modes of intervening in the world, they have severe limitations because they do not challenge the sources of power of the rich in their control over property and indeed over knowledge (think about newspapers and TV channels owned for profit by big business).

I can say this on the basis of my own experience as a teacher: when middle class people who join the university as students are helped – both in the classroom and outside – to understand the logic of a theory of society which seeks to grasp everything by its roots and which seeks to *scientifically* explain various forms of oppression and exploitation with a *passionate* motive to eradicate these, other competing systems of thought which they have been imbued with all their lives start not making sense to them anymore. The more they learn new ideas, the more they unlearn old ideas. Demystification of the reality slowly begins to happen. The present system can continue as long as the vast majority believe that what is happening is natural, that it is natural that some people will despotically control our productive resources under whom the rest have to work for a wage/salary. An important aim of ideological education is to *denaturalize* the current state of affairs. One of the biggest losses of the Left is the loss of emphasis on political-ideological education of ordinary workers and peasants as well as sections of the urban middle class. What the Left has lost is the sympathy of a segment of the middle class. This must be reversed through patient ideological activity in a democratic manner (one in which radical teachers, among oth-

ers, have an important role to play). Ideas of the Left must be a part of the common-sense of a very large section of the population, including segments of the middle class as well as the working class and poor peasants.

Although the BJP, the party of Hindu fundamentalists, did not get a large number of seats in this election, and this is good news, it must be acknowledged that the *combined* political strength of the ruling classes (as partly indicated by the combined electoral strength of Congress and BJP) is quite formidable in relation to that of the Left, even if, it must be noted, the Congress barely got 28% of popular votes. It cannot be forgotten at all that whenever there is a possibility of Left resurgence, these two forces will be united (BJP actually indicated as much before the vote counting began), and the ruling classes will not have any problem with it at all. It may be noted that less than 50% of voters endorse either BJP or Congress, the two mainstream parties, which means that even from an electoral standpoint, there is a massive space within which to expand the Left appeal if this appeal is constructed in terms of the firm support for the interests of workers and peasants, oppressed lower castes and women, deprived regions and for a secular polity. The political forces of the Left must be mobilized independently of, and in opposition to, *both* of these bourgeois-landlord parties. The future of the majority of India's population depends on the political and ideological strength of Left and democratic forces in every nook and cranny of the country.

THE COMING CHALLENGE

Every defeat is a challenge. That is the law of dialectics in real life. Without Left support to hold parliamentary power, the national Congress-led government will certainly implement even more blatantly pro-business policies. Preparations for a further neoliberal turn have already begun (e.g. privatization of profit-making government-owned companies; reforms in insurance and retail allowing greater entry of foreign business; labour reforms allowing a free hand to big business to fire employees, and so on). The new Indian government will use the current economic crisis, which has already created massive unemployment (already 1500,000 people have lost their jobs in the export sector hit by the recession), as an excuse to implement policies that benefit big business at the expense of workers and peasants in the name of helping the latter. Big business and its media have already prodded the government to implement these policies. The implementation of these pro-business policies, in a situation of growing unemployment, has contributed to the economic crisis in India. The policies are bound to sharpen the *class conflict* between the bourgeoisie and its government on the one hand and workers and peasants on the other. With the Left forces not obliged to support the government, this is a great opportunity for them to do what they should be doing all along: mobilize workers and peasants to undermine and get rid of the system of capitalism-imperialism, the vestiges of landlordism, and various forms of oppression such as those based on gender and caste. **R**

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The Obama Administration: Agency for Continuity or Change in the United States Foreign Policy toward Israel and the Middle East?

Sehlar Makgetlaneng

What will be the nature of the Obama administration's policy toward Israel and the Middle East? Will it abandon the strategic value of continuity in the United States foreign policy by crafting and executing substantial policy changes? While it is true that history does not repeat itself, the past may sometimes be read as a reliable guide to the future. Obama's campaign statements offer insight into what we should expect from his administration.

Hilary Clinton as Secretary of State has already confirmed that the Obama administration's policy toward the Middle East and Israel will be characterised by continuity, not substantial meaningful changes. Barack Hussein Obama himself has made statements confirming this reality. His administration, despite his rhetoric of change, will, find justifications for supporting Israel. He regards Israel as the special strategic ally of the United States.

After remarking in Iowa in 2007 that "nobody has suffered more than the Palestinian people," Obama was criticised by a member of the American Israel Public Affairs Committee (AIPAC), formerly known as the American Zionist Committee for Public Affairs, for not supporting Israel. Responding to this criticism, he expanded his statement to read that "Nobody has suffered more than the Palestinian people from the failure of the Palestinian leadership to recognize Israel." Responding to the Reverend Jeremiah Wright's criticism of the United States policy toward Israel, he maintained that Israel is an innocent victim of external forces in the Middle East conflict. Addressing the AIPAC Forum on Foreign Policy in Chicago in March 2007, he maintained that Wright "expressed a profoundly distorted view that sees the conflicts in the Middle East as rooted primarily in the actions of stalwart allies like Israel, instead of emanating from the perverse and hateful ideologies of radical Islam." His "view is that the United States' special relationship with Israel obligates us to be helpful to them in the search for credible partners with whom they can make peace, while also supporting Israel in defending itself against enemies sworn to its destruction." This is his support and dedication to the special relationship between the United States and Israel.

Obama over-emphasised during his campaign that the United States should talk to every important state actor without preconditions. Does this general principle apply to the Middle East? In

2006 he blamed Hezbollah for the war with Israel. He refused to join the appeals for Israel to accept a ceasefire. In April 2008 he criticised Jimmy Carter, a leading critic of the Israeli Palestinian policy whose involvement in foreign policy affairs as a former president is unprecedented in the history of the United States, for talking to Hamas. His rhetoric of change does not apply to the United States policy toward Israel. The statement in his victory speech that to "those who seek peace and security we will support you" will be used in supporting Israel. His other statement in his victory speech that to "those who would tear the world apart we will destroy you" will be used in justifying the United States policy of containment for the Middle East and the South in general.



On 4 June 2007, Obama in his speech to the American Israel Public Affairs Committee maintained that "Jerusalem will remain the capital of Israel, and it must remain undivided." He was articulating his subscription to the "Undivided Jerusalem, the Capital of Israel for all Eternity" thesis. According to Uri Avnery, the Israel journalist and former member of Knesset, this controversial statement was scandalous in that "No Palestinian, no Arab, no Muslim will make peace with Israel if the Haram al-Sharif compound, one of the three holiest places of Islam and the most outstanding symbol of Palestinian nationalism, is not transferred to Palestinian sovereignty. That is one of the core issues of the conflict."

Obama's statement in his Inaugural Address that his administration will "seek a new way forward based on mutual interests and mutual respect" with Arabs and Muslims is basically addressed to Arab and Muslim rulers. Obama has been basically repeating this statement since his inauguration. This does not mean that his administration will execute policy toward the Middle East fundamentally different from that of the previous administrations. It is of strategic importance for the United States to cement its relations with Arab and Muslim rulers and to be seen being friendly toward Arabs and Muslims as well as advancing their interests for pursuing its strategic and tactical objectives in the region including its support to Israel. The issue of managing the strategic imperative of protecting access to oil of the Middle East and advancing the interests of Israel is the challenge previous administrations faced. The issue of preventing the Palestinian organised opposition to the Israeli policy actions against Pales-

tinians and their organisations and its suppression by Israel from generating into a regional war has been another challenge they faced. The Obama administration will increasingly face these challenges. It will attend to the needs and demands of the rulers of the Middle East and at the same time justify special relationship of the United States with Israel. It will rely on the Middle East leaders who are strategic allies of the United States in the efforts to meet the requirements of these challenges. It is unrealistic to expect the Obama administration to abrogate the United States-Israel strategic alliance. It is unrealistic also to expect it to use the same tactics used by the previous administrations in advancing the strategic interests of the United States ruling class and of its internal and external allies globally in general, the Middle East in particular. Given the dynamic nature of the world, responses to the present challenges cannot precisely be the same as those of the past.

Obama's statement that his administration will "seek a new way forward based on mutual interests and mutual respect" with Arabs and Muslims is a reflection of Zbigniew Brzezinski's correct position that the neoconservative policies of the Bush administration will structurally turn the decisive majority of the people of the Middle East against the United States and Israel and that they should be abandoned for the flexible advancement of the strategic interests of the United States and Israel. In the words of the geostrategist:

"These neocon prescriptions of security through military supremacy, of which Israel has its equivalents, are fatal for America and ultimately for Israel. They will totally turn the overwhelming majority of the Middle East's population against the United States. The lessons of Iraq speak for themselves. Eventually, if neocon policies continue to be pursued, the United States will be expelled from the region and that will be the beginning of the end for Israel as well." (1)

Throughout the campaign, Obama clearly articulated the need for the United States to intensify its military efforts in Pakistan with or without the approval of its leaders and its right to take unilateral military actions against al-Qaeda, the Taliban and other terrorist organisations in Afghanistan. He called for the intensification of the militarisation of the Middle East policy. He never criticised and questioned the legitimacy of the United States war on terror.

Obama pointed out in his Inaugural Address that his administration "will not apologize for our way of life, nor will we waver in its defense." He was sending a clear message to the rulers of the most powerful, expansive, moralistic, conservative, militaristic, brutal and ruthless system of the Anglo-American domination of the world that his administration will not apologise for its existence and will not waver in its defence. There is nothing new in this articulation of preparedness to defend the system at all costs by any means necessary. President J.F. Kennedy articulated it in his Inaugural Address on 20 January 1961 when he warned: "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship,

support any friend, oppose any foe, in order to assure the survival and the success of liberty." (2) He pointed out that the United States must be prepared to shoulder responsibility in leading the global capitalist system. He expressed this issue when he stated in his address that "In the long history of the world only a few generations have been granted the role of defending freedom from its hour of maximum danger. I do not shrink from this responsibility – I welcome it." (3) It was in this address that us-versus-them thesis was clearly and brutally articulated for the first time in the history of the United States foreign policy. Countries are forced to either become allies of the United States or accept the consequences of being regarded as its enemies. This is the same "You are either with us or against us" thesis articulated by President Bush following the September 11, 2001 terrorist attacks. "Over time it's going to be important for nations to know they will be held accountable for inactivity," Bush said. Pointing out that it was time for action, he concluded: "You're either with us or against us in the fight against terror." (4) The United States' war on terror ensures a policy of containment for the Middle East.

The Obama administration will not substantially deviate from the expansive, moralistic, conservative, militaristic, brutal and ruthless essence of the United States policy toward the Middle East. The United States relationship with the Middle East has been the history of the struggle for the accumulation and expansion of power and zones of control. Regarding itself as a model for the rest of the world, it has been dealing with the Middle East in terms of its "manifest destiny" thesis used to justify that it must meet requirements of insatiable thirst for its external expansion. Obama and his administration will not deviate from this essence of the United States policy. Ties and recycled members of cabinet and senior officials connecting the Clinton administration and the George W. Bush administration to the Obama administration and the prominence of those who were members of the Clinton administration are incorrectly regarded as some of the key reasons why the strategic value of continuity in policy will not be abandoned. Obama has articulated his position on this important issue before he was elected the president. During the campaign, he called upon the United States to continue being "the leader of the free world," leading it "in battling immediate evils and promoting the ultimate good." According to him, the execution of this task is the issue of doing justice to its purpose in the world which "is to promote the spread of freedom."

Obama's electoral victory is used to sell the idea to Americans that under his leadership their country will use its power not to create more enemies, but help to build its more acceptable view internationally more beneficial to the defence and expansion of its interests particularly in developing countries. Hilary Clinton alluded to this when she pointed out that by "electing Barack Obama our next president, the American people have demanded not just a new direction at home, but a new effort to renew America's standing in the world as a force for positive change." Al Gore, former vice-president of the United States, was more direct. In his words:

"Barack Obama's vision and voice represent the best of America. His life experience embodies the essence of our

motto – *E Pluribus Unum* (out of many, one). That is the linking identity at the other end of all the hyphens that pervade our political culture. It is that common American identity which Barack Obama exemplifies heart and soul that enables us as Americans to speak with moral authority to all of the peoples of the world, to inspire hope that we as human beings can transcend our limitations to redeem the promise of human freedom.” (5)

Obama’s electoral victory is used to morally, culturally, racially and politically rehabilitate United States imperialism and the worse it offers the masses of the people of the world. There are key issues which are regarded as factors making this possible. Firstly, his African and European combined racial identity. Secondly, his tactical means of being not focused, direct, serious and confrontation on race, race relations and racism in a society in which his fellow Africans are “a racial minority in a country where racism is a fact of life, a country that was founded on economic and imperialist racism.” (6) Thirdly, as the president of the multilateral imperialist superpower which is a racial, ethnic, linguistic, cultural and religious microcosm of the world. He is regarded by some forces as the deception tool to be used in representing the United States rulers in their country’s international relations in today’s world which is different from that of yesterday.

Today’s world is characterised by the declining legitimacy of imperialist powers. This development in international relations is a result of various processes. Firstly, as the sole superpower, the United States, supported by some of its strategic partners such as the United Kingdom of Great Britain, has unprecedentedly increased its aggressive, combative, chauvinist, arrogant and reckless pursuit of policies some of which are criticised and condemned by some of its allies. Some of these policies have increased the suffering and pain of the masses of the people of the world who are the direct recipients of the damage inflicted on them by imperialism. Secondly, the legitimacy of the United States is interlinked with that of other imperialist powers. As the legitimacy of the United States declines, that of its imperialist partners is structurally bound to decline particularly as a result of their solidarity and unity with their leader and the global opposition they generate. Thirdly, the participation of the global movement for socio-political and economic justice in challenging the legitimacy of imperialist powers. This movement has played a role of crucial importance in “debunking and delegitimising” imperialist powers by “questioning the very idea” that the few “self-appointed countries can presume to determine the fate of humanity.” (7) Thanks to the efforts of this progressive movement, today’s world is characterised by the intensified mobilisation against imperialism, its global agenda and the basis of its governance and the authority it uses in articulating its rule and subjecting developing countries and their people to it. **R**

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Obama’s electoral victory is used to morally, culturally, racially and politically rehabilitate United States imperialism and the worse it offers the masses of the people of the world.



GOOD JOBS FOR ALL

IT'S TIME TO FIX E.I.

IT'S TIME TO PROTECT PENSIONS.

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- Take the Fix EI petition back to the workplace, get every member to sign, get them back to your union and delivered to Labour Council as soon as possible. It's the least we can do for those who have lost their jobs.
- Put the Solidarity Checklist poster up on every union bulletin board in every workplace.
- Talk to the members about the issues raised at the Assembly and in the Solidarity Checklist.
- Mobilize for a great turnout from both union and community to the June 13th mass rally, where we will raise our voices and tell the federal government to take real action to deal with this crisis.

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