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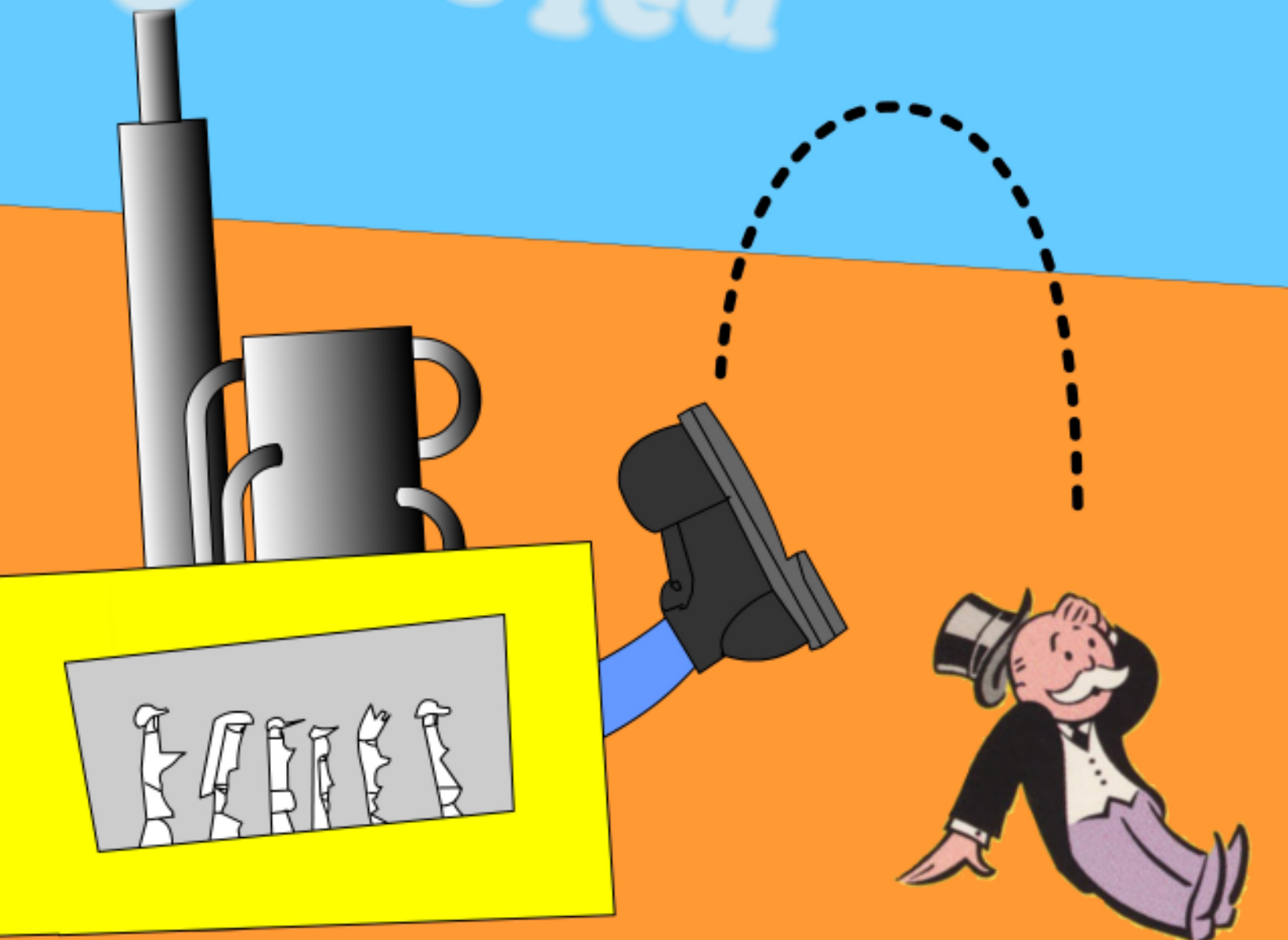
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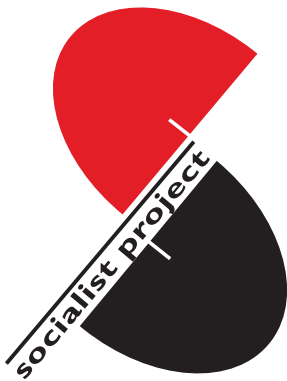
A SOCIALIST PROJECT REVIEW

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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 Socialist Project does not propose an easy politics for defeating capitalism or claim a ready alternative to take its place. We oppose capitalism out of necessity and support the resistance of others out of solidarity. This resistance creates spaces of hope, and an activist hope is the first step to discovering a new socialist politics. Through the struggles of that politics – struggles informed by collective analysis and reflection – alternatives to capitalism will emerge. Such anti-capitalist struggles, we believe, must develop a viable working class politics, and be informed by democratic struggles against racial, sexist and homophobic oppressions, and in support of the national self-determination of the many peoples of the world. In Canada and the world today, there is an imperative for the Left to begin a sustained process of reflection, struggle and organizational re-groupment and experimentation. Neither capitalism nor neoliberalism will fade from the political landscape based on the momentum of their own contradictions and without the Left developing new political capacities. We encourage those who share this assessment to meet, debate and begin to make a contribution to a renewed socialist project in your union, school and community. For more information on the Socialist Project check our web-site at www.socialistproject.ca or e-mail us at info@socialistproject.ca.

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An End to Neoliberalism?

Ontario Responds to the Crisis

Greg Albo and Bryan Evans

The financial panic that consumed U.S. mortgage markets two years ago quickly became a global economic crisis of alarming breadth and depth. No country or sector has been able to insulate itself from the turmoil. For the first time since the Great Depression, the world market as a whole is expected to contract. As the economic decline stabilizes in fall 2009, a great deal of talk of ‘green shoots’ of economic recovery is pre-occupying the media, with the chatter particularly coming from firms in the financial sector. These assessments need to be looked at very cautiously.

Capitalist economies periodically enter into crises of overaccumulation (most visible in the last two years in the housing, auto and finance sectors): firm investments in capital assets can no longer be valorized at existing profit rates. The economic imbalances and financial excesses that characterize the unevenness of capitalist growth become more acute and difficult to sustain. A chaotic period of forcible adjustment typically ensues.

It needs noting that although the crisis has brought a major shock to economic growth, the pattern of uneven development of the neoliberal period has been remarkably resilient. The central imbalances are: between zones of structural trade surpluses and deficits; between growing productive capacity and the distribution of purchasing power; between fiscal demands on states and taxation levels; between the levels of indebtedness of working class people and income flows to meet interest payments (from employment but also from collapsing house prices and pension values); and between the volume of credit claims in financial markets and the amount of value being created in the productive economy.

Several possibilities are posed. If, for example, credit stops being provided to bridge the imbalances, their rapid re-alignment reinforces the economic crisis. This raises panic amongst capitalists, much as was witnessed across 2008, about a potential catastrophic turn in the crisis as a radical destruction of capital values to rebalance these relations looms.

Alternatively, the imbalances might prove quite intractable: economic actors remain quite committed to their current strategies and invested capital (such as East Asian and German export strategies or capitalist opposition to taxation). As long as credit is still being provided, the imbalances persist, the capital is turned over and the economy stabilizes. But the blockages to sustained accumulation also remain in place. A period of prolonged stagnation then unfolds as past investments and debt obligations cannot be shed and the basis for new accumulation established.

Another course is also possible. The power of the capitalist state might be mobilized in a way that the debt generated by the imbalances is off-loaded into the state sector. The debt is effectively ‘socialized.’ Financial authorities forge new institutional

mechanisms to oversee financial markets and to re-establish demand conditions. Workplace organization and class relations are restructured to improve the conditions for extracting value from workers. Accumulation, in turn, picks up, with the imbalances being reproduced in new forms. If the underlying sources of the imbalances remain, credit has to start flowing again at a rapid clip, and a new bout of financial speculation is all but unavoidable. Such an outcome is not merely hypothetical. In fact, previous financial crises – the 1980s savings and loans crisis, the collapse of the Japanese asset bubbles, and the 1990s dot.com meltdown – that have been endemic to neoliberalism have met just such a reaction.

These alternate responses to the crisis should be kept in mind in assessing the emergency financial policies being implemented, the way subnational states like Ontario are shifting their budgetary policies and the way class struggles are evolving. Is a return to a much touted ‘Keynesian deficit spending’ suggestive of a fundamental break from neoliberalism?

ONTARIO'S BUDGETARY POLICY

As Canada's largest province and the centre of Canada's financial and industrial sectors, Ontario's budgetary policy is particularly revealing. In Canada's decentralized federation, moreover, the bulk of welfare state expenditures, and the weight of industrial policy, lies in the provinces jurisdictions. Ontario is also, after the NDP government turn and the Harris Common Sense Revolution of the 1990s, Canada's pre-eminent neoliberal province. The Ontario state radically cut income supports, shifted away from taxes on capital, marketized public expenditures and shifted toward market-driven industrial policies. The McGuinty Liberal government has eased expenditure restraint, but left the core of the neoliberal policies intact.

Tracking the sharp downturn in the world economy, Ontario real GDP growth has fallen from 2.3% in 2007 to -0.4% for 2008 to a projected decline of between 2-3% for 2009. According to recent estimates, growth for 2010 is projected to push back up to about 2%, an optimistic projection, based on a strong surge in U.S. growth and imports. As a result, official unemployment is now pushing toward 9% (of course, understating the huge numbers of involuntary part-time workers and other reserves). Recent immigrants and workers of colour have been faring far worse in terms of both wages and employment. With productivity and the working age population each growing at about 1 percent a year, economic growth in Ontario must be greater than 2 percent just to stay even.

These developments blew a huge hole in provincial finances. The March Budget moved from a surplus to a projected deficit of \$4-billion for 2008-09 to one of over \$14-billion for 2009-10. Deficits are projected to continue for the next 7 years. The lapse

into deficit in Ontario has been heralded, by an odd mixture of right-wing pundits and social democratic economists, as another sign of a 'return to Keynes.' This claim needs – like that of a break in monetary policy – closer scrutiny.

Besides the move into deficit, the claims of a departure from neoliberalism depend upon a few incredibly modestly redistributive measures in the 2009 Budget. One is the decision to *speed up* by two years the phase-in of the Ontario Child Benefit (OCB) with a near doubling to \$1,100 per child beginning in July 2009. This measure was and remains a quite poor substitute for the lack of universal childcare or the poverty levels of single mothers.

Similarly, the additional \$245-million added to the provincial budget to build more affordable housing, repair existing social housing stock, as well as additional support to provincial rent banks, could be tallied on the positive side of the ledger. But the money allocated to affordable housing remains paltry, and the lack of national and provincial housing remains scandalous after more than two decades of reports pointing this out.

But this modest boost to marginalized workers' incomes is more than offset by Ontario's tax cuts, estimated at \$1.2-billion in personal income tax cuts and \$2.3-billion in corporate tax cuts. Such cuts are thoroughly neoliberal: untargeted, favouring high income earners, weaken the long-term capacity to deliver public services and rebalancing fiscal capacity. Similarly, the move to harmonize Ontario's retail sales tax with the GST, forming a more uniform value-added tax, increases the tax burden on low-income workers, but provides only locks in modest income tax credits to offset the impact on poorer workers. This continues the neoliberal logic of the competitive lowering of taxation between jurisdictions.

INDUSTRIAL STRATEGY

The continuity with neoliberal distributional norms in Ontario's budgetary plans frames the budget. On the one side, there is a complete failure to do anything substantive with respect to social assistance rates. Given the mounting job losses, the 2 per cent increase in the rates leaves little to celebrate. The Ontario Federation of Labour quite rightly argued that rates were already "dangerously low." The McGuinty government has done next to nothing to reverse the Harris government benefit cuts of more than 21 per cent in 1995.

For employed workers in danger of entering the ranks of the unemployed, there is little social protection afforded by Ontario's budgetary plans. With less than one-third of laid-off workers in Ontario eligible for Employment Insurance (and about one-fifth in Toronto), and workers moving onto social assistance expected to deplete all savings, any number of policy adjustments could have improved this situation. Similarly, budgetary plans do almost nothing for re-training of laid-off workers; a 'wage protection fund' to offset bankrupt companies failing to pay workers owed wages and severance still has not been re-established.

Ontario's Budget's have often introduced the framework for the province's industrial policies. Given the immediate crisis in

Ontario's resource, manufacturing and social sectors, and the longer term relative economic decline of Ontario, some re-thinking of market-led policies might have been expected. Ontario's budgetary strategy reveals, however, just how thoroughly neoliberalism has gutted state planning capacities.

Ontario infrastructure spending, for example, is to increase substantially, in line with Federal plans, growing from \$7.6-billion in 2008-09 to \$14.8-billion by 2010-11. But this money often has to be further leveraged at the municipal level where offloading and the crisis has produced a fiscal crisis (and for which McGuinty has refused to rollback the Harris reforms). In effect, other parts of the municipal budget related to welfare or service provision have to be squeezed to come up with the funds for infrastructure spending (thus contributing to the strikes in Toronto and Windsor). Moreover, with virtually no planning capacities at either the provincial or municipal levels, the main possible usage of the moneys is simply to address the huge backlog of upgrading existing road and infrastructural systems without rethinking transit strategies, water use planning, energy usage and local sourcing. Indeed, any linkage of the infrastructure spending to building ecologically-responsible production capacities is purely incidental.

Similarly, the huge subsidies and loan bailouts provided to the auto sector by the Ontario government have not come with any particular production guarantees, community controls over investments, increased planning capacities in the Ontario state over transport, and so forth. Plant shutdowns and restructuring are occurring across all sectors, but closure legislation, job and community planning boards, and any hint of a coherent industrial policy are not to be found from the McGuinty government. (All this is compounded by the even greater policy and administrative incoherence of the Build Canada infrastructure spending, with its emphasis on political expediency, P3s, and short-term projects.)

The failings of Ontario infrastructure and industrial policy planning stem from the lack of any strategy to address the province's economic development. Since NAFTA and the collapse of the NDP effort to develop a high value-added strategy in the mid-90s, a complete reliance on market-driven growth has formed Ontario's policy approach. This has a few main components: auto sector exports to the U.S.; the financial sector of Toronto; strong commodity prices for Northern Ontario resources; and demographic growth from net migration flows. Ontario's economic plan in the Budget makes small gestures toward support for green conversion and the new media sector, but these are largely ad hoc subsidy and incentive programmes with no longer planning behind them. The massive underfunding of universities and alternative energy development are to continue. From Ontario's budgetary plans, it is clear that the main approach will be utterly neoliberal: broad based tax cuts to make Ontario a relative low-tax zone for capital; and a series of specific tax, cultural and subsidy incentives to favour the so-called 'creative classes.'

EXIT STRATEGY

A great deal of conjuring is required to conclude that Ontario's Budgetary policy is a planned – or even inadvertent – break from

neoliberalism. The Budget's emergency measures to boost demand are a policy response to an economic crisis internal to neoliberalism. Already, the clamour for an 'exit strategy' to return to neoliberal budgetary norms is building. Indeed, the government's long-term budgetary policy already lays such a strategy out.

Looking ahead to the next seven years, Ontario budgetary policies signal a period of protracted public sector austerity. The plan is to restore a balanced budget by 2015-16. This is to be achieved by underfunding public services. Four 'elements' to the plan are as follows: (1) the annual growth rate in public expenditures will be constrained to less than the average annual growth rate in total revenue; (2) a \$1-billion 'efficiency target' in 2011-2012; (3) maintaining a 'prudent' [meaning falling] debt-to-GDP ratio; (4) a fiscal plan going forward that will be guided by cautious assumptions; and (5) a reduction in the size of the Ontario public service by 5% over the next three years.

Based on various assumptions respecting growth in GDP and government revenues, growth in public expenditures is to be constrained to 2.3 per cent. Given expectations of inflation, nominal GDP growth, demographic growth, Ontario's public services will again be moving toward a significant period of retrenchment. After a brief pause of 'Keynesian deficits,' the neoliberal austerity cycle begun in the early 1990s right turn by the NDP government of Bob Rae is restored.

HARD LESSONS

A number of points can now be drawn together about this stage in the economic crisis in Ontario and Canada more generally.

First, it is far too early to proclaim that neoliberalism has come to an end. As an ideology of 'free markets,' the financial crisis has thoroughly discredited it; and many of its' administrative principles have broken down. But finance capital has continued to assert its power through the crisis, and the power structures and distributional norms that emerged with neoliberalism have been remarkably resilient. The power of the capitalist state is being used to contain the crisis, kick-start accumulation, and underwrite a credit expansion and the economic imbalances in a new form. The political and policy effort – by conservative, liberal and social democratic governments – has concentrated on reconstructing the neoliberal political project and its institutional foundations.

Second, the strategy of the Bank of Canada at the national level (and the wider Harper government policy), and the Ontario state as representative of evolving provincial policies, are indicative of this strategy. Indeed, Canada's version of neoliberalism – radical attacks on income assistance and unemployment insurance, fiscal offloading to balance budgets, marketization of public services (while often maintaining state ownership), state guarantees of financial sector risk-taking and guided liberalization of a monopolistic financial sector – is being touted as the model to adopt more widely.

Third, the 'progressive' attempt to define an alternative to neoliberalism in terms of using new governance models to lever-

age a high-value-added industry alternative – with 'education-rich,' 'green-intensive,' or 'local advantage' addendums – have proven, time and again, complete policy mirages. The most intellectually ludicrous of these strategies is the 'creative economy' and 'creative cities' strategies gaining support in the Ontario and Toronto governments. As even the most minimal alternative, they are being marginalized by the effort to re-establish finance sector led development. Public sector workers, artists and university students face cutbacks while the banks, real estate speculators and gaming companies running sweatshop software shops are defined as Ontario's 'creative class' hub. These strategies have become, in both ideology and practice, incorporated into neoliberal governance.

Finally, it is clear that the anti-Harris political coalition – a loose amalgam of unions, NGOs, and many social movements that has become central to Toronto and Ontario politics (and even the jockeying around opposition to the Harrisite-dominated Conservative government in Ottawa) – has reached its political limits. The Liberal McGuinty government has enjoyed a warm relationship with this coalition since the election of 2003. In a certain way, the 'One Ontario,' 'creative economy' rhetoric of the Liberals stood in sharp – and welcome – contrast to the overt market-worshipping and 'class war from above' politics of the Harris Common Sense Revolutionaries.

But some of these social forces – notably the CAW, the teachers' unions, a range of equity-seeking groups and much of the ecology movement – have adopted a semi-formal social concertation with the government as their political practice. Indeed, the Ontario labour movement as a whole has returned to 'plain and simple' trade unionism. For the ruling classes and the government, this has meant 'brokering' some social concerns – such as around raising minimum wages and increasing school funding.

But this compromise has come with the gain of these forces collapsing into the ruling class consensus in how the government should respond, for example, to industrial competitiveness and the financial crisis. This is evidenced in the concessions wrung out of workers during the auto negotiations without any sustained political mobilization and with the union sounding little different from the corporations; in the CUPE strikes in Toronto, Windsor and York University to develop wider sectoral and community strategies; or in the endorsement by the main ecology groups in Ontario of the hopelessly flawed and thoroughly financial capitalist led 'cap and trade' system for addressing carbon emissions.

Neoliberalism's end will only come from renewed forms of political struggle. The political forces and effort that pushed together the anti-Harris coalition at the beginning of this decade are now spent. Many of these forces are now politically bankrupt. It is no great insight to observe that new political alliances in Ontario will have to be constructed. There is no other way forward. **R**

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Privatizing Health Care:

Laboratory Services – An Early Warning Sign

Ross Sutherland

In the current round of Ontario's health care restructuring the consolidation of community medical laboratory services in private, for-profit hands is going relatively unnoticed. The final act in this transfer of public health care money to the private sector, specifically three multinational companies, Lifelabs,^[1] Dynacare and CML, is the demise of the community operations of two non-profit providers: the Hospital In-Common Laboratories (HICL), and the Hamilton Health Service Laboratory Program (HHS�P). Their forced closure ends 40 years of quality, cost-effective, accessible health care delivery that demonstrated that community and acute care services can be integrated to mutual benefit. Ironically, the end of these services comes at a time when the provincial government is restructuring health care ostensibly to increase integration and control costs.

Understanding this specific paradox adds to our knowledge of the delivery of social services in advanced capitalists states. It takes seriously Colin Leys' assertion that "the impacts of economic forces need to be studied not only at the level of politics in general but also in specific markets"^[2] – in this case the market for laboratory services.

FOR-PROFIT HEALTH CARE DELIVERY

One of the main policy debates in Canada is over the future of public health care. While this program continues to enjoy enormous popular support, it is under attack. This is not surprising. Canada's total public sector health expenditures in 2008 were approximately \$120-billion. In 2009-2010 the Ontario government will spend \$42.6-billion, or 43% of its program spending, on health care, including \$1.2-billion on medical laboratories. Robert Evans, writing in 1993, commented tongue-in-cheek, "there has always been a crisis in Canadian health care."^[3] And the reasons are always the same: cutbacks, shortages, and spiraling costs. There will always be a crisis in public health care because the main perpetrators of this crisis rhetoric are those who wish to lower the cost to the "wealthy and healthy" and increase benefits to the for-profit health care industry.

The main issue in the health care debate has been universal access to essential services. In many ways this debate has ended. Even Prime Minister Harper has, at least publicly, acknowledged that a public insurance system is best for ensuring universal access.^[4] This political victory is due to a century of struggle by progressive forces which won a public hospitals system in 1958, Medicare in 1968 and rules for universal access in the Canada Health Act in 1984.

As the benefits of a single-payer system have become more widely accepted, the new battleground is for-profit access to public

funds to build health care infrastructure and to provide acute care services through a variety of private clinics and diagnostic services. Economist Armine Yalnizyan identifies the growing use of public funds to pay for private, for-profit delivery of services as one of the four main threats to the sustainability of Canada's public health care system.^[5]

The provision of Ontario's community medical laboratory services is a case study, an historical experiment of sorts, relevant to this debate. For the last forty years non-profit options and private corporations have operated side-by-side in the delivery of the same publicly funded and universally accessible service. The comparison of these providers challenges the assertion that increasing private sector involvement in health care is the solution to the system's problems. Rather it argues that for-profit delivery of health services increases cost, decreases system efficiency and undermines universal public health insurance. It questions whether there is any role for the private sector in the delivery of health care. Further it provides evidence that the public sector is able to meet new needs and improve access, quality and democracy, and decrease cost.

THE GENESIS OF MEDICAL LABORATORIES

At the turn of the last century the precursors of modern medical laboratories emerged in response to concerns about communicable diseases. By 1960 scientific advances in what could be measured in a laboratory, increased systematization of medical diagnosis, mechanization of laboratory procedures and increased funding for doctors' medical services saw a rapid increase in the use of medical laboratories. Virtually all the laboratory work for inpatients, outpatients, community patients and public health was processed in public, non-profit hospitals and public health laboratories.

The emergence of private medical insurance plans to counter pressure for universal government insurance allowed some physicians, primarily pathologists, in areas of greater population such as southern Ontario, to establish commercial laboratories serving other doctors. With the nationalization of medical insurance, many physician-run laboratories used this publicly funded gold mine for diagnostic services to morph into corporate laboratory chains.

Medicare did not directly affect the delivery of health services, including laboratory services, except that by guaranteeing payment for a larger population it increased demand for services. Maintaining a fee-for service structure for most medical services, including community laboratory work, created a significant in-

centive for even greater use. Universal public medical insurance also created a direct government interest in medical expenses as hospital insurance had done for hospital expenses, and it reinforced a central role for the medical profession in Ontario's health care system.

NON-PROFIT SERVICES 1968-1990

HICL was formed in Toronto as part of the public system to provide large volume tests for participating hospitals. The laboratory was funded by special grants from the Ministry of Health. Key principles of the new organization were that it would augment, not compete with, hospital laboratory services, and work to increase efficiency, quality and integration in the system. It is interesting to note that at one open community meeting held to consider establishing the HICL, the laboratory was opposed by some who were later identified as "paid consultants to a private laboratory."^[6] The HICL was the most successful of the many non-profit laboratory ventures to emerge during the 1960s and 70s. Hamilton's HHSLP also provided significant non-profit community services in collaboration with hospitals from 1973 to 2007.

In 1976 HICL embarked on a significant new venture. A private laboratory in Brampton, home of the Premier Bill Davis, went bankrupt. The government entered into a contract with HICL to take over its community operations. As part of the deal HICL would pay the local hospital laboratory to process specimens. HICL, like other community laboratories, was to be paid on a fee-for-service basis, but at a rate pegged to about 75% of the rate paid to the private corporations.

The HICL model was a win-win-win for the government, communities and public hospitals. The arrangement provided savings to the government. All hospitals made extra money because HICL paid about 40% of their income to the hospital for processing the specimens. The extra money and volume from the community specimens meant that smaller hospitals would be able to upgrade their laboratory services. Larger hospitals could use their excess capacity and staff at night to process the community specimens that had been collected that day. Local doctors and patients gained from easy access to hospital pathologists and laboratory results. Communities gained from local job creation and stronger hospitals. The Brampton precedent spread slowly around the province over the next 15 years moving into a dozen communities.

FOR-PROFIT COMMUNITY LABORATORIES: 1968-1990

Between 1960 and 1967 commercial laboratories doubled in number to 72 private enterprises: four of these businesses were laboratory chains; the largest, Pathology Services, had 16 laboratories. Ninety per cent were owned by physicians and most of

these were pathologists. A condition of receiving insurance payments, which accounted, even before Medicare, for most of their income, was that the medical director of the lab be an MD. Payments included a separate professional fee for each test run. This basic structure continued under OHIP, and with the rapid expansion in the number and kind of tests performed, resulted in significant incomes for the pathologists running the laboratories.

In contrast to hospitals, doctors' offices and private community laboratories were paid on a fee-for-service basis. Since 1969 Ontario's hospitals had been on global budgets which included their laboratory services. They were mandated to provide service to community patients but received no extra funding for this service. In many ways this split in payment regimens (global budgets vs. fee-for-service) between hospitals and community providers proved the most fateful in securing the community laboratory market for private interests. Refining and strengthening this division between hospital and community services became a key goal of the for-profit corporations.

The proliferation of private laboratories led to the licensing of the sector in 1972. This legislation was motivated as much by concerns about increasing costs as by fears about quality. Strategies to control costs included restricting the number of laboratories, decreasing utilization by individual physicians, and limiting the rise in payment per test. These laws sparked a consolidation in the industry and the formation of an industry association, the Ontario Association of Medical Laboratories (OAML), which in turn supported regulations limiting new commercial access to the community market. The Ministry of Health established a branch responsible for community laboratories which became a conduit for the private labs into the centre of the government.

Per capita cost in the community rose faster than hospital costs during the 1970s and 80s. Part of this increase may have been due to aggressive advertising by laboratory companies, including inducements to physicians to order certain tests and use their laboratory. These inducements included subsidized office space, preferential treatment, and payment of staff salaries, copy services, and meals out. By 1993 private laboratories accounted for about 45% of the laboratory work in the province and 90% of community laboratory work.^[7]

1990-THE PRESENT: FOR-PROFITS DOMINATE

After decades of exuberant laboratory cost increases and faced with an increasing government deficit and economic recession the NDP government entered into direct negotiations with the OAML to cut costs. In 1993 they signed a Memorandum of Agreement that set hard and decreasing caps on how much money was to be paid for community laboratory services. This capped fund was to be distributed among the laboratories based on market



share. When the cap was reached, no more money was paid for tests done.

The larger labs also gained privileged access to government decision-making and received significant monetary support from an industry-directed publicly financed fund. These initiatives dovetailed with the social democratic government's commitment to creating strong Ontario corporations that would be winners in the world market. One of the winning sectors was health care, and a favoured corporation was the laboratory multinational MDS.

Government funding restrictions in the early 1990s also provided the impetus for a major expansion in HICL's community operations. Hospitals eager to find other income sources looked to HICL to make money from their excess laboratory space. In 1994, Dennis Timbrell, former Conservative cabinet minister, then president of the Ontario Hospital Association, wrote that, "there is massive reserve capacity in the hospital laboratories ... a fully staffed evening shift could absorb the private laboratories' workload without difficulty."^[8]

HICL doubled the number of its community laboratory sites from 1989 to 1995, establishing new operations in Perth, Kitchener, Fergus, Winchester, New Liskeard, Timmins, Orillia, Napanee, Huntsville, Parry Sound, and Bracebridge. By 1995 it accounted for about 5% of the community laboratory market.

The large private laboratories found it hard to work within the funding caps and started to cut back on services. Both HICL, because of its relationship with hospitals, and some smaller private laboratories, for reasons of flexibility, were able to expand in this environment. The industry cap, HICL and the competitive laboratory market started to threaten the profit of the larger players just when the government had given them more power.

With the stage set by the NDP, the Harris Conservative government elected in 1995 moved quickly to end the HICL's community operations. Using the structure established by Rae, the Ministry of Health in 1998 negotiated with the OAML to continue the hard caps on government spending in exchange for transferring all of HICL's community work to the private sector. In the same agreement the for-profit companies also gained the right to process ten esoteric tests that they previously had to pay the hospitals to process. HICL estimated that these two changes, closing the specimen collection stations and allowing the private laboratories to conduct these ten esoteric tests, took about \$11-million a year in revenue away from hospital laboratories.

Communities, labour organizations and pathologists campaigned against the damage that would be done to the smaller hospitals and forced the government to set up pilot projects for 12 small hospitals. These hospitals could, through a Request for

Proposal process, come to individual agreements with community providers to use the hospital's laboratory to process specimens. OHIP would pay to those hospital-community laboratory partnerships a set amount based on 86% of the 1996 commercial fee schedule. HICL entered into partnerships with six of these hospitals, MDS with three and CML with three. There was no escalator clause in these agreements so each pilot project has had its total funding frozen at the 1996 level, despite the fact that the funding cap for private community laboratories increased by 36% from 1996 to 2006.

Second, the 1998 agreement with the OAML established a fixed market share for each corporation, effectively ending competition in the medical laboratory sector. This agreement, which greatly favoured the large companies, resulted in some smaller firms paying compensation to the multinationals for taking some of their market share. The agreement established a steady publicly funded income stream to the large multinationals as long as they provided a set amount of service.



Over the last decade a series of regionalization initiatives for Ontario's laboratories have been systematically thwarted by the for-profit sector, except when they allowed access to some of the in-patient laboratory work: for example Gamma-Dynacare has gained a long-term contract to manage the regional in-patient laboratory for the Ottawa region.

The structural division between the hospitals and community health services, including different funding and administrative regimes, has recently been reinforced by the new regional health governance structure, the Local Health Integration Networks (LHINs), and works against integration and public-sector delivery of laboratory services. The LHINs deliver health services within their mandate, which includes hospital laboratory services, but does not include community laboratory services. If hospital laboratory services can be reduced, the money can be shifted to other services or simply saved. At the same time, since the community sector is under a different budget, one that is negotiated directly between the for-profit laboratories and the government, the for-profit laboratory corporations might be able to increase their income as their work increases because of the addition of off-loaded hospital services. Moving community laboratory work outside the hospitals means a savings for the individual LHINs, even though it will likely increase costs for the Ministry of Health.

By 2006 there were only eleven for-profit corporations in Ontario providing 93% of community laboratory services. Five of the remaining non-profit pilot projects will be closed before the end of 2009: most of the for-profit pilots will likely stay open. The Hamilton Regional Laboratory Medicine Programs (the new name for the HHSPLP) was forced to close its remaining community collection stations in the fall of 2007.

All of the communities affected by non-profit closures will be served by one of the large corporations, Lifelabs, Gamma-Dynacare or CML. But the work will now be shipped out of the community to a central processing plant, usually in the GTA. Local jobs are lost, local integration is decreased, local hospital services and income are cut and provincial health costs increase. Overall a lose-lose-lose situation. The negative results of the profitization of Ontario community medical laboratories can be seen on cost, accessibility, democracy, quality and integration.

COST: PRIVATE IS NOT CHEAPER

While the cost savings provided by the HICL were transparent, since it was paid about 75% of the rate paid to the private labs, studies of the Hamilton project have shown a cost savings in the range of 25-30% compared to the cost of having the for-profit sector deliver the same service. It has been argued that this difference is because HICL used the hospitals' infrastructure to keep costs down. The weakness in this argument is that all the money involved, whether paid to the hospitals, HICL or the for-profit corporations, is public tax dollars. Closing the HICL and HHSLP community operations also means the loss of a source of revenue for hospital laboratories, leading to more pressure on the Ministry of Health to increase hospital funding at the same time as it is paying more for community laboratory services.

ACCESSIBILITY: PRIVATE DOES NOT 'OPEN DOORS'

This history of community laboratory services supports a point that has been made before: for-profit providers are primarily interested in providing service to areas of larger population concentration and wealth, which increases inequality of access to services. Rural and northern communities have had a greater reliance on the public sector for their access to laboratory services. Also, the centralization of laboratory facilities in a few larger communities, usually the Greater Toronto Area, has left most cities, large and small, without laboratories, and communication with the laboratory corporation, even for information about their local specimen collection centres, is only possible by long-distance telephone. In the face of funding cuts for-profit laboratories decreased service to marginalized populations affecting equality of access.

DEMOCRACY: PRIVATE IS NOT TRANSPARENT OR ACCOUNTABLE

The existence of for-profit providers has made it more difficult for the public and ultimately the government to access information needed to engage in democratic debate and make policies for the collective good. Corporations control access to most of their internal information and Section 17(1) of the *Freedom of Information and Privacy Act* formalizes the barrier to commercial information provided to the government.

The existence of for-profit corporations creates an inherent conflict in policy-making between the imperatives of private capi-

tal accumulation and the public good. The imperatives of capital are realized through increased lobbying power, the transfer of personnel from corporations to government departments and government departments becoming facilitators of private corporations: all of which has happened in Ontario's laboratory sector. Also the impact of private interest works in a more insidious way on limiting options, which directly affects decision-making. Indeed, as the history of Ontario's laboratory sector shows, to accept for-profit providers into a sector is to start down a slippery slope.

The concept of an independent medical profession figured prominently in profitization of the laboratory sector and its negative impact on democracy. Concerns about doctors self-policing in monitoring conflict of interest, their unilateral control over quality, and their notion of professional autonomy, all played a role in the emergence of the for-profit laboratory corporations. This history makes the argument that greater democratic control of health care institutions provides both greater protection of services from market forces and increase their responsiveness to a community's needs.

QUALITY: PRIVATE IS NOT BETTER

There is very little doubt that the quality of laboratory results in both for-profit and non-profit facilities has significantly improved in Ontario over the last 40 years. But, as the presence of private corporations has increased so has the secrecy around the quality control programs in the laboratory sector. In the 1970s the information collected by these programs was available by ownership type, commercial laboratories compared to hospital laboratories, and it was broken down by size, so infractions in smaller laboratories could be compared to larger ones. Currently only the aggregated figure for all laboratories is provided, making full discussion of quality issues difficult.

But the actual accuracy of the test is only one part of the quality of laboratory services. The interpretation of the results, as dramatically shown by the cancer pathology scandals plaguing Canada, is also an issue. For-profit providers hire less well trained staff; have less integration of specialists, family doctors and patients; and increase centralization of testing facilities and fragmentation of providers, all factors with significant potential to reduce quality.

INTEGRATION: PRIVATE IS NOT EFFICIENT

Some form of regional medical laboratory integration to control costs and improve quality has been identified in major studies and purported to be a policy goal of all governments from 1970 to the present: yet integration has been at best limited. Among non-profit providers some progress has been made. Hospitals have developed a variety of solutions to coordinate and integrate their laboratory services, and the HICL and the Hamilton projects have shown that community and hospital services can be integrated.

The consolidation of for-profit laboratories into three dominant corporations has also brought about a kind of integration.

While the companies compete, often having collection stations right across the road from each other, they negotiate centrally and each corporation has internally integrated services on a province-wide basis. But neither of these integration processes solves the problems of duplication, excess capacity and responding to actual regional needs.

Numerous difficulties with coordinating, let alone integrating, the public and commercial laboratory systems have been identified: the different purposes, for one the generation of profit and the other provision of a public service; the method of funding; the method of workload measurement; and the secrecy of the commercial sector. The evolution of these two systems indicates that many of these differences enabled the commercial laboratories to freely expand and dominate the community market. Further there is an inherent bias in the private sector against integration. Integration is a winner-takes-all situation. In the end there will only be one provider, so all of the others lose whatever separate business identities they have developed. What the Ontario experience indicates is that a commercial laboratory sector not only increases cost but its existence has created a fundamental block to the rationalization of laboratory services and whatever cost-savings, quality and service integration that might bring about.

STRATEGIC CONCLUSIONS

The story of the demise of the non-profit laboratories points to a few conclusions that are relevant to today's struggles over the delivery of essential services. First, the focus of progressive strategies on access to quality health care has made it possible for key components of the delivery system, medical technologies, drugs, private diagnostic and medical clinics and laboratories, to go relatively unchallenged; yet they are some of the biggest cost-drivers in the system and significantly influence the kind of care people receive. It is understandable that this focus on individual consumption is a common rallying point as it converges with key aspects of capitalist ideology and the biomedical model of health care. But the lack of concern with ownership and control has worked against quality health care as a communal project for the public good.

Second, the history of these laboratories shows that there are good non-profit alternatives for the delivery of public services. Actually better than good, preferable. They can deliver a superior service at a fraction of the cost.

Third, this history shows dramatically how viable non-profit alternatives have been systematically undercut by changes in the parameters of public policy as the balance of class power has shifted. In the 60s and 70s a Conservative government dynasty in Ontario could legitimately support a public laboratory option, while successive provincial governments of different political stripes have, over the last twenty years, aided in the demise of this alternative and structured a health care market to transfer public funds to private corporations.

Another important point is that to pay for-profit corporations to deliver a public service is indeed to start down a slippery slope. The inherent uneven playing field that results from the rights afforded to private, for-profit corporations benefits them in competition with public, non-profit options. They benefit from legal rights to greater secrecy, lower standards of accountability and privileged government access. For most of the last forty years there have been no direct policies forcing community laboratory work out of hospitals and non-profit laboratories into the for-profit sector. Rather, incremental policies have structured a new area of service provision to benefit the private sector over public facilities. The lesson to be learned from this is that the creation of strong boundaries around public services and strong progressive programs to improve the delivery of these services is necessary for their preservation. **R**

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1. Formerly MDS. Now owned by a consortium including the Ontario Municipal Employees Pension Fund.
2. Colin Leys, *Market Driven Politics*, 2001, p.81.
3. Robert Evans, "Health Care Reform: 'The Issue From Hell'," *Policy Options*, July/August 1993, p. 35.
4. There is agreement in the academic and policy community, though obviously this assumption continues to be challenged by the right wing. Recently they won the Chaoulli decision and are currently challenging legal restrictions of setting up private clinics. Also there are continuing battles over a two tier system, for example, what services are covered. For these reasons increasing access requires continued progressive political attention but this does not negate the majority opinion in favour of universal government health insurance.
5. Armine Yalnizyan, "Can We Afford to Sustain Medicare? A Strong Role for Federal Government," Ottawa: Canadian Federation of Nurses Unions, 2004.
6. Theodore Freedman, A review of the Experience of the In-Common laboratory in the Development of Joint Laboratory Services, thesis for the Diploma in Hospital Administration, university of Toronto, 1970, p. 131.
7. This is a best guess based on data from the Laboratory services review. Laboratory statistics and who uses hospitals laboratories has long been a source of contention.
8. "Response to Laboratory Services Review External Advisory Subcommittee Social Contract Study Summary Report," Ontario Hospital Association: Toronto, March 1994, p. 9. There have been no completed system-wide studies on excess capacity in hospital laboratories. Some of the recent regionalization efforts, for instance the Ottawa Hospital's new regional laboratory, developed under the management of Dynacare, are rumoured to be working at full capacity and yet are not able to meet current inpatient needs. It would be interesting question to explore whether for-profit sector influenced restructuring to remove excess capacity from the hospital system, possibly jeopardizing inpatient care, to undercut the argument that hospitals can provide community laboratory services.

Public Sector Strikes and Democracy: Learning from the City of Toronto Workers' Strike

Harry Glasbeek

The Toronto City workers' strike is over. Why was it so controversial? Why did it generate so much heat and anxiety? The anxious folk believed that they had good reasons to be agitated.

Garbage smells; this kind of industrial action affects a great number of people who perceive themselves as neutrals, as *innocent* victims; it fortifies the view of so many people that government of any kind cannot be trusted to run a raffle to raise money for a turkey dinner; it invigorates the perception that unions have too much power; it offends many people that lowly *garbage* workers have conditions of work that approximate the conditions of work enjoyed by workers with a perceived higher status; it offends them even more that they have the gumption not only to ask for more, but that they have the legal right to do so militantly; it underscores a widely shared belief that, if the delivery of these services was subject to the discipline of the free market, it would be more efficient and cheaper; and so on, truly ad nauseam.

These very real and conventionally felt resentments were premised on mistaken understandings and ugly stereotyping, embers of ignorance and nastiness fanned into raging fires by the shameless elites and their opinion-moulding allies in the media. Treating these seductive and misleading analyses of the conflict seriously made certain preventive remedies attractive. For instance, there was much traction for the notion that more public sector workers be declared essential to rob such worthless (but apparently essential) people of the power to hold the bulk of the people, who *deserve* decent services, to ransom. (Councillor Walker's motion at City Council and the *Toronto Star's* discussion of it are just two manifestations of this tendency.) These kinds of reactive remedies will not work. They do not identify the structural features of government-workers' relationships that, unaddressed, will give rise to similar angst-creating tensions in the future, just as they have done repeatedly in the past.

What generates that recurring angst is that the mechanism of adjustment of these kinds of labour disputes depends on an implicit (and, publicly, to be denied) attachment to undemocratic precepts. Deep down, everyone senses this, but this intuition is suppressed by ceaseless propaganda extolling this society's commitment to the virtues of democracy. Uneasy as people might be, they are not to be allowed to think that this commitment is ephemeral. Struggles, like the recent one waged by the Toronto City workers, threaten to bring the democracy deficit to the surface, to where it has to be dealt with directly. Demands for a new politics, a more democratic politics, might find fertile ground. This is menacing to the elites and their opinion-makers and shapers. It is better to blame workers, especially workers easily characterized as having marginal status in our supposedly status- and class-blind society, for the malfunctioning of a legitimated scheme of

dispute settlement. They, and their unions, are demonized. Hence, arguments to take away some of the powers benignly granted to these irrational workers abound, promising that when stripped of the (very few) powers these workers have, all will be well: democracy will still reign as abuses of power will be constrained.

COLLECTIVE BARGAINING FREEDOMS

The powers that the city workers exercised – and supposedly abused – were those that naturally belong to trade unions in Canada. A Supreme Court of Canada decision – after long denying the proposition – decreed that the democratic guarantee of freedom to associate included the right to bargain collectively. Of course, workers had long exercised this right legally in Canada without the Court's guarantee; the Supreme Court of Canada (after denying its existence for as long as it could) merely gave this legal social and political fact the imprimatur of being a constitutional freedom. The exercise of collective bargaining powers has been a functional necessity in market capitalist regimes for ever and ever. An unequal division of wealth means that people without wealth must work for someone with wealth in order to live. The more they have to compete with each other for such jobs, the more they are exploited. Employers always seek to take advantage of this economic power – this is why they scour the globe for cheaper labour at all times; this is why workers seek to eliminate competition amongst themselves, whether the law allows it or not. As the old workers' slogan had it: "United we bargain; divided we beg."

By the mid-1940s, the legal struggles over workers' right were resolved in favour of permitting a limited form of collective bargaining in Canada. To this extent, unions became legitimated actors in our polity. But, there were limits. They could only bargain with one private employer at a time. This meant they could only be involved in disputes with their employers over their local conditions of work. It was a scheme that conceded that some workers would unionize, like it or not (and most employers did not like it), and that to appease this almost irresistible push, they should be given power to respond to market imbalances a bit better than could workers left undefended in competitive markets.

This statutorily designed collective bargaining regime is a slightly mediated version of the pure market regime in which each individual is left to fend for herself. The statutory legalization of lock-outs and strikes was a novelty (a right that the ultra reactionary Supreme Court of Canada still has not guaranteed as a fundamental freedom). This right allowed the parties to show, by legalized economic coercion, that they could outlast their adversary in the market. Employers had opposed this legislative

development precisely because legal collectives of workers made the battle more even than when a wealth owner pitted its (collectivized capital supported) economic strength against individual competing workers or illegally combining ones. From a conceptual perspective, the new game was a variant of the preceding one, not a rejection of it. Workers could be expected to get better outcomes, but the outcomes were still to be determined by the market for labour. The market system, *and its ideology*, had remained in place but, for some workers, it had been modified in their favour. Workers could get better deals, but they were expected to deal for better market terms, for better wages and conditions, not for a different set of relations.

The fact that a union was only recognized as a bargaining agent for a set of workers employed at the same place of employment meant that they could be involved only in disputes with their employers over those workers' local conditions of work. Workers' hard-fought-for right to strike could only be exercised if aimed directly at the particular employer where they had been certified as an agent. They could not engage in tactics that tried to restrain the activity of other employers not directly integrated into the target employer's business. Collectivized economic power was illegal if used for any other purpose but those focussed on enterprise-by-enterprise bargaining.

Thus it is that the statutory scheme that promotes freedom of association in Canada, now supposedly part of the workers' *democratic* birthright, is not to be used for political purposes. Collective economic power is not to be used in such a way as to affect the allocation and raising of funds for the delivery of services to the public. Unions are not meant to be organizations through which workers are permitted to make the kinds of demands to which only governments can respond in our polity, that is, they are not permitted to make demands that are, in liberal terms, political in nature. Inasmuch as unions advocate politically, they are to behave as just that: advocates.

The principal regime of labour dispute resolution in freedom-loving Canada draws a sharp distinction between the economic and political spheres that reflects the conventional rejection of class analysis, of a political economy approach.

PUBLIC SECTOR COLLECTIVE BARGAINING

In due course, this method of resolving disputes was adapted to the public sectors. But, here, all demands made in respect of working conditions are made of an employer who is not a market actor, who does not have to worry about losing market share if it does not produce goods or deliver services. There is no market discipline. Every use of collective power by a public service sector union to improve or, more commonly these days, to preserve, working conditions, is, using the precepts of the liberal paradigm, an economic demand from the workers' subjective perspective and a political demand from the governmental employer's vantage point. The employing agencies are always able to argue that they have been democratically elected to dispose of funds with the good of all the people in mind and that this political decision-making should override the very self-serving, economic claims of a sector of the public, namely, public sector workers. Their narrow economic demands are trumped by the State's political responsibility to serve the greater good. The government employer is able to claim the high ground by saying that public sector unions do not have the political legitimacy to interfere with the democratic process. This argument resonates in a setting in which the distinction between the economic and political has been naturalized.

Inevitably, the initial grant of private sector bargaining rights to public sector employees has been severely limited and constrained. Some workers are denied the right altogether; some are



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not allowed to strike; some are not allowed to bargain about certain conditions; frequently, governments enact laws suspending collective bargaining rights and/or ordering legally striking employees back to work, forcing them to work under conditions they had a, a few minutes ago, a right to reject. In short, the market model of collective bargaining runs into a dead end. Public sector workers do not have anything like the (meagre) weaponry that has been reluctantly granted to some lucky private sector workers.

NEOLIBERALISM AND PUBLIC SECTOR RESTRAINT

In recent times, this has made them peculiarly vulnerable to the relentless political assault by the State on its own standards' protecting regimes and on its and welfare schemes. With neoliberalism, governments of all stripes have privatized public services, thereby giving private profit-seekers more scope in their relentless drive to accumulate. Less public sector workers are needed. They have deregulated private sphere activities, making it easier for profiteers to make profits. Less public sector workers are needed. They have cut taxes and often the foregone revenue benefits private sector profit centres. For instance, since 2003, federal tax cuts to benefit corporations and the wealthier members of society, amount to \$160-billion. Less funds are available for deployment in the public sectors. Statistics Canada reports that, since 1991, the federal government's expenditures had shrunk from 19.2 % of GDP to 11.2% in 2007. Governments collect less revenue and spend less. They cut services. Less public sector workers are needed. Welfare schemes are diluted or bite the dust and, as a direct consequence, more needy workers are thrown into the competitive labour markets, exerting a downward pressure on the conditions of employment for all workers.

All of these ravages are the outcomes of decisions made by electorally empowered governments. Public sectors have to fight their battles in the framework thus created by the politicians. They have no institutional standing different to that of any other citizen affected by the political decision-making. This is the logic of a liberal polity in which the private economic and State political spheres are kept distinct. Yet, public sector workers are impacted more immediately and harshly than most of the citizenry by government decisions about how to raise and deploy funds. These political decisions affect their working conditions and security directly. They have to deal with an ever-changing framework for negotiations, changes over which they are not permitted to exercise any institutionalized control. They must negotiate, after the fact, with the only weapons the law gives them—the constrained collective bargaining powers they have. This disadvantages them.

The government, a political, non-market entity, is cast as a run-of-the-mill for-profit economic actor that employs people in much the same way as does a private sector employer which is, conceptually, subject to competitive market forces. A logically and politically troubling misdirection is evident. This *pretence* is even more distorting when the government 'employer' is merely a sub-set of political decision-makers, as is the case when a teachers' union faces school boards or hospital workers confront hos-

pital boards, or university workers battle a university's administrators, rather than the source and controller of the funding that determines the metes and bounds of economic collective bargaining for these school, hospital and university boards.

The collective bargaining that is to take place *pretends* that the outcome of the contest between the government and its workers will reflect the machinations of the politically neutral invisible hand that guides market forces. But, as is rarely the case in the private sector, those market forces are continually shaped and re-shaped by a specific 'employer' without any direct participation by its workers who will have to accept the reality of the market thus created. This is why there are always discussions as to whether or not the offers and demands are fair, an idea that only has any meaning if the offered terms are malleable, are subject to political machination. The fights over conditions are fights over political discretionary decision-making. This is why the public intuitively knows that these contests have something to do with democracy. This cat must be kept hidden in its bag and this is why any efforts by workers to try to negotiate better terms or to reject imposed cuts by using their economic clout are sought to be portrayed as the abuse of a privilege. Precisely because of the misleading characterization that separates the political from the economic, this is all too often too easy for the elites.

PUBLIC SECTOR STRIKES

In politically created 'public sector markets', workers are to use the only tool they have to affect their working conditions and job security, resort to collective bargaining private sector style. As in the private sector, they are empowered to withhold their labour power until their 'employer' can no longer afford being idle. But, this 'employer' is not worried about losing money – indeed, when services are not delivered, it saves money. The best public sector workers can hope for is that the governmental entity they are targetting is persuaded that it is good small 'p' *politics* to enter into an agreement acceptable to the workers.

The exercise of public sector workers' narrow economic bargaining powers is effective only if it, *indirectly*, undermines the political power of the public sector employer. The asymmetry in kind and quantum of powers available to the parties is now manifest.

Precisely because the 'employer' is not an economic employer in liberal terms, the economic response by workers transliterates into a political response as defined by the same liberal terms. This leads to two related features of all these battles in the public sector.

First, workers invariably will be cast as illegitimate intervenors in the democratic processes of government. This makes it easy to castigate them, to make it difficult for the workers to win the battle that is truly being fought when they are in a struggle over conditions of employment, namely, the battle for the hearts and minds of the public that may have sway with the political 'employer.' This task is made more difficult when the government is aided by the public's sense of entitlement to uninterrupted services and by that public's taught disdain for public servants, seen as cosseted, lazy and undisciplined, unlike workers subjected to the market.

The second feature is a special 'take' on public sector disputes commonly put forward by progressive activists and worker-friendly groups. There is an inclination to see a public sector's union willingness to stand firm, to conduct a lengthy (often potentially unpopular strike), as revolutionary. It is tempting to characterize it as a class-based response to the neoliberal agenda pursued by governments. It is true that workers are trying to shake off the burdens established by the politically created framework in which they must bargain and, as the collective action is aimed at trying to win political support, it does have some of the attributes that a direct political confrontation of that political framework and its designers could be expected to have. In short, it may look as if the political and the economic spheres are conflated. But, caution is in order: while the workers' conduct is congruent with the way in which demands for a different world order might be made, that is not their goal.

The motive of the workers in struggle is much the same as that of workers who struggle in the private sectors where the political consensus is not – and is not seen as having been – put in issue. They are attempting to protect their existing entitlements or carve out improved ones. As a consequence of the adaptation of the narrow economic bargaining model to the public sector, public sector workers are not institutionally organized, nor are they politically educated, to do anything else. It would be illogical and, indeed, unfair to have expected the Toronto City workers to transform their resistance to the oppressive demands for concessions by a neo-liberal city government as a clarion call for a reversal of the nature of our political economy.

But, the fact that a glimmer of hope of this kind is raised each and every time that a government exerts its raw power in an abusive way and the affected workers stiffen their spines, points to the progressive potential that inheres in exploiting the contradictions that are built into the paradigm that artificially separates the economic and the political spheres. The contradictions are most obvious in the public sector. Indeed, some of the most dramatic threats to the status quo in relatively recent times have arisen out of ideologically driven government actions that assaulted the public sectors directly.

Operation Solidarity in British Columbia and the Days of Action in Ontario are illustrative. Workers tried to use their economic power to have direct political impact, rather than to ameliorate their localized working conditions. Here, to underscore the point that the split of the economic and political spheres serves

the ruling class all too well, it is worth noting that, in British Columbia, the powers that be refused to treat the rolling strikes as labour disputes subject to labour law adjudication. Rather, they were characterized, by a supposedly worker-friendly labour relations board, as political actions and, as the privilege of collectivized economic action did not stretch to the making of political demands, the workers were subject to the general laws that forbade combinations, marching, boycotting, and the like. Judicial injunctions flowed like wine at a Bacchus Festival as the impermissible use of collectivized labour power was denounced by the dominant class; the apocalypse of democracy and the rule of law were imperilled, it was prophesied by a shrill media, again and again.

The pressure was enormous and Operation Solidarity lost its steam when some organized workers (or, more accurately, their leaders), unready to push their remarkable power that arose from using economic power for radical political purposes (as if they were capitalists threatening a capital strike), accepted a settlement of their more narrow economic dispute with the government. Workers everywhere were reminded that the economic and the political should not be mixed. Somewhat later, the Days of Action organizers did not choose their slogan lightly. They wished to indicate that they were engaged in civil disobedience, in an exercise of free speech and assembly, rather than using economic clout to attain political goals. In a sense, unions in Canada had internalized that notion a long time ago. So, when the CLC called for a national strike day to oppose the 1975 Trudeau wage restraint programme, it termed it a National Day of Protest.

LEARNING FROM THE CITY OF TORONTO STRIKE

To return: it is in the public sector that the constraints imposed by institutions built on the falsehood that the economic and the political are separate spheres become most obvious and it is there, therefore, that the potential to raise consciousness about the need for change is most marked. This is the primary lesson to be drawn from the Toronto City workers' strike. And that lesson, if learned, does offer the possibilities for fruitful political education and action.

Efforts ought to be made to have public sectors reject the departmentalization that the bureaucratic needs of the government 'employer' imposes. It is this supposed technocratic need that provides government with the logic that allows it to pretend that it is comprised of a series of self-standing departments, quasi-profit centres. Their success and the impact on public servants is easily illustrated.

The Toronto City workers kept on making envious comparisons with the treatment of their fellow public employees who were police officers, firefighters, paramedics, and the like and who had had better deals from their discrete 'employers.' Obviously, all these workers have different occupational interests; equally obviously they have, in terms of their relationship to their 'employers,' more in common than what differentiates them. This is why the comparisons were made.

Each time that there is a Toronto City workers' kind of struggle, an opportunity arises to make a strong argument that all public sectors workers have a common employer, one who makes overall decisions on the basis that the priorities it establishes allow it, *unilaterally*, to favour one set of workers over another. The follow-up should be that this common employer should be faced as one entity, as a political entity and not a set of employers each with responsibility for its own bottom line.

Such an argument depends on educating people about the extent to which the false divide between the political and the economic acts as a fetter on their aspirations. They are to be made aware that it is their lack of power when the initiating decisions are made – about funding, about departmentalization, about priorities – that make their collective bargaining, at best, reactionary. They are responding to circumstances brought into being by their opponent. It is their lack of participation in the initial political decision-making that puts them at a disadvantage. As the people who are most directly and immediately affected by these decisions, they ought to claim that simple democratic principles entitle them to have a role in the government *political* decision-making that sets the framework for their conditions of life.



Narrow economic bargaining does not resolve their basic problems; they need to be able to go beyond that. Precisely because they are in the non-market setting, these workers cannot be met with the argument that it is the invisible hand that neutrally constructs the terrain on which collective bargaining is to be conducted. Each of their separated struggles allows an argument to be made, an educational campaign to be waged to the effect, that the weaponry they have been given – private sector collective bargaining – is dysfunctional and *undemocratic*.

PUBLIC SECTOR WORKERS AND DEMOCRACY

To call for education and organization to enrich democracy is a call that ought to have resonance in all places of work, private and public. But, precisely because the public sector has been characterized by liberal capitalism as *the* sphere of the political, it has more chance of success there. What needs to be considered is how to use public sector workers' recurrent brave fights for dignity and better conditions to exploit this potential. The idea that there is a pressing need to democratize (a), the State sectors and (b), all workplaces, is hardly novel. What is being argued here is that a closer analysis of what structural and institutional barriers exist in the public sector may aid activists in their efforts to bring about some real changes.

In a sense, then, those who read revolutionary potential in struggles, such as that engaged-in by the Toronto City workers, have identified the skeleton in the cupboard. A skeleton does not get flesh on it automatically. The workers must fight for their own sake; that is all the system allows them to do. We cannot ask them to be our surrogates. To have them act as a tool for real change, they have to be educated and differently organized. A starting point is to take the lessons taught by the structural problems Toronto City workers (and Windsor's workers, and countless other public sector workers everywhere) to heart.

Finally, what these musings show is that for real change to occur, organized workers remain the most powerful agents we have. They are the ones who bear the brunt of capitalist strategies and who are kept in check by a distorted presentation of the nature of relations of production. **R**

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The End of Retirement?

Sam Gindin

The attack on private sector pensions is not new; while the process has been uneven across time and sectors, private pensions in the U.S. and Canada have been eroding for over a quarter of a century. In 1980, some 40% of U.S. private sector workers and 35% in Canada had pension plans; today the number is under 20% in the U.S. and about 25% in Canada. At the same time, these pensions have steadily shifted from defined benefit plans (guaranteed pension levels) to defined contribution plans (essentially savings plans that provide indeterminate benefits, shifting the risk to workers). What *is* new is the self-assured aggressiveness of the corporate elite as they move to accelerate that erosion. The financial crisis – reinforced by the labour movement’s disappointingly weak response – has opened the door to the more assertive corporate attack on the pensions of their employees.

At the same time, but narrowing its focus to pensions, *The Economist*, and one of global capital’s most prominent and influential magazines, provocatively lead with an editorial entitled ‘The End of Retirement.’ Referring back to Bismarck, the German Chancellor credited with introducing the first pension system in 1889, the London-based editors proclaimed that “Whether we like it or not we are going back to the pre-Bismarckian world where work had no formal stopping point.”

For Bismarck, as for U.S. President Franklin D. Roosevelt during the Great Depression, pensions had been a concession to workers, reluctantly made under pressures from below that were seen to threaten the legitimacy of capitalism (pensions in Canada only came later, after World War Two). The promise of pensions was that, at least in the last years of their lives, workers might receive an income that allowed a degree of dignity that compensated for the dignity denied them during their working years. This is, apparently, another promise that capitalism can ‘no longer afford.’

BEYOND PRIVATE PENSIONS

It is hardly surprising that business recognized the current crisis as an opportunity to marginalize or end a benefit they’d come to view as a barrier to future success. With growth expected to remain sluggish even after the economic crisis ends, and with returns on the monies put into pension funds expected to be low and uncertain – and so requiring more current funding to meet future obligations – worker pensions were all the more identified as an expensive ‘diversion’ from future investment and stockholder returns. But more than corporate tactics were involved. As the GM and Chrysler bankruptcies so dramatically highlighted – and business itself now readily admits – private sector pension plans suffer from a definitive contradiction: as an insurance plan, they depend on the survival of specific corporations while the world has changed so that even the viability of the largest corporations can no longer be taken for granted.

Yet crises represent opportunities for labour as well as business. The difference lies in the extent to which the labour movement, unlike business, has (at least so far) failed to seize the opportunities raised by this crisis. Rather than building on the discrediting of the private sector’s ability to meet social needs and moving the argument for a universal public pension, unions and workers have themselves absorbed the erosion of private pensions, accepting dramatic cutbacks including the exclusion of future workers. And faced with inferior pensions or no pensions at all, workers are increasingly themselves ‘choosing’ to solve the problem individually through, in the U.S., cashing in their 401(k) plans (their equivalent to Canadian Registered Retirement Savings Plans (RRSP)) in order to pay for health insurance when unemployment took that away or, in both the U.S. and Canada, working past 65. By letting business off the hook in this way, this has essentially eased the pressures for reform, made business all the more confident in its demands, and left public sector workers increasingly isolated and vulnerable to seeing their pensions cut as well.

In this regard, it is crucial to emphasize that the prospect of a revised universal pension plan set at adequate levels is not a second-best option but the *superior* alternative. Unlike the private option, it offers universal coverage and thereby provides a foundation for the larger solidarity we need for *all* our struggles. The structure and levels of the benefits would depend on the vigour and priorities of the working class as a whole, not the strength or weakness of our separate employers. With pensions not dependent on particular employers, the threat of competitiveness and unemployment would not be a vehicle for other concessions to save our pensions (or concessions in pensions themselves so as to not lose them entirely). And the social use of the substantive accumulated pensions funds, being in public hands, would be more open – though not automatically so – to democratic pressures.

Among the questions this raises is that of the transition to a public plan. What happens to private plans in the interim? Do the workers covered by such plans just give up on the possibility of keeping their benefits? Or do they soldier on trying to hang on to what they can?

Neither of these options gets to the heart of the problem – an appropriate economic and political transition to public pensions. This would have to include private sector workers joining – if not leading – the struggle for public pensions while fighting to hold employers to as much account as possible for their pension obligations so that corporations will themselves have some self-interest in socializing pension costs.

CHOICES

One critical point raised by *The Economist* directly challenges public as well as private plans – the demographic implications of

living longer. When the U.S. Social Security Act, providing for retirement at age 65 was passed almost three quarters of a century ago, life expectancy was 62. A good many workers would therefore never see retirement, and of those that did, they would likely get a pension for only a few years. So a public commitment to pensions seemed ‘practical.’ Today, however, with life expectancy in the early 80s, a person retiring at age 60 (after 40 years of work) would draw a pension for a period (20+ years) equal to *almost half their working life*. Is this still practical? Or is it now necessary to move to both increasing the retirement age substantially and reducing the annual pension income.

This is a real dilemma and it requires choices to be made. But we should not be overwhelmed by the demographics. Alongside the increase in life expectancy since the 1930s has come a remarkable increase in productivity – real output per hour has increased some six-fold. The choices to be made do therefore not revolve around whether we’re rich enough to afford retirement, but the extent to which we value freedom from work over consumption, the form that freedom from work might take, and – above all – how society’s wealth is distributed (i.e. these issues can’t be abstracted from questions of power). In regards to the last point, whatever choices are made, a central principle must be that they do not become another vehicle for reinforcing inequality. A measure of equity should be introduced at least during the last years of people’s lives and this means structuring pensions so that pension levels would be heavily weighted toward a universal guarantee rather than being linked to income.

An example of such an alternative structure – and we stress this is just an example – might build on the current public pension system. Canadian public pensions now consist of two parts: the Canada Pension Plan (CPP) which is based on earnings (25% up to the current national average) and Old Age Security (OAS) which provides an amount independent of income (about 15% of the average income). The funding of such a plan would be generated through progressive taxes – including wealth taxes to limit the reproduction of inequalities into future generations but also including taxes on all of us (this could not be financed by only taxing the rich).

It may also be that we might prefer to move toward phased retirement rather than the abrupt change retirement has come to mean. For example, rather than retiring at 65, workers might go on shorter work time at age 60 – a 4 day week for three years then a three day week for two years, the time off partially supplemented by the pension fund – and thereby more gradually adjust themselves to a new life.

A more fundamental question remains: if we are going to take time off equivalent to half our working life, should this be entirely concentrated at the end of our lives or should we take a significant portion of that paid time off during our working years? The case *against* putting it all into retirement – over and above the possibility of dying and losing the banked time – begins with the fact that to postpone all benefits until retirement is to essentially give up the struggle to change the everyday and greater part of our lives. There is something deeply disconcerting, if not tragic,

about not sharing in the productivity of society during our youth and middle age in the hope of compensating for those lost years in old age (a version of suffering on earth for a reward in heaven).

NEXT STEPS

The labour movement needs to be as clear about what it is up against as business has been in launching its assault on worker rights and benefits. To that end, it must combine fights for immediate needs with building the collective capacities – the class power – to expand future possibilities. To that end, we might begin by:

1. Moving toward some internal consensus that the redistribution of work-time is a top priority for the labour movement – the next great arena for struggle and gains, and the kind of priority around which our movement can be rebuilt as a social movement.
2. Within that focus, we need to initiate the widest discussions around the relative merits of gaining greater access and flexibility over our work time during our working lives versus at the end of our lives (for many workers – such as part-timers – the problem may, however, be *not enough* work time and this adds to the importance of thinking in terms of the ‘redistribution’ of work time rather than just ‘fewer hours’).
3. Rather than waiting for the government to come up with some modifications in pensions, the labour movement – in consultation with its base and with other movements – should confidently frame and develop its own detailed alternative pension plan, including the age of retirement, early retirement options, pension levels, flexible options and funding (there is no shortage of progressive people with the skills to help with the technical aspects of such a proposal).
4. On this basis labour and its allies can initiate an educational and mobilizing campaign to ensure that no politician, nor business as a class, can ignore our issues.

The above, we emphasize, would only be a beginning; the issue of pensions is too large to be separated from broader issues of power that will sooner or later emerge. This is particularly the case in regards to the social role of private finance, the issue underlying the current economic crisis. Though moving to a public plan will not eliminate private finance – governments, barring a much more radical socialization of finance, will still continue to operate through financial markets – public pensions will limit the dominance of private finance and its scope for profits (and in the process, leave finance very wary about where this might go next). And so we will ultimately have to confront the question so far avoided in this crisis: How to eliminate the power private finance has over our lives and replace it with finance as a democratic public utility – rather than just trying to technically ‘fix’ it so ‘normal’ life can continue. **R**

Sam Gindin is the Visiting Packer Chair in Social Justice at York University, Toronto.

The Black Book of Canadian Foreign Policy – a review

Murray Cooke

Yves Engler, *The Black Book of Canadian Foreign Policy* (Halifax: Fernwood Books, 2009).

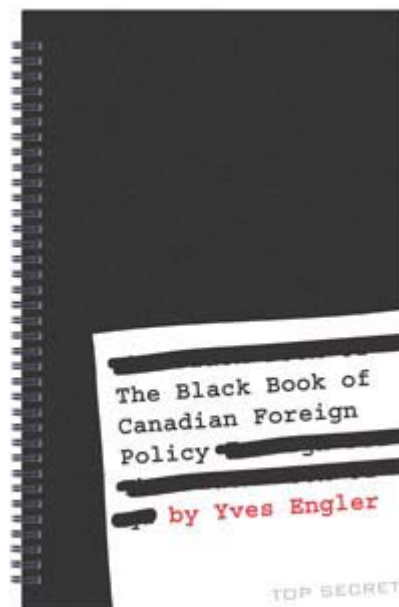
Multinational corporations pillaging the developing world, a trail of human rights and environmental abuses, repressive regimes propped up by foreign economic and military assistance, leftist and nationalist governments undermined by imperial interference, aggressive military actions via gunboat diplomacy, secretive special forces and ultimately 'humanitarian interventions,' destructive structural adjustment programs that undermine local economies by enshrining free trade and the rights of foreign investors. For many progressive Canadians, these images bring the USA, and perhaps the American Empire, to mind. Fewer would immediately recognize that we are referring to Canada's international role as detailed by Yves Engler's new book, *The Black Book of Canadian Foreign Policy*.

Canadians have tended to embrace a much different image of their own country's role in the world; an image of peacekeepers and foreign aid provided by an 'honest broker' and 'middle power.' This Canadian self-image (or delusion) has become increasingly untenable for a variety of reasons, most obviously Canada's invasion and on-going occupation of Afghanistan. It has been relatively rare, however, for anyone to directly and methodically take on this Canadian delusion. Therefore, this is a book that has been desperately needed for a long time.

Engler is an activist and journalist, rather than an academic or foreign policy expert. His previous book (co-authored with Anthony Fenton), *Canada in Haiti: Waging War on the Poor Majority*, explored one case of Canada acting as "an imperial bully" in overthrowing the elected Haitian government. As Engler describes, "Events in Haiti made me question Canada's peacekeeper self-image...I be-

gan to question my assumptions of Canada's role in the world." He was also faced with the challenge of explaining the reasons for Canada's role in Haiti.

This new book presents a vast range of case studies on Canada's foreign economic, diplomatic and military relations from the pre-Confederation period to the



present. Within chapters covering the various regions of the world (the Caribbean, the Middle East, Latin America, East Asia, Central and South Asia, and Africa), Engler provides sections on various specific countries, over 50 by my count. Hidden amidst the country-specific commentaries, there are more general discussions of Canadian foreign aid, the arms trade, the nuclear industry, peacekeeping, missionaries, NGOs and the complicity of Canadian universities and researchers. There is also a chapter on Canada's role within multilateral institutions such as the United Nations.

Engler's exhaustive documentation requires us to abandon the myths of Canadian foreign policy benevolence, both past and present. The historical and geographic sweep of the book discourages us from see-

ing Canada's imperial role as only a recent development, perhaps due to the Harper government. Just as American imperialism cannot be reduced to George W. Bush, Canadian imperialism cannot be reduced to Stephen Harper. Engler summarizes his finding by stating that "Canada's role in world affairs has been revealed as consistently pro-empire (whether British, U.S.), pro-colonial (whether British, U.S., French, Portuguese, Dutch, etc.) and serving narrow corporate interests."

Canada is a significant source of foreign direct investment, which the Canadian state encourages through the Export Development Corporation (EDC) and the negotiation of bilateral investment treaties. Increasingly, many of those Canadian multi-national corporations (MNCs), particularly the mining companies, have been encountering significant opposition to their activities due to their negative implications for local environments, indigenous communities and workers. The Canadian state has long sought to protect the interests of Canadian foreign investors and protect global investment and trade opportunities more generally. As a result, Canada has maintained friendly relations with tyrants such as Batista (Cuba), Pinochet (Chile), the Shah of Iran, Somoza (Nicaragua), Mobutu (Congo) and Suharto (Indonesia).

Canada's military record is perhaps the most misunderstood aspect of Canadian foreign policy. Engler provides examples of Canadian "gunboat diplomacy" from Central America to Asia. Furthermore, he critically examines Canada's military role in Korea, Egypt, Vietnam, the Persian Gulf, Somalia, Kosovo, Afghanistan, and Iraq. The peacekeeping mythology is widely embraced by Canadians. "Popularly viewed as a benevolent form of intervention" Engler writes, "peacekeeping missions have generally been motivated by larger geopolitical interests...Most often, peacekeeping was Canada's contribution to the Cold War...Since the end of the Cold War...there

has been a resurgence of peacekeeping in the interests of Western imperialism.” Similarly, rather than being altruistic, Canadian foreign aid policy is shaped by domestic economic interests, geopolitical aims and counterinsurgency strategies.

In a book that includes so much, one hesitates to suggest that more is needed, but there are some notable limitations in terms of content, analysis and format.

First, Engler understates the degree to which the Canadian state has actively pushed neoliberal corporate globalization by aggressively pursuing multilateral and bilateral agreements on trade (in goods but also, very notably, in services), investment and intellectual property rights.

Second, despite a concluding chapter entitled “Why our foreign policy is what it is and how to change it,” the book lacks a clear theoretical analysis. The country-by-country focus works well, but the book lacks an overview of Canada’s role and its evolution over time. In particular, the nature of contemporary imperialism and North-South relations remain unclear. Is Canada an imperialist power? Rather than referring to Canadian imperialism, Engler repeatedly describes Canada as a “junior partner” to the U.S. and argues that Canadian economic and military integration with the U.S. explains our support for

American imperialism. Is the problem “Americanization” or “capitalism”? Would an independent Canadian capitalism (whatever that means) be benign? These are issues that need greater attention. Engler provides valuable food for thought, but not the analysis. This remains to be done.

Related to the lack of theoretical clarity, his proposals for change are limited and lean toward a globalized version of social democratic, regulated capitalism. Engler is very critical of Canada’s relationship with the Global South, but he is not explicitly critical of capitalism per se. Understandably, Engler tends to focus on the most notorious MNCs. But if Canadian MNCs were not displacing indigenous people, smashing unions and destroying the environment, would their investments in the Global South still be problematic? Engler argues for improving the rule of law in developing countries so that MNCs are more constrained as (he argues) they are in Canada. He also recommends the strengthening of the rule of law at the global level, which raises a serious question about who will be setting and enforcing such laws. Engler argues that the influence of corporate interests over Canadian foreign policy needs to be counterbalanced by heightened foreign policy activism by domestic progressive forces. While undoubtedly true, what are the limits to this within a capitalist framework?

Third, on a practical level, it is frustrating that such a detailed book has no index. This book is an amazing source for progressive researchers on Canadian foreign policy and Canadian MNCs. However, without an index it is more difficult to find all the references to Joint Task Force Two (JTF2) or peacekeeping or the Canadian International Development Agency (CIDA) or specific MNCs like Barrick Gold or the big banks. Similarly, Engler’s unorthodox and incomplete style of endnoting makes it a challenge to follow up his leads on specific topics. That said, Canadian activists/researchers would be well served to launch into Engler’s useful list of the 22 best books on Canadian foreign policy.

These weaknesses don’t discredit the vitally important work that Engler has provided us. Does the world really need more Canada? Well, no. Engler clearly makes the case that Canada, the Canadian state, Canadian NGOs and Canadian MNCs have repeatedly played a destructive role around the world. This is a message that Canadians and, in particular, the Canadian left desperately needs to hear. **R**

Murray Cooke is the author of *Banking on Mergers: Financial Power Versus the Public Interest*.

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Workers' Control: An Introduction

The long period of neoliberalism and its current phase of economic crisis have been paralleled by a crisis of working class politics. This has had two significant impacts. The union movement has had a sharp impasse in terms of both wage and industrial strategies in developing counter-responses to management restructuring and wage and public austerity. And reformist social democratic parties have systematically moved to the right to become advocates of 'social liberalism,' while radical left parties have either become even more tendentious sects or vanished into history. This has led to urgent calls for union renewal, on the one hand, and beginning efforts to establish new radical political parties of a new kind, on the other, and drawing inspiration from new formations transforming old divisions in Europe and the Bolivarian processes of building 21st century socialism.

One feature of this period has been emerging from workers' directly as they attempt to forge new methods of struggle at the point of production. These have varied enormously from workers' laid-off in restructuring plans forming co-operatives to the 'boss-nappings' in France. More common have been a range of factory occupations to demand 'fair' compensation for employment termination and seizures of factories in demand that they be turned over for alternate production. Such occupations backing demands for compensation, and occasionally for alternate production plans, have been occurring across

Canada over the last year, largely outside union support, indeed most often opposed by union officials, and with few links to left political forces.

It is hard to provide a simple map to all the forms this 'spontaneous' movement of workers is taking. But such militancy is clearly one of the means by which the union movement will move out of its doldrums and the left will have to rebuild.

Relay produces here a series of articles on these developments from a variety of stances. We recall an original contribution by Antonio Gramsci, one of the founders of Italian communism, and one of the foremost Marxist theorists of workers' control and councils, as events were unfolding in Italy during the 1920s. He states the view that through struggles for workers' control, which he sees in his writings in a variety of forms, workers gain new capacities. But this is not to be equated with either gaining state power or social emancipation. This would form the nucleus of workers' councils, or assemblies, that would build locally to nationally. In his later writings, Gramsci would place more emphasis on the political party and the struggle for *hegemony*, alongside these direct movements. Gramsci's views, and the evolution of his thinking, provides some perspective on current developments surveyed in the contributions here, and the myriad of ways that workers are taking up the politics of production today. **R**



Workers' Control

Antonio Gramsci

Before we examine the configuration of the draft bill presented by Hon. Giolitti to the Chamber of Deputies, or the possibilities which it opens up, it is essential to establish the viewpoint from which the communists approach discussion of the problem.

For the communists, tackling the problem of control means tackling the greatest problem of the present historical period; it means tackling the problem of workers' power over the means of production, and hence that of conquering state power. From this point of view, the presentation of a draft bill, its approval, and its execution within the framework of the bourgeois state, are events of secondary importance. Workers' power has, and can only have, its *raison d'être* and its source within the working class itself; in the political capacity of the working class; in the real power that the working class possesses, as an indispensable and irreplaceable factor of production and as an organization of political and military force. Any law in this respect which emanates from bourgeois power has just one significance and just one value: it means that in reality, and not just in words, the terrain of the class struggle has changed. And insofar as the bourgeoisie is compelled to make concessions and create new juridical institutions on the new terrain, it has the real value of demonstrating an organic weakness of the ruling class.

To admit that entrepreneurial power in industry can be subjected to limitations, and that industrial autocracy can become 'democracy' even of a formal kind, means to admit that the bourgeoisie has now effectively fallen from its historical position as the leading class and is effectively incapable of guaranteeing the popular masses their conditions of existence and development. In order to shed at least a part of its responsibilities and to create an alibi for itself, the bourgeoisie allows itself to be 'con-

trolled' and pretends to let itself be placed under supervision. It would certainly be very useful, for the purposes of bourgeois self-preservation, if a guarantor like the proletariat were to take upon itself to testify before the great mass of the population that nobody should be held responsible for the present economic ruin, but that everyone's duty is to suffer patiently and work tenaciously, while waiting for the present cracks to be repaired and for a new edifice to be built upon the present ruins.



The field of control is thus the field upon which bourgeoisie and proletariat struggle for class leadership over the great mass of the population. The field of control is thus the basis upon which the working class, when it has won the trust and consent of the great mass of the population, can construct its state, organize its governmental institutions with the participation of all the oppressed and exploited classes, and initiate the positive work of organizing the new economic and social system. Through the fight for control – which does not take place in Parliament, but is a revolutionary mass struggle and a propaganda and organizational activity of the historic party of the working class, the Communist Party – the working class must acquire, both spiritually and as an organization, awareness of its autonomy and historic personality. This is why the first phase of the struggle will present

itself as the fight for a specific form of organization. This form of organization can only be the Factory Council, and the nationally centralized system of Factory Councils. The outcome of the struggle must be the constitution of a National Council of the working class, to be elected at all levels – from the Factory Councils to the City Councils and the National Council – by methods and according to a procedure determined by the working class itself, and not by the national Parliament or by bourgeois power. This struggle must be waged in such a way as to show the great mass of the population that all the existential problems of the present historical period – the problems of bread, housing, light, clothes – can be resolved only when all economic power, and hence all political power, has passed into the hands of the working class. In other words, it must be waged in such a way as to organize all the popular forces in revolt against the capitalist regime around the working class, so that the latter really becomes the leading class and guides all the productive forces to emancipate themselves by realizing the communist programme. This struggle must equip the working class to select the most able and energetic elements from its own ranks and make them into its new industrial leaders, its new guides in the work of economic reconstruction.

From this point of view, the draft bill presented to the Chamber of Deputies by Hon. Giolitti represents merely a means for agitation and propaganda. It must be studied by the communists in this light; for them, not only is it not a final goal, it is not even a point of departure or a launching-pad. **R**

Text from *Antonio Gramsci: Selections from Political Writings (1921-1926)*, translated and edited by Quintin Hoare (Lawrence and Wishart, London 1978).

Britain: New Wave of Factory Occupations

Richie Venton

A rash of workplace occupations is spreading across the globe as workers defy the brutal consequences of the recession. Instead of surrendering to mass redundancies and outright closures, workers are occupying their workplaces as a central method of struggling for justice.

Every example that wins concessions is boosting the belief of other workforces that there is an alternative – militant class action can win at least something.

VICTORY TO VESTAS

The sit-in at Vestas wind turbine factory on the Isle of Wight is creating a storm of international publicity and sympathy for the 600 workers who face the dole, at the same time as the Labour government recently pledged to create 400,000 new green jobs over five years. The 25 Vestas workers who have occupied their factory, supported by nightly mass rallies, have shown tremendous courage in the face of attempts by the bully-boy, anti-union Vestas bosses to evict them.

The bosses tried to starve the workers out, blocking food supplies sent by supporters. They threatened the sack and denial of redundancy payments from the workers involved. They took

out an injunction to gain re-possession of the factory – in order to close it and move production overseas. The National Union of Rail, Maritime and Transport Workers (RMT) took up the workers' legal defence and won at least a delay in the possession order being issued – primarily because of the visible display of widespread solidarity outside the factory gates and on several demonstrations.

The factory was due to close on July 31, but the workers' seizure won an indefinite extension. Vestas had no union recognition. Some workers joined a union and started organising others. A group established a campaign committee and organised the sit-in from July 20. This bold action won the active support of hundreds of others – Vestas workers, other trade unionists, environmentalists and the local community – on an island where there are no other jobs to go to. Vestas workers have gone further than any of the other recent factory sit-ins by demanding: "Gordon Brown – Nationalise this!"

A statement from the workers declared:
"If the government can spend billions bailing out the banks – and even nationalise them – surely they can do the same at Vestas."

VICTORY ENCOURAGES OTHERS

As well as organising solidarity for these heroic fighters for jobs and the environment, we should learn from workers' experiences of sit-ins as a method of struggle, particularly as redundancies and closures sweep the land like a pandemic.

Vestas is only the latest in a series of workplace occupations in Britain. In Ireland, Thomas Cook workers occupied their workplace on July 31 in defiance of job losses through closure of 100 offices. The recent outbreak of factory takeovers in Britain and Ireland began with Waterford Glass in Ireland, with workers occupying the plant in January over 480 job losses. After eight weeks' struggle, they reluctantly accepted a deal that saved 176 jobs.

But their example fed the appetite of other workers facing closures under brutal terms. On March 31, more than 600 workers at Visteon (formerly Ford) plants in Belfast, Enfield and Basildon occupied when they were declared redundant at a few minutes' notice – without any redundancy pay and with their pensions frozen. A month later, the workers won enhanced redundancy terms, payments in lieu of notice and holiday pay.

Prior to that, a small group of non-unionised workers at Prisme in Dundee occupied their workplace, encouraged by Waterford Glass workers. They had been sacked without notice



"We will create hundreds of thousands of new 'green jobs' and a massive expansion of renewable energy with wind power at its heart." – Ed Miliband, Minister for the Department of Energy and Climate Change.

or redundancy pay. Fifty-one days later, the sit-in beat off redundancies by establishing a cooperative.

Workplace occupations are not a new form of struggle, but have a long and proud history. Now, as the global capitalist crisis bites, with even more catastrophic closures and cutbacks on jobs looming, this form of struggle could come back into its own.

POWERFUL WEAPONS OF STRUGGLE

Sit-ins are a powerful weapon: paralysing production; bringing the battle into the bosses' 'own territory'; preventing them from stripping the factory of machinery they may want to shift to other production sites; and preventing bosses from bussing in scabs. But a sit-in can still be defeated, or at best win shoddy concessions far short of the potential victories, if workers' occupations are not combined with campaigning outside the sit-in.

When workers facing closures consider a sit-in, they should try to prepare a campaign seeking solidarity from fellow workers and local communities. Such outgoing campaigning is critical, first to help prevent employers evicting them, second to enhance the prospects of outright victory for their demands.

That was the advice we put into action from day one of the Glacier Metal occupation in 1996. It is clearly what the Vestas workers are doing now. Touring other workplaces; leaflets in the streets with bucket collections and megaphones to explain the case; organising mass pickets, rallies and demonstrations – all this and more was done in conquering outright victory for the Glacier Metal workers' sit-in.

Another key question is what demands workers should raise when they occupy their workplace. This depends on what they are fighting against. In the case of Glacier Metal, it was dismissal of the entire workforce in the drive to smash the union and rip up hard-won conditions. So full re-instatement of every worker, with continuity of terms and conditions, and continued union recognition, were the demands. And these were won.

In the case of Visteon, workers occupied to win redundancy payments and protection of their pensions. They won substantial concessions, but still lost their jobs.

Vestas workers have made the most far-reaching demands – appropriate to the situation – occupying in support of nationalisation of the factory. With the need to save jobs and the planet, the best route is public ownership of Britain's only wind turbine factory. This is part of campaigning for public ownership of the energy industry in order to democratically plan green energy production.

Most occupations arise from closures or mass redundancies. So defense of every job is the starting point. Instead of pouring a fortune from the public purse down the throats of profiteering bosses hell-bent on racing the globe in pursuit of super-profits,



Workers take over wind turbine factory - Vestas.

workers should champion the demand for public ownership of the assets, under democratic working class control, to sustain jobs.

Workplace occupations are not a "one size fits all" method of struggle, applicable on every single occasion. But they are a powerful weapon that should be used far more widely in the teeth of closures and mass redundancies. In the vast majority of cases, they have won huge concessions or outright victories.

On the other hand, in some conditions, strikes in the face of closures can allow bosses to just walk away, leaving whole communities wrecked. Many workers will increasingly see they have nothing to lose and a lot to win by taking up the fight.

Visteon's Unite convener Kevin Nolan told *Labour Research* "We just thought: 'What do we have to lose?' So we just went for it. If anyone else is in the same position I'd say weigh everything up and if you think there's a chance of winning something back or improving your situation by occupying the place, then go for it."

By seizing control of the company assets, including valuable machinery, plus halting production, whilst using the workplace as a huge campaign headquarters, occupations provide workers with an unprecedented platform to take on the bosses who want to heap the crisis they have created on the shoulders of working people. **R**

Richie Venton is the Scottish Socialist Party national workplace organiser. This is abridged from www.socialistunity.com.

[Ed. The Vestas occupation ended in mid-August after becoming a major struggle across Britain, and gaining significant international coverage. It gained wide popular support, but opposition from the Labour Party and its Gordon Brown government. The struggle for jobs and control over the plant continues.]

South Korea: Class War in Midst of Economic Crisis

Young-su Won

The class war in South Korea reached a new stage with the struggle of the Ssangyong auto workers. The workers strike against layoffs began in May, and they occupied their plant in Pyongtaek, 50 kilometres south of Seoul.

There was a fullscale war on strikers. On August 6, the 77th day since the start of the strike, and the 19th day since the riot police began their full scale attacks, the union and management finally reached an agreement. The union accepted part of management's redundancy proposal, saving about half the jobs of the strikers. The rest will apply for voluntary retirement, unpaid long-term leave, or accept another job from the spin-off company. Union leader Han Sang-gyun apologised for not being able to block the whole redundancy plan. He said the scars of this struggle would not disappear easily.

On the day of the agreement, many strikers, including union leaders, were arrested by police. More than 100 workers are expected to be put on trial. On the previous morning, thousands of riot police, as well as pro-company workers and hired thugs, launched a wholesale attack on the striking workers. Three police helicopters dropped teargas balloons. Riot police squads encircled the plant and attacked workers with water cannons. Management and hired goons blocked the supply of water and gas for weeks. At the start of August, electricity was cut off. Strikers suffered from hunger, thirst and the lack of power supply.

BACKGROUND

The global financial crisis hit the South Korean economy hard and the immediate victims have been workers. Across the

country, a wave of redundancies swept the factories. In response, workers began resisting for their jobs and livelihoods.

In Pyongtaek, 50 kilometers to the south of Seoul, Ssangyong Motors went bankrupt again, after previous bankruptcies in 1998 and 2004. Daewoo Motors took the company over and it was taken over again in 2004 by Shanghai Motors. In January, after years of mismanagement, the company went bankrupt again.

Workers were angry with the management. The Shanghai management never kept its promise of large investment, instead transferring advanced technology to China. Workers were also upset that the government knew about the situation and did nothing. Management's solution was more restructuring and massive redundancies. The management proposed the redundancy of 2,656 workers out of the 7,500-strong workforce.

UNION MILITANCY

Ssangyong workers' union rejected the management's proposal. A new, militant leadership had been elected in December last year. Historically, the Ssangyong Motors union branch was one of the weakest compared with other militant unions in the auto industry, such as at Hyundai or Kia. The Ssangyong workers' union was dominated by corrupt pro-management leadership that preferred dialogue to strikes and struggle.

However, as the crisis approached, the rank-and-file united to save their jobs. Considering the big impact of the crisis, workers felt the need for strong leadership that could fight a hostile management and government. This was an important turning point in the workers' struggle. In early April, the union rejected management's plan to dismiss 2,646 workers, beginning the lengthy struggle. On May 8, the company reported its plan to the local labour ministry office. In protest, the union launched a strike. In this period, the union went on partial strikes on several occasions.

In the meantime, management proposed a voluntary retirement program to divide workers. Under intense pressure, as many as 1,700 workers out of 5,000 production line workers applied for early retirement. Among them were pro-management foremen and pro-company union delegates. However, management insisted on forcibly dismissing the remaining 960 workers needed to meet its redundancy target.

On May 9, three union leaders began an indefinite strike on the top of a high-rise chimney in the middle of the plant. On May 21, the union declared an indefinite all-plant strike. Thousands



of unionists joined the strike and occupied the whole plant in Pyongtaek. The managers were blocked from the plant. Support for the workers came from political groups, other unions, social movements and community groups – with many staying in the plant with workers in solidarity until a police blockade began on June 26.

On May 13, the wives of striking workers began to organise themselves in support of the strike. Many families were hit hard by the bankruptcy and less than half the monthly wage was earned due to strikes. Some of the workers' wives decided to join the struggle. They distributed leaflets and joined union rallies as an organised group. The Family Support Committee was established and these women played a key role in spreading the strikers' message to the public.

ROLE OF THE UNIONS

Most national trade union leaders visited the plant and expressed support for the occupation. The national metal workers union mobilised unionists in Seoul in protests against government policies against the workers. However, the labour movement has been quite demobilised and fragmented in recent years. Thus, while the Korean Confederation of Trade Unions (KCTU) interim leadership emphasised solidarity with Ssangyong workers in words, the KCTU's capacity to lead a nation-wide struggle is greatly weakened. The striking workers had very low expectations of the KCTU's organisational support, such as the possibilities for an industry-wide solidarity strike, not to mention a nationwide general strike.

The Ssangyong workers organised as an army. In the face of attacks by hired thugs and police, striking workers organised defense squads. Workers trained in morning and afternoon sessions in rotation. At the same time, workers organised meetings to share information on the situation and the negotiations. In daily evening rallies, labour singers, dancers, and entertainers performed for the workers in solidarity.

WAR BEGINS

As the occupation continued, management began to implement a plan to take back the plant by force. They hired thugs and used threats to mobilise workers not facing redundancies. First, they encircled the plant and blocked the entrance with the help of thousands of riot police. Thus, from early July, the occupation was isolated. On July 22, riot police and management thugs invaded the plants in face of strikers' resistance. The management took back some buildings, including the office headquarters. The plant was divided into company-held blocks and worker-occupied blocks.

In late July, battles continued day by day, inside and outside the plant. The workers were armed with steel pipes, firebombs, and sling shots, but they were overwhelmed by the enormous physical force of the police and company thugs. Every day, po-

lice helicopters poured teargas liquid on the workers on the roof of the plant. Company goons indiscriminately fired slingshots with large bolts at the strikers.

With no gas or water, the workers survived by eating rice balls. Workers remained disciplined and well-organised for daily combat. As the attacks increased, the KCTU mobilised support, and political groups and social movements rallied in front of the plant. They tried to deliver water and medicine, but management blocked all help while police stood by. On July 25 and 29, the KCTU held national workers' rallies in support of the Ssangyong workers. But solidarity marches to Ssangyong Motors plant were blocked by riot police. In the ensuing confrontation, police injured and arrested scores of workers.

The Family Support Committee and other groups kept up attempts to deliver water and medicine, and held rallies, press conferences and candle vigils. Hundreds of workers and activists spent their holidays at sit-camps outside the plant. But on August 5, company thugs violently cleared the sit-in tents. In face of growing pressure from the community and public opinion, management began dialogue on July 30 and 31. However, management had just a single option in mind: the union's unconditional surrender and acceptance of the redundancies. The union refused and the dialogue broke down.

The company responded by cutting off the plant's power supply. On August 3, the company began its final offensive with the help of riot police. On August 3 and 4, the attack strengthened. The next day a massive attack took place. In the course of the attack, three workers fell from the roof and were seriously injured. A dozen workers were arrested. The riot police used extreme violence, including Taser guns and rubber bullets. The remaining strikers were isolated in one building, but continued the struggle in the face of great hardship. On August 6, a negotiated settlement finally ended the 77-day long struggle.

For more than two months, workers occupied the whole plant, fighting the combined strength of the police, management, and hired goons. The broad solidarity from families, other workers, social movement activists and religious communities showed the legitimacy of their struggle. Although the final settlement included significant concessions, the Ssangyong workers won an important battle. The management had refused to recognise the workers as humans with rights, but the Ssangyong workers showed the truth through their heroic struggle.

The Ssangyong workers did their best during the 77-day occupation. Though a full-scale victory was not won, these heroic working class warriors deserve the solidarity and homage of workers across the globe. **R**

Young-su Won is a member of the Preparation Group for a Socialist Workers' Party in South Korea.

Venezuela: Class Struggle Heats Up Over Battle for Workers' Control

Federico Fuentes

On July 22, Venezuelan President Hugo Chavez again declared his complete support for the proposal by industrial workers for a new model of production based on workers' control. This push from Chavez, part of the socialist revolution, aims at transforming Venezuela's basic industry. However, it faces resistance from within the state bureaucracy and the revolutionary movement.

Presenting his government's "Plan Socialist Guayana 2009-2019," Chavez said the state-owned companies in basic industry have to be transformed into "socialist companies." The plan was the result of several weeks of intense discussion among revolutionary workers from the Venezuelan Corporation of Guayana (CVG). The CVG includes 15 state-owned companies in the industrial Guayana region involved in steel, iron ore, mineral and aluminium production.

The workers' roundtables were established after a May 21 workshop, where industrial workers raised radical proposals for the socialist transformation of basic industry. Chavez addressed the workshop in support of many of the proposals. But events between the May 21 workshop and Chavez's July 22 recent announcement reveal much of the nature of the class struggle inside revolutionary Venezuela.

Chavez's announcement is part of an offensive launched after the revolutionary forces won the February 15 referendum on the back of a big organisational push that involved hundreds of thousands of people in the campaign. The vote was to amend the constitution to allow elected officials to stand for re-election – allowing Chavez, the undisputed leader of the Venezuelan revolution, to stand for president in 2012.

With oil revenue drying up due to the global economic crisis, the government is using this new position of strength to tackle corruption and bureaucracy, while increasing state control over strategic economic sectors. This aims to ensure the poor are not made to pay for the crisis.

WORKERS' CONTROL

On May 21, Chavez publicly threw his lot in with the Guayana workers, announcing his government's granting of demands for better conditions in state-owned companies and the nationalisation of a number of private companies whose workers were involved in industrial disputes.

"When the working class roars, the capitalists tremble", Chavez told the crowd. To chants of "this is how you govern," Chavez announced his agreement with a series of measures proposed by workers.

However, like an old train that begins to rattle loudly as it speeds up, more right-wing sectors within the revolutionary movement also began to tremble. With each new attack against the political and economic power that the capitalist class still holds in Venezuela – and uses to destabilise the country – the revolution is also forced to confront internal enemies.

The radical measures announced at the May 21 workshop were the result of the workers discussion over the previous two days. Chavez called on workers to wage an all-out struggle against the "mafias" rife in the management of state companies. Chavez then designated planning minister Jorge Giordani and labour minister Maria Cristina Iglesias, who both played a key role in the workshop, to follow up these decisions by establishing a series of workers' roundtables in the CVG industries.

The CVG complex is on the verge of collapse in large part due to the privatisation push by pre-Chavez governments in the 1990s. State companies were run down in preparation to be sold off cheaply. In the Sidor steel plant, for example, the number of workers dropped from more than 30,000 to less than 15,000 before it was privatised in 1998. Chavez's 1998 election stopped further privatisation. But the government has had to confront large scale corruption within the CVG, continued deterioration of machinery and, more recently, the sharp drop in prices of aluminium and steel.

The plan drafted by workers and given to Chavez on June 9 raised the possibility of "converting the current structural crisis of capitalism" into "an opportunity" for workers to move forward in "the construction of socialism, by assuming in a direct manner, control over production of the basic companies in the region." The report set out nine strategic lines – including workers' control of production; improvement of environmental and work conditions; and public auditing of companies and projects.

Measures proposed include the election of managers and management restructuring; collective decision-making by workers and local communities; the creation of workers' councils; and opening companies' books. The measures aim to achieve "direct control of production without mediations by a bureaucratic structure." The report said such an experience of workers' control would undoubtedly act as an example for workers in "companies in the public sector nationally, such as those linked to hydrocarbons or energy companies."

BUREAUCRACY BITES BACK

Sensing the danger such an example represents to its interests, bureaucratic sections within the revolutionary movement, as well as the U.S.-backed counter-revolutionary opposition,

moved quickly to try and stop this process. A wave of strikes and protests were organised in the aluminium sector during June and July, taking advantage of workers' disgruntlement with corrupt managers and payments owed. The protests were organised by union leaders from both the Socialist Bolivarian Force of Workers (FSBT), a union current within the mass party led by Chavez, the United Socialist Party of Venezuela (PSUV), and those aligned with opposition parties such as Radical Cause.

Revolutionary workers from Guayana condemned the unholy alliance of bureaucratic union leaders and opposition political forces, which aimed to stifling the process initiated on May 21. This alliance was supported by Bolivar governor, retired General Francisco Rangel Gomez, who called on the national government to negotiate directly with local unions. Opinion pieces began to appear in the local press, calling on the government to once again make Rangel president of the CVG in order to bring 'stability.' The alliance between Rangel and union bureaucrats in Guayana is long running.

Officially part of the Chavista camp, Rangel has long been accused of being corrupt and anti-worker. During his term as CVG president before becoming governor in 2004, Rangel built up a corrupt clientalist network with local union and business figures. He stacked CVG management with business partners and friends. While on the negotiation commission to resolve the 15-month long dispute at Sidor, Rangel ordered the National Guard to fire on protesting Sidor workers.

Also on the commission was then-labour minister and former FSBT union leader from Guayana, Jose Ramon Rivero, who was similarly accused by Sidor workers of siding with management. He was also criticised for using his position as labour minister to build the FSBT's bureaucratic powerbase by promoting 'parallel unions' along factional lines and splitting the revolutionary union confederation, National Union of Workers (UNT).

In April last year, Chavez disbanded the Sidor negotiation commission and sent his vice president, Ramon Carrizales to resolve the dispute by re-nationalising the steel plant. Rivero was then sacked. Today, he works as the general secretary in Rangel's governorship. The forces behind Rivero and Rangel hoped not only to stifle the radical proposals from the May 21 workshop, but also remove basic industry minister Rodolfo Sanz.

Sanz has moved to replace Rangel's people with his own in the CVG management. In the recent dispute, Sanz accused aluminium workers of being responsible for the crisis in that sector. He worked to undermine the proposals of the roundtable discussions. After several days of negotiations union leaders – essentially sidelining the workers roundtables – Sanz agreed on July 20 not only to pay the workers what they were owed, but also to restructure the board of directors in the aluminium sector.

Through this process, the radical proposals for restructuring the CVG appeared to have been pushed aside – which suited both Sanz and Rangel.

REVOLUTIONARY LEADERSHIP

However, Chavez intervened with his July 22 announcement, which came after a meeting with key ministers and advisors involved in the May 21 socialist transformation workshop. Chavez said his government was committed to implement the recommendations of the "Plan Socialist Guayana," placing himself clearly on the side of the workers. He said the workers' proposals, embodied in the plan, would "guide all the new policies and concrete and specific measures that we are beginning to decide in order to consolidate a socialist platform in Guayana."

When a journalist directed her first question to Sanz regarding the plan, Chavez stepped in to respond, by-passing Sanz and handing the microphone over to Giordani, who many revolutionary workers identify as strongly committed to the process of socialist transformation. Rangel, who had been at the May 21 workshop, was not at the July 22 meeting.

Chavez also appeared to differentiate himself from other sectors within the revolutionary movement, such as those behind the "A Grain of Maize" daily column, whose authors are linked to a political current involving oil minister Rafael Ramirez. This current has recently been vocal in arguing that socialism simply entails state ownership and central planning from above – with minimum participation from workers.

For Chavez, state-owned companies "that continue to remain within the framework of state capitalism" have to be managed by their workers in order to become 'socialist.' The Plan Socialist Guayana is Venezuela's first example of real "democratic planning from below," Chavez added.

The battle in Guayana is not over. Workers from the Alcasa aluminium plant told *Green Left Weekly* that management at aluminium plants met on July 25 to continue the process of restructuring agreed to by Sanz and union leaders – in direct opposition to Chavez's statements.

Other fronts of intense class conflict have opened up. Various struggles have emerged involving different forces and interests in the electricity sector, as well as the still-emerging communes, which unite the grassroots communal councils, to name a few.

A central arena of struggle is the PSUV, which is in a process of restructuring ahead of its second congress in October. But the battle in Guayana may be one of the most decisive as it involves the largest working-class population. This is in the context of a revolution whose weakest link has been the lack of a strong, organised revolutionary workers' movement. **R**

Federico Fuentes is a frequent writer for *Green Left Weekly* and based in Caracas.

OCCUPY, RESIST AND POSE FOR THE CAMERA

Sean Smith

Nationalisations, bailouts, economic stimulus... much has been written about these and other recent events by the corporate media in the Global North and this so-called new wave of “socialism.” Fortunately many have responded that these events are all about saving a failing neoliberal model as opposed to building any alternative.

Unfortunately there is one area where this critical response is not occurring. Comparisons are being made between the worker occupations, bossnappings and partial union ownership of corporations in the Global North with the worker co-op movements in South America, particularly the Worker Recovered Enterprise movement in Argentina (Movimiento de Empresas Recuperadas por sus Trabajadores – ERT). If one believes the hype, a sequel to the documentary *The Take* is about to be filmed in either North America or Europe.

It makes for a great story and these workers deserve our full support. But as with the cries of “socialism” from the right, it is an equally hollow comparison with a real movement for change.

A large part of this problem stems from a misunderstanding of the movements occurring in Latin America. It is impossible to learn from and adapt these exciting developments without examining their syndicalist and community based nature. This new wave of grassroots movements is a critical change from “centralised democracy” a previous generation imported from Leninism.

The collapse of the Soviet Union and the ascendancy of the Washington Consensus had a profound effect on the entire region. Cuba’s “Special Period,” privatisations, the ascendancy of American imperialism, the collapse of the Sandinistas and others forced many in Latin America into a realisation that new models were needed to counter this powerful wave of

neoliberalism. Since a global approach was an impossibility this new model had to be created in the communities where the people lived.

This is evident by three very different approaches:

1. Venezuela – political change leads to economic transformation. This is the closest to the original model but it is evolving as evidenced by the focus on worker co-operatives, new roles for unions and a growing emphasis on community based initiatives.

2. Bolivia – economic transformation leads to political change. The Movement for Socialism (MAS) started as a union of indigenous coca growers and their co-operatives. This economic base provided the political springboard through its “good example.”

3. Argentina – economic action leads to community transformation. As workers seized their factories some of them opened them up to the communities building centres of education and activism. Some of the most promising ERTs are more interested in building new communities with each other and the community that surrounds them – what are known as economies of solidarity – instead of gaining political power in reaction to the repeated betrayals from the elites and the co-option of previous movements.

Obviously these are brief summaries but important commonalities exist across Latin America: using democracy to build an economic alternative to neoliberalism and a refreshing realisation that not one model has all the answers. Although problems exist, there is a growing confidence that as long as the movements stay grounded in the community they will withstand the challenges. Only time will tell which models (or others) will succeed but they are proving remarkably resilient and supportive of each other.

Of these models, the Argentine ERT movement is the most frequently misunderstood since there is no definitive model of how these plants are run once the workers “occupy, resist and produce.” This is a democratic process and it is the workers who determine its path. They call this “autogestion” (self management). Overall there is a horizontal structure with elected leadership, union reps and plant direction on a “one worker – one vote” basis. It is also with some ERTs like the FaSinPat ceramic factory (formerly known as Zanon) in the province of Neuquen, a union movement. When existing unions weren’t structured to meet their needs (how do you bargain without management?); Zanon built a new union to reflect the real desire of its workers (the workers decide their priorities through union supervised votes).

With the notable exception of FaSinPat whose recovery was led by its elected union leadership, most of Argentina’s ERTs emerged from the initiatives of workers who had no economic alternative but to re-start their workplace. This isn’t a movement from above but by the workers themselves.

This distrust also extended to many union leaders due to their strategies during the Carlos Menem (President of Argentina from 1989 to 1999) years and its aftermath. Under the auspices of some of Argentina’s bureaucratic union leaders: they struck, took concessions, when privatised they took partial ownership (often with union leadership and the bosses sharing power) and campaigned for better politicians. When all else failed they seized workplaces until they received better severance or labour relations.

All strategies failed: the strikes were broken, plants still closed, the union bosses proved just as greedy as the ordinary ones, the “better” politicians were only better speakers and the excitement of the occupations quickly dissipated once the sever-

ance cheques were spent or until the next management salvo.

The reason for these failures is clear: no consideration was given to any other model but a kinder form of neoliberalism with better bosses and governments. This proved fatal and many of the working class turned against them. Even worse, with so many factories closed and workers forced into precarious jobs, the traditional model of industrial unionism no longer even applied in many sectors of the economy.

The unions that worked with these activists built new bases of solidarity (e.g. Buenos Aires transit workers). Unfortunately many others openly sided with the elites and worked against this movement as their leaders perceived it as a threat to their own vertical structures.

EL NORTE

Given this historical context, it's clear that the recent northern wave of plant occupations, bossnappings, worker ownership schemes and comparisons to the Argentine ERT movement are completely unfounded. It is the period before this movement that is applicable as these responses, though valiant, have an ultimate purpose of fixing a failing model.

The Washington Consensus has moved north and we are now entering its logical outcome of de-industrialisation. With 40% of Torontonians now employed in precarious work, traditional union and political responses are meaningless in a community that is breaking apart.

This is a global agenda and we must examine other successful models of resistance and empowerment to counter it. These need to be adapted to Canadian realities with an understanding of previously successful responses to these inherent failings of capitalism.

Of the three models mentioned, the Venezuelan approach has been the most tried and the biggest failure. Years of effort have been put into building a mass political movement, discussing new politi-

cal parties or reforming existing ones. All this effort has not led to Hugo Chavez but to former Ontario Premier Bob Rae. The realities of our electoral system, the rightward drift of the Canadian working class, the corporate media and the entrenched power of the elites ensures this approach will continue to fail unless new bases of support are built.

The model that has led to political gains has been the Bolivian approach.

In Saskatchewan the CCF used the "good example" of the co-operatives to obtain political power which allowed their "good example" of public healthcare to be nationally copied.

In Winnipeg its impossible to talk about the city's rich communist past without acknowledging the role the People's Co-Op played in its success. Unlike other consumer co-ops, it was established with a distinctly political purpose (its first Collective Agreement began with a statement that management and workers were united in overthrowing the capitalist system). It was an economic anchor in the community that provided employment to its activists. This "good example" countered the relentless red scare campaigns it endured.

Both the co-op and Winnipeg's elected communist politicians continued into the 1980s, something unheard of anywhere else in North America. When these traditions ended; pressure from the left ended.

These are not perfect examples but one can't deny the beneficial effects they have had. This is a problem that must be addressed: as long as many in the left are debating or trying to build the perfect example; we will continue to fall behind. Neoliberalism will not wait for us to get our act together.

Finally we must discuss the Argentinean example. Aside from the causes of this movement and our experiences with de-industrialisation, there appears to be little else in common.

The employee / union ownership model being established in North America merely re-inforces corporatism with workers paying the bills and no discussion about controlling production for their purposes. This rejection of control and any horizontal (democratic) structure allows the bosses to continue their agenda.

An example of this can be seen at United Airlines where workers purchased



their company. The only thing that changed was management was now able to blackmail the workers “to save their investment” by cutting costs through more concessions. The height of this folly occurred when the workers agreed to end their defined benefit pension with only one exception: the CEO was allowed to keep his.

Imagine if instead of turning on each other, the workers would have used their ownership to establish a horizontal structure saving millions by wiping out layers of unnecessary management?

There exists a misunderstanding of the worker co-op concept amongst many activists and even within some Canadian worker co-ops themselves. No matter how they self identify, many workers’ co-ops in Canada do not embrace the concept of horizontalism much less building an alternative to capitalism. Being anti-corporate means nothing if managers are renamed “members” who still control non-voting employees and merely use the more efficient co-operative structure for increased profitability.

Clearly, its easy to see how the Argentine experience is not applicable. However when one looks at the roots of the progressive Canadian movement a different picture emerges.

In the late 19th century when no viable political alternatives existed and the union movement was predominantly craft based, excluding most of the working class, the U.S. based Knights of Labor arrived. Their democratic structure and community based approach (any community with 10 members could form a Local As-

sembly) resulted in over 300 assemblies and 20,000 members within a decade. As a result of their commitment to invest 50% of all dues into local economic initiatives, worker co-operatives were established either by buying out existing industries or establishing new ones to meet local needs. For the first time many workers felt empowered and although many of these endeavours failed, it was this empowerment that stayed with them. Inevitably it was some of their odious practises (including racism against Chinese workers) and their limited goals that proved their undoing. But for the first time a new approach was tried and this activism created a mood for change unleashing even better movements.

It is this spirit of community-based empowerment that is at the heart of the ERT movement.

Canada today shares growing parallels with the conditions that led to the arrival of the Knights. Today’s elites are enjoying levels of power not seen since the days of the Robber Barons and the Family Compact. There is growing resentment to the current union movement with many workers resentful of their better wages / benefits (as existed toward the craft unions). Many are excluded from joining a union due to a structure that was never designed to accommodate them. To give an example, how can a union organise workers who are paid per call for pizza orders from their home?

COMMUNITY BASED UNIONS

As the industrial model continues to break down new bases of support will be

required. Without a legal means for unemployed activists to remain in the union they will drift away from the movement. Unions need to examine the concept of community based locals and membership. These Community Locals can provide several services: education programmes, workplace assistance (such as Employment Standards), Human Rights, etc. This will create key democratic centres within the community just as the Red Halls and Labour Temples did in the past.

For this to be successful, our unions need democratic renewal to end its centralised democratic tendencies. This can only be done by adopting a horizontal structure to reflect its membership instead of a vertical one that reflects the corporations it bargains with.

New union models will also be needed. This shouldn’t be viewed as a negative as our movement was never stronger than when workers could fight for their rights through three distinct models: industrial (TLC / CLC), communist (WUL) and syndicalist (IWW / OBU). Most of all, unions need to end their support of neoliberalism.

These examples typify everything wrong with the movement’s current direction:

The Ontario Teacher’s Pension Plan (OTPP) has ownership stakes in several corporations to improve its rate of return. One of those assets is the anti-union voice of the establishment – CTVglobemedia. Instead of transforming it into a voice for the people, its appointed management took a hard line at the bargaining table causing all future workers to not be eligible for the Globe’s defined benefit pension plan.^[1]

At the same time the OTPP – which owns 100% of property developer Cadillac Fairview – tabled a “final offer” to its unionised workers that “proposed to eliminate employees, force workers to re-apply for their jobs, restrict union representation and undermine bargaining rights.” When the workers rejected these ridiculous demands they were locked out, replaced by contract workers and then terminated.^[2]

Imagine if instead of turning on each other, the workers would have used their ownership to establish a horizontal structure saving millions by wiping out layers of unnecessary management?

The Teacher unions have followed the current union model perfectly by bargaining a great pension for their members. In the end this model has caused one group of workers to lose their pension plan and another to lose their jobs to pay for it.

We can't complain about the abuses of capitalism unless we recognise the role we are playing in its success. We need to take away this source of capital from the exploiters and invest it in rebuilding our communities. This can begin right now with the many corporations already owned by workers and their pension plans.

We need to re-visit the concept of democratising our workplace. This is far more than merely unionising it; this is transforming it into a union of workers under their democratic control and direction. With new sources of investment from worker's pension plans, workers can make this possible. A good place to start would be workplaces that were profitable but closed due to production moving to lower wage jurisdictions provoking a community backlash (e.g. the Hershey chocolate plant in Smiths Falls).

In Canada, we are quickly reaching the point that if we continue using strategies that haven't changed in sixty years we will see an accelerating collapse of our communities and a worsening political reality. This is our challenge and the discussion we need to have.

Part of this discussion should ask questions we stopped asking far too long ago: Why is it always the workers who have to justify their jobs? Why do workers even need management? Any worker will tell you the operation always runs better when

they're not around. Imagine what kind of union movement could be built if management wasn't in the way?

This discussion needs to encompass many movements and allow them to develop their own models under a united framework for change. This *Confederation of Movements* will allow a flourishing of democracy, community renewal and build a new solidarity economy.

Action also needs to be taken to make this happen. Here are just some ideas:

- Thousands of workers are receiving severance cheques that could be spent on building a new economy instead of establishing themselves as a "self employed entrepreneur" (the fastest growing job title in Canada).
- Union "Job Support Centres," established when plants close, can be transformed into "Job Recovery Centres" that assist workers in recuperating or establishing new plants.
- Community activists can join the same Credit Union, win elections and transform them.
- Unions can build new links with worker co-ops that are trying to make a difference such as Neechi Foods in Winnipeg and Planet Bean in Guelph.

Obviously there is much more that needs to be done. This article is merely in response to the comparisons of periodic moments of worker frustration and union activism with the far more meaningful worker movements occurring in South

America. Yes these incidents of direct action are a good start but unfortunately they won't lead anywhere unless we build an economic base for change.

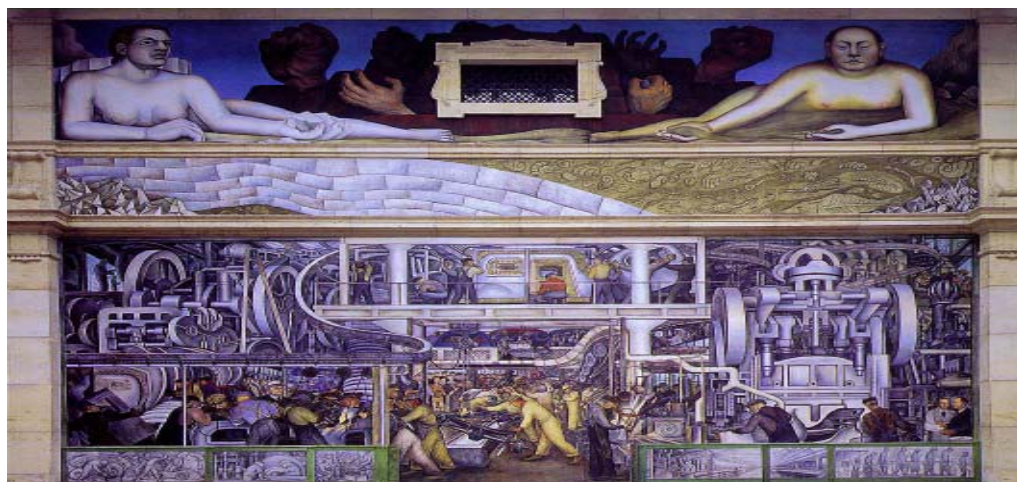
There are movements happening in North America that are fighting for change. One example is the Take Back the Land movement in Miami where community activists are reclaiming foreclosed homes and turning them over to the homeless. They are saving communities and adding value to them by restoring these decaying homes. People are rising in support of these actions causing the police and politicians to not take action.^[3] It is these types of movements that should be compared with the ERTs' attempts to rebuild their communities.

As fate would have it, I just received a letter from the Federal NDP asking me to "join Obama's inner circle" (they are now using Obama's strategists) and help the NDP "build our breakthrough." As cringe worthy as this letter is, many Canadians see the NDP as the voice of the political left. I couldn't think of better reason why new ideas, movements and political parties are urgently needed in this country to change this perception.

Clearly we have a lot of work to do. **R**

Sean Smith is a Community Based Organiser in Toronto.

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2. www.newswire.ca/en/releases/archive/July2009/17/c6918.html
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Learning From Striking: Windsor Faculty Strike Creates An Activist

Kirsten Francescone

On September 17th, 2008 at 12:01am, the Windsor University Faculty Association (WUFA) armed with a 96% YES to strike vote, went on strike after months of failed attempts to renegotiate their collective agreement with the university's administration. At 9am that morning, instead of getting up and heading to class I headed off toward Chrysler Tower, the administration building on campus. When I got there some of the 1000 members which include Windsor faculty, sessional instructors and librarians, and even some students were picketing outside, their white and red "WUFA" signs riddled with phrases like "thinking backwards" and "research belongs here." There were also brothers and sisters with their flags flying from the campus and community CAW and CUPE unions. Almost immediately, I was handed a flyer with strike information on it, and I was directed to read WUFA's daily publication *The Badger* ("benign unless provoked"). It was at this time that I became engaged in my informal "political" education which resulted in long hot days spent on the picket lines, and even longer nights spent discussing the strike with my fellow students.

In the next few days, union supporters became more frustrated with the administration's inaction toward the university's administration and the stance they were taking. For ten days, the administration refused to come to the table to negotiate. WUFA's demands included major issues such as sessional wages and working conditions, permanent teaching-only positions, employment equity, and progress-through-the-ranks (seniority) remuneration. These were all demands that would foster increased quality of education and the retention of professors. During the strike, WUFA was ready to resume bargaining. They held their lines and organized rallies and information sessions demanding that the university administration come to the table to negotiate.

I picketed daily with WUFA, even getting up as early as 5am to form a blockade to stop construction on campus with a few professors, fellow students and community allies. There were large rallies early-on in the dispute, with students handing out home-made vegan muffins and information pamphlets, and even stepping up to the microphone to shout out in solidarity to their professors. There were camp-outs in front of Chrysler Hall, and fifteen students decided to occupy the Chrysler Tower in front of President Wildeman's office as a way of pressuring administration to commence negotiations.

Finally the strike ended with the administration meeting essentially all of WUFA's demands on October 2nd 2008, 17 days into the strike. On October 3rd 2008 classes resumed and I returned as a refined activist and politically conscious student. What

I had experienced over those seventeen days served as preparation for the struggles I was about to face as a student pursuing post-secondary education in neoliberal Canada.

A few months after the strike, I heard through the backchannels that students were facing a 4-8% increase in tuition beginning in the fall of 2009. In an open board of governors meeting, prior to the vote, the university administration justified the increase on the grounds that the students supported WUFA during the strike. I was outraged, but not surprised. I was outraged by the fact that they were using WUFA (my professors and librarians) as the scapegoat for their decision to raise tuition. I was also angry because I knew the real reasons for the increase but recognized that the university had again done a great job at masking all alternatives. Students who were not involved in student politics were lead to believe that their professors and librarians were to blame for their high tuition, as opposed to attributing the increase to a lack of government funding. This is a prime example of neoliberalism at work. Instead of looking to the government for increased funding, the student (the individual consumer of post-secondary education) is forced to bear the burden in a time when post-secondary debt is growing, and jobs are few and far between upon graduation. As a result, solidarity between the student, professor and university community becomes compromised.

SITUATING THE STRIKE WITHIN NEOLIBERALISM

The strike, like most job actions was complex and has a very particular history. In the eighties Canada transitioned from a welfare state model to a neoliberal state system which meant that extreme cut-backs were being made to the public-sector, which left many Canadians without employment and others feeling the effects of restructuring. Then, in 1995 the federal Liberal government announced a \$7-billion dollar cut to provincial transfer payments intended for social services including post-secondary education. Between 1995 and 2003, Ontario's aggressively neoliberal Conservative governments continued to restrict provincial funding for universities, among other public services. Massive protests by students, trade unions, women's groups, anti-poverty activists and citizens' coalitions ensued. For Canadians, the target was clearly narrowed in on the government, and their response to these unwelcome changes was explicit.

Today, the face of neoliberal government in Ontario has shifted in part as a reaction to the collective action in the eighties and nineties. Despite the fact that the overarching governing prin-

ciples are the same, the methods through which cut-backs and restructuring projects implemented are more subtle, less explicit and therefore “easier to swallow.” For example, when Ontarians hear that funding for provincial post-secondary education has increased, we are relieved. However, when we actually look at the numbers and see that Ontario still ranks second lowest for funding nationally, we can conclude that despite Dalton McGuinty’s photo-ops in Toronto nothing is changing except for the language and the approach. In reality, the funding for post-secondary education is still suffering from the dramatic cuts of the 1990s. The change in tone, however, does impact the politics of resistance.



CHALLENGES TO SOLIDARITY

While refusing to come to the table to negotiate, the University’s administration paid to publish a full-page ad in the local press, the *Windsor Star*, outlining the top percentage of wages that professors made the previous year, including the salaries of administrators, thereby inflating the amount. This was a strategic attempt to undermine solidarity between WUFA and the students and broader community. The ad was successful in reducing the union’s demands to those that were most emotionally significant for Windsor’s working class. In emphasizing the high wages in a community built on the unionized automotive industry, but one now facing the highest unemployment rate in Canada, the university management was trying to divide education workers with other workers. After this point, some students became hostile toward the action and their professors. Further, there was a lot of talk of wages, and little talk of the list of the union’s other demands. After this point the union was forced into defending their actions, as opposed to building solidarity. This serves as a specific example of how the politics of division can have an impact on collective action.

CONCLUSION: THE BRIGHT SIDE OF THINGS

In reflecting on the year it is clear that the break from my formal education, was an important lesson in politics and activism. During the strike I spoke to the two students responsible for organizing the occupation of Chrysler Tower and the distribution of the student information pamphlet, and neither one of them had previous organizing experience. This points to the strike as play-

ing a key role in their engagement and political learning. Later on in the year, in response to the proposed tuition hikes, students organized a protest and distributed information handbills to campus and to the community. And, as long as four months after the strike, the University of Windsor Student Alliance (UWSA) had a record 14 students running for executive positions within the student union; with some proposing issues such as environmental sustainability and plans to lobby the provincial government for increased funding for post-secondary education. The strike may have provided the spark needed for new activists to become engaged in issues that mattered to them. From this example of a local strike, we can learn important lessons about how workers can be divided. Those with power draw on existing divisions, and seek to deepen them. We need to find ways to build bridges between those who see themselves as different and to identify ways to work together on common struggles, as well as support people in their own battles.

But in assessing the Windsor faculty strike we can also see examples of students and workers developing their political consciousness, learning through struggle and becoming active. Identifying the possibilities as well as the failures is important for all political learning. Myself, I feel that the strike gave me the opportunity to learn and grow as a young activist and socialist and that the skills like building community solidarity, creative and critical thinking, and political determination are ones that have also contributed to the enrichment of my formal education. The neoliberal offensive is ongoing, and is powerful, but we must resist, and learn. Even now I can still hear the chants and see the flags waving in the air. What I saw then was workers fighting for change, and what I see now is a hope for fights in the future. **R**

Kirsten Francescone is a fourth year anthropology student at the University of Windsor and an activist with the UWSA Womyn’s Centre.

Sufferings in the Lionland

by Dr. A.R.M. Imtiyaz

Let's celebrate suffering of others,
Let's rejoice slaughter of others,
from street to street,
from village to village
in our Buddha's lionland with milk rice!
who will say you are ruthless blood-lover?
say, simply they all are vicious terrorists!
so we celebrate their blood.
And you will guilelessly collect global support
from those who perform butchery
in their own holy lands
against their rebelling groups.

**

Let's enjoy human blood,
Let's celebrate human agony,
who can silence you from killing?
say, simply they are terrorists and
kill them all to protect our lionland's sovereignty!
And you will win global praise
for your merciless massacre-
20,000 ethnic others in that bloody beach
within few days between palm trees
in this caring Buddha's lionland!

**

Let's organize a victory parade for bloody oppressors,
Let's ask our Moulavis,
to lead parade and enjoy kiribath
for ethnic others' blood and sufferings
at the hands of brutal dharmista Army
who can say you are demeaning Almighty
with your disgraced praying?
say, we are great patriots, and-
just did it to please Almighty God!
And they will say-
you are great cronies in slaughtering human meat
in this compassionate buddha's lionland.

**

Let's claim terrorists are gone,
Let's plan for our hegemony,
who can challenge your planning?
say, we have some quislings in our backyard
they will love our gory scheme!
And serenely you can preach dharmista
on the sufferings of the human group
in this devoted Buddha's lionland.

**

Let's call for unity under bleeding lion flag,
Let's demand others to silence their dissent,
say, we all are none-but patriots
And impose your lionland-hegemony on others.
who will dare to say
you are a ruthless (co-)participant
in wiping out human group
in this forgiving Buddha's lionland?

**

I agree,
flow of blood slows liberation,
but, you need to know
sufferings of others always form a new plan
beyond the oppressors' imagination
because they would refuse to
live as prisoners of your kingdom
in this Buddha's dreadful lionland.

**

I refuse to celebrate this day with Kiribath
because,
I hate to get pleasure
from others' sufferings and blood
And refuse to accept
your ruthless supremacy.

May 30, 2009
USA.

THIS IS NOT A LOVE STORY

Pance Stojkovski

(500) Days of Summer

Starring Joseph Gordon-Levitt and Zooey Deschanel. Written by Scott Neustadter and Michael H. Weber. Directed by Marc Webb.

Philosophy, the love of knowledge and wisdom, is not a particularly cherished trait in our modern culture – especially in Hollywood movies. When was the last time you saw a hero who “knew” what he was doing. It is far more common for heroes to guess which “wire to cut,” or to follow their “gut feelings” – whatever that means. I remember spending my youth watching many hours of the adventures of Captain Kirk and Mr. Spock on the original TV show *Star Trek* – and it was always Captain Kirk’s “guts” and “instinct” that prevailed over Mr. Spock’s intellect. The writers of the show took this dichotomy one step further – they mocked Mr. Spock’s intellect and it became a source of a running gag in the TV series. As a result, I (and I assume the North American film-going audience) have settled for entertainment – heroes who follow their guts and save the day, or get the girl. Any slight signs of intelligence is a bonus, but not a pre-requisite. The film *(500) Days of Summer* does deliver on the entertainment quotient plus has a little left over for our minds.

The tag line for this movie (like the P.I.L. song “This is Not a Love Song”) says it all – “This is not a love story. This is a story about love.” We meet the central character – Tom Hansen (played by Joseph Gordon-Levitt) – working in his cubicle for a greeting card company writing memorable greetings for the masses. As a young child, he always believed in one true love or as the narrator says “Tom Hansen grew up believing he would never be truly happy till the day he met the one.” Early in the movie, we are also introduced to the love-interest, the beautiful Summer Finn (portrayed by Zooey Deschanel). The narrator informs us that “Summer Finn does not share this belief.”

Even before our two protagonists meet, the talk in the office is that she’s “uppity, better than everyone, super-skank.” But despite these outside meddling influences, they meet, talk, laugh, sing karaoke, and a friendship develops. But from the start, there are different expectations:

Summer: We’re young.... might as well have fun while we can.

Tom: What happens if you fall in love?

Summer: You don’t believe that, do you?

Tom: What, it’s love. It’s not Santa Clause.

At this point we feel that (conditioned by past Hollywood history) Tom will eventually win over Summer and all we be right in the universe. But the movie decides to play with the audience, and jumps forward in time where they have broken up and brings us back to the early, hopeful days of the relationship.

The film does use many other tricks (beside playing with the non-linear presentation), like using animation at appropriate times, and plenty of cultural references including an homage to the classic love (generation-gap) movie *The Graduate* and references to European film director Ingmar Bergman. The question “what is love?” is never answered verbally – a bouncy musical-dance number does the trick.

But after all the analysis of the relationship, we are left with just the male-

lead (Tom’s) point of view. We see their happiness together, but we also wallow in his despair after the relationship has come to an end – or has it? The movie plays with our heart-strings, and a part of us thinks (wishes?) this will be a “feel good” movie, even near the end when we realize that she has met someone else and is wearing his ring! When Tom realizes he has lost Summer, he loses all hope and makes fun of and belittles his job as a greeting-card writer. But Summer, as any good friend, jumps in with support – “He wants to be an architect.”

In the end, this is not a chick flick, it is a movie for men (and women) who need a little pick-me up to continue with the increasingly difficult dating game. Just like the movie *Heathers* – a movie about teenage suicide, that ends with a life-affirming friendship – this movie suggests that maybe young Tom was wrong – maybe (just maybe) there isn’t just “the one,” there are plenty of fish, and one has to be open to meeting people. It’s a small step in the right direction – of films for people who like intelligent characters, good dialogue and realistic situations. **R**

Pance Stojkovski lives in Toronto.



Joseph Gordon-Levitt and Zooey Deschanel.

The Tyranny of Structurelessness

Jo Freeman

The earliest version of this article was given as a talk at a conference called by the Southern Female Rights Union, held in Beulah, Mississippi in May 1970. It was written up for *Notes from the Third Year* (1971), but the editors did not use it. It was then submitted to several movement publications, but only one asked permission to publish it; others did so without permission. The first official place of publication was in Vol. 2, No. 1 of *The Second Wave* (1972). This early version in movement publications was authored by Joreen. Different versions were published in the *Berkeley Journal of Sociology*, Vol. 17, 1972-73, pp. 151-165, and *Ms. magazine*, July 1973, pp. 76-78, 86-89, authored by Jo Freeman. This piece spread all over the world. Numerous people have edited, reprinted, cut, and translated "Tyranny" for magazines, books and web sites, usually without the permission or knowledge of the author. The version below is a blend of the three cited here.

During the years in which the women's liberation movement has been taking shape, a great emphasis has been placed on what are called leaderless, structureless groups as the main – if not sole – organizational form of the movement. The source of this idea was a natural reaction against the over-structured society in which most of us found ourselves, and the inevitable control this gave others over our lives, and the continual elitism of the Left and similar groups among those who were supposedly fighting this overstructuredness.

The idea of "structurelessness," however, has moved from a healthy counter to those tendencies to becoming a goddess in its own right. The idea is as little examined as the term is much used, but it has become an intrinsic and unquestioned part of women's liberation ideology. For the early development of the movement this did not much matter. It early defined its main goal, and its main method, as consciousness-raising, and the "structureless" rap group was an excellent means to this end. The looseness and informality of it encouraged participation in discussion, and its often supportive atmosphere elicited personal insight. If nothing more concrete than personal insight ever resulted from these groups, that did not much matter, because their purpose did not really extend beyond this.

The basic problems didn't appear until individual rap groups exhausted the virtues of consciousness-raising and decided they wanted to do something more specific. At this point they usually foundered because most groups were unwilling to change their structure when they changed their tasks. Women had thoroughly accepted the idea of "structurelessness" without realizing the limitations of its uses. People would try to use the "structureless"

group and the informal conference for purposes for which they were unsuitable out of a blind belief that no other means could possibly be anything but oppressive.

If the movement is to grow beyond these elementary stages of development, it will have to disabuse itself of some of its prejudices about organization and structure. There is nothing inherently bad about either of these. They can be and often are misused, but to reject them out of hand because they are misused is to deny ourselves the necessary tools to further development. We need to understand why "structurelessness" does not work.

FORMAL AND INFORMAL STRUCTURES

Contrary to what we would like to believe, there is no such thing as a structureless group. Any group of people of whatever nature that comes together for any length of time for any purpose will inevitably structure itself in some fashion. The structure may be flexible; it may vary over time; it may evenly or unevenly distribute tasks, power and resources over the members of the group. But it will be formed regardless of the abilities, personalities, or intentions of the people involved. The very fact that we are individuals, with different talents, predispositions, and backgrounds makes this inevitable. Only if we refused to relate or interact on any basis whatsoever could we approximate structurelessness – and that is not the nature of a human group.



This means that to strive for a structureless group is as useful, and as deceptive, as to aim at an “objective” news story, “value-free” social science, or a “free” economy. A “laissez faire” group is about as realistic as a “laissez faire” society; the idea becomes a smokescreen for the strong or the lucky to establish unquestioned hegemony over others. This hegemony can be so easily established because the idea of “structurelessness” does not prevent the formation of informal structures, only formal ones. Similarly “laissez faire” philosophy did not prevent the economically powerful from establishing control over wages, prices, and distribution of goods; it only prevented the government from doing so. Thus structurelessness becomes a way of masking power, and within the women’s movement is usually most strongly advocated by those who are the most powerful (whether they are conscious of their power or not). As long as the structure of the group is informal, the rules of how decisions are made are known only to a few and awareness of power is limited to those who know the rules. Those who do not know the rules and are not chosen for initiation must remain in confusion, or suffer from paranoid delusions that something is happening of which they are not quite aware.

For everyone to have the opportunity to be involved in a given group and to participate in its activities the structure must be explicit, not implicit. The rules of decision-making must be open and available to everyone, and this can happen only if they are formalized. This is not to say that formalization of a structure of a group will destroy the informal structure. It usually doesn’t. But it does hinder the informal structure from having predominant control and make available some means of attacking it if the people involved are not at least responsible to the needs of the group at large. “Structurelessness” is organizationally impossible. We cannot decide whether to have a structured or structureless group, only whether or not to have a formally structured one. Therefore the word will not be used any longer except to refer to the idea it represents. Unstructured will refer to those groups which have not been deliberately structured in a particular manner. Structured will refer to those which have. A Structured group always has formal structure, and may also have an informal, or covert, structure. It is this informal structure, particularly in Unstructured groups, which forms the basis for elites.

THE NATURE OF ELITISM

“Elitist” is probably the most abused word in the women’s liberation movement. It is used as frequently, and for the same reasons, as “pinko” was used in the fifties. It is rarely used correctly. Within the movement it commonly refers to individuals, though the personal characteristics and activities of those to whom it is directed may differ widely: An individual, as an individual can never be an elitist, because the only proper application of the term “elite” is to groups. Any individual, regardless of how well-known that person may be, can never be an elite.

Correctly, an elite refers to a small group of people who have power over a larger group of which they are part, usually without direct responsibility to that larger group, and often without their knowledge or consent. A person becomes an elitist by being part

of, or advocating the rule by, such a small group, whether or not that individual is well known or not known at all. Notoriety is not a definition of an elitist. The most insidious elites are usually run by people not known to the larger public at all. Intelligent elitists are usually smart enough not to allow themselves to become well known; when they become known, they are watched, and the mask over their power is no longer firmly lodged.

Elites are not conspiracies. Very seldom does a small group of people get together and deliberately try to take over a larger group for its own ends. Elites are nothing more, and nothing less, than groups of friends who also happen to participate in the same political activities. They would probably maintain their friendship whether or not they were involved in political activities; they would probably be involved in political activities whether or not they maintained their friendships. It is the coincidence of these two phenomena which creates elites in any group and makes them so difficult to break.

These friendship groups function as networks of communication outside any regular channels for such communication that may have been set up by a group. If no channels are set up, they function as the only networks of communication. Because people are friends, because they usually share the same values and orientations, because they talk to each other socially and consult with each other when common decisions have to be made, the people involved in these networks have more power in the group than those who don’t. And it is a rare group that does not establish some informal networks of communication through the friends that are made in it.

Some groups, depending on their size, may have more than one such informal communications network. Networks may even overlap. When only one such network exists, it is the elite of an otherwise Unstructured group, whether the participants in it want to be elitists or not. If it is the only such network in a Structured group it may or may not be an elite depending on its composition and the nature of the formal Structure. If there are two or more such networks of friends, they may compete for power within the group, thus forming factions, or one may deliberately opt out of the competition, leaving the other as the elite. In a Structured group, two or more such friendship networks usually compete with each other for formal power. This is often the healthiest situation, as the other members are in a position to arbitrate between the two competitors for power and thus to make demands on those to whom they give their temporary allegiance.

The inevitably elitist and exclusive nature of informal communication networks of friends is neither a new phenomenon characteristic of the women’s movement nor a phenomenon new to women. Such informal relationships have excluded women for centuries from participating in integrated groups of which they were a part. In any profession or organization these networks have created the “locker room” mentality and the “old school” ties which have effectively prevented women as a group (as well as some men individually) from having equal access to the sources of power or social reward. Much of the energy of past women’s movements has been directed to having the struc-

tures of decision-making and the selection processes formalized so that the exclusion of women could be confronted directly. As we well know, these efforts have not prevented the informal male-only networks from discriminating against women, but they have made it more difficult.

Because elites are informal does not mean they are invisible. At any small group meeting anyone with a sharp eye and an acute ear can tell who is influencing whom. The members of a friendship group will relate more to each other than to other people. They listen more attentively, and interrupt less; they repeat each other's points and give in amiably; they tend to ignore or grapple with the "outs" whose approval is not necessary for making a decision. But it is necessary for the "outs" to stay on good terms with the "ins." Of course the lines are not as sharp as I have drawn them. They are nuances of interaction, not prewritten scripts. But they are discernible, and they do have their effect. Once one knows with whom it is important to check before a decision is made, and whose approval is the stamp of acceptance, one knows who is running things.

Since movement groups have made no concrete decisions about who shall exercise power within them, many different criteria are used around the country. Most criteria are along the lines of traditional female characteristics. For instance, in the early days of the movement, marriage was usually a prerequisite for participation in the informal elite. As women have been traditionally taught, married women relate primarily to each other, and look upon single women as too threatening to have as close friends. In many cities, this criterion was further refined to include only those women married to New Left men. This standard had more than tradition behind it, however, because New Left men often had access to resources needed by the movement – such as mailing lists, printing presses, contacts, and information – and women were used to getting what they needed through men rather than independently. As the movement has changed through time, marriage has become a less universal criterion for effective participation, but all informal elites establish standards by which only women who possess certain material or personal characteristics may join. They frequently include: middle-class background (despite all the rhetoric about relating to the working class); being married; not being married but living with someone; being or pretending to be a lesbian; being between the ages of twenty and thirty; being college educated or at least having some college background; being "hip"; not being too "hip"; holding a certain political line or identification as a "radical"; having children or at least liking them; not having children; having certain "feminine" personality characteristics such as being "nice"; dressing right (whether in the traditional style or the antitraditional style); etc. There are also some characteristics which will almost always tag one as a "deviant" who should not be related to. They include: being too old; working full time, particularly if one is actively committed to a "career"; not being "nice"; and being avowedly single (i.e., neither actively heterosexual nor homosexual).

Other criteria could be included, but they all have common themes. The characteristics prerequisite for participating in the informal elites of the movement, and thus for exercising power,

concern one's background, personality, or allocation of time. They do not include one's competence, dedication to feminism, talents, or potential contribution to the movement. The former are the criteria one usually uses in determining one's friends. The latter are what any movement or organization has to use if it is going to be politically effective.

The criteria of participation may differ from group to group, but the means of becoming a member of the informal elite if one meets those criteria are pretty much the same. The only main difference depends on whether one is in a group from the beginning, or joins it after it has begun. If involved from the beginning it is important to have as many of one's personal friends as possible also join. If no one knows anyone else very well, then one must deliberately form friendships with a select number and establish the informal interaction patterns crucial to the creation of an informal structure. Once the informal patterns are formed they act to maintain themselves, and one of the most successful tactics of maintenance is to continuously recruit new people who "fit in." One joins such an elite much the same way one pledges a sorority. If perceived as a potential addition, one is "rushed" by the members of the informal structure and eventually either dropped or initiated. If the sorority is not politically aware enough to actively engage in this process itself it can be started by the outsider pretty much the same way one joins any private club. Find a sponsor, i.e., pick some member of the elite who appears to be well respected within it, and actively cultivate that person's friendship. Eventually, she will most likely bring you into the inner circle.

All of these procedures take time. So if one works full time or has a similar major commitment, it is usually impossible to join simply because there are not enough hours left to go to all the meetings and cultivate the personal relationship necessary to have a voice in the decision-making. That is why formal structures of decision making are a boon to the overworked person. Having an established process for decision-making ensures that everyone can participate in it to some extent.

Although this dissection of the process of elite formation within small groups has been critical in perspective, it is not made in the belief that these informal structures are inevitably bad – merely inevitable. All groups create informal structures as a result of interaction patterns among the members of the group. Such informal structures can do very useful things. But only Unstructured groups are totally governed by them. When informal elites are combined with a myth of "structurelessness," there can be no attempt to put limits on the use of power. It becomes capricious.

This has two potentially negative consequences of which we should be aware. The first is that the informal structure of decision-making will be much like a sorority – one in which people listen to others because they like them and not because they say significant things. As long as the movement does not do significant things this does not much matter. But if its development is not to be arrested at this preliminary stage, it will have to alter this trend. The second is that informal structures have no obligation to be responsible to the group at large. Their power was not

given to them; it cannot be taken away. Their influence is not based on what they do for the group; therefore they cannot be directly influenced by the group. This does not necessarily make informal structures irresponsible. Those who are concerned with maintaining their influence will usually try to be responsible. The group simply cannot compel such responsibility; it is dependent on the interests of the elite.

THE “STAR” SYSTEM

The idea of “structurelessness” has created the “star” system. We live in a society which expects political groups to make decisions and to select people to articulate those decisions to the public at large. The press and the public do not know how to listen seriously to individual women as women; they want to know how the group feels. Only three techniques have ever been developed for establishing mass group opinion: the vote or referendum, the public opinion survey questionnaire, and the selection of group spokespeople at an appropriate meeting. The women’s liberation movement has used none of these to communicate with the public. Neither the movement as a whole nor most of the multitudinous groups within it have established a means of explaining their position on various issues. But the public is conditioned to look for spokespeople.

While it has consciously not chosen spokespeople, the movement has thrown up many women who have caught the public eye for varying reasons. These women represent no particular group or established opinion; they know this and usually say so. But because there are no official spokespeople nor any decision-making body that the press can query when it wants to know the movement’s position on a subject, these women are perceived as the spokespeople. Thus, whether they want to or not, whether the movement likes it or not, women of public note are put in the role of spokespeople by default.

This is one main source of the ire that is often felt toward the women who are labeled “stars.” Because they were not selected by the women in the movement to represent the movement’s views, they are resented when the press presumes that they speak for the movement. But as long as the movement does not select its own spokeswomen, such women will be placed in that role by the press and the public, regardless of their own desires.

This has several negative consequences for both the movement and the women labeled “stars.” First, because the movement didn’t put them in the role of spokesperson, the movement cannot remove them. The press put them there and only the press can choose not to listen. The press will continue to look to “stars” as spokeswomen as long as it has no official alternatives to go to for authoritative statements from the movement. The movement has no control in the selection of its representatives to the public as long as it believes that it should have no representatives at all. Second, women put in this position often find themselves viciously attacked by their sisters. This achieves nothing for the movement and is painfully destructive to the individuals involved. Such attacks only result in either the woman leaving the movement en-

tirely-often bitterly alienated – or in her ceasing to feel responsible to her “sisters.” She may maintain some loyalty to the movement, vaguely defined, but she is no longer susceptible to pressures from other women in it. One cannot feel responsible to people who have been the source of such pain without being a masochist, and these women are usually too strong to bow to that kind of personal pressure. Thus the backlash to the “star” system in effect encourages the very kind of individualistic nonresponsibility that the movement condemns. By purging a sister as a “star,” the movement loses whatever control it may have had over the person who then becomes free to commit all of the individualistic sins of which she has been accused.

POLITICAL IMPOTENCE

Unstructured groups may be very effective in getting women to talk about their lives; they aren’t very good for getting things done. It is when people get tired of “just talking” and want to do something more that the groups flounder, unless they change the nature of their operation. Occasionally, the developed informal structure of the group coincides with an available need that the group can fill in such a way as to give the appearance that an Unstructured group “works.” That is, the group has fortuitously developed precisely the kind of structure best suited for engaging in a particular project.

While working in this kind of group is a very heady experience, it is also rare and very hard to replicate. There are almost inevitably four conditions found in such a group;

1) *It is task oriented.* Its function is very narrow and very specific, like putting on a conference or putting out a newspaper. It is the task that basically structures the group. The task determines what needs to be done and when it needs to be done. It provides a guide by which people can judge their actions and make plans for future activity.

2) *It is relatively small and homogeneous.* Homogeneity is necessary to insure that participants have a “common language” for interaction. People from widely different backgrounds may provide richness to a consciousness-raising group where each can learn from the others’ experience, but too great a diversity among members of a task-oriented group means only that they continually misunderstand each other. Such diverse people interpret words and actions differently. They have different expectations about each other’s behavior and judge the results according to different criteria. If everyone knows everyone else well enough to understand the nuances, these can be accommodated. Usually, they only lead to confusion and endless hours spent straightening out conflicts no one ever thought would arise.

3) *There is a high degree of communication.* Information must be passed on to everyone, opinions checked, work divided up, and participation assured in the relevant decisions. This is only possible if the group is small and people practically live together for the most crucial phases of the task. Needless to say, the number of interactions necessary to involve everybody increases geometrically with the number of participants. This inevitably limits

group participants to about five, or excludes some from some of the decisions. Successful groups can be as large as 10 or 15, but only when they are in fact composed of several smaller subgroups which perform specific parts of the task, and whose members overlap with each other so that knowledge of what the different subgroups are doing can be passed around easily.

4) *There is a low degree of skill specialization.* Not everyone has to be able to do everything, but everything must be able to be done by more than one person. Thus no one is indispensable. To a certain extent, people become interchangeable parts.

While these conditions can occur serendipitously in small groups, this is not possible in large ones. Consequently, because the larger movement in most cities is as unstructured as individual rap groups, it is not too much more effective than the separate groups at specific tasks. The informal structure is rarely together enough or in touch enough with the people to be able to operate effectively. So the movement generates much motion and few results. Unfortunately, the consequences of all this motion are not as innocuous as the results' and their victim is the movement itself.

Some groups have formed themselves into local action projects if they do not involve many people and work on a small scale. But this form restricts movement activity to the local level; it cannot be done on the regional or national. Also, to function well the groups must usually pare themselves down to that informal group of friends who were running things in the first place. This excludes many women from participating. As long as the only way women can participate in the movement is through membership in a small group, the nongregarious are at a distinct disadvantage. As long as friendship groups are the main means of organizational activity, elitism becomes institutionalized.

For those groups which cannot find a local project to which to devote themselves, the mere act of staying together becomes the reason for their staying together. When a group has no specific task (and consciousness raising is a task), the people in it turn their energies to controlling others in the group. This is not done so much out of a malicious desire to manipulate others (though sometimes it is) as out of a lack of anything better to do with their talents. Able people with time on their hands and a need to justify their coming together put their efforts into personal control, and spend their time criticizing the personalities of the other members in the group. Infighting and personal power games rule the day. When a group is involved in a task, people learn to get along with others as they are and to subsume personal dislikes for the sake of the larger goal. There are limits placed on the compulsion to remold every person in our image of what they should be.

The end of consciousness-raising leaves people with no place to go, and the lack of structure leaves them with no way of getting there. The women the movement either turn in on themselves and their sisters or seek other alternatives of action. There are few that are available. Some women just "do their own thing." This can lead to a great deal of individual creativity, much of

which is useful for the movement, but it is not a viable alternative for most women and certainly does not foster a spirit of cooperative group effort. Other women drift out of the movement entirely because they don't want to develop an individual project and they have found no way of discovering, joining, or starting group projects that interest them.

Many turn to other political organizations to give them the kind of structured, effective activity that they have not been able to find in the women's movement. Those political organizations which see women's liberation as only one of many issues to which women should devote their time thus find the movement a vast recruiting ground for new members. There is no need for such organizations to "infiltrate" (though this is not precluded). The desire for meaningful political activity generated in women by their becoming part of the women's liberation movement is sufficient to make them eager to join other organizations when the movement itself provides no outlets for their new ideas and energies. Those women who join other political organizations while remaining within the women's liberation movement, or who join women's liberation while remaining in other political organizations, in turn become the framework for new informal structures. These friendship networks are based upon their common nonfeminist politics rather than the characteristics discussed earlier, but operate in much the same way. Because these women share common values, ideas, and political orientations, they too become informal, unplanned, unselected, irresponsible elites – whether they intend to be so or not.

These new informal elites are often perceived as threats by the old informal elites previously developed within different movement groups. This is a correct perception. Such politically oriented networks are rarely willing to be merely "sororities" as many of the old ones were, and want to proselytize their political as well as their feminist ideas. This is only natural, but its implications for women's liberation have never been adequately discussed. The old elites are rarely willing to bring such differences of opinion out into the open because it would involve exposing the nature of the informal structure of the group.

DISCLAIMER:
ANY RESEMBLANCE BETWEEN MYSELF AND THE VICIOUS, GREEDY PSYCHOPATHS WHO RUN THE CORPORATION/GOVERNMENTS OF THE WORLD IS PURELY COINCIDENTAL

Many of these informal elites have been hiding under the banner of “anti-elitism” and “structurelessness.” To effectively counter the competition from another informal structure, they would have to become “public,” and this possibility is fraught with many dangerous implications. Thus, to maintain its own power, it is easier to rationalize the exclusion of the members of the other informal structure by such means as “red-baiting,” “reformist-baiting,” “lesbian-baiting,” or “straight-baiting.” The only other alternative is to formally structure the group in such a way that the original power structure is institutionalized. This is not always possible. If the informal elites have been well structured and have exercised a fair amount of power in the past, such a task is feasible. These groups have a history of being somewhat politically effective in the past, as the tightness of the informal structure has proven an adequate substitute for a formal structure. Becoming Structured does not alter their operation much, though the institutionalization of the power structure does open it to formal challenge. It is those groups which are in greatest need of structure that are often least capable of creating it. Their informal structures have not been too well formed and adherence to the ideology of “structurelessness” makes them reluctant to change tactics. The more Unstructured a group is, the more lacking it is in informal structures, and the more it adheres to an ideology of “structurelessness,” the more vulnerable it is to being taken over by a group of political comrades.

Since the movement at large is just as Unstructured as most of its constituent groups, it is similarly susceptible to indirect influence. But the phenomenon manifests itself differently. On a local level most groups can operate autonomously; but the only groups that can organize a national activity are nationally organized groups. Thus, it is often the Structured feminist organizations that provide national direction for feminist activities, and this direction is determined by the priorities of those organizations. Such groups as NOW, WEAL, and some leftist women’s caucuses are simply the only organizations capable of mounting a national campaign. The multitude of Unstructured women’s liberation groups can choose to support or not support the national campaigns, but are incapable of mounting their own. Thus their members become the troops under the leadership of the Structured organizations. The avowedly Unstructured groups have no way of drawing upon the movement’s vast resources to support its priorities. It doesn’t even have a way of deciding what they are.

The more unstructured a movement it, the less control it has over the directions in which it develops and the political actions in which it engages. This does not mean that its ideas do not spread. Given a certain amount of interest by the media and the appropriateness of social conditions, the ideas will still be diffused widely. But diffusion of ideas does not mean they are implemented; it only means they are talked about. Insofar as they can be applied individually they may be acted on; insofar as they require coordinated political power to be implemented, they will not be.

As long as the women’s liberation movement stays dedicated to a form of organization which stresses small, inactive discus-

sion groups among friends, the worst problems of Unstructuredness will not be felt. But this style of organization has its limits; it is politically inefficacious, exclusive, and discriminatory against those women who are not or cannot be tied into the friendship networks. Those who do not fit into what already exists because of class, race, occupation, education, parental or marital status, personality, etc., will inevitably be discouraged from trying to participate. Those who do fit in will develop vested interests in maintaining things as they are.

The informal groups’ vested interests will be sustained by the informal structures which exist, and the movement will have no way of determining who shall exercise power within it. If the movement continues deliberately to not select who shall exercise power, it does not thereby abolish power. All it does is abdicate the right to demand that those who do exercise power and influence be responsible for it. If the movement continues to keep power as diffuse as possible because it knows it cannot demand responsibility from those who have it, it does prevent any group or person from totally dominating. But it simultaneously insures that the movement is as ineffective as possible. Some middle ground between domination and ineffectiveness can and must be found.

These problems are coming to a head at this time because the nature of the movement is necessarily changing. Consciousness-raising as the main function of the women’s liberation movement is becoming obsolete. Due to the intense press publicity of the last two years and the numerous overground books and articles now being circulated, women’s liberation has become a household word. Its issues are discussed and informal rap groups are formed by people who have no explicit connection with any movement group. The movement must go on to other tasks. It now needs to establish its priorities, articulate its goals, and pursue its objectives in a coordinated fashion. To do this it must get organized – locally, regionally, and nationally.

PRINCIPLES OF DEMOCRATIC STRUCTURING

Once the movement no longer clings tenaciously to the ideology of “structurelessness,” it is free to develop those forms of organization best suited to its healthy functioning. This does not mean that we should go to the other extreme and blindly imitate the traditional forms of organization. But neither should we blindly reject them all. Some of the traditional techniques will prove useful, albeit not perfect; some will give us insights into what we should and should not do to obtain certain ends with minimal costs to the individuals in the movement. Mostly, we will have to experiment with different kinds of structuring and develop a variety of techniques to use for different situations. The Lot System is one such idea which has emerged from the movement. It is not applicable to all situations, but is useful in some. Other ideas for structuring are needed. But before we can proceed to experiment intelligently, we must accept the idea that there is nothing inherently bad about structure itself – only its excess use.

While engaging in this trial-and-error process, there are some principles we can keep in mind that are essential to democratic structuring and are also politically effective:

1) *Delegation* of specific authority to specific individuals for specific tasks by democratic procedures. Letting people assume jobs or tasks only by default means they are not dependably done. If people are selected to do a task, preferably after expressing an interest or willingness to do it, they have made a commitment which cannot so easily be ignored.

2) Requiring all those to whom authority has been delegated to be *responsible* to those who selected them. This is how the group has control over people in positions of authority. Individuals may exercise power, but it is the group that has ultimate say over how the power is exercised.

3) *Distribution* of authority among as many people as is reasonably possible. This prevents monopoly of power and requires those in positions of authority to consult with many others in the process of exercising it. It also gives many people the opportunity to have responsibility for specific tasks and thereby to learn different skills.



4) *Rotation* of tasks among individuals. Responsibilities which are held too long by one person, formally or informally, come to be seen as that person's "property" and are not easily relinquished or controlled by the group. Conversely, if tasks are rotated too frequently the individual does not have time to learn her job well and acquire the sense of satisfaction of doing a good job.

5) *Allocation* of tasks along rational criteria. Selecting someone for a position because they are liked by the group or giving them hard work because they are disliked serves neither the group nor the person in the long run. Ability, interest, and responsibility have got to be the major concerns in such selection. People should be given an opportunity to learn skills they do not have, but this is best done through some sort of "apprenticeship" program rather than the "sink or swim" method. Having a responsibility one can't handle well is demoralizing. Conversely, being blacklisted from doing what one can do well does not encourage one to develop one's skills. Women have been punished for being competent throughout most of human history; the movement does not need to repeat this process.

6) *Diffusion of information* to everyone as frequently as possible. Information is power. Access to information enhances one's power. When an informal network spreads new ideas and information among themselves outside the group, they are already engaged in the process of forming an opinion – without the group participating. The more one knows about how things work and what is happening, the more politically effective one can be.

7) *Equal access to resources* needed by the group. This is not always perfectly possible, but should be striven for. A member who maintains a monopoly over a needed resource (like a printing press owned by a husband, or a darkroom) can unduly influence the use of that resource. Skills and information are also resources. Members' skills can be equitably available only when members are willing to teach what they know to others.

When these principles are applied, they insure that whatever structures are developed by different movement groups will be controlled by and responsible to the group. The group of people in positions of authority will be diffuse, flexible, open, and temporary. They will not be in such an easy position to institutionalize their power because ultimate decisions will be made by the group at large. The group will have the power to determine who shall exercise authority within it. **R**

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WAR OF POSITION

Anti-Capitalist Attrition As A Revolutionary Strategy For Non-Revolutionary Times

S.J. D'Arcy

I. INTRODUCTION

In non-revolutionary times, a revolutionary strategy has to differentiate between the preparatory phase and the crisis phase of anti-capitalist struggle. In a preparatory period, that is, when revolution is not yet a foreseeable prospect, the crucial tasks are to weaken the position of our adversaries (employers and the capitalist state) and to strengthen the position of our own side (the combined anti-capitalist forces). In a period of crisis, by contrast, the crucial tasks will include overthrowing the political and economic power of employers, displacing their elitist and authoritarian institutions with our own democratic and egalitarian ones, and consolidating popular rule against attempts by capitalism's defenders to restore the rule of big business.

The distinction between "preparatory" and "crisis" phases of anti-capitalist struggle is important because a strategy that makes perfect sense if one is trying to achieve one set of tasks might be disastrously misguided if one is trying to achieve the other set of tasks. Arguably, this is a trap into which both Leninists and anarchists have repeatedly fallen, and which time after time has led small groups of radical activists into ever increasing isolation from mass movements and ever decreasing capacity to meaningfully engage with events in the real world.

The present period, evidently, is a non-revolutionary period. The forces of the Left are in disarray, whereas the strength, confidence and boldness of our adversaries have seldom, if ever, been greater. To turn this situation around will be difficult, but precisely for this reason the Left needs to think strategically about how to maximize our capacity to resist and challenge the power of employers and the state, with the ultimate and guiding aim of radical social transformation: a revolutionary replacement of capitalism with a new, democratic and egalitarian economic and political system. In this article, I want to outline what I call the "anti-capitalist attrition strategy," as an appropriate revolutionary strategy for the preparatory phase of this struggle.



I want to begin, though, with a word of caution. The conceit of the Old Left, that the struggles of the exploited and the oppressed against the capitalist system could be subjected to the kind of "command-and-control" regulation associated with military (or bureaucratic) hierarchies, has no useful role to play in the rebuilding of the Left. The point of strategic thinking is not to prepare ourselves to lead our forces into battle, like pawns in a chess game. Rather, we strategize because, as activist-participants in the midst of struggles that we have neither the capacity nor the desire to direct or control, we need to orient ourselves, and to equip ourselves with the intellectual resources to differentiate between what counts as a real advance and what counts a step in the wrong direction. What the strategy of anti-capitalist attrition offers us is not a "master plan," but a way of thinking more fruitfully about how to contribute to the struggles we participate in, both in the long term and the short term.

II. ATTRITION OR OVERTHROW?

The notion of "attrition" in this context is a reference to the distinction, made famous by the military historian Hans Delbrück (1848-1929), between strategies of *attrition* and strategies of *overthrow* (or *annihilation*). A strategy of "overthrow" focuses on confronting the enemy and defeating it in decisive battles. A strategy of "attrition" seeks to avoid decisive battles, usually because these cannot (yet) be won, and seeks instead to exploit every opportunity to strengthen one's own forces and weaken those of the enemy. Of course, it is not necessarily a matter of either/or. In the strategy of anti-capitalist attrition, for example, attrition is used in the preparatory phase, with the understanding that shifting into a strategy of overthrow will become appropriate during the crisis phase.

It has to be said that the idea of deploying an attrition strategy for the anti-capitalist movement is burdened by a considerable amount of "baggage," historically. For one thing, the first explicit proponent of an attrition strategy for the radical Left was Karl Kautsky (1854-1938), who used it to argue against a political strategy for democratization (in Germany in 1910) proposed by Rosa Luxemburg (1871-1919), which relied crucially on the use of militant mass strikes. In Kautsky's view, attrition was the "prudent" approach, and Luxemburg's supposed "overthrow" approach recklessly risked provoking a wave of state repression and thereby squandering the considerable gains that had been made over the years by the German Left. Thus, the term "attrition" was first introduced into strategy debates on the Left in order to justify a rejection of militancy in favour of a passive, electoralist strategy, like that proposed by Kautsky. Attrition meant not rocking the boat.

Later, Kautsky's distinction (derived from Delbrück) was reinvigorated by Antonio Gramsci (1891-1937), in his *Prison Notebooks*. Gramsci reformulated Kautsky's distinction as a contrast between a "war of position" (attrition) and a "war of manoeuvre" (overthrow).^[*] Unlike Kautsky, Gramsci did not use the distinction to argue against extra-parliamentary militancy. However, he did believe that the capacity of the ruling class in Western capitalist countries to rule through consent ("hegemony"), even more decisively than through force, meant that anti-capitalist struggle in those countries could not focus all its attention on a war of manoeuvre against the state (that is, the "seizure of state power," like that which took place in 1917 in Russia). Instead, revolutionaries had to win over the masses to an anti-capitalist political project by establishing an anti-systemic hegemony of the radical Left in place of the pro-capitalist hegemony that usually prevails. Although Gramsci here hits upon a crucial insight, which all anti-capitalist activists need to take seriously, some decades after his death his ideas encouraged a generation of "Eurocommunists" to focus all their efforts on a parliamentary-reformist strategy, no different from that of Kautsky, and thereby dissolved large sections of the ostensible far Left into the camp of parliamentary socialism.

So, there is some reason to fear that a contrast between a conflict of position/attrition and one of manoeuvre/overthrow tends to encourage (or simply reflect and make explicit) the degeneration of radical politics into one or another version of reformism.

To be sure, this can sometimes be true, as the cases of Kautsky and Eurocommunism illustrate. But here we need to distinguish between attrition as an approach to *rebuilding* the Left, when its

forces are in disarray and marginal to mainstream politics, and attrition as an approach to deciding how to *deploy* the considerable forces of a *strong* Left when it is in a position to effectively confront the employers and the capitalist state. When Kautsky was arguing for attrition, the Left in Germany was stronger than the Left has ever been in any country in the entire history of the world, not excluding Russia in 1917. The idea of using an attrition strategy in *that* situation amounts to giving up on radical politics as such, in favour of a project of permanent reformist electoralism: what is sometimes called "Fabian socialism." But the mere fact that reformists can justify their political project in terms of the notion of "attrition" does nothing to change the fact that, during the *preparatory phase of anti-capitalist struggle*, a strategy of attrition is the only approach that the Left can reasonably take, just as a strategy of overthrow is indispensable in a crisis phase of the struggle. (For what it's worth, in this matter I follow Lenin's view of the relation between attrition and overthrow, as he expresses it in "The Historical Meaning of the Inner-Party Struggle in Russia," written late in 1910. See *Collected Works*, 4th English Ed., 1967, Volume 16, p. 383. As he was later to discover, he overestimated in 1910 the proximity between Kautsky's view of "overthrow" and his own.)

There are two reasons why the anti-capitalist Left needs to think explicitly in terms of attrition, in the present, non-revolutionary period. The first reason is that the struggle between our forces and those of our enemies is an *asymmetric* one: simply put, they are stronger than us, so it is self-defeating to invite decisive confrontations (which is very different from saying that we should not engage in confrontational *tactics*). And the second reason is that the struggle is bound to be a *protracted* one: it will take many years, probably many decades, to put ourselves in a position where we can seriously think about enacting a strategy of *overthrow*. In a protracted, asymmetric conflict, the appropriate strategic framework is offered by the notion of attrition, or in Gramsci's terms, a war of position.

III. STRATEGIC OBJECTIVES OF ANTI-CAPITALIST ATTRITION

To adopt an attrition strategy for *rebuilding the Left* is to accept that the strategic tasks facing today's anti-capitalists, in this preparatory phase of our struggle, are to be defined in terms of strengthening our side and weakening our opponents. Specifically, we aim to strengthen our political resources, our capacity to resist assaults, to challenge privileges, to win allies, and so on, and we aim to weaken such capacities in our adversary.

But what does a "strong Left" look like? What exactly are we aiming at?

It will be helpful, I think, to identify a few crucial *strategic objectives*, which jointly add up to a fairly clear idea of what rebuilding the Left means, concretely. In the context of an adversarial situation, like that between the anti-capitalist Left and the defenders of capitalism, it is to be expected that there will be a close correlation between factors that strengthen one side and factors that weaken the other. And it is just so in this case. The

* Unfortunately, Gramsci's introduction of "war of manoeuvre" as a name for the strategy of overthrow invites confusion. The contrast between attrition strategies and overthrow strategies is all too easy to confuse with the very different contrast between a "war of attrition" and a "war of manoeuvre" as these terms are used by many contemporary military strategists (see, e.g., John Mearsheimer, "Maneuver, Mobile Defense, and the NATO Central Front," *International Security*, Winter 1981/82, Vol. 6, No. 3; and William Lind, "Military Doctrine, Force Structure, and the Defense Decision-Making Process," *Air University Review*, XXX, No. 4, May-June 1979). World War I, with its famous trench warfare, was mainly fought using strategies of *annihilation* (overthrow), not *attrition* in Delbrück's sense. Yet, in the idiom of contemporary military strategists, it was a war of attrition. To writers like Mearsheimer and Lind, a "war of attrition" is – like Delbrück's strategy of annihilation – primarily focused on seeking out and conducting decisive battles, in a mutual test of strength. When they say "war of maneuver" (or manoeuvre), on the other hand, they have in mind attempts to use bold and unexpected movements to strike suddenly at an adversary's "Achilles heel," leading to a rapid breakdown of the enemy's morale and system of command and control, etc., so that victory may not go to the largest and most well-equipped (hence strongest) side in the conflict. In any case, because the strategic discourse of the Left has been shaped mainly by the usage familiar from writings by people like Kautsky, Gramsci, Luxemburg and Lenin, in this article I adopt their Delbrückian vocabulary, even if it is somewhat passé in strategy circles today.

strength of our adversary – and our own weakness – in this struggle derives from three sources. The first source of capitalism’s strength is the relative social *stability* that creates a false impression of legitimacy, and makes the system appear invincible. The second source of its strength is the existence of widespread popular loyalty to the system, which extends not only to the government and the political system, but also to the economic institutions (private ownership of productive assets; profit-motivated production; etc.), and even to the cultural values of capitalism (consumerism; economic individualism; bourgeois ideals of ‘success’; etc.). The third source of capitalism’s strength is the lack of a unified force opposed to corporate rule, one which could pose a powerful challenge to the combined power of the capitalist class and its political representatives in the capitalist state.

Thus, to rebuild the Left, and in that sense to successfully carry out our tasks in the preparatory phase of anti-capitalist struggle, we need (1) to undermine the social stability of capitalist societies, (2) to undermine mass loyalty to the economic and political systems and cultural values of capitalism, and (3) to construct a powerful alliance capable in principle of mounting an effective challenge to corporate rule. *That* set of circumstances would signal the emergence of a *strong* Left, and an undermined, weakened ruling class. Anti-capitalist attrition, therefore, in the preparatory phase, identifies three *strategic objectives*: fomenting widespread civil unrest; subverting popular loyalty to the system; and building a powerful anti-corporate political alliance.

But how?

IV. FOMENTING CIVIL UNREST

Let’s start with the first strategic objective: *fomenting civil unrest*. This is something that the Left knows how to do, in principle, however difficult it may be in practice. In general, we do it by building broad and militant social movements of grassroots opposition to the system and its adverse effects on people. At the *tactical level*, that is, at the level of *methods* used to attain strategic objectives, we can single out three elements of the attrition approach to movement-building and spreading social unrest:

- *Grassroots Popular Mobilization:*

First, note that a crucial implication of framing the issue of movement-building in terms of “fomenting civil unrest” is that we are not looking for “a seat at the table.” The project of anti-capitalism cannot be advanced, ultimately, by allowing our forces to get bogged down in the political process of capitalist-state politics. On the contrary, we want to sharpen the antagonism that divides the anti-capitalist forces of the Left from the pro-capitalist forces of the Right. From this it follows that our approach to politics will focus on *extra-parliamentary politics*, above all, grassroots popular mobilization. An attrition strategy must guard carefully against winning so-called “gains” that in fact have the effect of strengthening our adversaries by allowing some of our forces to be co-opted into the “mainstream” political process, in pursuit of the deluded aim of “working for change from within.”

We need to fight from outside the system, even as we make demands on it.

- *Strategic Dispersal, Tactical Concentration:*

Second, the anti-capitalist attrition strategy should motivate us to combine strategic dispersal with tactical convergence. Building oppositional social movements that are *effective* requires tactical convergence (a concentration of oppositional forces, taking united action for maximum impact). On the other hand, if the organizational and political unity of the Left is too complete, the task of weakening and containing it is made too easy for the authorities: if they neutralize one or two organizations (or tactics), by whatever means, the movement can be derailed indefinitely. But a movement with multiple organizations, pursuing multiple tactics, and working on multiple fronts, will be much harder to defeat – *as long as it is capable of timely tactical convergence*, i.e., coming together for united action in support of a particular demand with broad appeal. Successful movement-building requires that we work on getting the balance right between strategic dispersal (dividing our side into many organizations, pursuing many tactical approaches, including direct action, mass demonstrations, public advocacy campaigns, etc.) and tactical concentration (i.e., cultivating a capacity for united action).

- *Tactical Militancy.*

Third, an attrition strategy seeks to avoid *decisive* confrontations, by which I mean “betting the farm” on an all-out struggle against an opponent more powerful than ourselves. But that does not mean that it disavows confrontation as such. Far from it. It demands an appropriate use of militancy, whenever its use can strengthen our side and weaken theirs, above all in the context of mass protests or strikes. Such tactics can have important positive effects, notably these three: building the confidence and boldness of the anti-capitalist opposition, polarizing the political debate in society around a certain issue, and provoking outbursts of self-defeating state repression. These benefits can be crucial in helping us to build movements, but also to attain the other strategic objectives of the attrition strategy.

V. SUBVERTING MASS LOYALTY

Now let’s consider methods for pursuing the second strategic objective of the attrition strategy: *subverting mass loyalty to the system*. Here we need to separate out the three kinds of subversion that the attrition strategy urges us to pursue simultaneously: economic, political and cultural.

- *Economic Subversion:*

On the economic front, the task of subversion implies winning people away from their attachment to the profit-driven, market economy – which they may see as inevitable, and upon which they almost certainly depend for their survival and/or well-being. Today, in particular, this requires that we go beyond vague ideals about equality and democracy. We have to draw people

into actually existing, viable alternatives. This means taking very seriously the task of building up the so-called “social economy” (also known as the “solidarity economy”): workers’ co-operatives, consumer and housing co-operatives, experiments in “participatory economics,” small-scale barter economies, and other forms of democratic and egalitarian economic activity operating in the margins and interstices of contemporary capitalism. Marx rightly saw in co-operatives the seeds of a new, radically democratic and egalitarian alternative to capitalism, and today’s Left needs to do much more to promote them as a living alternative to profit-motivated economics.

• *Political Subversion:*

On the political front, the task of subversion implies, in the *short term*, drawing people into forms of civic engagement that lie beyond the mainstream political process, notably participating in movement activism, as opposed to voting and joining electoral political parties, and in the *long term*, cultivating the emergence of alternative, parallel political institutions, beyond the control of capital and the state, such as popular assemblies or councils, like those that have accompanied so many of the major social upheavals of modern times. In short, the Left must offer modes of civic participation which compete effectively for the loyalty and identification of masses of people: a politics that is *oppositional* rather than *integrative*.

• *Cultural Subversion:*

On the cultural front, the task of subversion implies the cultivation of a *counter-culture* of values, lifestyles and social practices that tend to cut against both acquiescence in the rule of the market and identification with its characteristic values. A clear example of a subversive lifestyle would be the anti-consumerist lifestyle of “simple living.” Any such lifestyle or value system will be vulnerable to cooptation, as capitalists seek to exploit the ostensible alternative as a vehicle for selling a line of products tailor-made to cater to its participants. But this just implies the need for constant vigilance and ongoing attention to the problem of sustaining anti-capitalist consciousness in spite of pressures toward co-optation and assimilation (‘counter-subversion’).

VI. CONSTRUCTING AN ANTI-CORPORATE ALLIANCE

Finally, we need to identify some basic methods for pursuing the third strategic objective of the attrition strategy: *constructing an anti-corporate alliance*, capable of posing a real threat to capitalism. The first thing to do is to specify the appropriate “constituency” of such a political project. The forces of anti-capitalism are now few in number, but we need to gain influence among a constituency much broader than ourselves. Here we need not innovate: the Left has traditionally identified as its audience a broad sector of the populace, consisting of the membership of working-class organizations, classically including unions and co-operatives, and their “natural allies” in those democratic and egalitarian community organizations working within civil society to achieve social and environmental justice, and political and eco-

nomic democracy. This constituency has the two advantages of being both potentially receptive to anti-capitalist (or at least anti-corporate) politics, and potentially powerful in the threat that it can pose to the status quo. So, what we need to do is mobilize this constituency to build a powerful anti-corporate alliance of labour and community organizations. But, no less important, we need also to ensure that radicals, of varying political stripes, are able to operate within these labour and community organizations, and to have a certain influence within them, which will naturally tend to be greater in times of significant social upheaval, and weaker in other periods.

The value of such a labour/community alliance for the anti-capitalist project is clear. But what, tactically speaking, can we do to build it? Here’s two crucial elements of the answer to that question.

• *Social Movement Unionism:*

First, within the labour movement, we need to challenge the “economistic” narrowness of “business unionism,” by organizing at the grassroots level within unions for a “solidarity” or “social movement” unionism, which focuses not only on bargaining for wages and benefits, but also on a broader political agenda for democratizing the economy, and for promoting social movements against racism, sexism, poverty and environmental destruction.

• *Class-struggle Social Movements:*

Second, within the wider civil society social movements (feminism, environmentalism, etc.), we need to promote a consistently anti-corporate, pro-worker consciousness, as an indispensable aspect of Left politics. Thus, for example, we need to make the case for a *class-struggle feminism*, a *class-struggle anti-racism*, and a *class-struggle environmentalism*, and so on. Doing so will both enhance the effectiveness of these movements on their own terms and sharpen the antagonism that divides these movements from the economic and political elites of capitalism

VII. CONCLUSION

A strategy of the kind proposed here – which is suitable for a period of protracted, asymmetric conflict against a powerful ruling class – cannot *overthrow* capitalism. That requires a specific strategy for defeating the employer class and the capitalist state in a decisive struggle to resolve a profound social crisis in favour of the anti-capitalist Left. But the strategy of anti-capitalist attrition *can* serve as a long-range strategic orientation for radicals in the contemporary period: a framework for setting goals, choosing tactics, and assessing gains and losses. **R**

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The Australian Radical Left...

The Australian Democratic Socialist Perspective (DSP) has been an important reference point for the radical left around the world for two decades now.

This is related to the importance of its publication, *Green Left Weekly*, for its socialist coverage of Australian and world events, and its role as a meeting point of various radical movements within the Pacific region through its conferences and solidarity work. Like Socialist Project and other forces pushing for a new left in Canada, the DSP has followed closely the Bolivarian movements in the Andes countries. The DSP has also been a key initiator of political attempts to move beyond the small sectarian groupings that have dominated the radical left for fifty years.

To this end, it has been a key promoter of the Socialist Alliance in Australia. Like the new Anti-Capitalist Party in France, it is attempting to take this new orientation to building new socialist parties a step further. As part of our efforts to keep abreast of developments amongst the 'emerging left' for Canadian socialists, *Relay* publishes here an interview with Peter Boyle of the DSP, and the recent important statement by the DSP toward building the Socialist Alliance and some of the organizational and political tasks ahead.

Uniting the Socialist Left: The Australian Experience

Peter Boyle is National Secretary of the Democratic Socialist Perspective (DSP), a Marxist tendency in the Socialist Alliance in Australia. He was interviewed for Socialist Voice (SV) by co-editor Roger Annis.

SV: The Australian left founded a project of left unity and activism in 2001. Can you describe the early years of that project and what it achieved?

PB: The Socialist Alliance was formed in 2001 on the back of great optimism about the prospects for left revival in the wake of the rise of a movement at that time against capitalist globalization. Some 20,000 people had participated in a three-day long blockade of a summit of the World Economic Forum in Melbourne the previous year. That was Australia's "Seattle"^[1] and it was followed up on May 1, 2001 with mass blockades of the stock exchanges in all the capital cities of the country.

The formation of the Socialist Alliance was just one of a number of initiatives at the time to take this political momentum forward. While it has not had a smooth road since then, the Socialist Alliance is the only one of these initiatives surviving today in Australia. Regroupment projects inspired by anarchist ideology and attempts to create local social forums all proved short-lived.

The Socialist Alliance experience has been shaped by the ebbs and flows of the social movements. It became clear after the forward momentum of the post-Seattle anti-capitalist movement was cut off – after the failure of the global mass movements to stop the 2003 invasion of Iraq – that we were overoptimistic in 2001. We have seen movement retreats since then. But there have

been some advances, too. We should also see the connections between the global wave of anti-capitalist sentiment a decade ago and the new rise of anti-capitalist sentiment today: one builds on the other.

SV: What political forces initiated Socialist Alliance, and what new forces have been won to it?

PB: The Socialist Alliance was initiated by the Democratic Socialist Party (the predecessor to the Democratic Socialist Perspective of today) and the International Socialist Organisation. A handful of smaller left groups joined in. Other left groups, such as the Communist Party of Australia and Socialist Alternative, were invited but declined to join the Alliance.

The groups that did join the Alliance agreed on a common political platform focused on immediate class struggle responses to neoliberalism. It was also explicitly socialist. We agreed not to make the historical and theoretical differences between the groups a barrier to working together around what we agreed on. At the same time, the Socialist Alliance created forums for ongoing public discussion and debate.

The basic idea was that we didn't have to have resolve all the ideological and historical disputes that divided the various factions of the left before agreeing to organize together on a fighting program against capitalist attacks and for socialist solutions to the urgent problems society faces today. Indeed, we were more likely to resolve these differences after we had gone through an extended experience of working together around what we agreed on – which was substantial.

STRESS ON INCLUSIVITY

We agreed on a basic structure and constitution which put the emphasis on inclusivity. As the biggest of the groups that founded the Alliance, the DSP made concessions which restricted itself to a minority vote on leadership bodies and in conferences. We saw this as an interim confidence-building measure.

The unprecedented unity of these left groups, which until then had spent lots of energy criticizing each other, made a significant impact on the much broader layer of left activists who had not joined any of the pre-existing socialist groups. Hundreds of them joined the Socialist Alliance, quickly becoming the majority of its members. Among those who joined were a number of militant trade unionists.

These included shop-floor delegates as well as a few elected leaders of militant unions. One of these leaders was Craig Johnston, the former Victorian state secretary of the powerful manufacturing workers union. Craig was later jailed for several months^[2] for leading militant industrial action and lost his old leadership position. He remains an active delegate in the construction industry and is still a proud member of the Alliance.

The formation of the Socialist Alliance was preceded by a sequence of political collaborations of the militant trade unions with the radical left between 1998 to 2001. These occurred in the state of Victoria in particular, but also in the state of Western Australia. They included militant mass picketing against the Liberal-National government's failed attempt to destroy the Maritime Union of Australia (MUA) in the late 1990s, and the anti-globalization protests mentioned above.

These were political collaborations that extended outside industrial struggles. They posed the challenge of building a common political party. Every national conference of the Socialist Alliance since its formation has been attended by leading militant leaders in the trade union movement, some of whom are Alliance members and others are still in the Labor Party or not in any party. A number of these conferences have had their venues paid for by militant unions, and the Alliance also received the first public donations by unions to a socialist organization in decades.

INDIGENOUS STRUGGLE

Sam Watson, a respected and militant leader in the Aboriginal community also joined the Alliance, and remains its spokesperson on Indigenous affairs. He has stood as a Socialist Alliance candidate in state and national parliamentary elections. Since then several other leading Aboriginal activists have also joined the Alliance.

The Indigenous struggle is very important in Australian politics because the social legacy of the colonial dispossession of the Aboriginal people is horrible. Aboriginal people suffer racism, extreme economic marginalization and Third World health and housing conditions. This in a one of the richest countries in the

world. The indigenous struggle has massive moral weight and points to an alternative way of living based on sharing and working with nature.

Solidarity with the aboriginal rights struggle has an added urgency ever since the adoption by the federal government in 2007 of "emergency" legislation, known as the "Intervention," which authorizes police and social agencies to intervene with draconian powers against the political, social and communal rights of Indigenous people in the Northern Territory. This attack continues under the newly elected Labor Party government and is being extended into other states in the country.

Apart from movement leaders, a number of left-wing intellectuals also joined the Alliance. These included one of Australia's most prolific Marxist historians, Humphrey McQueen.

A number of former Labor Party members, former Communist Party members and a few former Greens members, including one former state secretary of the Greens, also joined the Socialist Alliance.

TEST FOR LEFT GROUPINGS

This was an important opening for the left in Australia, which was (and remains) small and relatively isolated in the labour movement. Would the left seize this as a chance to build a multi-tendency socialist party with a significant connection to the labour movement and other key social movements? This was clearly the wish of the large majority of Alliance members who were not members of any of the founding affiliate groups, and the DSP agreed with them. However, all the other affiliated revolutionary socialist groups disagreed. Each thought their own "correct" programs would be liquidated if they built the Alliance as our common party. They could conceive of the Alliance only as a site for their "real" revolutionary parties to intervene in or, at best, as a "united front of a special kind."

This view, which is sectarian because it spurned a chance to unite politically with a broader layer of left leadership in the movements, was rejected by the majority of Alliance members in at least three national conferences in a row (in a situation where the DSP restricted its representation in both delegates and elected leadership bodies).

SV: Some groups and individuals who were a part of the founding of the Socialist Alliance or of its early years then departed. Were their departures justified, and did they end the project?

PB: Their departures were not justified and these departures did not kill off the Socialist Alliance.

By the Socialist Alliance's May 2005 national conference, it was clear that all the other revolutionary groups affiliated to the Alliance were opposed to taking the Alliance forward. At most they were willing to participate in the Alliance as a loose electoral front in which a minority retained veto powers by right of their group affiliate status. They began to pull back even the rela-

tively modest resources they put into the Alliance. By 2007, all the founding affiliates aside from the DSP and Resistance, a youth organization allied to the DSP, had formally left the Alliance.

Also in 2005, a minority emerged in the DSP which essentially agreed with the sectarian approach of other affiliates who opposed building the Socialist Alliance as a new multi-tendency socialist party.

The DSP majority decided that it was be wrong to abandon the Socialist Alliance, arguing that the large majority of people who had joined and were not members of the founding affiliate groups still saw the Alliance as their party and that the Alliance had won a modest but significant broader recognition and respect in the labour movement.

The DSP then underwent a protracted three-year-long internal faction fight, which took significant energy away from building the Socialist Alliance. But through all this the majority of the non-affiliate group membership of the Socialist Alliance continued to see the Alliance as their party. Craig Johnson and Sam Watson are still members, as are most of the militant trade union shop-floor delegates and social movement activists.

Others have joined the Socialist Alliance since. A group of Sudanese communists affiliated to the Alliance last year. They produce *Green Left Weekly's* Arabic-language supplement (a significant gain, as Arabic is one of the major minority language groups in Australia today).^[3] A prominent Sinhalese public defender of Tamil rights in Sri Lanka has joined, as have some Salvadoran community supporters of the FMLN. And there is a small but steady stream of former Labor Party members.

CONTINUED GROWTH

The majority of the members of the Socialist Alliance are still not members of any affiliate group. So the confidence of the DSP majority in the need to keep building the Socialist Alliance has been confirmed. The Alliance is the biggest socialist organization in the country, and it is continuing to regroup the left in a modest but nevertheless significant degree.

The groups that left the Alliance did so despite being able to agree on a common political platform and despite years of common experience working effectively together in the trade union and other social movements. This is the amazing part of our experience, and it should not be missed. Between 2001 and 2005, the Alliance proved that the fractious left could work together and that in doing so it could become more effective.

But it also showed us that the political will to do so has to be there as well. The various left groups that walked out of the Socialist Alliance can work together in the future if they have the will to do so. Everyone in the left has to confront the following questions sooner or later. Are you serious about your socialism? And what is more important – preserving many micro-parties, each defending its programmatic shibboleths and the ordained leadership role this is supposed to give them, or struggling to win

real leadership authority in a bigger, broader and more effective party of left regroupment?

By and large, the Australian Greens party still claim most of the progressive vote in this country. This has discouraged smaller socialist groups from staying in the Socialist Alliance, at least to participate in elections. The fact is that the Socialist Alliance has usually struggled to get more than 1.5% in elections, though in local elections in NSW and Victoria last year, Alliance candidates received votes from 4.5% to as high as 18.9%.

Under increasingly draconian/exclusive electoral registration regulations, the relative breadth of the Socialist Alliance made it possible to get the word “socialist” onto ballot papers in most states/territories and nationally for the first time in decades. Our modest election campaigns also raised the profile of socialism.

Each one of the alphabet soup of small socialist groups say they’ll be in a new left party if what is on offer is a new mass party. They’d be in such a party even if its politics was reformist or liberal. The Socialist Alliance is not a mass party, but it is an opportunity to build a bigger party around a class struggle program, like that of the New Anti-Capitalist Party in France.^[4] I don’t think the left should pass up on what we have achieved to date.

SV: What role did the Alliance play in last year’s federal election that saw the Labor Party returned to power?

PB: A major reason why the Alliance continues to hold the loyalty of forces broader than the smaller socialist groups is that it played an active role in building a mass fightback against a set of draconian anti-union and anti-worker laws introduced by the former Liberal-National federal government. These were laws that threatened to smash rights won by the labour movement over the last century and it was clear that the previous government had the will and the numbers in parliament to push them through.

The left had two choices at that point. It could retreat, circle the wagons around the revolutionary program (or rather their umpteen variations of it) and survive as little socialist groups living off a few idealistic youth recruits from the campuses. Or it could try and build the best possible mass fightback in the labour movement and continue with left regroupment.

We had this discussion in the DSP and in the Socialist Alliance, and a majority of members were in favour of fighting for the best mass resistance possible. Even if a fight could not stop these laws from being passed, a workers’ movement that put up a mass fightback would come out with the greatest strength to fight again another day.

In May 2005, alongside the Socialist Alliance national conference, we initiated a broader gathering of militant trade unionists called the Fightback Conference.^[5] It was a powerful gathering, as all the affiliate groups at the time acknowledged.

The militant section was a minority in the trade union movement at that time, as it is now, but it resolved to fight. First, it won

mass support among union delegates in the state of Victoria, initially for a mass response to the anti-worker laws which were outrageously named “Work Choices” by the Liberal-National government.

MASS ACTIONS FOR UNION RIGHTS

The first mass action against Work Choices took place in June, 2005. Some 350,000 workers mobilized around the country and did so against the wishes of the top trade union leadership, the Australian Council of Trade Unions (ACTU). The ACTU leadership had decided that industrial and street action would put off voters and so the trade unions should wage the fight through multi-million dollar television advertisements instead.

But after trade unions in Victoria, Queensland, and Western Australia decided to break from this approach, the ACTU began to crumble. In the state of New South Wales, a panicked union leadership called mass delegate meetings to try and ram through the ACTU’s “clever tactics” advertising perspective. But to their horror, the delegates voted for mass action. The Socialist Alliance was blamed for taking over these meetings. We wish we had had the strength to do that. In fact, this was a largely spontaneous expression of rank-and-file wishes.

The second national mobilization took place in November 2005. This time the ACTU backed the call-out and regained control of most of the platforms, though militant unionists still featured in some cities and led the platforms in a couple of regional cities. About 650,000 workers mobilized in what was the biggest single workers’ movement mobilization in Australian history.

There were more mass mobilizations in the next two years, and although the anti-worker laws were passed into law in March 2006, the Liberal-National’s Prime Minister John Howard became a widely reviled figure. Finally, Howard (who lost his own seat in a blue-ribbon Liberal district!) and the Liberal-National government was swept out in the November 2007 elections.

Since then, we’ve had a chance to test the theory that putting up a fight against the anti-union laws preserves the strength of the labour movement (and other social movements). We’ve done so in the more difficult context of the new, Labor Party federal government that remains very popular, in part because of the memory of the anti-worker actions of the previous government.

The Labor government is trying to preserve as much of the neoliberal measures implemented by previous governments (both Liberal-National and Labor) while appearing to stand for change. Labor PM Kevin Rudd is like an Obama without the charisma!

It is very clear already that on the fronts of workers’ rights, Indigenous rights, climate change, and the wars in Iraq and Afghanistan, the Rudd Labor government is betraying its promises to the people who swept it into government. It is working hard to minimize opposition to its betrayals. It retains a huge influence over most trade union officials as well as the loyalty of a conser-

vative top leadership of the environmental movement and influential but conservative Aboriginal figures. We are seeing growing dissent on all these fronts, and Socialist Alliance continues to be among the activists in each of these struggles. However, most of the left outside the Alliance is still in the mode of retreat and abstention.

On April 28, some 15,000 workers in the construction industry took to the streets in Melbourne to protest Labor’s failure to remove anti-worker laws dating from the Work Choices era that specifically target unions in this industry. These workers are in the forefront of workers’ struggles today and they are an example of the future coming toward us. The most militant sections of this struggle is in the state of Victoria again, because this is where the militant section of the trade unions is strongest. They have a strong base at the shop-floor level in several industries. This is in part a legacy of the struggle of an earlier generation of socialists, led by militants influenced by Maoism the 1970s. But Socialist Alliance is now part of that section of militant unionists.

Another significant victory this year was at a national meeting of climate change groups in Canberra in February where the radical platform supported by Socialist Alliance and a number of other environmentalists, including a section in the Greens Party, was adopted. The first round of national mass mobilizations initiated through this process will take place in June to mark World Environment Day. Climate change is a critical political issue which the left needs to prioritize today.

SV: Your party has been reporting favorably on new parties of left regroupment and expansion in the Philippines, Indonesia, Venezuela and other countries. Are you encouraged by developments there, and are there lessons for the peoples of other countries?

PB: Australia is a rich imperialist country that is relatively isolated from the rest of the world. So in the DSP we have always attached great importance to staying in touch with struggles overseas. We seek to learn from these struggles as well as to make a modest contribution to the popularization of all struggles of resistance and progressive change – particularly in the Asia-Pacific region. Our international collaboration has kept us inspired and also as open Marxists – Marxists who take seriously Marx’s own warning not to treat his powerful ideas as a religion.

The Venezuelan revolution is shaping the movement for socialism in the 21st century. Every real step forward for the socialist movement is worth more than a thousand paper manifestos. We are determined to learn from the experiences of the revolutions today. That is why we have DSP comrades in Venezuela and in Nepal, making links and facilitating deeper study of the revolutionary experiences there. That is why our comrades play a major role in leading brigades to Venezuela twice a year since 2005.

I recently traveled to the Philippines in order to learn about and report on the new, mass party of the left that has been formed there, called the “Party of the Masses.” We maintain fraternal ties

with it and with parties and activists in Indonesia, Malaysia, Pakistan, India and many other countries.

PARTY-BUILDING PERSPECTIVES

Over the next six months, in the lead-up to a DSP congress scheduled for January 2010, members of the DSP are going to have a serious discussion about party-building perspectives. How do we best build on the gains we have made through the DSP and the gains made through the Socialist Alliance? We'll be involving Socialist Alliance members who are not members of the DSP in this discussion. It will be public.

My personal opinion is that it is time for the DSP to make a decisive turn toward building the Socialist Alliance as our new party. We've been held back by the hesitations of former Alliance affiliates and a former minority in the DSP for too long already. That's behind us now and it is time we moved forward. This opinion has been strengthened through many discussions with a broad range of our international collaborators who participated in the recent World at a Crossroads Conference in Sydney.^[6] The DSP's broad international work allows us to think more creatively about what we can do to build a bigger and stronger socialist movement in our country.

SV: Could you explain what are some of the next steps that you might take in this direction?

PB: The DSP is serious about left regroupment and we are serious about revolutionary socialism. We don't have the infantile delusion that the DSP is the vanguard party of the revolution. A real revolutionary vanguard has to be built through a process of regroupment/s and accumulation of political experience and actual political authority in the labour movement. What we have done in our tendency over the last four decades is but one small part of this process. This is not to minimize what we've done since our beginning as a party project in the early 1970s, but rather to have a sense of the true proportion of the work we have done and what has yet to be done.

We confront the challenge of left regroupment in a time of severe, triple crisis of capitalism. First, the climate change crisis, which threatens human survival on a global level; second, the worst global economic crisis since the Great Depression (though it is hitting Australia later than countries); and third, the widespread crisis of legitimacy of capitalist neoliberalism. The legitimacy crisis of capitalist neoliberalism is not a new phenomenon. It has been mounting up for more than a decade and underpins the revolutionary advances in Latin America and elsewhere, as well as wave of anti-capitalist globalization at the turn of the century.

The left in Australia is too small to force the pace of the movements needed to fight the capitalist "solutions" to these crises that are being prepared and beginning to be imposed. We have to be in the growing resistance to these capitalist "solutions." Any left group that is content to just shout from the sidelines "Capitalism has failed, embrace socialism!" is doomed to become ever more sectarian.

DISCUSSION ON POPULAR POWER

That said, there is also an expanded room for political discussions about capitalism and socialism. If the left does this well, it will strengthen the forces that are building resistance movements to the triple crisis. So we need to put our minds to this challenge. Coming out of the World at a Crossroads Conference, we had some informal discussion about what to build in Australia as a next major international conference of socialist discussion, debate and collaboration. Michael Lebowitz, one of our guest speakers, suggested that we hold a conference next year about historical experiences in popular power and participatory democracy that takes in experiences (contemporary and historical) from around the world.

We've forged growing links with the comrades leading the communal councils/commune process in Venezuela, which seeks to become a new base institution of popular power. We've got links with numerous socialists who have studied the real experiences of the Soviet system, the Cuban democratic system, and other such historical experiences of popular power. We've got links with socialists involved in workers' management or who have done real studies in previous such experiments.

We have links with militant trade unionists in Australia with years of real experience in militant shop-floor and delegate organizing. We have links with local government activists who have explored participatory democracy at that level, and so on. Can we bring all these comrades together in a common discussion? Well, we are discussing this and other ideas with a broad range of collaborators. History has shown that the biggest problem for the world's oppressed majority is not coming to an awareness of the failures and injustices of the capitalist system but developing the confidence that the majority can exercise its democratic power in a participatory and sustainable way. It remains the key ideological question upon which turns the prospects for the transformation of socialism into a mass movement in the 21st century. **R**

1. "The politics of the new movement for global solidarity," links.org.au/node/124
2. Craig Johnston, welcome back to the struggle! www.socialist-alliance.org/page.php?page=424
3. *The Flame*, Arabic supplement to *Green Left Weekly* links.org.au/taxonomy/term/319
4. "France's New Anti-Capitalist Party: An exchange between Alex Callinicos (British SWP) and François Sabado (LCR)," links.org.au/node/759
5. "Union leaders: 'Defy Howard's laws!'," www.socialist-alliance.org/page.php?page=433
6. "Left activists discuss solutions at World at a Crossroads international socialism conference," links.org.au/node/999. Also see: www.cpi.ml.org/liberation/year_2009/may_09/reports.html

THE EARLY HISTORY OF THE DSP?

It was founded basically as a result of the anti war movement in Australia in the 1960s which was strong because Australia actually had troops in Vietnam. The Conservative government in Australia was committed to the war and the prime minister at the time was one of those encouraging the American government to commit troops to Vietnam. Resistance was one of the major anti-war organizations that developed out of that radicalization and it was a huge youth organization that was particularly based in Sydney. Of course you also had the women's movement that influenced Resistance as well.

Older members also talk about the Society for the Conversions of Revolutions Everywhere (SCREW) but I think Resistance was really the first one in '65 or '66 that looked at alternatives, to look deeper beyond the issues of the war and it started to look at socialist politics. It didn't relate to the Communist Party of the time as it didn't like what Stalinism stood for or to the the Maoist organizations and gravitated towards a Trotskyist position.

This was also partly influenced by the fact that the Socialist Workers' Party (SWP) were leaders in the U.S. anti-war movement and had a lot of influence on Resistance at the time. In 1972 we established formal relations with the SWP in the United States, though in that period there were lots of different currents in Resistance. The leadership of Resistance ended up with the conclusion that we needed to build a revolutionary party called the Socialist Workers League which then became the SWP and later on again we changed our name to DSP in the '80s. So that was how we came about.

We joined the Fourth International (FI) officially in 1977 after much discussion and then we broke with them in 1983 and that's when we developed another side of our politics. Internationalism was not about just taking the line from another country. We developed a need for our independence. We didn't want just New York or Paris to make our decisions. The 1980's were a very difficult period in Australia. It was a period of regroupment of the left and it was also the period when the Australian Labour Party was in office. From 1983 to 1996 the Labour Party was in government and in that period we saw the decimation of the spirit in the left.

Q: When did you start to build a union base?

With the Fourth International, we made the turn to industry in 1979 and that was a rich experience for us. In the process we disagreed with the way in which the FI talked about the working class coming to the centre stage, classifying industrial workers having a hierarchy of oppression and a hierarchy of importance for the working class. We learnt a lot about trade union struggles and we engaged in a number of battles. We were instrumental in waging a campaign to increase the number of women hired and take out all the discriminatory hiring practices. It ended up in being a million dollar law suit that was won by the women but it went on for ten years.

We also developed bases in the construction trades and others but we were wiped out in those areas. This was due to the

recession and in the construction industry in particular just about every single person who worked with us was basically blackmailed and couldn't find work. A lot of our militants became demoralized and dropped out of politics. This was a period of time when the construction unions were challenging the accord that the Labour government had established between the unions and the employers.

The pro-Moscow left in the construction trades were fully in support of the Labour government. They had this line that there were problems with the accord but it was better than having to live with the Right. In the process the Construction workers who were threatening the accord were smashed, and a whole series of things happened. The secretary of the union was put in jail because of supposed corruption charges and all the funds of the union were sequestered. The union was deregistered and was not able to represent its members and the other unions stepped in with police support and left acquiescence.

This is why the DSP came out of that period and survived so strongly while other organizations got smashed on the left. For example, the Communist Party of Australia and the Socialist Party of Australia were smashed in the end because they went along with the Labour government. At the time we lost a lot. There were many of us, my self included, who were shop stewards, secretaries, full time union officials and lost positions and jobs. The Labour Accord was not good for the working class and history has proven us right. During the Labour governments there was the greatest shift in wealth in the history of Australia. Never happened before. The richest people in Australia doubled their wealth.

Q: When did the DSP start relating to the environment movement?

The socialist movement has always been slow at relating to social movements that developed like the the Black movement, gay and lesbian and so on. The DSP wasn't always weak on that stuff and it certainly wasn't weak on the question of internationalism. In the '1980s we started to look at what was happening to the Greens in Germany and we started changing.

Sure there are a lot of shibboleths and new age philosophy about green politics but the underpinning question we asked ourselves, "is there an environmental crises that is threatening humanity?" We had to say "yes." If it's a major question for humanity then it's a major question for socialism to deal with. And the only solution is to be found not in capitalism but in socialism. The market won't reflect the social concerns. We've always said there is no contradiction between being Marxist and Leninist and being an environmentalist. We argued that position to explain why the Soviet Union was such an environmental disaster. We've explained why increased productivity, environmental productivity, will alleviate human suffering, that its not growth that's the problem, control of the growth and the allocation of resources would alleviate poverty in the Third World. We are not saying that socialism is going to solve all your problems but at least we'll have a framework to deal with it. **R**

This article first published in the short-lived magazine *Ginger* – www.pance.ca/ginger.

Australia Moves On: Party Building Perspective Report

The following report and summary by Peter Boyle on behalf of the DSP National Executive was adopted unanimously by the DSP National Committee (NC) on June 7.

It is time for the Democratic Socialist Perspective (DSP) to make a decisive turn toward building the Socialist Alliance as our new party. We've been held back for far too long already, first, by the hesitations of former Socialist Alliance affiliates and then by the former minority in the DSP. It was the responsible thing to take some time to deal with the destructive factional split in the DSP but that is behind us now and it is time we moved forward to build the Socialist Alliance as a bigger, more influential and more working class-based socialist organisation, than any currently in existence in Australia.

We know already from our experience that we do not have the resources to simultaneously organise the DSP, Resistance and the Socialist Alliance to their full potentials. Our current setting is unsustainable and is forcing us to pull our punches because: a) it involves considerable duplication and is an unnecessary drain on comrades' time and energy; and b) it is confusing to our own members as well as to people coming around the Socialist Alliance, the DSP and Resistance.

WE'RE SERIOUS ABOUT LEFT REGROUPMENT

The DSP is serious about left regroupment and we are serious about revolutionary socialism. We agree that socialist revolution requires a strong, united and disciplined revolutionary vanguard. However, a real revolutionary vanguard has to be forged in struggle and built through a process of regroupment(s) and accumulation of political experience and actual political authority in the working class. Everything we have done in our tendency over the last four decades has been done to make small initial steps in this process. This is not to minimise what we've done but rather to have a sense of the true proportion of the work we have done and what has yet to be done.

We take seriously Lenin's warning to socialists from other countries who looked to the Bolsheviks as example to not just see the powerful party that was forged but to study its history to understand how it was forged. And we conclude that it is a mistake for any small revolutionary group to imagine that the building of a mass revolutionary vanguard is a simple process of cohering more and more people to some self-declared vanguard which claims to have the correct revolutionary program.

The real "Leninist" party building includes a permanent search for ways to unite with real emerging political vanguards in the working class, including (but more than) the regroupment with left groups and individuals. Left regroupment is not just some optional short-term tactic that some self-declared vanguard

deploys from time to time to win a few more members from other political organisations. Unfortunately, that is how many on the far left today see left regroupment. And worse still they call this "Leninism" – and in doing so they have given Lenin a bad name.

We know real revolutionary vanguard status cannot be proclaimed simply by dint of adherence to a revolutionary program. It needs to be won in action. We also know that the high degree of political unity and discipline required in an effective revolutionary vanguard cannot be decreed by adopting a democratic centralist constitution. All these things have to be struggled for continuously and the specific organisational forms required in each stage of gathering the forces for and assembling an effective political vehicle to lead the struggle for socialism vary from stage to stage of this process.

THE POLITICAL CONTEXT TODAY

We confront the challenge of left regroupment in a time of a severe, triple crisis of capitalism. First, the climate change crisis, which threatens human survival on a global level; second, the worst global economic crisis since the Great Depression (though it is hitting Australia later than other countries); and third, the widespread crisis of legitimacy of capitalist neoliberalism. The legitimacy crisis of capitalist neoliberalism is not a new phenomenon. It has been mounting up for more than a decade and underpins the revolutionary advances in Latin America and elsewhere, as well as the waves of anti-capitalist movement since the turn of the century. We are moving into a period of significant political and social upheaval and we need to have the strongest political vehicle that we can assemble. We also need a vehicle that is able to reach and draw in the new forces for radical change that will be thrown up in such an upheaval and win these forces to a socialist perspective.

The left in Australia is too small to force the pace of the movements needed to fight the capitalist "solutions" to these crises that are being prepared and beginning to be imposed. We have to be in the growing resistance to these capitalist "solutions." Any left group that is content to just shout from the sidelines "Capitalism has failed, embrace socialism!" is doomed to become ever more isolated and sectarian. In our current interventions in these movements we are already caucusing and organising through the Socialist Alliance. This broadens the reach of socialists in the movement. But even here our work could be more effective if the Socialist Alliance develops an effective leadership bodies and branches.

BATTLE OF IDEAS

There is also an expanded opening for political discussions about capitalism and socialism. If the left does well in this battle of ideas, it will also strengthen the resistance movements to the

triple crisis. So we need to put our minds to how we can go on the offensive on this front.

While the World at a Crossroads Conference was hosted by the DSP and Resistance, the majority of participants were not DSP members. A number of the speakers were Socialist Alliance members who were not members of the DSP. A range of people, who would not necessarily agree with the DSP on all theoretical and historic issues that the DSP has taken positions on, were keen to have a discussion about socialism and revolution. We saw the same thing at the 2008 Climate Change | Social Change Conference.

Coming out of the World at a Crossroads Conference, we had some informal discussion about what to build in Australia as a next major international conference of socialist discussion, debate and collaboration. Michael Lebowitz, one of our guest speakers, suggested that we hold a conference next year about experiences in popular power and participatory democracy that takes in experiences (contemporary and historical) from around the world.

We've forged growing links with the comrades leading the communal councils/commune process in Venezuela, which seeks to become a new base institution of popular power. We've got links with numerous socialists who have studied the real experiences of the Soviet system, the Cuban democratic system, and other such historical experiences of popular power. We've got links with socialists involved in workers' management or who have done real studies on previous such experiments.

We have links with militant trade unionists in Australia with years of real experience in militant shop-floor and delegate organizing. We have links with local government activists who have explored participatory democracy at that level, and so on. Can we bring all these comrades together in a common discussion? Well, we are discussing this and other ideas with a broad range of collaborators. History has shown that the biggest problem for the world's oppressed majority is not coming to an awareness of the failures and injustices of the capitalist system but developing the confidence that the majority can exercise its democratic power in a participatory and sustainable way. It remains the key ideological question upon which turns the prospects for the transformation of socialism into a mass movement in the 21st century.

Which organisation would best host such a conference, should we decide to have it? I think it should be the Socialist Alliance. This would maximise the outreach. But to pull off such a conference, the international work and socialist education work that the DSP has done separately to the Socialist Alliance needs to be brought into the Socialist Alliance. I think that the broader Socialist Alliance membership will welcome this, just as they have welcomed *Green Left Weekly* as a supportive but independent broad left and green publication project.

Such an integration could spur greater activity and participation of the broader Socialist Alliance membership in socialist activism. But is the character of the Socialist Alliance as a left regroupment vehicle compatible with such an integration?

POLITICAL CHARACTER OF THE SOCIALIST ALLIANCE

The groups that initiated the Alliance agreed on a common political platform focused on immediate class struggle responses to neoliberalism. It was also explicitly socialist. We agreed not to make the historical and theoretical differences between the groups a barrier to working together around what we agreed on. At the same time, the Socialist Alliance created forums for ongoing public discussion and debate. The basic idea was that we didn't have to have resolved all the ideological and historical disputes that divided the various factions of the left before agreeing to organise together on a fighting program against capitalist attacks and for socialist solutions to the urgent problems society faces today. Indeed, we were more likely to resolve these differences after we had gone through an extended experience of working together around what we agreed on – which was substantial.

The unprecedented unity of these left groups, which until then had spent lots of energy criticising each other, made a significant impact on the much broader layer of left activists who had not joined any of the pre-existing socialist groups. Hundreds of them joined the Socialist Alliance, quickly becoming the majority of its members. Among those who joined were a number of militant trade unionists – shop-floor delegates as well as a few elected leaders of militant unions, some leading indigenous activists, activists from other social movements and some left-wing intellectuals.

This was an important opening for the left in Australia, which was (and remains) small and relatively isolated in the labour movement. Would the left seize this as a chance to build a multi-tendency socialist party with a significant connection to the labour movement and other key social movements? This was clearly the



wish of the large majority of Alliance members who were not members of any of the founding affiliate groups, and the DSP agreed with them. However, all the other affiliated revolutionary socialist groups disagreed. Each thought their own “correct” programs would be liquidated if they built the Alliance as our common party. They could conceive of the Alliance only as a site for their “real” revolutionary parties to intervene in or, at best, as a “united front of a special kind.” This view is sectarian because it spurned a chance to unite politically with a broader layer of left leadership in the movements. We have learned to treat the question of left unity seriously and not to play with it. Those who play with unity always pay a political price.

By the Socialist Alliance’s May 2005 national conference, it was clear that all the other revolutionary groups affiliated to the Alliance were opposed to taking the Alliance forward. At most, they were willing to participate in the Alliance as a loose electoral front in which a minority retained veto powers by right of their group affiliate status. They began to pull back even the relatively modest resources they had put into the Alliance. By 2007, all the founding affiliates aside from the DSP and Resistance had formally left the Alliance.

The unwillingness of the other affiliates to really build the Socialist Alliance added to the cost on the DSP of keeping the project going – and made it harder for us to see how to move forward. The DSP then underwent a protracted three-year-long internal faction fight, which took significant energy away from building the Socialist Alliance, Resistance and the DSP. Basically this faction fight was an expression in the DSP of the same sectarian political response of the departing Socialist Alliance affiliates. But through all this the majority of the non-affiliate group membership of the Socialist Alliance continued to see the Alliance as their party. This resilience of Socialist Alliance is extremely valuable especially in the context of the Australian political landscape (in which it has most often been hard work to recruit and retain serious socialist activists). It is a strong reason why DSP members now need to focus on building the Socialist Alliance as our new party.

CONCLUSION

The judgement of the National Executive is that the merger perspective allows us to best advance on movement intervention and party-building fronts. We know we cannot do the best possible job on our current settings. We know already from our experience that we do not have the resources to simultaneously organise the DSP, Resistance and the Socialist Alliance to their full potentials and we are not making the best of each as a result.

The alternative choice is to abandon Socialist Alliance and concentrate on just building the DSP. That’s the option the former minority faction in the DSP wanted. The National Executive’s assessment is that abandoning the Socialist Alliance would cost too much in terms of broader political reach for the socialist movement in this country. The socialist project is built on voluntary political commitment, and sacrificing hard-won extra political reach will have a major cost in the morale and effort of the cadre



core and the broader layers this core leads. So this report from the National Executive (NE) proposes the National Committee:

1. Elects an NE charged with the tasks of investigating and preparing a plan for the merger of the DSP into the Socialist Alliance and to lead a discussion with Socialist Alliance about such a prospective merger.
2. Opens written and oral pre-Congress discussion from the plenum.
3. All DSP branches and districts should attempt to organise as much of their work as possible in the period leading up to the Congress through the Socialist Alliance branches, districts and caucuses/committees. In this time, the DSP branches and/or districts should meet as needed to facilitate this shift and organise pre-Congress discussion and other preparations for the Congress.
4. We cease producing the DSP national newsletter and offer to transfer that effort into producing a Socialist Alliance national newsletter.
5. The DSP NC in October 2009 should re-assess these arrangements and make proposals for the Congress.

These measures will leave the January 2010 Congress with the full option of altering or reversing these perspectives. It also reserves to the Congress the question of what form, if any, the DSP should continue to take after that Congress. The October National Committee plenum should make proposals on these matters. **R**

This is an abridged version of the statement. The full text is available at www.dsp.org.au/node/228.

IN 'POWER' IN PRETORIA

Some in South Africa's Ruling Alliance Contemplate a Shift Left

Patrick Bond

Far more than in any other African country, a vibrant, explicitly socialist trade union federation and a (nominally) communist party have formal representation in the South African government, one re-elected in April with 66% of the vote (down from 70% in 2004). Such representation, however, tempts a well-rehearsed insult, namely that African National Congress (ANC) nationalism will permit the 'Alliance' comrades – the SA Communist Party (SACP) and Congress of SA Trade Unions (COSATU) – to 'talk left' now, in order to disguise the government's 'walk right' later. The discourse-reality gap is not solely South African – nor just the legacy of SA's long drawn-out, Soviet/Swedish-funded, occasionally workerist-influenced, and generally anti-imperialist liberation struggle, three decades of which included an erratic armed struggle, prior to the first democratic non-racial vote in April 1994. The gap can, more generally, be recognized from Frantz Fanon's 'pitfalls of national consciousness' in most of newly post-colonial Africa. Recall Fanon's warning:

"The national middle class discovers its historic mission: that of intermediary.... the transmission line between the nation and a capitalism, rampant though camouflaged, which today puts on the mask of neocolonialism."

An international banker understood Zimbabwe's Robert Mugabe in just these terms two years after he attained power in 1980:

"I feel it is a political pattern that Mugabe give radical, anti-business speeches before government makes major pro-business decisions or announcements."

Both Mugabe and the ANC leadership tend to invoke liberation struggle culture – 'Bring me my machine gun,' Umshini wami, is the most popular war song of the new president Jacob Zuma – in part as a reminder to their constituents of better times, when the leading politicians were really revolutionaries, rather than what they soon became: elites for whom dirigiste economic policies represent not a road to 'African socialism' or even effective Keynesianism, African Peronism or an aspirant East Asian development state, but instead: quite blatantly corrupt crony capitalism.

In an accompanying article, RW Johnson, a talented liberal chronicler of SA's endless political degeneracy, exhibits predictable paranoia about African nationalist populism and the rise of 'an old-style Communist Party.' The 'unparalleled influence and authority in a major state for the first time in many decades' will only be felt sporadically, and in the main policy shift leftwards – national health insurance proposals that will be watered down in coming weeks – the drivers are ANC health professionals not communists. Johnson warns that ANC general secretary (and SACP chair) Gwede Mantashe, speaks 'ceaselessly of the need to establish "working-class hegemony" over every sphere of na-

tional life which, in practice, means SACP control' – but in reality when metalworkers marched against the Reserve Bank in late May demanding a 2% cut in interest rates (they got 1%), it was Mantashe who vociferously lambasted them for 'unhelpful' activism.

Indeed Johnson is contradicted by a simple fact he dare not confront: Pretoria's policies have been – and apparently will be – essentially neoliberal; and it is this more than any other factor that explains the demise of liberation hopes and the rise of acquisitive, unproductive accumulation patterns. Though he hears it, Johnson can't quite come to grips with the talk left walk right trait of nationalism, so attributes capital strike (historically low investment rates) to the ruling party's 'vulgar marxist terminology,' when there are much better explanations, namely the sustained overaccumulation of manufacturing capital and the liberalisation of exchange controls from 1995-2000, which allowed the country's largest firms to move abroad. Johnson blames the victims, attacking a 'thuggish teachers' union,' condemning the civil service as a 'black hole of low skills, corruption and incompetence,' and whingeing about millions of people who react to cut-offs of increasingly commercialised electricity and water by making 'illegal connections and by a steadfast refusal to pay rates and taxes, thus bankrupting two-thirds of the country's local authorities.' (Most of those municipalities were bankrupt to begin with, as they followed apartheid Bantustan logic, i.e. far from the sources of accumulation, they lacked redistributive potentials from richer residents.) Not only does SA shelter a 'vast underclass of beggars, prostitutes and criminals', Johnson claims that 'the extension of welfare has seen the consolidation of nearly two-fifths of the population into workless dependency at the base of society' – as if the national social grants (most in the region of \$25/month) are an incentive to avoid work, at a time unemployment is officially calculated at over 30%. The poor and working people Johnson slams are, in reality, those who will move the society forward to a better distribution of resources and more sensitive social policies.

This is an important layer of the society because leaders of the SACP and COSATU – working within the Alliance – were completely marginalized by former President Thabo Mbeki. To be sure, Mbeki and his closest allies were then peacefully overthrown – first, vanquished in the ANC internal presidential elections in December 2007 and then booted from state power in September 2008. Two months later, several leading Mbekites left the ANC to form the Congress of the People (COPE) party on a good governance program, but only got 7.5% of the vote in the April 22 election. The other centre-right party, the white-led Democratic Alliance, increased its margin by four percent from 2004, to 17% and won the wealthiest province, the Western Cape, while several smaller parties – especially Zulu-nationalist Inkatha – declined precipitously, marking a stage where consolidations and more substantive centrist alliance-building will proceed.

Nevertheless, the war for hearts and minds in the ANC could not be won simply through rightward evacuations to COPE. Just prior to the April 22 general election, COSATU general secretary Zwelinzima Vavi confessed the continuing adverse balance of forces, bluntly arguing, “We want to impose our working class hegemony. This is why others hate us like poison in the ANC.” Added COSATU president Sdumo Dlamini, “There is an anti-communist, anti-workers sentiment we are picking up. We can’t accept that. This ANC was rescued by the workers. This is why I say it is a declaration of war.” Such hot rhetoric may have played a role in Zuma’s executive appointments the following month, seen as semi-favourable to the Alliance Left. On May 10, the day after his inauguration, the cabinet was expanded (and all Mbeki loyalists finally dropped), although at the same time it fragmented and various irrational appointments were made, contrary to SACP desires for ‘superministers’ to coordinate what will instead now be intense turf battles.

SACP general secretary Blade Nzimande and economist Rob Davies are now ministers of higher education and of trade/industry, respectively. Continuity not change lies ahead on the macro-economic front. Overall economic ‘planning’ – a new ministerial position within the presidency – is headed by the Left’s *bête noire*, Trevor Manuel (with his new job seen as a promotion of sorts from finance). Economic development policy is to be championed by the main advocate of corporatism within Cosatu, Ebrahim Patel, formerly secretary of the clothing/textile workers’ union. And the new finance minister – now much more the bookkeeper than the fabled role Manuel played as neoliberal gatekeeper – is former tax commissioner Pravin Gordhan, a long-time Zuma associate with a communist background but purely technocratic post-apartheid record. Overall, Zuma’s cabinet seems to offer the Alliance Left sufficient career concessions but, quite frankly, no real prospects for expanding a power base to achieve the ‘second stage’ (from non-racial capitalism to socialism) of the ‘National Democratic Revolution.’ Nzimande’s call to arms in the *Umsebenzi Online* edition two days before the inauguration reveals both hubris and a knowing cynicism about SA’s notorious crony-capitalist party-patronage system:

The electoral victory marks a significant rolling back of the huge ideological offensive waged by sections of the elites against the ANC and its allies. The electoral victory has thus significantly exposed both the bankruptcy and the distance between these elites from the concerns of ordinary workers and the poor of our country. In many ways these election results are an expression of the growing class cleavage in wider society between the haves (including now a small black group of tycoons as represented by Cope) and the have-nots...

As the SACP we can proudly claim that we have achieved the main objectives of our main pillar in our 2009 Programme of Action, that of working for an ANC’s overwhelming electoral victory. Indeed thousands of communists and all our structures were mobilized in this effort... However, we need to remind ourselves of the very clear directives given by our February Central Committee on

communists deployed in government. This time around, the CC said, there must be a change in the manner in which communists relate and account to the SACP, much as they are deployed in the first instance as ANC cadres. In particular the SACP will not allow itself to be used as a stepping stone to positions in the ANC and government only to be abandoned by some of those cadres once they occupy such positions.

Because such rhetoric pulls the reader leftwards with such confidence, the subsequent drift rightward will be all the more demoralising. Job losses, rising conflict over transport restructuring, and huge electricity price increases are certain flashpoints. Overall though, there is no reason yet to doubt Zuma when he repeatedly reassured financial institutions and Davos audiences, dating to late 2007, that ‘nothing will change’ in terms of pro-business policies, no matter how vulnerable these have made South Africa. Although it may be too early to separate rhetoric from reality, neither the underlying social policy philosophy nor the economy that Zuma takes forward from the Mbeki era can be easily rejigged given the prevailing balance of forces, especially the weaknesses of the independent left. Assessing that weakness requires reviewing how the ANC attracted mass popular protests and then diverted and diffused them so effectively during the 2000s into a fight against Mbeki, instead of Mbekism.

CONTOURS OF A CLASS-APARTHEID TRANSITION

Perhaps no South African talked left and walked right with more confidence and eloquence than Mbeki, who ruled not only from 1999-2008, but arguably also from 1994-99 as Nelson Mandela’s deputy. He was a star pupil not only of Keynesianism at Sussex during the mid-1960s but subsequently of what SA political writer Raymond Suttner calls ‘Brezhnevite Marxism’ at the Lenin Institute in Moscow. Mbeki served the SACP politburo until 1990, when the new SA president, FW De Klerk, liberalised politics as the Berlin Wall fell. Mbeki immediately drew back the World Bank – whose last prior SA loan was 1967 – in part thanks to his old friend at Sussex, Geoff Lamb, a former SACP youth activist and then top Bank strategist credited with introducing the idea of homegrown structural adjustment to Africa during the 1980s. The segueway from racial to class apartheid could be read from more than a dozen World Bank ‘reconnaissance missions’ from 1990-94 in all the main sectoral areas, in which the ANC shoe-horned the more radical Mass Democratic Movement allies into cooperation rather than conflict. Intermediary agencies like Anglo American Corporation’s Urban Foundation thinktank and the Development Bank of Southern Africa (a World Bank junior partner) were crucial in shaping the transition in hotly contested fields like housing, water, energy, land, healthcare and education. There was not a single aspect of social policy in which the ‘Knowledge Bank’ pilot function of the World Bank and its local consultant corps was not a powerful factor.

Even before liberation, an October 1993 agreement to repay the apartheid debt – \$25-billion in foreign loans from commercial banks, and somewhat more domestically – prevented the sub-

sequent ANC government from meeting social spending goals. An interim constitution in November 1993 assured property rights and an ‘independent’ (i.e. banker-biased, democracy-insulated) Reserve Bank. The International Monetary Fund had set the stage for other neoliberal economic policies – e.g. public sector wage and spending cuts – as a condition for a December 1993 \$850-million loan, and the Fund’s manager, Michel Camdessus, even compelled Mandela to reappoint the apartheid-era finance minister and central bank governor when the ANC took state power in May 1994. The General Agreement on Tariffs and Trade (soon to be the World Trade Organisation) hit South Africa hard in mid-1994, as fast-declining manufacturing protection reversed the anticipated gains of liberation for workers. By early 1995, the dissolution of the dual exchange control system (a ‘financial rand’ used to deter international capital flight during the prior decade) and the encouragement of stock market investment by international finance meant first a huge inflow and then, on five separate occasions in the subsequent fifteen years, dramatic outflows and currency crashes of at least 25%. The first of these runs, in February 1996, followed a rumour (unfounded) that Mandela was ill, and it left the president and his team so psychologically shaken that they ditched their last left vestige, the Reconstruction and Development Programme ministry, and within four months imposed the hated ‘Growth, Employment and Redistribution’ agenda of neoliberalism. Exactly the same dynamic was occurring in all the microdevelopmental arenas – one White Paper after another crafted by the World Bank and its proxies – as well as in provinces and municipalities. Water, for example, was priced at ‘full cost recovery’ by minister Kader Asmal, a populist social democrat, a policy that generated massive disconnections, a cholera epidemic and a steady flow of protest riots and illegal reconnections. Housing policy was constructed by Joe Slovo – then SACP chair and housing ministry – prior to his 1995 death, in a manner wholly consistent with the World Bank and Urban Foundation developer-driven, bank-centred philosophy.

The basis for a ‘government of national unity’ which included DeKlerk’s National Party and the Zulu-nationalist Inkatha party during the initial years of liberation was, of course, the reconciliation of several thousand elites in the liberation movement, white politics and white business. Due in part to the political-economic cowardice of Archbishop Desmond Tutu – who remains extremely strong on symbolic political and ethical matters but weak on social justice – the Truth and Reconciliation Commission he chaired ensured that reconciliation would not touch much less penalize the vast majority of whites who were the main economic beneficiaries of apartheid. Successive Reserve Bank governors loosened exchange controls two dozen times from 1995 onwards, and finance minister Manuel let the capital flood out when in 1999 he gave permission for the relisting of financial headquarters for most of the largest companies on the London Stock Exchange. The firms that took the gap and permanently moved their historic apartheid loot offshore include Anglo American, DeBeers diamonds, BHP Billiton metals (to Melbourne), Investec bank, Liberty Life insurance, Old Mutual insurance, Didata ICT, SAB Miller breweries, Mondi paper (to New York) and several others.

Although back in 1990, Mbeki had hurriedly quit the SACP

to take advantage of the centering of mainstream SA politics, he never forgot how to deploy leftist rhetoric, as witnessed perhaps most publicly in his popularization of the phrase ‘global apartheid’, first in mid-2000 when SA narrowly lost the hosting rights to the 2006 Soccer World Cup (to Germany thanks to a racist New Zealander’s vote) and then again just prior to the 2002 United Nations World Summit on Sustainable Development in Johannesburg. That conference’s main impact was the UN’s reification of ‘public-private partnerships’ in areas as diverse as water, climate and environmental management, and represented another example of a potentially transformative analysis denuded by local/global corporatism. However, under neoliberal conditions, none of the global strategies – especially the New Partnership for Africa’s Development, dubbed ‘philosophically spot-on’ by the U.S. State Department – could and can deliver the goods.

Degeneration set in within a year of Mbeki’s ascent to the presidency, as witnessed in his accusations that the Central Intelligence Agency and the industry known as ‘Big Pharma’ controlled the Treatment Action Campaign (TAC). TAC is a grassroots movement ultimately successful not only in combating AIDS stigma, but in getting anti-retroviral drugs to 750 000 South Africans today, albeit at the cost of 350 000 unnecessary deaths. TAC’s victory was an extraordinary accomplishment given that the price for a year’s supply of medicines when it started the campaign exceeded \$15,000. Other forms of delusion and schizophrenia characterized Mbeki’s grip on power (e.g. a claim that three businessmen embarked on a 2001 conspiracy to unseat him). Mbeki’s paranoid fear of leftists in and outside the Alliance reached a peak in mid-2002, when he and two colleagues issued the most forceful intra-Alliance complaint against trade unionists and communists, as well as the independent left. Former deputy finance minister Jabu Moleketi and intellectual Josiah Jele – aided by Mbeki – insisted that the ‘adventurist and provocative’ agenda of the new left was “to defeat the democratic revolution and transform our country into a client state.” In a statement to an ANC policy conference, Mbeki revealed his frustration following the march of 30 000 social movement protesters against the UN environment summit on August 31 2002:

“Our movement and its policies are also under sustained attack from domestic and foreign left sectarian factions that claim to be the best representatives of the workers and the poor of our country. They accuse our movement of having abandoned the working people, saying that we have adopted and are implementing neoliberal policies.”

THE NEOLIBERAL ROLL-OUT

In fact, Mbeki’s neoliberal skew was so obvious that even Business Day’s editor was drawn to concede in mid-2003, ‘The government is utterly seduced by big business, and cannot see beyond its immediate interests.’ Just as he refused to acknowledge the link between HIV and AIDS or that (in 2008) Zimbabwe faced a ‘crisis’, Mbeki and his ANC Political Education Unit would regularly deny critiques that his government served big business, e.g.: ‘There are no facts that the anti-neoliberalism can produce to prove its accusations. Its statement characterising the

policies pursued by the ANC and our government since 1994 as the expressive of a neoliberal agenda are complete falsification of reality' (sic). Yet the evidence was so overwhelming that by 2006 it formed the core of the Alliance partners critique of Mbekism, although the catalyst for the critique was by all accounts Mbeki's ham-fisted Machiavellian style.

Because of the nature of SA capital accumulation and class recomposition since apartheid fell, the society actually became much more unequal, with the Gini coefficient up from an extremely high 0.60 in 1994 to 0.72 in 2006. Unemployment doubled to a rate around 40% (if those who have given up looking for work are counted, around 25% otherwise). The state's delivery of houses, water/sanitation, electricity, healthcare and education are considered either inferior or more expensive than during apartheid. Moreover, there was a 'general decline in the state of the environment' since 1994, according to the leading state regulatory official following a 2006 ecological audit. Crime plus corruption spiraled out of control. Countervailing claims of a 'developmental state' under construction hinged upon a series of vast white-elephant projects.

To finance state infrastructure spending and steady tax cuts for corporations (down from a rate of nearly 50% in 1994 to less than 30% today), Manuel engineered a parasitical growth process that looks impressive at surface level – a 5 percent GDP increase for much of the 2000s – but isn't when the downside is considered. The value of the currency (the Rand) collapsed by 25 percent within a few weeks or less on five occasions (1996, 1998, 2001, 2006 and 2008), reflecting SA's vulnerabilities to global finance in the wake of exchange control liberalization. (The GDP growth fails to incorporate the depletion of non-renewable resources, and if such calculation is adjusted, SA would have a net negative per person rate of national wealth accumulation, according to even the World Bank.)

The most profitable sectors of the SA economy, as everywhere, have been finance, insurance and real estate, as well as communications and commerce, due to speculative and trade-related activity associated with late neoliberalism. Meanwhile, labour-intensive sectors such as textiles, footwear and gold mining shrunk by 1-5% per year, and overall, manufacturing as a percentage of GDP also declined. Private gross fixed capital formation was a meager 15-17 percent from 1994-2004. This can be blamed upon SA's sustained overaccumulation problem in existing (highly-monopolised) industry, with manufacturing capacity utilization down to the high 70s percentage range during the early 2000s. Instead of funding new plant and equipment in this environment, corporate profits were redirected into speculative real estate and the Johannesburg Stock Exchange: there was a 50% increase in share prices during the first half of the 2000s, and the property boom which began in 1999 had by 2007 sent house prices up by a world record 400% (in comparison to just 100% in the U.S. market prior to the burst bubble and 200% in second-place Ireland).

Going into the Zuma era, South Africa has amongst the world's highest current account deficits and is the most economically vulnerable emerging market, according to The Economist.

After the ANC's huge victory on April 22, SA is certainly not politically 'unstable' in the classical sense of potential government overthrow. But it is a society that is profoundly unstable in the Polanyian sense, i.e., with a powerful double movement operating, because experience has shown that anti-neoliberal resistance can make a genuine difference. The police measured more than 30,000 'gatherings' (15 or more people in some form of protest, for which permission is typically applied for a week ahead of time) from 2004-07. Of these, 10 percent generated 'unrest.' But many tens of thousands more spontaneous protests were not recorded, according to a recent survey by Johannesburg's two leading progressive research institutes. (China's first quarter of 2009 registered more protests per person than South Africa, but I'm not aware of any other country that has been close.)

Still, the late 2000s are probably going to be remembered as the good old days (like Zimbabwe's 1980s), in comparison to the economic devastation awaiting SA in coming months. Pincer pressures on Zuma will descend from above but also percolate up from below. The impending top-down austerity regime will not be surprising; it was projected in the International Monetary Fund's October 2008 Article IV Consultation and will strengthen the '1996 class project' (as the SACP term Mbekism, in honor of the year that homegrown structural adjustment was imposed as Mbeki declared, 'Just call me a Thatcherite'). That project consists of ongoing technocratic neoliberalism and patronage-influenced resource flows associated with the state's numerous white elephant projects and Black Economic Empowerment. It is a project whose second wind appears imminent, notwithstanding the Alliance left's current overconfidence. Manuel warned in the *Financial Times* late last year, "We need to disabuse people of the notion that we will have a mighty powerful developmental state capable of planning and creating all manner of employment." In April 2009, rejecting requests for bailouts in specific sectors, he announced to a Johannesburg business audience, "Expectations that government will socialise the costs of irrational exuberance cannot be entertained." But in reality, that's precisely what Manuel achieved since the mid-1990s by closely tracking SA economic policy onto the financial-speculative trajectory in the United States and Britain.

CONCLUSION: THE ALLIANCE-LEFT'S PARTIAL RADICALISATION

The recession – and potentially depression – will bring the contradictions of neoliberalism back to South Africa with a vengeance this year and next. In late May, government data showed a 6.4% quarterly GDP decline for early 2009, the worst since 1984. Even in late 2008 it was apparent that labour would suffer vast retrenchments, with a 67% reduction in average work hours per factory worker, the worst decline since 1970. The economy is likely to shed a half-million jobs in 2009, especially in manufacturing and mining. January 2009 alone witnessed a 36% crash in new car sales and 50% production cut, the worst ever recorded, according to the National Association of Auto Manufacturers. The anticipated rise in port activity has also reversed, with a 29% annualized fall in early 2009. Repossessed houses increased by 52% in early 2009 from a year earlier.

Returning to RW Johnson's article, he claims that there is no room for redistributive gestures given that 'while 13.5 million South Africans receive welfare grants, only 5.4 million pay income tax' – forgetting both tens of millions more who pay a regressive 14% Value Added Tax and other indirect taxes (comprising about a third of the budget), and the Gini coefficient rise since 1994 which should permit much higher tax hikes for the rich. Moreover, corporations enjoyed unprecedented tax cuts in the mid-1990s. Johnson also claims there is no left policy space because of the current-account deficit, requiring 'inflow of at least \$20-billion from foreign investors. Should the left take measures which frighten those investors away, the result would be an immediate economic meltdown.' The two obvious tactics to address a payments deficit due largely to dividend/profit/interest outflows is, first, default on unrepayable or illegitimate debt obligations, as shown by Argentina in 2002 and Ecuador in January; and second, as countries as diverse as Zimbabwe (as Rhodesia in late 1965), Malaysia (1998) and Venezuela (2003) demonstrated, the strategic imposition of exchange controls can suddenly lock money back into a country facing capital flight, dramatically restoring growth. Hence given the crisis of globalised neoliberalism and crash of trade and financial flows, when Johnson ridicules 'national autarchy' (i.e. inward-oriented growth to restore deindustrialised manufacturing and backward-forward linkages destroyed by the WTO) as 'increasingly at odds with reality,' he shows how out of touch neoliberal liberalism has become.

As if anticipating the crash of Manuel's project, and cognizant of the neoliberal era's inequality and rising social tension, the SACP had already in 2006 begun to talk much more radically than it had for many years. Their Bua Communisi! statement that year eloquently identified the neoliberal class project as resting upon three foundations: an uncritical 'globalisation made me do it' mentality (to borrow John Saul's phrase) that welcomed foreign trade and finance no matter the damage; an all-powerful presidency; and a modernizing centrist political party. The SACP saw this latter process as "a deliberate strategy to marginalise the SACP and COSATU and perhaps (in the pre-2002 years) even to provoke a walk-out from the alliance." Contrary to hopes on the independent left, there was never a chance of a walk-out, and the extraordinarily hard work done by trade unionists and communists to revive Zuma paid off inside the ANC, setting back any talk of a Workers' Party by, probably, a decade.

However, while the independent left as an organized network force is in retreat today more so than at any other time since 1994, the local level eruptions of protests have sometimes been far more effective, though to label these as manifestations of 'left' activism would be an exaggeration. Aside from the anti-retroviral medicines, there were a few major national social movement victories recorded since the early 2000s, such as a Clean Air Act pushed by environmentalists like groundWork, or the Free Basic Services (6000 liters of water, 50 kiloWatt hours of electricity per family each month) promised by the state in 2000 though only grudgingly delivered. The latter may be boosted in September when the Constitutional Court hears the case of several Sowetans who demanded a doubling of the free water allotment to 50 liters per person per day along with a prohibition of pre-payment meters (by which water

is self-disconnected). They had won in the High Court in April 2008 but suffered a setback in the Supreme Court of Appeals in February. In local settings there are also occasional victories associated with insurgent protests from below, mainly in defending land invasions, or driving a mining company off indigenous-controlled territory (as happens periodically in titanium and platinum zones), or maintaining illegal water/electricity connections. However, these rare wins for independent-left forces pale in comparison to the social change that is conceivably possible if Alliance-left strategies prove successful.

The period immediately ahead will severely test the opportunities for genuine social democratic reforms, largely because the spike in the 2009 budget deficit – possibly above 5% of national income (not the planned 3.8%) given how much worse the recession is than predicted – will set the stage for austere budgets in future. This is an especially dangerous time given the vulnerabilities to a run on the currency, what with the prevailing current account deficit and shorter supply of foreign capital sloshing around the world. Power relations are fluid in this context. Late May was revealing, for in the same week as a bus drivers' strike that nearly shut down Johannesburg once solidarity strikes were threatened, plus a national one-day public-sector doctors' stay-away, 2000 metalworkers protested at the SA Reserve Bank to demand a large cut in interest rates. The latter was notable not only because it reflected the hunger and confidence of angry workers to move beyond the point of production to defend jobs, and the arrogance of the central bank officials who refused to accept the metalworkers' memo of grievances. Union president Irwin Jim reacted: 'Anyone who rejects peaceful demonstrations and refuses to accept petitions from the South African working class, who are experiencing extreme economic and social difficulties not of their own making, is inviting big trouble. You are warned.' After the backlash by Mantashe – claiming 'the door is open' – Young Communist League president David Masondo replied, 'Yes, the door is open but the opening is very small for the working class to make an impact. Business has its own way of putting pressure on government, including the threat of withdrawing investment. Workers must go public and strike.'

If Mantashe's Sophistic attempts at persuasion fail, the next stage of the backlash would be intensified repression; Zuma was, after all, foremost an ANC military leader during most of his career in exile. The Alliance left's radicalization might then finally follow the script that independent leftists always wrote: namely, that the contradictions of operating within a neoliberal nationalist political project would ultimately drive out the trade unions and serious communists, to start a new party that might contest seriously for state power in ten or fifteen years' time. In the meantime, the decommodification battles won in the initial stages of democracy by AIDS activists and community movements will probably be the kinds of experiences to build upon for both defensive and offensive purposes, as the economic crisis continues to take its toll. **R**

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Peter Gowan: In Memoriam

Leo Panitch

The Left has suffered a major loss with the untimely death of Peter Gowan. He was part of the generation of the 1960s who became radicalized at the height of the Vietnam War, and it was on this basis that as a 21 year old he joined the the International Marxist Group in 1967 becoming with his close comrade Tariq Ali, one of its most respected members.

Through the 1970s and early 1980s, he played a key role as an activist-intellectual through editing (under the pseudonym of Oliver Macdonald) *Labour Focus on Eastern Europe*, the best source by far for evidence of strikes and other forms of protests against the authoritarian Communist regimes. As he rose above the destructive factionalism that engulfed so much of his generation, he made a transition over the last two decades to occupy a prominent place in the Left academic world, epitomizing the best qualities of the engaged Marxist scholar. He identified the continuing class struggles in Eastern Europe after the fall of Communism; he helped to foster a new understanding of the imperial nature of the American state in contemporary global capitalism, and he laid the groundwork for a historical materialist approach to the study of international relations.

Few people made the connection between Oliver Macdonald and Peter Gowan when under his own name he published a profound essay on 'The Origins of British Administrative Elite' in 1987, showing that far from establishing a meritocratic civil service in the mid-19th century, the public schools and Oxbridge were drawn on to consolidate the grip of the aristocracy and gentry on the British state. It was this civil service that the post-war Labour Governments inherited and reproduced, Gowan argued, and it was only out of the crisis of the 1970s that a current in the Tory party set out 'to destroy the inner coherence of the Whitehall elite so that its prerogatives can be used for Thatcherite purposes.'

It was by analyzing the imposition of

these neoliberal purposes on Eastern Europe after 1989 through what became known as 'Shock Therapy' (as prescribed by economists like Jeffrey Sachs) that Gowan really made his mark in the 1990s, combining his first-hand knowledge of the region with a deep understanding of the active role of the states of the West in the development and spread of neoliberal globalization. He became one of the first to



Peter Gowan - 1946-2009

see clearly that globalization was not an inexorable process taking place behind the backs of states, but rather was the product of a determined state strategy. Thus, Gowan's 1995 essay on 'Neoliberal Theory and Practice in Eastern Europe' in *New Left Review* concluded: '...the death of communism had led the West to try to stamp out economic nationalism in favour of its own national and collective interests in the region. But this does not so much suggest a new era on the globe as something rather old-fashioned which, in the days of communism, used to be called imperialism.'

But if the fact of Western imperialism was not new, Gowan understood that it took on a very new aspect toward the end of the 20th century. The way Gowan put this in a subsequent *New Left Review* essay, responding to John Lloyd and other

critics of his use of the old-fashioned term imperialism, deserves to be quoted at length:

The problem which the U.S. faced in Eastern Europe was to implant institutional structures and rules within the states of the region that would, once in place, make the leaders of these states 'want what the U.S. wants.' These include foreign investment regimes, trade regimes, state-market relations, appropriate freedoms for TNCs, appropriate tax regimes, minimalist welfare states, deregulated financial markets, fully convertible currencies, the absence of foreign-exchange controls, privatized utilities, appropriate regimes for mass communications, appropriately organized stock markets, the right kinds of definitions of intellectual property rights and the appropriate forms of corporate property and governance, appropriate forms of domestic ideology and politics, and so forth...

Neo-classical imperialism promotes the juridical sovereignty of nation states to escape responsibility for the power it exercises over their political economies, and it cloaks its moves in the secrecy of decision-making within opaque, unaccountable multilateral organizations. Lastly, it promotes the myth that the world is no longer governed by the political power of imperial states but by technologically driven, modernizing forces of globalized production.

It was this understanding that informed Gowan's celebrated 1999 book, *The Global Gamble: Washington's Faustian Bid for World Dominance*. In it, he traced the way the foundation of U.S. imperial power, far from being weakened by the collapse of Bretton Woods in 1971, strategically shifted from political and military dominance to the financial penetra-

tion abroad of what he called the ‘Dollar-Wall Street Regime.’ This did not mean that military power was now unimportant. On the contrary, as Gowan meticulously demonstrated in his particularly brilliant and timely essay in the 2000 *Socialist Register*, ‘The Real Meaning of the War over Kosovo,’ the war on Yugoslavia in 1999 was really all about the U.S. demonstrating to the states of the EU that NATO, under U.S. leadership, would remain the effective policeman of Europe in the post-Communist era.

Throughout the last decade, Gowan continued to produce a series of articles, reviews and papers that made him one of the most respected critical political economists in the world. He was much sought after for conference appearances wherever the Left gathered to take intellectual stock, and he became a mainstay at the annual Left Forums in New York each spring and at the Historical Materialism conferences in London each autumn. His analysis of the current economic crisis published in *New Left Review* in January of this year is a must-read, not least for those with illu-

sions that the way forward for the Left lies in a more regulated European capitalism: ‘This is not realistic. Much of the European financial system is itself in a mess, having followed the Wall Street lead toward the cliff of insolvency. The Eurozone government bond markets remain fragmented and there is no cohesive financial or political direction for the Eurozone, leave alone a consensus for rebuilding the Eurozone as a challenger to the dollar through a political confrontation with the United States.’

On March 4th this year, Colin Leys, my co-editor of the *Socialist Register*, sent me his notes from a seminar Gowan gave at SOAS that evening, and added: ‘Of course I haven’t caught his engagingly provocative style, or the sense he conveys of being really on top of it all, having read all the books and especially histories and biographies, and synthesizing so much all the time. I found it totally absorbing, as usual.’ What Colin then went on to write really captures what a truly remarkable person Peter Gowan was:

I was there early and so was he so we could chat. He immediately said he had come straight from spending half the day getting his fifth and penultimate dose of chemo. Amazing. He said he was doing well. If the cancer doesn’t come back in the six months after his final dose or ‘cycle’ in April, he said, he would be laughing. If it does, it was ‘turn left for the hospice.’ I am amazed not just at his openness, and his carrying on with work like that, but at the way he positively insists on putting his illness on the table. He said there is a generational difference: young people think of cancer as something curable, whereas ours grew up thinking of it as a death sentence, and so taboo. But his attitude seems an extreme response – incredibly brave, and healthy. **R**

Leo Panitch is editor of the *Socialist Register*.



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