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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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No Time for Public Sector Austerity Leo Panitch and Sam Gindin	4
The G20 and the Drive to Austerity	5
The G20: Robin Hood Taxes and Canadian Banks	7
'Progressive' Europe's Reactionary Stew	9
Britain's New Fiscal Policy: An Ugly Punch & Judy Show	13
Canada's Diminishing Environmental Capacity Ryan Katz-Rosene and Aaron Henry	15
CANADIAN LEFT	
Visioning a World Without Capitalism Ian McKay	21
Working Peoples' Assemblies	24
Building a Space of Solidarity, Resistance and Change	27
CULTURE FRONT	
Thinking About Capitalism: Interview with John R. Bell	29
Yves Engler Analyses Canada's Support for Apartheid IsraelJesse Zimmerman	33
The Political Locker that Hurts Efe Peker	35
INTERNATIONAL	
Iran: "Not by Street Demonstrations Alone"	37
Fully Democratic Society'	41
EMERGING LEFT	
Malaysia: "We are growing in influence, especially among the working class" Simon Butler Indonesia: Working People's Association's Goal is a new Workers' Party	45
Interview with Ignatius Mahendra Kusumawardhana	46
Dutch Socialists and the EU War on Us	49
On Dutch Socialism	50
RETHINKING THE UNITED FRONT	
Hegemony and the United Front	52
Clara Zetkin's Struggle for the United Front	57
The Revolutionary's Heart Georgi Chunev	63

PUBLIC SECTOR AUSTERITY

No Time for Public Sector Austerity

The 2007-08 financial crash was, in terms of its global impact, the greatest in history. It was only prevented from immediately triggering another Great Depression by governments in so many countries taking on the enormous private debt of their banks. Nevertheless, the economic fallout was immense. Even while tax revenues fell as businesses closed and workers were laid off, many governments felt compelled to maintain their spending. Looking for safety in numbers, the G20 (an entirely marginal group until George Bush convened it in late 2008) proved useful to coordinate a global stimulus.

Two years later, with the banks having dumped so much debt on the public sector and their profits on the rise, bond traders were feeling confident enough again to dispense the bankers' old orthodoxies on the evils of public debt. Even though the growth in state deficits was directly the product of bailing out the banks, the loss of revenue and the emergency spending, governments were expected to shift their policy priorities to public sector austerity. The G20 was reconvened in Toronto to reassure financial markets that they heard the message.

All this serves as better definition of chutzpah than the old joke about the kid who, after killing his parents, begs the judge for clemency on the grounds he is an orphan.

THE HAMMER IS ABOUT TO HIT RIGHT HERE IN ONTARIO

Despite the relative insulation of Bay Street from the financial collapse, the provincial economy took a major hit. With its deficit projected at \$21.3-billion, the Liberal Government's March budget focused almost entirely on debt reduction. Apart from putting on hold essential public transit expansion and reducing food assistance for the disabled (while keeping corporate tax cuts in

place), it also imposed a two year wage freeze on 350,000 non-unionized government workers.

This week, even though data on first quarter economic growth has shown the deficit projections were too high, the other shoe dropped. Finance Minister Dwight Duncan summoned public sector union representatives to Queen's Park to discuss a broader public sector freeze. If implemented, the immediate effect of this can only be to cut the feet from under the economic growth that has occurred. Rather than cooperate in this, it is very much to be hoped that the unions will undertake a broad campaign to expose how unreasonable and irrational, let alone unimaginative and unjust, is public sector austerity in this crisis.

The possibility that the worst is not over, and we could yet face a long stagnation if not a global depression, does indeed make it incumbent on the Ontario government, like every other, to take the crisis very seriously indeed. Its effect on government revenues is the real immediate problem, and since we are dealing with a crisis of once-in-a-life-time dimensions, the remedy should be an emergency once-in-a-life time emergency tax on those who accumulated the most wealth over the past quarter century from asset inflation while workers' incomes stagnated in both the public and private sectors.

The Ontario government should also be expected to take advantage of the lowest interest rates on public debt in memory and use its borrowing capacity to keep economic growth going in the face of the banks' hesitancy to lend to businesses and consumers, alongside industry's own reluctance to invest. One would have thought that a government of a liberal stripe that was at all creative might want in this context to emulate Franklin Roosevelt and undertake the rebuilding of our public infrastructure through direct expansion of public employment.

Leo Panitch and Sam Gindin

This is all the more important given the demands of the environmental crisis and the closure of plants and waste of skills that could be converted and applied to productive use. Rather than freezing the public sector, this moment should be an opportunity to address the crisis in the transportation sector that is so vital to Ontario's whole economy, as measured not only in auto industry shutdowns and layoffs but in notorious traffic congestion on our roads. This would mean converting auto assembly and parts plants to the production of energy efficient mass transit vehicles and using the tax revenues from the jobs generated thereby to fund free public transit. If there was ever a time to use Ontario's capacity to raise funds in bond markets for this, it is now. Far from placing a burden on future generations, it would guarantee them a future.

Of course, one would expect a union campaign to set out a vision for what a more radical government would do. This crisis has proved - by the state's guarantee of deposits in Canada, and by its acting as lender of last resort almost everywhere – that finance effectively is a public utility. The argument that financing an economy is too important to be left to private banks is waiting to be heard. What must be brought onto the agenda in face of the pressures that unelected bankers, with astonishing chutzpah, are putting on governments is the need for banking to be turned into a democratic public utility. The money the people of Ontario entrust to their banking system could then be used to meet our society's real needs. R

Leo Panitch is Canada Research Chair in Comparative Political Economy and Sam Gindin is the Packer Chair in Social Justice at York University. Their recent book, with Greg Albo, *In and Out of Crisis*, is available in Canada from Fernwood Books.

Jane D'Arista

The G20 and the Drive to Austerity

Jane D'Arista is a member of the group SAFER, a group of economists that lobby for finance reform, and an associate at the Political Economy Research Institute at the University of Massachusetts. She is author of *The Evolution of U.S. Finance* (1994) and numerous reports and studies on U.S. monetary policy and financial markets. She was recently interviewed by **Paul Jay**, Senior Editor of *The Real News Network*.

PAUL JAY: In recent weeks, since the G20 made its declaration that all the G20 countries would halve their deficits by 2013, there's been increasing calls for austerity measures. The head of the European Bank made a speech recently where he said the issue of austerity and pulling in and tightening and getting rid of state debts were the biggest issue facing the world economy. We see in places like Ontario, Canada, there's an attempt to have a wage freeze for all civil servants, and in the United States there's been a lot of talk about reforming Social Security, or perhaps raising the age that people are eligible, perhaps lowering the amount of benefits. Globally, a whole question is being raised: who's going to pay for all the stimulus?

Rob Johnson said in an interview recently with us, talking about the G20 countries, that they're doves on finance reform and hawks on austerity. What do you think of this issue, of this drive to pay off state debt?

JANE D'ARISTA: Well, I think, of course, it's ridiculous. You don't do this when the economy is heading down. And we are heading down. I think everybody begins to understand that now. A friend of mine, another analyst, part of the SAFER group, Rob Parenteau, calls it the march to "Austeria." And it is the picking up of non-Keynesian ideas from Austria, if you will, and this belief system which really is very congenial to certain segments and certain countries. We're talking about Germany, of course. And the idea here is, you know, you're not going to climb out. You're just forcing a downward move if you cut, if the government cuts the spending. The Keynesian idea, the great insight of Keynes, was you get to where we are, and people will not make goods because they don't think they can sell them, and that's what we're seeing. All these corporate profits are coming in because they are cutting costs.

AUSTERITY REGIMES AND CLASS WAR

JAY: The argument given by the head of the European Bank was that the reason this financial apocalypse was avoided – and assuming it really was avoided, but he says it was – was that people had a trust that when the various governments infused capital into the banking system, there was enough credibility in the abil-

ity of these governments to do that. People believe that that paper currency or digital currency transfer actually had some real meaning, and people bought into the fact that if -I guess, essentially what he's saying, that these states could back up whatever debt



they incurred through the stimulus, and that if the states don't rein in the amount of debt to GDP ratio, that they're going to lose that credibility, and next time there's a big crisis, people won't believe it, that it means anything, when states say they're going to put a trillion dollars into the banking system or a trillion euros or whatever. What do you make of that argument?

D'ARISTA: Well, I think, in the case of the United States what we know is that the tax cuts in the Bush years had already driven up the deficit. We didn't have a really big cushion there to move on. The TARP absorbed a lot of that cushion that we had, and the stimulus program was much too small. It did some things, and it did what it needed to be done. But a real program was not undertaken. So now we're in a situation, having really spent over \$2-trillion bailing out the banking system, where it appears to most people that we don't have any more to spend. We didn't spend it on the right things.

We should have let the banking system wind down and let the public sector take on more of the credit responsibility, as was done in the Depression with the Reconstruction Finance Corporation. That would have been a very good move. Right now what we need is a governmental program globally to create jobs and create, therefore, the wages that are needed for spending that then will restart the business sector and give us a virtuous cycle in-

stead of the vicious cycle that we're now in. There is no way to stop the vicious cycle if you are going to cut the government out of the process and rely on the private sector to do it. It will not happen. So double dip recession, yes, and indeed a global depression, I think, will be the outcome of this.

JAY: Jane, unpack for us how you understand the thinking of the people that are promoting these austerity regimes. What is it they're really worried about?

D'ARISTA: Well, they're worried about inflation. And, you know, there are two sides of this coin. There's inflation and there's deflation. Inflation is a worry if you have money. Deflation is a worry if you have debt. The majority of us have debt, whether it's our mortgages or our businesses, small business, or whatever. That's what we have to worry about. The rentiers, the very large people, the people who made all that money and invested it, don't want to see asset prices go down, as inflation would make them go down. So, if you will (and somebody has revived the notion, which I think is true), we're talking class warfare here. We're talking about the haves and the have-nots. The haves are not so many, but boy, they are certainly very, very active in their positions.

Now, Germany is a *have* country. It relies on its exports. It sells to Europe and precludes the ability of the south in Europe in particular to come up with the kind of income that would have prevented this situation from developing. It's not that Spain, Greece, and others have not done things that were unwise, but at the same time, the fact is there's no way for them to get out of it, and they were driven into deficit positions, both in terms of the public and private sector, by the inability to keep the export-import balance that every country needs. Certainly that's true of the United States as well. So we're in a situation where Germany thinks it's very righteous. Fortunately, China is beginning to make moves in the direction of raising wages, paying their workers more, and understanding that they have to create demand. This is not something the Germans have come to understand. And the German population wants it the same old way. They get to save. They get to export. They stay rich.



BROKEN GLOBAL SYSTEM

JAY: I mean, is the bottom line here the global system is simply broken? Like, if you look at the G20 document, they have 14 places where they talk about increasing demand, in what they're calling the "advanced deficit" countries, which is essentially North America and European countries which have the big state deficits. At the same time, there's one mention in the whole document about wages, and there's really nothing in it about how wages will go up in Europe and North America, particularly in the United States, where they've been so depressed for so long.

On the other hand, they talk about wanting to halve the state deficits by 2013, so 50 per cent of current deficits by 2013, which means, as we see (as I said earlier) in Ontario, they want to have a wage freeze. So how are you going to have increased demand and wage freezes? Then over here they're talking about how China should expand wages and expand consumering power, except so much of the Chinese and Indian economy is so much still exportoriented, selling back into precisely Europe and North America, where demand isn't increasing. Is the bottom line here that it's just simply broken, they don't have a plan, partly 'cause they just don't want to let go of how much capital is entrenched in so few hands?

D'ARISTA: Well, I think that's true. But as I suggested, I think China's beginning to get it, but it will take a long time before they begin to raise the wages enough to create that kind of demand.

JAY: Yeah, some people have said 20 years.

D'ARISTA: Exactly so. But at least they're beginning to recognize that fact, and I think that is an important fact to recognize. You're not going to get it through – as you are saying yourself, you're not going to get it through manipulating currency values. It's got to be employment and it's got to be wages. There's a tremendous amount of debt in the world, and that debt has to be repaid. And it's not, as they are now focusing, just on the government sector and government debt. I mean, I talk about those hawks on the deficit. Have they looked at household debt? Have they looked at the run-up in corporate debt and small-business debt that took place over the last decade and more? No, and that is – they have no solution to that, just cut the government debt. Well, I'm sorry, but that's only one part of the problem, and it is the problem that that's the part they're cutting which could actually be helpful. If you have a level of debt and shift it to those who can bear it best, that is the government.

JAY: Well, as you said earlier in this interview, it's a class war. Thanks very much for joining us, Jane, on *The Real News Network*. **R**

Jane D'Arista is a research associate with the Political Economy Research Institute (PERI), University of Massachusetts, Amherst where she also co-founded an Economists' Committee for Financial Reform called SAFER, i.e. stable, accountable, efficient and fair reform (www.peri.umass.edu/safer).

The G20: Robin Hood Taxes and Canadian Banks

Jim Stanford

One of the most controversial topics that was left unaddressed at the June G20 meetings in Toronto was the proposal for new taxes on banks and other financial institutions. Unfortunately, the host to the summit, Canada's strongly neoliberal Conservative government, had expressed strident opposition before the meetings to any new tax on banks – whether a Robin Hood-style tax as proposed by Oxfam and other progressive groups, or the milder measures being studied by the IMF.

While the host government certainly does not have any veto power at these summits, Canada's vocal opposition to any new taxes (or restrictions of any kind) on private banks certainly threw up another roadblock to getting something done. Indeed, with President Obama adopting (for the time being, anyway) a more populist, finance-bashing tone (symbolized by the lawsuit against Goldman Sachs), Canada's government – led by Finance Minister Jim Flaherty – has become the leading international voice against new bank taxes.

Before a supportive hometown crowd on Toronto's Bay Street (Canada's version of Wall Street), Flaherty denounced in the early summer the idea of "excessive, arbitrary, punitive" taxes on Canada's banks, which weathered the global financial storm with flying colours. According to Flaherty: <u>Our</u> banks didn't make bad, risky decisions; <u>Our</u> banks didn't join the excesses that brought down American and European institutions; <u>Our</u> banks behaved prudently and rationally; <u>Our</u> banks didn't need a bailout. "We're not going to punish our banks for the fact that they have acted responsibly," he righteously thundered. The market worked well in Canada, he argues, so we're not going to mess with it – and neither should other countries.

CANADA'S BANKING MONOPOLY

This pompously self-congratulatory tone is not remotely justified by the economic facts. The reality is that Canada's uberprofitable private banks are supported by a tight web of government protections and subsidies. Their consistent profits and relative stability reflect much less the market-driven rationality of their executives, than the virtue of public regulation and protection. Despite this protected situation, however, the banks did indeed receive unprecedented government support at the time of the crisis (through a range of measures that provided upwards of \$200-billion (CDN) in liquidity support when the banks needed it the most). Finally, and most painfully, far from increasing taxes on the banks (as so many are now proposing), Flaherty's government is actually *cutting* them.

Here are the facts about Canada's banking system, the support it

receives from government, and the direction of bank taxes in Canada:

- Canada's banking system is dominated by five big banks which control some 90 per cent of total banking assets in the country.
- They have earned steady, above-normal profits every year for almost two decades. Even in fiscal 2009, with the global system melting down around them, they earned a combined aftertax profit for the year of \$13.5-billion (for those five banks alone).
- This comfortable and lucrative oligopoly is reinforced by government prohibition against any of the major banks being merged or taken over by a controlling interest, and a complementary requirement that all of the banks must be majority Canadian owned. This protected the large banks against take-over threats from U.S. and other foreign banks, which were flush with cash while the bubble was expanding. When manufacturing workers ask for defence against competing imports, they are denounced as "protectionist." But Canada's banks get this kind of assistance every day of the year.
- The financial sector (which employs just 6 per cent of Canadian workers) has been sucking up over one-quarter of all business profits in Canada. Incredibly, amidst a wicked recession that was centred in finance, that share actually rose last year.
- Canada has a strong public system of deposit insurance, unconditionally guaranteeing cash and term deposits up to \$60,000 per person per account. Depositors can access the guarantee several times over, by opening multiple accounts with multiple institutions. Public deposit insurance mostly defuses the risk of any panic attacks on the banks from the public in times of stress.
- More importantly in the recent crisis, Canada has a strong public institution which guarantees almost all residential mortgages, the Canadian Mortgage and Housing Corporation (CMHC). So long as a mortgage meets basic CMHC requirements (which were relaxed in recent years, as CMHC followed the industry's lead in allowing increasingly lax down-payment and other terms), the mortgage is guaranteed by CMHC (a government-owned agency). This meant that Canadian banks never faced the risk of widespread mortgage defaults that helped bring down their U.S. counterparts. The government faced that risk.
- Also, the CMHC guarantee facilitated a more reliable and convenient process of mortgage securitization for Canada's banks (most Canadian mortgages are still securitized). Because they

were government-guaranteed, mortgage-based bonds and related assets never lost their value as they did in the U.S. (with consequently destructive knock-on effects on balance sheets, bank capital, and so on).

- Despite all this regular support, when the financial crisis hit Canada's government stepped in with additional, extraordinary measures to support the private banks. Finance Minister Flaherty implemented an Extraordinary Financing Framework (EFF) that provided a potential total of \$200-billion in liquidity assistance for the private banks, delivered via a number of forms.
- These measures included an innovative process of "swapping" cash for CMHC-guaranteed mortgages (so that the government temporarily took ownership of the mortgages), emergency ultra-low-interest loans, and other forms of capital injection. The banks tapped into these measures energetically as the crisis worsened. The funds have since been repaid (easily, as the banks retained healthy profitability right through the credit) but that doesn't negate the fact that this bail-out was essential to preserving their stability.

The relative "success" and stability of Canada's banking system has much less to do with the rationality of private decision-taking, and much more to do with the wisdom and effectiveness of public regulation, public insurance, and outright public ownership. Many Canadians are glad that our banks are stable, and wouldn't even necessarily begrudge the above-normal profits that are generated in this protected, supported oligopoly, so long as the banks do their job at supplying stable credit to the real economy – and so long as they pay their damn taxes.

BANKS SHOULD PAY FOR THE CRISIS

However, Flaherty's government is relaxing even that last, modest bit of social accountability over private banks. Indeed, the Finance Minister's tough talk against the Robin Hood tax seems designed to provide useful cover for the fact that his government is actually cutting bank taxes – not increasing them. On January 1 corporate taxes fell by a full percentage point, and under Mr. Flaherty's fiscal plan they will fall three more points by 2012. That will save Canada's financial sector around \$2-billion per year.

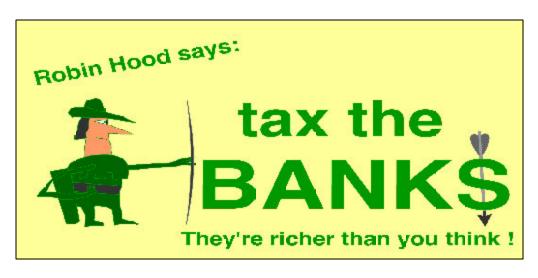
Incredibly, these tax cuts are being implemented even as Flaherty's government grapples with a \$40-billion+ deficit, and warns Canadians that they must tighten their belts in coming years to balance the books. Let's start the balancing process with the banks, which continue to generate unusual profits despite the global financial crisis which they were very much a part of causing.

Cancelling the latest corporate tax cuts would recoup \$2-billion per year from the financial sector alone. Better yet, restoring tax rates for the financial sector to where they were when the Conservatives took power (21 per cent, plus a 1.12 per cent surtax) would boost the take to \$4-billion per year. So before Ottawa cuts a single person off unemployment benefits, lays off a single civil servant, or sells a single public asset in the name of deficit reduction, it had better tap the banks for their full contribution to running the government that saved their own bacon. That's not excessive or punitive. It's simply called paying your fair share.

And don't believe Mr. Flaherty or Prime Minister Stephen Harper when they lecture the world in Toronto about the supposed virtues of Canada's more "rational" banks. They didn't behave as aggressively as those in other countries – mostly because they didn't feel any compulsion to. They were comfortable making swads of profits being less "innovative," in the context of a regulated, oligopolistic, government-guaranteed industry. Moreover, when the bubble burst, the nanny state was still on hand for Canada's banks, with massive additional support.

We could have a discussion about the extent to which the Robin Hood tax or other taxes would actually change bank behaviour. I tend to think that stronger, more direct regulations and controls are necessary, not just fiscal disincentives, to really put a dent in the destructive processes of leveraged speculation. But there's no debate at all that banks should make a decent contribution, through their taxes, to the social costs of the crisis they caused. And Canada's protected, profitable banks would be a great place to start. **R**

Jim Stanford is an economist in the Research Department of the Canadian Auto Workers. He is the author of *Economics for Everyone*, published by the CCPA.



'Progressive' Europe's Reactionary Stew

The bailout of the debt-burdened Greek government has been completed – we think. Given the response to the first two attempts, no one can be sure that this story is finished. The first attempt came May 2, when the European Union (EU) – most centrally the French and German treasuries – along with the International Monetary Fund (IMF), announced they would provide €1 10-billion (\$150-billion) in emergency loans. It was hoped this would stabilize money markets, and stop the run on debt-related investment instruments coming out of Greece and other vulnerable European economies – including Spain, Portugal, Italy and Ireland. But so poor was the response to this bailout, that in less than a week, a bigger – a much bigger bailout – was hastily announced.

Finally approved over the weekend of May 8 and 9 – and in an atmosphere of tense secrecy – the European Central Bank (ECB) working with in particular the IMF (but also with the U.S. and the other G7 economies and the G20) announced a one trillion dollar rescue operation "one of the most ambitious and aggressive market interventions of the last thirty years."

The choice of the weekend of May 8 and 9, in retrospect, was not an accident. May 9 is "Europe Day" - the anniversary of the "Schuman Declaration." Exactly 60 years prior to the announcement of the trillion dollar rescue package, French statesman Robert Schuman put forward a plan to re-organize coal and steel production in Europe. The plan was simple: "The government of France proposes that French and German production of coal and steel should be placed under the control of a common authority." Its effect was seemingly revolutionary. Its "solidarity in production" framework had the political goal of making "any war between France and Germany ... not merely unthinkable, but materially impossible." It also set in motion the chain of events that led to the creation of the European Union and the now 16-member zone of countries which use the Euro as a common currency. "[T]he people of Europe today celebrate the declaration of 1950 with parties, picnics, and fireworks." No firework display has ever been more impressive than what was widely nicknamed the 'shock and awe' trillion dollar intervention by the ECB into the world money markets to stabilize the Eurozone. The symbolism was straightforward. 'This is Europe. If speculators mess with us, there will be consequences.' We can't assess yet whether this 'shock and awe' will calm the markets. But we can make some assessments about what the current crisis in Europe reveals about the contours of politics and resistance in the EU portion of the Eurasian landmass.

ASSESSING THE CRISIS IN EUROPE

First, we know that whether at 150 billion or one trillion dollars, the real price for these loans will be paid by workers and the poor

Paul Kellogg

in Greece. Along with steep tax increases and cuts in spending, the loans are conditional on a public sector wage freeze being extended through to 2014.³ This is in reality a wage cut, as there will be drastic changes to the so-called 'bonuses' – holiday pay that has become an essential part of the income package of low-paid public sector workers.

We also know this will spark resistance. The anger at these cuts is everywhere in Greek society. Giorgos Papadapoulos is a 28-year-old policeman who normally confronts demonstrators. But in March he put aside his riot shield and joined the mass protests which have become a regular part of life in Greece. "It's a different feeling for me," he told journalists while he was on the demonstration. "But this is important. It hurts me and my family." However, the crisis in Greece has revealed not just a shift to the left in Europe. There is also an open stirring of forces on the right.

The April 29 front page of the mass circulation German daily *Bild* screamed out "The Greeks want even more billions from us!" The echoes of a half-forgotten German nationalism gave shivers to those with an historic memory. One who has such a memory – Greece's deputy prime minister Theodoros Pangalos – reminded Greek voters of the horrors of World War II. "They [the Germans] took away the gold that was in the Bank of Greece," he said. "They took away Greek money, and they never gave it back." It was a thinly-disguised attempt to divert attention from a crisis over which his party (the Panhellenic Socialist Movement or PASOK) has helped create. These kinds of reactionary nationalisms were supposed to have been superseded by the progressive cosmopolitanism of the European Union.

That many have clung to a hope that the EU contains within it the seeds of a progressive capitalism, is not in itself news. Antonio Negri, co-author of *Empire*, supported a call for a 'yes' vote on the European Constitution in 2004-2005. His rationale was explained very well by Salvatore Cannavò, then deputy editor of *Liberazione*, the daily paper of Italy's *Rifondazionie Comunista*.

"Empire, for Negri, is the new globalized, capitalistic society. He thinks of Europe as being a 'brake on the ideology of economic unilateralism which is capitalist, conservative and reactionary. So Europe can become a counterweight against U.S. unilateralism'."

Another with faith in the EU was Christopher Hitchens, who describes himself as "one of the few on the Left to advocate enlargement of the European Union and to identify it with the progressive element in politics." But really, Hitchens needn't describe himself as being so alone. In their hope that the EU represents a 'nicer' capitalism than that in the United States, the very radical Negri and the ex-left gadfly Hitchens are actually trailing

behind the very mainstream 'social liberal' politics of very traditional European Social Democratic parties, still by far the principal force in the workers' movement and the left in Europe. Hitchens' and Negri's pro-EU stances place them within the hegemonic project of European capitalism, mediated – as is so often the case – by European social democracy.

This hope for a progressive EU has been sorely tested by the most recent slump in the capitalist economy – the so-called 'Great Recession' of 2008-09 – the trigger for the debt problems in Greece and elsewhere. November 2009, 57 per cent of the 53 per cent who participated in a referendum in Switzerland, voted to ban the building of minarets in that country. This reactionary trend is not restricted to Switzerland. In April we learned that the home affairs committee of the Brussels federal parliament in Belgium voted unanimously to ban Muslim women from veiling their face in public. "Support for the ban ... transcended party lines, ranging from the Greens to the far right." Similar restrictions are being contemplated elsewhere in Europe, including in France and the Netherlands. That this reflected a rise in Islamophobia and anti-Arab racism is revealed by the fact that "only four modest sized or small minarets exist in Switzerland,"9 and that in Belgium "very few women wear the full veil, and there has been little public debate about the need to ban it."10

It needs little analysis to see what is at work here. The deep crisis of 2008-09 triggered huge government spending programs across the continent. That spending worked to stem the crisis, but left governments saddled with unsustainable debts. Every government is now preparing to address this debt crisis by slashing government.

ernment spending. The anti-Arab racism is a deeply reactionary, very old-fashioned and very predictable way for ruling elites to try and 'change the channel' and make working people and the poor look at scapegoats, rather than at the deep attacks on social services and public sector workers that are around the corner throughout the continent. The anti-Greek nationalism in Germany – which threatens to derail a bailout sorely needed by German as well as Greek capital – reflects this politics of scape-goating getting out of the hands of German capital, and opening the door to populist far-right forces, an increasingly sombre menace on the fringes of the European political landscape.

'PROGRESSIVE' EUROPE?

This shift right is not a big step for politics in the EU. The EU could present itself as a force for progress, given the barbaric history of European civilization. A collection of nations – whose continent had, in a century and a half, witnessed the bloodiest wars ever seen in human history – had found a way to unite and partially reduce their divisions. Holders of an EU passport could travel easily from one country to the next – and more importantly work in any country of the Union. The emergence of a common currency for some of the EU states seemed to indicate an even greater reduction in tensions in a continent comprised of historic rivals.

But this progressive surface appearance masked another aspect of the barbarism that has been European civilization. Its roots are not just in the 150 years of intra-European rivalry which resulted in the Napoleonic Wars, World Wars I and II. Those roots are



even more in the 500 years of colonial conquest of the Global South, which resulted in the depopulation of whole sections of Latin America and the Caribbean, the horrors of the Atlantic Slave Trade, and the long humiliation and plunder of three of the four most populated regions in the world - China, the Indian subcontinent, and the Indonesian archipelago. If the creation of the EU muted intra-European rivalries, it did not lessen European pressure on the Global South. If anything, it led to an intensification of European imperialism abroad. European corporations, from Latin America to Africa to Asia, have been as much a part of the story of imperialism in the late 20th and early 21st century as has been the much more recognizable hand of the United States. In fact, an argument could be made that the very reluctant decision to embark on the process of European integration was spurred not so much by a desire to create a progressive Europe, but rather by the recognition that another round of wars between the European states would make all of Europe incapable of participating with the United States in the ongoing plunder of the great riches in the Global South. It was either all-in or not at all - and the EU was the result.

In other words, there has always been a reactionary side to the EU project. Internal migration for holders of EU passports was wonderful for the workers of Europe. But for those outside the EU, what it meant was 'Fortress Europe' – a wall of anti-immigrant rules and regulations from Italy to Spain to Germany. And while it was one thing to push forward with a unity project so long as each country in the project was in its majority white and Christian – when the project faced up to its next task, expanding to include the largely Islamic country of Turkey – a sudden reluctance showed its hand, a reluctance which could only with difficulty conceal its xenophobia and racism.

There is another aspect to the imperialist roots of the project of European Union – the unequal relations between states inside the Union. Doug Saunders, writing in *The Globe and Mail*, is going too far when he calls Greece, Portugal and Spain "economic colonies" of Germany. But he is highlighting something important about the unequal structure which is the EU. There is an inner core of dominant countries – on the continent, Germany and France in particular – and an outer layer of countries which has a very unequal relationship with that core.

"Germany is the world's second-largest exporter, ahead of the United States and exceeded only by China, and its largest markets are its European neighbours. These countries are net importers ... These importing countries have more money flowing out of their borders than they have coming in – for Greece, an amount equivalent to a tenth of the entire economy – and Germany has a surplus, with piles of it stacking up. Money cannot sit still, and nature abhors a vacuum, so German banks disposed of those heaps of surplus export-payment cash by lending it to companies, especially property developers, in those same countries at low interest rates. And they lent it to their governments, too, to fill their need for missing cash, which would in turn be spent on more German goods and services."



This is the toxic brew which is now bubbling over as the EU tries – and tries again – to bailout the Greek government. The fact, outlined by Saunders above, that much of this debt is held by German banks, explains why German capitalism supports such a bailout. But the terms that are being demanded are very severe, and it is Greek workers who are being asked to pay the price.

These conditions also run counter to the lessons learned so painfully in 2007 and 2008. The biggest lesson of the Great Recession was that it is neoliberal folly to cut government spending when economies are shrinking. Such cuts make economic decline even worse. In fact what is needed is an increase in government spending, so that government demand can compensate for declining private sector demand. But if Germany has returned to economic growth and can now contemplate cuts to government spending, Greece has not. It is estimated that the Greek economy – after contracting through all of 2009 – will shrink by a further 4% in 2010 and another 2% in 2011. The cuts being demanded by the EU and the IMF will make a bad situation worse in the coming weeks and months.

There is hope in the situation – the evolving resistance emerging in Greece. One poll indicated that "more than half of Greeks say they will take to the streets if the government agrees to new austerity measures." The growing mass movement and opening to the left underway in Greece, is extremely encouraging. It is with that movement that hopes ultimately lie for the emergence of a really progressive Europe.

BREAKING WITH SOCIAL DEMOCRACY

But we should temper these hopes with a sober assessment of the reality of the situation. Social Democracy – and the union bureaucracies on which it stands – is deeply implicated in the construction of the structures which are today being used to orchestrate an attack, across the continent, on social services and the working class. Social Democracy remains the leading force in the workers' movement, and we can have no illusions in its ca-

pacity to lead a serious fightback. In Greece the movement has necessarily broken in part with PASOK, as it is a PASOK-led government which is implementing the attacks. But in Greece as throughout Europe, social democracy is only a reflection of the problem. The material foundation of social democracy is comprised of the union bureaucracies entrenched in the workers' movements in Europe and throughout the Global North. Ultimately the task facing the workers' movement and the left is not just a political break from social democracy, but organizational independence from these union bureaucracies.

Winning that independence will be bound up with creating a counter-hegemonic project whose horizons are not just the internal politics of Europe, but the fact of Europe's implication in the imperialism which oppresses the majority of the world's population. Our counter-hegemonic project, in other words, cannot simply focus on economic issues. A counter-hegemonic project in Europe – as in North America – has to simultaneously involve a break from chauvinism and racism.

Such recognition has practical implications. Greece's small role in Europe's noxious imperialism has been a series of chauvinistic rows over Macedonia and Cyprus, and its irresponsible and long-running feud with neighbouring Turkey. This has translated into an inflated military budget, keeping "Greek military spending well above that of other EU members, reaching €14-billion, or 6 per cent of GDP, in 2007 and 2009." In other words, fully half of the deficit problem – which stands at between 13 and 14 per cent of GDP – is caused by inflated spending on war preparation. Breaking from chauvinism and militarism opens the door to a simple demand which can be a modest, but necessary part of the counter-hegemonic project – cut spending on war, not spending on welfare. **R**

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Britain's New Fiscal Policy: An Ugly Punch & Judy Show

Michael Burke

The British Chancellor of the Exchequer's, George Osborne, Budgetary announcements on the need to reduce the public sector deficit included suggestions that departmental budgets would be cut by up to 20 per cent by measures including abolishing planned increases in free school meals' provision as well as cuts to pensions and welfare payments. But even this announcement was almost overshadowed by a report from the Fitch credit ratings' agency that called for a 'more ambitious deficit-reduction plan' to 'underpin market confidence.'

This is widely taken to mean that the ConDem coalition, elected under the leadership of Prime Minister David Cameron in May 2010, should accelerate its planned spending cuts. It was seized on by Osborne in support of his own extreme measures.

This is an ugly Punch & Judy show now familiar to the ordinary population, workers and the poor in Hungary, Ireland, Germany, Greece, Spain, Portugal and elsewhere. Either an international agency or the national government will declare there is a crisis of government finances and offer no solution to it. This cry of imminent fiscal disaster is then taken up in the financial markets, the press and other media and is echoed by the ratings' agencies. At that point either the international body or the national government will announce that the markets and ratings agencies are demanding spending cuts. It is a show where the population is repeatedly clubbed.

The ratings' agencies themselves play a further role in this – accepting the governments' unwillingness either to stimulate growth through investment or to use tax increases rather than spending cuts.

But in the latest British case this pantomime is even more transparent than usual. As can be seen in Figure 1 below Fitch outlines its projected paths for the budget deficit depending on a 1

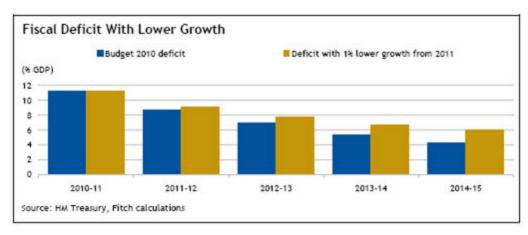
per cent difference in annual GDP growth. Fitch chooses to project the deficit based on the possibility of consistently lower 1 per cent growth over a 4-year period. But the same process would work in reverse. A 1 per cent higher growth would reduce the projections for the deficit by same amount. In this way, at the end of the period Financial Year (FY) 2014/2015 the deficit would be just over 2 per cent of GDP.

And this awful pantomime is continuing – with the ratings' agencies, Fitch included, now citing the austerity measures taken in countries such as Greece, Spain and Portugal as a reason to downgrade their debt, on the logical grounds that lower tax revenues will follow and therefore meeting interest payments will become more onerous. Yet the downgrades themselves *undermine* government bond markets further and so the clubbing of the population is renewed.

INVESTMENT LEADS TO GROWTH

Faced with this farce it is vital to realise that government spending is both a component of GDP and a catalyst for private sector activity. In Britain, the cuts programme is *already* having a detrimental impact on growth before they have barely begun. Building contractors are laying-off workers now because of the *cut* in the schools' building programme. And the British Retail Consortium *warns* of the damage done to shops sales if the much-touted and wholly regressive rise in VAT takes place.

These are practical demonstrations of the fact that these cuts will not produce a balanced budget as every cut reduces growth in both the public and private sectors and the taxes that flow from it. By contrast, for example, a small *increase* in higher education spending increases the employment rate for graduates – providing government with a huge return in the form of both higher income tax revenues and lower welfare payments.



LEARNING LESSONS

Cameron's recent invitation to Thatcher to tea at No.10 may have been a nod to the right wing of his party, but he should have factually quizzed here on how her deficit-reduction efforts turned out. Just like Thatcher, Cameron-Clegg will find that their cuts lead to a widening deficit.

In the Financial Year (FY) 1978/79 before Thatcher took office, and itself a year of economic turmoil, public borrowing was £8.75bn. In the next five years it was successively £8.6bn, £11.5bn, £6.0bn, £8.5bn and £10.5bn - an average £9.0bn. And that was with a bonanza from North Sea oil, which will not recur this time. Simultaneously public sector net debt <u>rose</u> from £98bn to £157bn over the same five year period.

THE PRESENT ECONOMIC DISASTER IN IRELAND

Prior to the election, George Osborne repeatedly argued that Britain should follow the example of the fellow Thatcherites in the Dublin government and slash spending. Fiscal tightening on the scale of Ireland in 2009 would be equivalent, in comparative GDP terms, to £90bn in Britain. But the Tories admiration for Ireland's 'slash and burn' has become an embarrassment as the latter now has a 14 per cent unemployment rate despite the return of mass emigration, and the budget deficit has doubled to the highest in the European Union, at 14.3 per cent of GDP, despite Ireland having started the recession with a budget surplus

THE FAKE PARALLEL TO CANADA

So the Tory hunt has been on for an example of successful fiscal tightening. With no contemporary European success stories to boast of, and no well-known ones from the 1930s either, the Chancellor now promotes Canada's fiscal tightening of the early 1990s as his model. The very obscurity of the *example*, and the fact that

it does not relate to any of the really large economies such as the USA, Germany, Japan, France, the UK, etc., is itself a testimony to its rarity. It is true that in this arbitrarily selected case fiscal tightening did lead, eventually, to a lower deficit - but due to factors that are completely absent in Britain.

First, simultaneously with Canada's tightening, the U.S. was undergoing a huge boom – and the U.S. accounts for 85 per cent of Canada's trade. Second Canada embarked on encouraging large-scale immigration - which particularly attracted wealthy Hong Kong Chinese. No such windfall or policy is likely for Britain this time around.

Even then the Canadian case was accompanied by a 15 per cent fall in the value of the Canadian Dollar and growth averaged just 1.7 per cent over 5 years – and even this was entirely due to net exports as the domestic economy was in permanent recession. Because of this unemployment averaged 10.4 per cent and government debt actually increased from 50 per cent of GDP to 70 per cent of GDP!

The lessons of the real world show it is impossible to see cuts as a way to prosperity and to lower debt. A genuine economic recovery is a pre-requisite for deficit-reduction. Government investment is required to spur that recovery. **R**

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Withering Assets: Neoliberalism and Canada's Diminishing Environmental Capacity

Ryan Katz-Rosene and Aaron Henry

In the wake of the global financial crisis and decades of a withering tax base, the federal government and some provinces are threatening to go about another round of privatizations and asset sales to cover recent deficits and long-term debts. Finance Minister Jim Flaherty, for instance, stated in the lead-up to the 2010 federal budget that "there are some opportunities for some privatization of businesses that one questions why the government is in them anymore... So we'll look at those and I expect that in the next year we'll be able to make some announcements."

Or consider the recent fiasco regarding the intended sale of NB Power by Liberal Premier Shawn Graham of New Brunswick, a plan that went completely against his campaign promises. Perhaps most outrageous of all, Premier Dalton McGuinty unleashed the Open Ontario plan earlier this year, which intends to literally open up Ontario's public assets for sale under the guise of a public private partnership. As *The Toronto Star* reported in March, "the Ontario government is looking at creating a publicly held \$60-billion 'super corporation' of assets such as the Liquor Control Board of Ontario and Hydro One and then selling a minority share to private investors."²

There are a host of reasons why privatizing state assets, whether in whole or in part, is a bad idea. The threat of priva-tization has kept public sector employees on the defensive, relocated political jurisprudence to private authorities, and given rise to deep seeded pessimism amongst the Canadian left. Adding to this pessimism, the processes of privatization have, as we argue below, limited our capacity to deal with today's pressing environmental concerns. As Leo Panitch and Sam Gindin have suggested, one way to transcend pessimism in this era of extreme capitalism is to "clarify the socialist 'utopian goal' today and to develop a clearer sense of where our potential capacities to create that better world will come from."

To do this we need to analyze how processes of neoliberal restructuring have transformed these existing potential capacities and reshaped the social terrain upon which they are played out. In other words, we need to engage with what exists, what has ceased to exist and the relations maturing within the present historical conditions. In answering Panitch and Gindin's call, this essay engages in a thought experiment regarding ways we can tackle environmental problems through the implementation of large scale infrastructure projects in the areas of renewable en-

ergy and transportation systems. We begin, however, by analyzing the relationship between processes of neoliberalism and the Canadian state's capacity to tackle these problems.

This is a pressing area for analysis given the unprecedented scale of interconnected global environmental problems currently faced by our world (including human-induced climate change, high rates of species extinctions, and the widespread pollution of air, water and land). It is becoming clearer that the only realistic way of confronting environmental degradation *en masse* is to radically alter our mode of production. In short, we humans need to change our way of life. Two steps toward that change of many changes required include major transformations in the way we produce and use energy, and the way we transport ourselves from place to place.

However, the processes of neoliberalism in Canada have created both material and ideational obstacles to bringing about these much needed transformations. In particular, the changing role of the Canadian state in facilitating capital accumulation, and neoliberal orthodoxy's reification of social life, has left us unable to realize the capacity that currently exists within the Canadian state to bring about political economic transformations. In an attempt to transcend pessimism, we conclude by examining how Crown corporations could be radically transformed into real



public entities that could be directly involved in energy production and inter-urban transportation solutions in Canada.

UNWILLING TO CHANGE: CANADA'S REPUTATION AS AN ENVIRONMENTAL FAILURE

Thanks to the Harper government's flagrant disregard for the severity of climate change, and its repeated attempts to stall progress at global climate talks, this country has developed an embarrassing international reputation as an uncooperative bully trying to push the neoliberalism-as-usual approach forward without consideration of the grave consequences of continued overproduction and over-consumption of fossil fuels. To make matters worse the feds have no big plans for major transformations in the areas of energy production and transportation. This becomes all the more egregious when we examine Canada's outrageous environmental footprint: Canada is the 7th largest net emitter of Greenhouse gases (GHGs) in the world.4 On a per capita basis it is the 10th largest emitting country. In 2005 the average Canadian consumed an equivalent of 8,472 kg of oil.5 That's 61 barrels of oil that each of us burned-up in one year! In Canada, 26.7 per cent of the total GHG emissions were unleashed in the transportation of goods and people. In terms of energy production and consumption of non-renewables, this country produced at least 415 megatonnes of carbon dioxide equivalent (amounting to over 55 per cent of our country's emissions).

While it is not our intention to foreground doomsday scenarios about the potential for the collapse of the human civilization and the planet that sustains us, some recent accounts by experts are alarming. For example, renowned scientist James Lovelock believes that "by 2020 extreme weather will be the norm, causing global devastation; that by 2040 much of Europe will be Saharan; and parts of London will be underwater," and that by 2100 "about 80 per cent of the world's population [will] be wiped out." While the language of the Intergovernmental Panel on Climate Change (IPCC) is not as alarmist as Lovelock, their predictions are nevertheless equally stark.

In its latest scientific assessment, the IPCC projects that continued warming of the planet, rising sea levels, melting Arctic and Antarctic sea ice and glaciers, increasing prevalence and intensity of severe weather events such as hurricanes, and widespread desertification of subtropical regions, are all inevitable results of the increasing concentration of Greenhouse gases in the atmosphere as caused by humans. 7 When natural scientists make such dire predictions about the way human societies will impact the ecological systems of the planet, arguably it then becomes the task of social scientists to put forward proposals for societal change. Instead, we have played witness time and again to reformist strategies designed to continue our unsustainable mode of production. This failure to act despite the looming environmental catastrophe has lead many commentators to assume that there is a 'lack of political will' to carry out large-scale green projects.

Take for instance, the words of Angel Gurría, OECD Secretary-General, at the organization's 2008 forum: "moving forward on

[climate change action] depends on another strategic element: mobilizing political will. Political will is the space where action starts; it is the DNA of new and better realities. It will be crucial to count on this powerful tool, because we will have to set ambitious goals, to reach historical agreements and to take immediate action."8 Similarly, a recent study by energy experts Mark Z. Jacobson and Mark A. Delucchi titled "A Plan to Power 100 Percent of the Planet with Renewables," lays out an impressive scheme for the implementation of major green infrastructure projects in the areas of energy and transportation but similarly concludes that among the greatest obstacles is the lack of political will.9 All too often the lack of political will is identified as the main barrier to state action on the environment.

In many ways the political reality in Canada does not fit with this diagnosis. Public opinion in Canada firmly characterizes a polity as one that wants such changes: 86 per cent of Canadians either 'somewhat' or 'strongly' support the implementation of high-speed rail. Similarly, an astounding 91 per cent of Canadians are either 'very concerned' or 'somewhat concerned' that "the way the world produces and uses energy is causing environmental problems, including climate change." Moreover, while Stephen Harper attempts to sell the tar sands around the world, polls show that more than half of Canadians want production of Alberta bitumen to be curtailed. Clearly, the Canadian public displays an incredible amount of political desire for major transformations in the way we produce energy and fuel transportation. Why don't Canadian politicians take note of the existing political will held by the Canadian public?

Political will might well be a factor in explaining why large scale projects have not taken place, but this needs to be judged by the fact that those in the seats of power are sustained by the current relations of production. As well, neoliberalism has not only changed the capacity of the state to initiate these large scale projects but also how the terrain of political action – what we as a society think is *possible* – has been limited by the deepening mystification of social life.

Marxist ideas help us understand how neoliberalism has diminished not only the Canadian state's capacity to confront environmental problems, but also the way the state systematically bolsters capital accumulation in Canada that is ecologically-destructive. Adapting David Harvey's insights on accumulation by dispossession, it is possible to uncover how the relationship of the Canadian state to capital accumulation has changed, unleashing new relations that now underlie state inaction on the environment.

In order to contextualize this shift it is necessary to briefly sketch the relationship between the state and capital in the postwar period. In particular, throughout the late 1960s the Canadian state developed a number of institutions designed to combat what was seen as a crisis in manufacturing. Two institutions that came into existence, for example, were the Economic Council of Canada (ECC) in 1963 and the Export Development Corporation (EDC) in 1969. The ECC was a public policy organization with the mandate "to quantify the basic economic and social goals to which

parliament has directed our attention: full employment, a high and sustained rate of economic growth, reasonable price stability and viable balance of payment position and an equitable sharing of rising incomes."¹³ The EDC developed in relation to these goals as a way of increasing the economic strength of Canada's manufacturing sector to increase employment and provide the state with the revenue to resolve regional income and social welfare disparities.¹⁴

These public policy initiatives reveal that the relationship between the Canadian state and capital accumulation was one in which the state was seen as an 'architect' of the national economy; its role was in developing the capacity of national industries, producing infrastructures that would improve productivity, and producing assets for development (too often in resource megaprojects that were ecologically damaging to Canada's North and fisheries). This reflected the role of the state in building Canadian capitalism, but also the capacity of the labour movement and popular forces to contest the transformation of the economy and even initiate some developments, such as struggles to capture resource rents and use them for alternate development or to extend popular access to higher education.

It is important, however, not to glorify this 'architect' relationship between the state and capital accumulation. The fundamental problem with this Keynesian fix of accumulation was that such policy initiatives, including the construction of infrastructures, had a direct connection to class interests. As Rianne Mahon has pointed out, the discourse of strengthening the national economy through public-policy served to mediate and obscure dominant class relations and at the same time created the ideological conditions under which the Canadian working class acquiesced to exploitative relations under the aegis of improving a 'universal national good.'15 Thus, while the Keynesian fix was exploitative and rooted in class antagonisms, it nevertheless lead to greater state capacities, relative to the market both materially and ideologically, to initiate projects that would restructure the 'economy.' This represented not something inherent in states, but the organizational strength of labour and social movements to struggle over the terrain of state policy.

THE NEOLIBERAL CANADIAN STATE

Neoliberalism, Harvey argues, has involved a shift toward patterns of accumulation based on dispossession. This theory may be helpful in conceptualizing a change in the relationship between the Canadian state and capital accumulation. Simply put, if surplus capital cannot be profitably absorbed within pre-existing configurations between capital and labour, new spaces of accumulation need to be created. Broadly speaking this has meant wholesale privatizations of state property, communal property and resources, as well as the liberalization of sectors previously managed by the state. ¹⁶ While it is quite obvious that these processes of creating new spaces for accumulation translate into layoffs, increasingly precarious contract employment and the commodification of social policy provisions, it also means a radical transformation in the form of the state. In particular, rather than being implicated within the circuits of capital as an 'archi-

tect,' the Canadian state is increasingly a 'facilitator' of private investment. Harvey has noted some of the immediate repercussions of this shift:

"The neoliberal state operates through a legal framework orientated around freely negotiated contractual obligations between judicial individuals in the market-place. The sanctity of contracts and the individual right to freedom of actions, expression and choice must be protected. The State must therefore use its monopoly of the means of violence to preserve these freedoms at all costs. By extension, the freedom of businesses and corporations (legally regarded as individuals) to operate within this institutional framework of free markets and free trade is a fundamental good." ¹⁷

In light of this, it is possible to locate a number of additional effects that pertain to the ability of Canadian government to initiate large-scale green projects. First, as a facilitator of market contracts, the state treats its own institutions as financial assets that can be sold off for short-term profit. In this sense, what were once institutions that gave the Canadian state a certain capacity to implement large scale projects for the public good have become financial assets that are now increasingly embedded within the patterns of Canadian capital accumulation. Moreover, if the state does retain its own assets, it often treats these assets as private corporations subject to market relations. As such these assets must compete for clients and consumers. This 'iron cage' of economic rationality severely hinders the capacity of these institutions to engage in projects that are counter to the capitalist imperatives of profit maximization and free competition.

Second, the changing raison d'être of the Canadian state from an 'architect' forming a national capitalist economy to a 'facilitator of market relations' also creates a different political terrain upon which political action plays out. An example of this change in the social terrain can be seen in the emergence and consolidation of capitalist forms of environmentalism. As Gregory Albo has written, market environmentalism has "emerged as a powerful strain of thinking" which has spread beyond traditional capitalist institutions and has even been subsumed by leading environmental organizations.¹⁸

Yet, because of the rationality of market environmentalism, coupled with the changing form of state, political action has been reframed. Citizens now find themselves faced with little outlet for political action around climate change. They can either cast a vote, once very few years, into a system that is actively offloading its capacity to introduce meaningful change; or, they can 'vote' with their dollar, the essence of neoliberal political action. As such, individuals exercise their political will through minimal changes in their consumptive habits, by doing things like buying cloth bags, turning out the lights for a few hours, or buying hybrid SUVs. While all of these things are no doubt 'nice,' they fit into an individualized market-based approach that is deprived of transformative power. Consequently, Canadians find themselves unable to imagine how alternate state infrastructures and modes of organizing socio-economic organization could be used as step-

ping stones toward ecologically-responsible production. The obfuscation of social life in Canada keeps Canadians from seeing the state and workplaces as terrains of political struggle. In short, market fundamentalism now dominates the terrain of political action in Canada.

OFFLOADING AND REFRAMING ASSETS IN CANADA

Throughout the neoliberal era in Canada, the federal government has consistently attempted to privatize public assets to the private sector, and reframe the purpose of assets that it still owns. This demonstrates a systematic failure to see its assets as potential tools for progressive public policy implementation. In terms of environmental infrastructure, neither private firms nor neoliberalized Crown corporations today show any interest in putting up the tremendous capital required for green energy and transportation projects, in part because there is a possibility of low (or no) rates of return, and in part because they will have to compete against other firms producing more profitable (but dirtier) energy, or offering more profitable modes of transportation (such as gas guzzling air travel).

Many would be surprised to hear that the Canadian government still owns an impressive array of assets and crown corporations. As noted above, this is because these enterprises act more like private corporations with all public policy mandates largely gutted. Canadian governments still own any number of hydro companies, for example, and VIA Rail: productive capacities that could be leveraged into implementing alternate energy and transportation capacities within public ownership. These types of Crown corporations remain, for the most part, undercapitalized and have very limited capacity to implement any form of large-scale sector-wide projects.

VIA Rail, for example, suggests on its website that over the last



two decades it has "focused on reducing overhead, administrative and operating costs, while improving the quality of service to attract more customers and increase revenues."19 This is a mandate mired in neoliberal rationality that prioritizes profit and competitiveness over serving the public interest. Those Canadians who ride the train are considered 'customers,' not the public 'owners' and 'users' that a democratic conception of the public sector would imply. VIA was founded in 1977 "on the grounds that a Crown corporation with an exclusive mission to organize and provide all intercity passenger train services in Canada could really reduce costs and improve service."20 The founding of VIA narrowly avoided the complete demise of passenger rail in this country. Ironically, only a decade earlier Canada was on track to become a global leader in High Speed Rail (HSR) transportation. Canadian National (which was a Crown corporation at the time) had brought the TurboTrain into service, which broke records as the fastest passenger train operation in North America!

Yet, with the exponential rise in automobile use and air travel in North America throughout the latter half of the Twentieth Century, passenger rail became less and less profitable. By the early 1970s both Canadian National and its rival Canadian Pacific sought to rid themselves of passenger rail and focus exclusively on the more profitable freight services. Thus VIA was founded as a way to appease Canada's rail giants; it was never the type of Crown corporation that had any capacity to be a major player in the country's rail industry. Via was formed as a public corporation in a way that subordinated its operations to the accumulation of capital of the railway monopolies.

In Canada freight rules the rails: to this day people who ride the train frequently wait for hours on the side of the tracks in order to give the right of way to the freight trains (the freight companies own the tracks)! Some of Canada's largest cities (such as Calgary) are not even accessible by passenger rail, and VIA just does not have the capacity to extend its service. In this regard, while

Canada's 1960s innovations in HSR failed to advance (the TurboTrain was finally decommissioned in the early 1980s), other countries continued to develop energy efficient rapid rail technologies. Now many European nations have intercity rail lines that regularly travel above speeds of 300km/h, and larger countries with geographies more akin to Canada's such as Australia, China, Russia and the United States have unveiled plans that make HSR a priority, largely for reasons related to the environment and energy security. As one HSR journalist notes, these countries are currently spending gargantuan sums of stimulus money on rail network expansions "because they are a kind of insurance policy for the twenty-first century," as "high-speed rail ensures that cities remain connected the next time the price of oil rises."21

After three decades of neoliberal restructuring, Canada is left with a fledgling company with minimal capacity that spends its time trying to compete for customers against the airlines (such as Air Canada, also once a Crown corporation) and private bus services. As the example demonstrates, neoliberal policies reframe the operational logic of Crown corporations even when they remain in the public sector, and reduce their capacity to implement large public projects.

The case of PetroCanada also illuminates both the role of the Canadian state in facilitating capital accumulation and its changing context under neoliberalism. Canada briefly had a public corporation to develop petroleum resources. PetroCanada was founded as a national oil company in 1973 in the form of a Liberal concession to the NDP (the latter threatened to bring down the minority Trudeau government if it did not acquiesce). In its earliest years the Crown corporation helped the federal government implement its plans to coordinate petroleum supplies at a national level (however unpopular such plans may have been in Alberta), given the major global upheavals in oil supplies and prices that marked the decade.

Rather than the complete nationalization of the Canadian oil sector, through which the company *could* have actually gained control of the entire domestic petroleum industry (as is the case in Norway, for example), PetroCanada was set up as yet another oil company which would have to compete with Big Oil. It was only a matter of time before parts of Canada's national oil company would be chunked to pieces and sold off to private hands. Finally in 2009, symbolizing the course of neoliberalism in Canada, PetroCanada was purchased by Suncor, a major player in the Alberta tar sands.

Even the province of Alberta once recognized the public good that could be achieved by state-owned enterprises. In 1973 it created the Alberta Energy Company (AEC), which would immerse itself in all energy-related areas from coal to steel to oil to forestry. However, being totally afraid of the socialist undertones the decision to create a publicly-owned company might solicit, the Alberta government decided to only maintain a 50 per cent share in the corporation! Similar to PetroCanada, the AEC was not designed as the type of Crown corporation that oversees the entire sector and implements public policy. Rather, it was forced to compete amongst its privately-owned rivals in Alberta's oil patch (which was dominated by powerful American conglomerates). Sure enough, with the coming to power of neoliberal icon Ralph Klein in 1993, the AEC was finally sold off and converted into a completely private enterprise. Today the company continues to bring in profits for its private shareholders.

The Alberta tar sands represent the kind of large-scale energy project that unhindered capitalist logic leads to. Aside from the atrocious contribution to Canada's greenhouse gas emissions (5 per cent of the Canadian total and rising), tar sands production is poisoning the regional watersheds, the air, and the industrial development is said to be responsible for higher rates of cancer in indigenous communities downstream. This is alongside low royalty and tax rates, and a regulatory regime based on self-reporting making the tar sands a neoliberal paradise. Oil companies from all over the world (including some nationally-owned oil

companies from other countries) have flocked to this last bastion of petroleum, drawn ever more by the imperatives of fossil-fuel capitalism.

As Roger Annis has suggested, real environmental justice in Canada would require nothing short of "a planned and orderly shutdown of the entire [tar sands] project and a massive reorientation of the Canadian economy away from reliance on fossil fuels and toward sustainable energy production. This necessarily requires... alternative training and employment for workers in the tar sands... [and] a head-on battle with the oil companies, not to mention leaving NAFTA."²² But this immediately confronts the limits of Canadian capitalism and the existing state that such a transition would imply. It is our view that only a set of integrated, powerful public entities with a socialist mandate would have the capacity to implement this type of overhaul.

BETWEEN ENVIRONMENTAL CATASTROPHE AND NEOLIBERAL ACCUMULATION

The remaking of state's capacities under neoliberalism is an ongoing process: the capacity of the state to facilitate capital accumulation in Canada is not being undermined, but the capacity for political struggle to influence state policy and set democratic priorities has been all but completely marginalized. In particular, state capacities that might initiate large scale green projects are absent and left utterly dependent upon providing public subsidies to capitalists and consumers to adapt more 'green' market behaviour. Sadly, the objective conditions of accumulation in Canada mean that visions of alternative socio-economic systems are fetishized: the environment is seen as financial assets preserved through being subjected to capitalist imperatives (such as the notorious cap and trade system for carbon emissions that even most ecology groups in Canada have endorsed).

The task at hand, then, is to begin to imagine what can be done with what is existing within the Canadian state. This requires not incrementalism, but a radical new democratic imaginary. In the existing balance of anti-neoliberal forces, it is possible to argue for the takeover and reconstitution of public corporations. But this does *not* mean returning to the state capitalist model. It does mean asking questions and struggling for a radically different kind of state, a state that is truly democratic, that employs hundreds of thousands of workers building the capacities to direct the public enterprises they work in.

Let us imagine a public, commonly-owned agency that takes charge of transporting people between *all* Canadian cities, an entire set of transportation-related agencies that extends participation to all Canadians in designing a modern green transportation system. Let us imagine a democratic public sector with the power and clout to seize abandoned car manufacturing plants and commission retrofits to enable rail car construction.

Let us imagine a transportation company that offered bus, rail, or airplane travel options to citizens based *not* on each consumer's personal socioeconomic resources, but on the considerations of what is the best means of transportation for the community at

large. Let us imagine a Canadian public sector and corporations in the 21st Century organized in the form of workers' collectives, where a horizontal, co-operative model of decision-making is applied rather than a vertical corporate model of management.

There are lessons to be learned from the European model of shopfloor 'works councils,' where organized employees play a role in directing the company. There are also learning opportunities from the rise of new socialist struggles for cooperative modes of production in Bolivia and Venezuela, and the recovered factory movement in Argentina. The possibilities truly are endless. But the prerequisite is a unified left in Canada that is capable of defeating neoliberalism in the battle of ideas and able to struggle over state power. To transcend pessimism, the Canadian left must bring these points of (potential) contestation into public consciousness. By doing so, perhaps we will be able to get Canadian society to imagine what *ought* to be out of what currently *is*. **R**

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Visioning a World Without Capitalism

Ian McKay

Thanks for the chance to talk to you today in the Workers' Assembly on "Visioning Otherwise: Imagining a World Without Capitalism." As an historian, I've been working for the past ten years on trying to put together a multi-volume history of the Canadian left. The next volume, which will take the story from 1921 to 1956, tentatively titled *Revolution's Iron Gates*, should be making its appearance sometime in 2013). I want to make Canada's left history come alive for new generations of activists hoping to 'vision' an egalitarian world without capitalism. Basically, today, I want to say just three things about this project – telegraphing some of its core ideas rather than going into any one of them exhaustively. First, and most basically, this country has an extraordinarily rich left history. Many people in Canada have been imagining – and working for – a world without capitalism since the 1890s. Second, a lot of their legacy has been forgotten,

misrepresented and oversimplified – even by leftists themselves. And third, a new strategy for thinking and writing left history has emerged, drawn from the *Prison Notebooks* of Antonio Gramsci, one that can help us *think ourselves politically* in new and more effective ways. We can "Vision Otherwise," and "Imagine a World Without Capitalism" more realistically, effectively and permanently by learning from the past generations, cohorts, schools, movements and parties that have tried to make left history before us.

So, first and most basically, this country has an extraordinarily rich left history. Of course, the "left" – a term that descends to us from the French Revolution – is not a self-evident category. From its eighteenth-century beginnings, "the left" has been a *relational* and *contextual* term to denote those pushing for a more egalitarian society. And for more than a century leftists in Canada have also called themselves "so-

cialists." What I find fascinating is that over time, what has counted as "socialism" – that is, the ideas and practices thought to be at its very core – have changed. Sure, most of us can probably agree

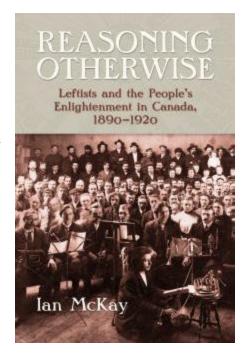
on a "ball-park definition." We might say "socialism" entails agreement with four propositions: the belief that any society founded on large-scale private ownership of the means of production is unjust; that a more equitable form of society can be established; to achieve that, some form of social revolution is required; and that the preconditions for such a revolution can be found in a set of "objective possibilities" in the world around us. Yet within this general framework, one can discern over times radical shifts in what "socialism" means more specifically.

CANADIAN SOCIALISM

In Canada we have had five major schools of socialism, each brought into being by transformative moments – "matrix-events" – that called the everyday world into question and inspired thou-

sands of people to take up permanent positions critical of capitalism. From the 1890s to 1914, Canada broke world records for economic growth, achieved at the cost of dire suffering on the part of the working people who made it possible: they launched revolt after revolt. In the 1920s and 1930s. many radicals aspired to create a Canadian equivalent of the Russian Revolution of 1917. From the late 1930s to the late 1940s, inspired by Depression and then by War, many also took up the distinct goal of the radical reform of the Canadian state itself. In the 1960 and 1970s, a new generation, inspired by decolonization struggles from Vietnam to Algeria to Latin America, mounted a series of struggles against "Empire" in its many guises. And finally, beginning roughly at the same time, but extending well into the 1990s, many socialist feminists began to rethink the left in the light of their resistance to sexism and patriarchy. In our own time, we are entering, I believe, a sixth transformative period – one

in which evidence of capitalism's global dynamism, intrinsic irrationality, and planet-destroying capacities are posed with unmistakable sharpness.



A socialist, then, is a person who struggles to achieve an "otherwise," a new "kind of reality," wherein growing numbers of people can know and use *objective possibilities* for *living otherwise* – *otherwise* than in the often cruel confines of capitalism and liberal order. And in this country, we have before us the extraordinarily rich and intricate history of five major cohorts of rebels, reds and radicals who have gone before us. Today's left in Canada inherits a vast, complicated history, one that can serve as a source of guidance, of warning, of inspiration.

I might just expand on just two moments of particular interest to an audience in Toronto – one that might imagine itself to be a small group indeed in a city of millions. Yet both examples show, I think, how small groups can ultimately help move mountains. The first comes from Toronto, November 1901 – a small, inconspicuous gathering of the Canadian Socialist League, uniting the quite moderate Toronto socialists with their more radical comrades in Montreal. A tiny spark – but this first interprovincial gathering of Canadian socialists intent on founding a Canadawide movement ultimately worked to ignite a fair-sized socialist conflagration, stretching from British Columbia to Nova Scotia.

Here in Toronto, an alliance of radical Finns, Jews, trade unionists, socialist feminists *and* Marxists started to throw its weight around – struggling at considerable risk to critique the South African War and then the First World War, forming reading circles, winning school board elections, even representation on the city council. And in the west, this cohort gave us the Winnipeg General Strike in 1919 – still one of the most extraordinary moments in left and working class history in the entire world, during which Canada's third-largest city was transformed for six weeks into a liberated zone, a permanent teach-in, a vast experiment in living and thinking otherwise.

Fast-forward to a second moment, to interwar Canada of the 1920s and 1930s. These were years in which the left of the entire world was transfixed by the Bolshevik Revolution. Here I think of an even smaller meeting, not in Toronto but in nearby Guelph, but drawing upon a good number of Toronto activists. Only 22 people showed up on 23 May 1920: "They had considerable trouble getting there, as the roads were in bad condition," writes the RCMP spy. As the presence of the spy suggests, this was a harsh time to be a leftist – a time in which the government deported radicals back to regimes known to torture and execute political dissidents, when labour camps here in Canada used torture and shootings against working class prisoners, when the use of entire languages was outlawed in the public sphere.

Small wonder that the spy's report mentions that, at this founding meeting of the Communist Party, two of the activists came with automatic pistols, and served as armed guards while the assembly took place in the loft of a barn. And it was a heavy, heavy meeting – taken up with what stance communists should take up with respect to the some of the radical labour institutions founded by the first cohort, how they should understand and respond to the Russian situation, how they could survive in this profoundly hostile political climate.

REMEMBERING LEFT HISTORY

Why revisit moments like these? Partly, as I've suggested, for inspiration – from small groups, such as your assembly today, mighty movements can emerge. And it's fascinating to engage with the ideals of these first two versions of socialism in Canada – with their distinctive cultural politics (extending from theatre to child-care), their summer camps, their struggles to understand Canadian history. Yet, with these two moments in mind, let's also engage with my second major point: a lot of our left history has been forgotten, misrepresented, and oversimplified, often by leftists themselves. When it comes to engaging with their own history, many leftists engage in a kind of ahistorical thinking – it's as if we imagine ourselves as judges in an timeless court-room, with the hapless activists of the past before us, to be weighed on our timeless scales of revolutionary justice.

Take the two generations of socialists I've just described. We have vast vocabularies of dismissal to apply to them. The first group was often described, not least by their left-wing successors, as bourgeois dreamers, abstract 'impossibilists,' undisciplined syndicalists - so many people chasing utopian bubbles when they should have been building vanguard parties. The revolution cohort of the 1920s and 1930s has come in for even rougher treatment. For most liberal historians, they are simply "totalitarians"; for New Leftists of the 1960s, this was the "Old Left," Soviet-dominated, obtuse, authoritarian; socialist feminists of the 1970s and 1980s tended to see in these people the ancestors of the sexists they were battling in everyday life and activism. And today, in the long long reign of neoliberalism, this whole cohort is often denounced as promulgators of an illusory and now completely dated politics. Whereas I think that, from both groups, we have invaluable things to learn. We can pick up interesting specific methods and tips. And we can learn a vast amount, in a more general sense, about what it means to try to transform a country like Canada.

POLITICAL RECONAISSANCE

It will not be easy to think beyond these polemical patterns and stock responses. It has to be done because they are hubristic, ahistorical and ultimately – and here is my third and final point – politically disabling. Reconnaissance – Gramsci's term from the Prison Notebooks-implies that leftists over the generations, engaged in counter-capitalist struggles similar to ours, have important things to say to each other. Our ancestors have models - of determined activism, personal politics, intellectual research, popular education, and party-building - that call out, not for sentimental celebration nor sectarian denunciation, but for sober reconstruction and evaluation. Each of the past formations of the Canadian left was trying to interpret and to change the dynamics of a capitalist system that endures into our own time. In other words, they are not objects awaiting our dissection, or miscreants awaiting our judicial findings, but our fellow socialist explorers, our co-investigators, our comrades, engaged as we are in a generations-long mission to create out of the capitalism realm of necessary a world of socialist freedom. Instead of summoning them to our ahistorical court-room, we could invite them into our historical imaginations – as people who might teach us some important lessons about how to do socialism in northern North America. Of course, we have to argue with them to – we should put aside reverence for the 'Great Men' and 'Great Women' of socialist history, which does the dead no honour and us no good, and really *talk back* – whether this means talking back to Jimmie Simpson and Alice Chown of the first formation, Tim Buck and Beckie Buhay of the Communists, to J.S. Woodsworth and Agnes Macphail of the CCFers – and those who followed them. But we should also remember that, years from now, if we are lucky, leftists will in turn be *talking back* to us.

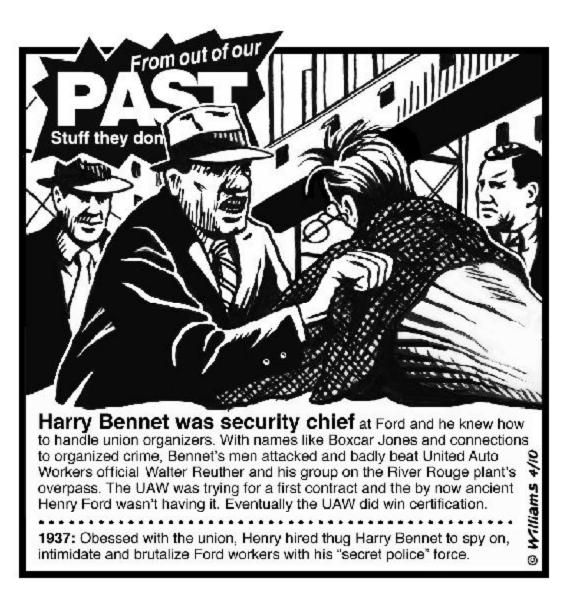
This strategy of reconnaissance also means arguing with the seemingly self-evident terms we inherit from our socialist past, and which we often tend to eternalize. On closer inspection, we note that each socialist cohort, defined by its context in time and space, uses important terms in its own way. Many of the labels and assumptions that are brought to the writing of our history – even such hallowed ones as "revolutionary," "social-democratic," "communist," and "anarchist" – have to be rigorously scrutinized and put in their context. While useful in some ways, their unexamined, often highly polemical deployment has become a

fetter on the further development of left history – and left activism. Perhaps the most basic of all the categories we must interrogate are "revolution" and "socialism" – not to demolish them, but to put them, like leftists did before us, to active and creative work in our own time.

One of the greatest reasons to know your left history is to begin to work out how to transform it by incorporating a deep sense of ourselves as historical beings into the conflicts and developments of our own day to become active terms in the historical contradictions of our time. Coming out of the near-death experience of the effective left in the 1980s and 1990s, at the hands of the neoliberal order ascendant almost everywhere we look, we have to learn some hard lessons about how we talk about both ourselves and about those who came before us. We need to approach our present as we should approach our past - with compassionate understanding and critical empathy for all who challenge and who have challenged capitalism and the liberal order.

"Socialism," Antonio Gramsci wrote so wisely, "is not established on a particular day – it is a continuous process, a never-ending development toward a realm of freedom that is organized and controlled by the majority of the citizens." If we truly learn that lesson, if we approach our ancestors as well as our contemporary comrades as those engaged in a generations-long process, we may well find that as leftists we have something infinitely more precious to win from our rich history than sentimentality and sectarianism, as we struggle to renovate the revolutionary tradition in the twenty-first century. $\bf R$

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Working Peoples' Assemblies

Sam Gindin

In Canada and elsewhere there is currently a wide range of impressive constituency-based struggles around specific issues. But without some broader coherence to these movements, this fragmented politics leaves us frustratingly marginalized in terms of reversing and reshaping the larger agenda. The lack of a sustained political response to the financial crisis from the Left or the labour movement in North America has been illustrating all too starkly our current organizational limits.

Because it has no transformative vision of society, the New Democratic Party (NDP) cannot be the solution. The notion of 'mobilizing' that dominates in the NDP reduces to an electoralism that ignores – and is often even threatened by – building the kind of popular understandings, political capacities and organizational forms that can actually win substantive reforms, let alone change the world. The socialist Left, whether 'independent' or in formal groups, is also at an impasse; the same goes for the anti-globalization and social-justice movements. There are no political tracts waiting on a dusty shelf somewhere to provide either conceptual or practical answers. And so, the question is: What kind of new organizational experiments can we initiate that might hold out some promise?

NEW ORGANIZING CENTRES

In the spring of 2006, a small but impressive group of American activists came together to initiate a 'Center for Labor Renewal' (CLR). The group included long-time union activists, local union leaders, representatives of worker centres (in the U.S. there are some 135 such centres servicing unorganized workers) and a smattering of academics. Of the thirty-or-so participants, one third were women. And, of the group as a whole, a slight majority were people of colour. The meeting took place in Washington, D.C., but included people from New York, Miami, Seattle, the Midwest and two Canadians. The larger context of the meeting was the combination of heightened attacks on working class standards and the failures of the formal U.S. labour movement to develop a matching response - whether in specific unions, via an AFL-CIO reform group that came to power with much promise in the mid-nineties, or in the recent split in the AFL-CIO itself. These frustrations with the stagnation in the formal U.S. labour movement led to the CLR discussions about a fresh organizational form based on "new strategies, new alignments and new objectives." That organizational form was dubbed "Working Peoples' Assemblies."

There have of course been multiple examples of similar-sounding initiatives around for some time in the developing world, especially in Latin America (Argentina, Venezuela and Bolivia).

As well, the World Social Forum and its regional spin-offs seemed to represent the embryo of just such a project. And, ever since the free trade debates of the mid-eighties, Canadian activists like Tony Clarke have thrown around the possibility of establishing a 'Popular Assembly.' So, what makes this latest initiative any more interesting or promising?

It's useful to step back and review the core thinking that is bringing us to this point. First, the traditional left identification of the 'working class' with the unionized sector simply won't do any more - especially in the U.S., where only about one in ten American workers belong to a union, or in Canada with less than one in three. The need to broaden the scope of whom we include in working class activism couldn't be any clearer. To hammer this point further home, the largely non-union Latino section of the American working class has been crucial to labour mobilizations in the last several years. Second, even among unionized workers, workers' needs and potentials have been narrowed to their role as wage earners. But the experience of class oppression is experienced in our communities and homes, as well as at work, and the making of the working class into a social force depends upon recognizing and developing the capacities of workers as more than sellers of labour power. Third, and overlapping the above, a movement that truly aims to contribute to building a working class that can transform itself into a collective agent capable of transforming society needs a vision. Absent such a vision, talk of reform and revival has no anchor to sustain or orient struggles.

NECESSARY STEPS

This perspective led to the fresh take on popular assemblies. The starting point is not to launch a pre-formed set of local assemblies, but to begin a process of organizational connections and developments (the following indicative of the steps the Workers' Assembly in Toronto has followed over the last year and a half). Step one might be to identify, in a range of urban centres, all those groups currently involved in actions and activities to defend or extend working class rights and needs. This would, for example, include local unions, anti-poverty and unemployment groups, groups servicing immigrant workers, those fighting antiracism or involved in women's shelters, groups working with street youth, international solidarity groups, etc. A second step might engage these groups in a discussion of the limits of their own struggles and how we might, within a larger collectivity, address those limits. This would include one-on-one discussions initiated by members of the initiating group, discussion papers circulated to groups for their input, and small meetings for frank and sober exchanges of goals, strategies and tactics.

Out of that experience, it might be possible to identify a few urban centres where there is genuine interest in establishing a 'Working Peoples' Assembly.' This assembly would not simply be another 'forum' for the occasional meeting, or focus upon a particular campaign with the consequent tendency to dissolve as everyone returns to her/his own world at the campaign's end. Rather, each city-wide assembly would be a permanent structure made up of representatives of the various groups that met regularly, had an elected and accountable executive and began moving toward pooling resources for mutual support (like a common newsletter, website, educational forums, pamphlets), initiating new campaigns (for example, improving and expanding public transit as part of a worker-environmental-equality coalition) and eventually moving toward developing an independent political platform. Whether this would lead to supporting candidates who endorsed that program or running independent candidates is something that would be resolved later - the focus of unity being the importance of developing that independent working class platform collectively. Though the assemblies would be built locally, the dynamics of their functioning would force the crucial question of a national coordinating body, since job issues, immigration issues, environmental issues and the impact of American imperialism upon human rights at home must all reach beyond the local. As well, the ideology of solidarity and the need to learn from other struggles implies an internationalist sensibility and incorporating support for these struggles.

A political point needs to be made here. No particular group, such as the Center for Labor Renewal, could or should try to make, the Assemblies into its 'political arm.' Rather the intent is to act as a catalyst for the creation of new kind of working class organization that can contribute to the rebuilding of the working class movement and to the creation of a space within which socialists might play a role in influencing where that movement goes.

Two questions immediately crop up. First, is it at all realistic to think there is the capacity to make such an ambitious project possible? Second, is this relevant to Canada, where our unionization levels are so much higher, where the NDP provides a political choice beyond the Republicans and Democrats, and where there is no comparable base below of diverse worker centres?

BUILDING AN ORGANIZATIONAL CAPACITY

Of course, no group currently has the capacity to pull such an initiative off. However, there exist an impressive amount of educational resources, some funding and a great deal of activist experience from the battles against the neoliberalism since the 1980s in virtually every urban centre of modest size in Canada. But such a perspective and needed capacities do not appear magically, but might be developed in the very process of building the assemblies: attracting new people to an exciting project with possibilities; convincing progressive union locals that this is the project that carries hope (and there are a good number of them locally in spite of the general crisis in organized labour); discovering more about the lay of the land through the political mapping of communities and the corresponding exchanges with vari-

ous groups; learning how to work collectively and democratically with diverse sections of the working class; rejuvenating movements already out there, but struggling alone, and pooling some of our collective resources; overcoming the fatalism that saps the mobilizing energy of workers and activists; and so forth.

It would, on the other hand, be a serious mistake to rush into any such project and underestimate the difficulties that will surely emerge. Even if we were able to get it started, it could not be sustained without a great deal of creativity and organizational work. Our history is littered with projects initiated amid high expectations and newfound enthusiasm, which then floundered because of a lack of preparation and direction.

Yet, what else shows any promise? At a minimum, the idea seems worthwhile to pursue and explore with others. And any serious Left will at least have to take the first step in such a project whatever its overall strategy - mapping the various dimensions of working class struggles that already exist in our communities. As part of this process, discussions would need to begin on some potential common campaigns. These might vary from place to place, but could include the example raised above - access to and extension of public transit – as well as city-wide mobilizations to support immigrant-based struggles in the hotel sector; getting rid of temp agencies and replacing them with union hiring halls; addressing the right to adequate housing; taking on hospital privatization through P3s; mobilizing to establish city-wide elected job boards to link community needs with underutilized community capacities; and education campaigns to revive, within each of our particular struggles, broader national and international struggles (from free trade to justice for the Palestinian people to opposition to the imperialist interventions in Afghanistan and Iraq).

BUILDING A LARGER PROJECT IN CANADA?

As for its relevance to Canada, it is true that our labour movement is not in as bad shape as the U.S. movement, but the problem of scope (reaching beyond those unionized or likely to be unionized) is clearly also of crucial importance, here. So, too, is the need to rethink the expressions of class resistance beyond the workplace. It is equally evident that the NDP is not the answer, ideologically or organizationally, to bringing the working class into motion. And though we do not have quite the base of local worker centres that the U.S. does, there are certainly a good number of groups doing impressive work in each of our communities.

There exist an impressive amount of educational resources, some funding and a great deal of activist experience from the battles against the neoliberalism since the 1980s in virtually every urban centre of modest size in Canada.

It's in this context that the idea of 'popular local assemblies' has been proposed. The essence of the idea is straightforward. Given the scale and scope of what we face, organizing around specific issues and particular constituencies—as impressive and energetic as all this has been — cannot add up to the kind of strength we need to bring about change. Can popular, community-based assemblies, which would bring various movements together into a democratic and permanent structure, become the first step toward building a larger project? Are popular assemblies the way to link these local structures into social forces of regional and national significance?

Of course, the creation of structures that crisscross these fragmented struggles has been tried before. And in this sense it is necessary to concede that the outcome has generally been mixed. For this reason, we need to spell out what might be different this time.

First, coalitions around particular issues or particular constituencies in movements tend to fade as the issue or movement fades. While leaving some important experiences and lessons behind, they have rarely built something permanent. The emphasis on creating permanent structures on the Left is therefore critical.

Second, the insistence on the local as a starting point reflects a rejection of a politics that tends to outsource its initiatives to distant meetings. In this way, we end up replacing taking action with simply meeting each other or in working on publicity campaigns. The assemblies must be based on directly acting and learning as we discuss and plan, so that movement skills and capacities are broadened and deepened.

Third, though such a structure would include pooling resources to support each of our specific struggles, the goal here is much more ambitious. Ultimately, it is to get each of these movements to identify with struggles beyond their particular concerns. On the one hand, this means the assemblies introducing initiatives that any individual group simply couldn't put on the agenda by themselves. The idea of a radical extension of affordable public transit, raised above, was an example put forward by John Clarke, of the Ontario Coalition Against Poverty (OCAP), as an issue that could bring together environmentalists, anti-poverty groups without access to private transportation, immigrant workers who spend hours commuting to their jobs in the centre of the city and transit unions concerned about jobs.

CHALLENGING THE SUBORDINATION OF EVERYTHING TO THE MARKET

Building assemblies is not just about broader but still specific campaigns. It is also about facing up to the larger ideological, economic and political barriers that confront us. Whatever the issue – the environment, poverty, health care, or jobs – we come up against the dominant push of the last quarter century to subordinate everything, including democracy, to the needs of profits and competitiveness. If we're not building a capacity to challenge this form of social rule, which has penetrated all political

parties, then our particular struggles will inevitably remain limited.

Moreover, rather than retreating from the notion of class politics, the assemblies would explicitly recognize that what we are primarily – if not exclusively – resisting is an attack on the working class, broadly defined. This is clear enough with regard to the groups and issues local movements are generally focusing on. And it means recognizing that, unless the most organized sections of the working class – unions – are involved, it will be hard to sustain any radical movement.

For their part, unions must begin to redefine how they address the issue of class. The commitment to unionization must be based not on numbers alone but a commitment to building all working people into a social force. What is more, existing union members must be seen as more than wage earners, but members of a class whose lives and potential development are—in a thousand everyday ways, both inside and outside the workplace—devalued, narrowed, distorted and even ultimately shattered. We have to start to change that.

POLITICAL MAPPING OF ONGOING STRUGGLES

Of course, the very concern with which we started—the fragmentation of movements within our communities—also applies to the assemblies. This is particularly true if they remain isolated from each other. We are convinced that as 'Working Peoples' Assemblies' grow in urban centres in Canada, and each of the assemblies develops a presence and set of priorities, they will naturally come face-to-face with what many of them already know: no issue is local, nor can be resolved locally – think of immigration, jobs, living wage, climate change, funding for child care, public transit and so forth. But the experience of the Assemblies will also point to the possibility of bringing the local Assemblies together – as they also inspire new ones to form – without losing the strength of their local orientation. As assembly of assemblies will therefore become fundamental to this project—and in turn raise further questions about the politics of change.

One place to begin such a project might be through 'political mapping' – that is, to work to identify in each community those groups doing progressive work and noting who and what they are addressing, the form this takes, their relative successes and barriers, where anti-neoliberal alliances might be deepened, and so forth. Such a mapping process, followed by small-group discussions around the interest in and potential of moving to a new stage of organization and activism, might serve as the catalyst for the local assemblies. **R**

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The Greater Toronto Workers' Assembly: Building a Space of Solidarity, Resistance and Change

Wayne Dealy

If I have learned anything as a grad student from my colleagues in Geography, it is that one cannot separate space from politics. Indeed, this is the primary message of Margaret Kohn's *Radical Space: Building the House of the People.* "The power of place," writes Kohn, "comes from its ability to link a sense of self and belonging to broader ideals and institutions." Such spaces not only serve a practical function by allowing us to come together for political, educational or cultural reasons, but they also serve as a physical and symbolic challenge to the prevailing order of things.

Part of the weakness of the left in general, and the Toronto left in particular, lies in the fact that we do not have such a space. Although spaces do exist in the city, they are not overly welcoming or accessible nor do they foster a sense of common purpose or ownership. From imposing concrete monstrosities set on wind-swept suburban corners to lonely union halls in abandoned industrial areas

to empty offices tucked away in anonymous buildings, at best they are functional; none is where one might feel at home or empowered.

The problem, however, does not end here: not only are they inadequate and too few in number, but the actual physical distance that separates them reinforces a psychological distancing that undermines both a sense of solidarity and a capacity to overcome the transient nature of left organizations and organizers. It is these spaces, however, upon which the left is largely dependent. Despite a shared commitment to a noble project, one that rages against injustice and struggles toward realizing a more humane alternative, the physical, philosophical and political distance between us magnifies the challenges posed by our meagre resources and limited energies. Fragmented and divided, it is in isolation that we most often celebrate success and lick our wounds in defeat.

The most telling example of our current weakness and division is the silence and inaction with which we greeted the global financial crisis. At a time when public confidence in the legitimacy of liberal capitalist society reached heights unseen in decades, the left, it appeared, had all but collectively lost its voice. Disorganized and fragmented, the broader working class seemed impotent and unable to offer even token resistance to the crisis or the attacks upon workers it engendered. What's more, it became quickly apparent that the cost of 'fixing' the system would be borne not by those that caused the crisis, but by those most affected by it.

It is with the crisis as its backdrop, that the Toronto left made its first tentative steps toward finding our collective voice by creating a space in which we might overcome the obstacles that divide us. Gathering last October under the standard of "Solidarity, Resistance and Change," trade union, community and social justice activists from Ontario, Québec and the United States came together at the University of Toronto to take a sober look at the challenges before us and to think seriously about how we might squarely face them.

Participants emerged from a somewhat frustrating first meeting of what was dubbed the Greater Toronto Workers' Assembly having decided two things. First, they agreed to "establish a network of activists that is anti-capitalist, democratic, non-sectarian, and dedicated to building, through coordinated campaign work and political education, a broad multi-racial working class movement that is militant and effective." Second, they struck an Interim Coordinating



Committee, comprised of twenty-two volunteers, who took responsibility for coordinating a second Assembly.

Armed with a mandate to lay the foundations for a more concrete organizational structure, two more meetings have since followed. The second meeting witnessed more than 200 participants representing thirty-five social justice organizations and twenty-four Toronto area local unions – packed the Steelworkers Hall in January of this year. From this meeting, the assembled participants adopted membership criteria and endorsed a vision statement that defined in broad strokes what we as workers and activists stand for and hope to achieve.

More recently, a third meeting held at the Ryerson Student Centre inched gingerly in the direction of making the Assembly self-financing and acknowledged in principal the need for an elected Coordinating Committee. Of greater significance, at least in terms of the activist base, was the overwhelming endorsement of three inter-connected campaigns that recognized that the Assembly needed to be a space for both deliberation and action: the first focuses on transit as a public good that ought to be accessible and affordable; the second

recognizes the need to pre-empt the impending attack on the public sector by forging links between civil servants and the citizens they serve; the third will see members organize an educational workshop on the theme of Economic Justice at the People's Summit that will precede the June meeting of G8/G20 leaders in Toronto.

While recognizing that it might be premature to offer any more than a cursory prognosis, in my mind the key to the early success of the Assembly has been the recognition by its participants of the necessity of establishing and maintaining a popular public space over which a sense of common purpose and ownership is had by all. Despite the active involvement of disparate anticapitalist, community and trade union groups, the Assembly is neither a coalition nor a network: individuals join as individuals on the basis of a shared commitment to a Vision Statement and the recognition of the need to build a democratic, participatory and activist organization.

One of the main limitations of the Workers' Assembly is that at present it serves only as a metaphorical space. As such, it is subject to the same physical

limitations and pressures that have undermined our efforts and contributed to our past isolation from each other. The difference, of course, is that this time we face these obstacles together; in so doing, one might venture to hope that in the future, the fruit of our collective efforts will be that our fledgling metaphorical space instantiates itself in actual space or spaces.

"Stone and mortar," Kohn reminds us, "are particularly potent symbols [...]. But it would be a mistake to conclude that these buildings simply reflect existing power relations. They can also serve as a tool or even an inspiration for action and change. Political spaces can function as focal points for organizing otherwise dispersed energies. Although the power of place is often taken for granted, the connection between space and subjectivity can also be a tool for change." R

For more information, see www.workersassembly.ca
If you are interested in joining the Workers' Assembly and participating in one of its committees or caucuses, contact workingclassfightback@gmail.com



Thinking About Capitalism

John R. Bell Interviewed by John Simoulidis

John R. Bell's *Capitalism and the Dialectic* (2009), published by Pluto Press, introduces readers to a distinctive and unique 'levels of analysis' approach to understanding capitalism. Socialist Project recently asked John Simoulidis, of York University's Department of Social Science and himself a scholar of Japanese Marxism, to interview John Bell about his book. Bell elaborates and why he thinks English speaking Marxists, as well as those interested in undertaking a theoretical study of capitalism, should become more familiar with the approach to Marxian political economy developed by Japanese Marxists Kozo Uno and Thomas Sekine.

John Simoulidis (JS): Your book seeks to introduce English speaking readers to the pioneering work by two Japanese Marxists, Kozo Uno and Thomas Sekine. For readers unfamiliar with these key thinkers, what do Marxists have to learn from their approach to Marxian political economy?

John Bell (JB): There were probably more Marxist economists in Japanese universities during the post-war era than there were in any other nation outside the Sino-Soviet bloc. There was a rough parity between the Marxist and neo-classically trained economists. Working in a self-imposed isolation from what were the prevailing fashions in Japanese Marxist circles, Kozo Uno (1897-1977) eventually grasped Marx's method and proceeded to complete and correct Marx's pure theory of capitalism in the three volumes of *Capital* and integrated it into his distinctive 'levels of analysis approach' to comprehending capitalism in history. Uno's rigorously dialectical reconstruction of *Capital* provides the strongest defence of value theory possible. This was an amazing achievement when you consider that no Soviet or Western Marxist economist has ever been able to approach it to this day. With the publication of *The Theory of Value* in 1947, *Principles* of Political Economy in 1952 and Economic Policies Under Capitalism, Uno made such an impact that all Marxist economists in Japan began to define their positions in relation to his work. The Principles was translated into English by Sekine in 1980 and he is currently translating Uno's Economic Policies. Nevertheless, Uno's work remains largely unknown to Western Marxists.

Thomas Sekine (1933-) has made a decisive theoretical contribution to the Marx-Uno dialectical theory of capitalism by making explicit the Hegelian dialectical method employed intuitively by Marx and, more consistently, by Uno. He traces the many

close correspondences between the dialectical theory of capitalism's logic, on the one hand, and Hegel's metaphysical dialectic on the other, demonstrating, in the process, that Uno's theoretical reproduction of the logic which capital employs in its attempt to impersonally manage use-value life is not just one more subjective and ideologically biased interpretation of capitalism, but a complete and objective definition (or specification) of capitalism by capital itself. He has also introduced refinements derived from modern mathematical and marginalist economics into the Uno theory of capitalism. His contributions are best viewed in the context of *The Dialectic of Capital* (1984, 1986) and *Outline of the Dialectic of Capital* (1997), both in two volumes.

I wrote Capitalism and the Dialectic, firstly, because I wanted to provide readers with a one volume introduction to the Uno-Sekine dialectical theory of pure capitalism and to the Uno theory of the stages of capitalism's historical development and decline. I recognized that Uno's Principles of Political Economy does not have the benefit of the refinements Sekine introduced into Uno theory, while Sekine's two masterful works are aimed at economists with good backgrounds in mathematics, which many Marxists, students new to Marxian studies and social scientists do not have. Finally, because Marxist academics are just as inclined as neoliberals to believe that capital, with the appropriate support from state and supra-state institutions, can still manage our material / use-value life today, I wanted to demonstrate how a knowledge of the Uno-Sekine dialectical pure theory and the Uno stages theory of capitalism's historical development can be used to evaluate whether or how far the contemporary economy has moved beyond the limits of capital's capacity to manage economic life effectively with whatever bourgeois economic policies are advanced to support it.

JS: There are plenty of recently published books offering critiques of capitalism, from a Marxist perspective. What makes the approach you advocate unique is its emphasis on distinct levels of analysis. How do you characterize these 'levels' and what are the advantages of such an approach for understanding capitalism?

JB: Uno took the position that to arrive at the fullest possible understanding of the historical dynamics of capitalism we must move sequentially through three distinctly different levels of analysis: the dialectical theory of pure capitalism, the stages theory of capitalism's historical development and empirical studies, in-

formed by these two levels of analysis. The pure theory fully exposes the logic that capital employs in its attempt to regulate material economic life by confronting value, capital's organizing principle, with only light use-values (cotton being a typical example), like those which dominated economic life in 19th century liberal capitalism. Pure theory demonstrates that, in the absence of collective human resistance, value is capable of overcoming the use-value resistance posed by these light use values so as to reproduce material economic life by its autonomous motion.

The stages theory examines how capital's logic tends to operate in the major phases of capitalism's historical development, where it must receive assistance from the bourgeois state in taming the more intractable forms of use-value and collective human resis-

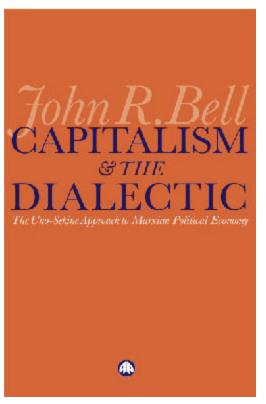
tance to the point that the market's 'dull compulsion,' under the prevailing capital-labour relation, can successfully reproduce material economic life. Such an approach is absolutely indispensable if we are to comprehend the limit of capitalism's capacity for self-regulation or if we are to clearly distinguish between that which appears contingently in historical capitalisms and that which appears as a necessary result of the unfolding of capital's logic. Empirical studies of various capitalisms and of the transitions from one stage of capitalism to another that are informed by these two levels of analysis may then be conducted. I wish to reiterate that the Uno approach leaves itself open to the possibility that the evolution of our use-value life may lead to a situation in which no bourgeois policy will be able to support the continued regulation of our economic life by the capitalist market and its logic, no matter how much neoliberals might desire it or Marxists might be blind to this possibility.

JS: The term 'dialectic' can be extremely intimidating and its use confusing to many people genuinely interested in Marx's work and navigating through the subsequent interpretations and critiques of his 'dialectical method.' How does your understanding of this 'dialectic' differ from others and what would you say to readers to encourage them that developing an understanding of the 'dialectic of capital' is worth the effort?

JB: In *Capitalism & the Dialectic*, I trace many of the correspondences between the Hegelian dialectic and the dialectic of capital in part because I would like to attract philosophers with a background in Hegel and an interest in, or curiosity about, either Marx or the possibility of a materialist dialectic to my work. For those who have limited exposure to Hegel, I recommend that when they read my book or, indeed, Sekine's more challenging *Dialectic of Capital*. I suggest to interested readers that they simply focus on value (the organizing principle of capital) as it over-

comes, one after the other, the various forms of use-value resistance arrayed against it and, in the process, fully exposes or reveals all of capitalism's inner determinations or specifications, which are only implicit as the dialectic opens. In other words, they will be retracing capital's dialectical path in thought and slowly but surely becoming dialecticians. This is precisely how I proceeded many years ago.

JS: Part I of your book is devoted to the 'dialectical theory of pure capitalism' and it is divided into three 'doctrines' (circulation, production and distribution). What advice can you give readers who might be trying to read Marx's *Capital* for themselves? What kinds of differences should they expect to see between reading Marx's work and the Uno-Sekine approach?



JB: With your indulgence, I will answer your second question first. It is well known that Marx made references to the valuable assistance he received when he happened to re-read Hegel's Logic while preparing Capital. Many also know that Marx maintained that in Capital he would be assuming that the laws of capitalism were operating in their pure form even if he frequently drew on history for purposes of illustration. Uno and Sekine took these remarks by Marx very seriously. Uno concluded that the bulk of the content of the three volumes of Capital was Marx's attempt to constitute a self-contained, logical system, which the operating principle of 19th century liberal capitalism was tending to approach. He recognized that Marx had found the right starting point to fully expose capital's logic but that his theory of pure capitalism, together with its defence of the law of value (i.e. the labour theory of value as it implies the existence of capitalism) would have been more con-

vincing if Marx had adhered to his dialectical method of exposition more consistently. *Capital* would then have reproduced capitalism's inner logic with greater accuracy.

To strengthen the economic analysis in *Capital*, Uno rearranged the order of its exposition such that the structure of the argument more closely paralleled that of Hegel's *Science of Logic*, as Sekine subsequently noted. He isolated the first two parts of Volume I, which treat the three simple circulation-forms of the commodity, money and capital, and re-constituted them as the Doctrine of Circulation, a structure which closely corresponds to Hegel's Doctrine of Being. Next, he integrated the rest of Volume I (apart from the last chapter on primitive accumulation) and the whole of Volume II so as to generate the Doctrine of Production, which corresponds with Hegel's Doctrine of Essence. Here, the production-process of capital, the circulation-process of capital and the reproduction-process of capital are investigated. Thus, this doc-

trine first treats the process of the production of commodities as value inside the capitalist factory, secondly, as it continues outside the factory, and thirdly, as the macro-interaction of these two processes in the accumulation process of the aggregate-social capital. All of *Capital* III becomes the Doctrine of Distribution. Its division into the chapters of Profit, Rent and Interest, corresponds more closely to the tripartite structure of Hegel's Doctrine of the Concept than it does to *Capital*. Uno referred to his account of the operating principle or logic of capital as *genriron*, which Sekine translates as the dialectic of capital.

If one were reading Marx's *Capital* for the first time, I would recommend that she read it while using my book, Uno's *Principles* or Sekines's more challenging 2 volume *Outline* as a companion. Furthermore, though it may be sacrilege, I suggest following Uno's order above. With its micro and macro theories based on the law of value and the law of (relative surplus) population respectively, Uno's theory of capitalism completely exposes the 'software' or 'programme' of capitalism and provides Marx with the imposing defence of value theory that he was unable to complete during his lifetime. I am sure that Marx would not wish that we emulate him to such a degree that we never correct his errors or refine his work out of respect for his brilliant insights.

JS: There has been considerable debate among Marxists about the nature of the current state of capitalism, for example, on whether the post-war era can be defined as an extension of imperialism, monopoly-finance capitalism, Fordism/post-Fordism or Keynesianism/neoliberalism. You describe the current phase of capitalism in terms of a phase of 'ex-capitalist transition.' Can you briefly explain what this means?

JB: First, let me say that Uno, Sekine and I would tend to restrict the use of the term 'imperialism' to refer to the last viable stage of capitalism, which ended with the First World War, although Sekine and I certainly appreciate the aptness of Michael Hudson's use of the term 'Treasury bill imperialism' to characterize the relationship the U.S. has fostered with its trading partners over the past several decades. However, this type of 'imperialism' must be understood in quite different terms than the capitalist imperialism of a century ago.

In the imperialist era, capital and its society-wide market began to have increasing difficulty overcoming the resistance posed by an increasingly complex use-value life and an increasingly organized and politicized working class so as to maintain the momentum capital had previously established. The system began to evolve in a direction that would ultimately prove incompatible with regulation by the market and its value principle. Value could not autonomously organize the production of iron and steel and related heavy and complex use-values, once the technologies typically employed to produce these goods became very large scale and so expensive that only cartelized groups of oligopolistic joint-stock corporations, aligned with the major banks and supported by the imperialist state, could produce them.

The trend reversed the earlier history of capitalism, which had displayed a tendency to move toward the automatic regulation of economic life by the competitive capitalist market and its impersonal logic. The competitive sectors could not forever remain unaffected in a regulatory environment that permitted the joint stock form to be adopted in light industry. So long as the state could assist capital by 'internalizing externalities' (or by overcoming use-value and collective human resistance) such that the capitalist market might continue to function, capitalism survived, but, having exhausted the repertoire of bourgeois economic remedies without success, the state resorted to imperialist polices that led to the division of the world into colonial empires and an imperialist world war.

Attempts to revive the competitive capitalist market after the war soon failed and set the stage for the Great Depression. Rather, throughout the imperialist era (1870-1914) and beyond it, capital progressively lost its grip over material-economic life - so much so that in the era of the Great Depression, the capitalist economy and its now atrophied market no longer had the ability to regulate, stabilize or revive a collapsed economy. In retrospect, this is hardly surprising. Regulation of the economy by an impersonal, competitive capitalist market is not compatible with the large scale production and circulation of heavy consumer durables, advanced weapons systems, nuclear reactors, sophisticated information technologies, or the products of the petrochemical and pharmaceutical industries. These are more appropriately produced by corporate oligopolies, in collusion with the interventionist state. Of course, nothing prevents us from surrendering to the current travesty of a capitalist market but since market regulation can no longer reliably reproduce material economic life this is foolhardy, as we should already have learned.

Though we live in an era of ex-capitalist transition, pure theory, stages theory and the general norms of real economic life provide us with solid reference points from which we can measure just how far we have departed from a viable capitalism and from any form of coherent and ecologically sustainable economic life. The theory of the imperialist stage, for example, allows us to examine what strenuous efforts the state had to make to support heavy industry in that era. We can then appreciate why such a policy would not be viable today, when heavy and complex usevalues dominate our economic life to an extent that would have been unthinkable then.

JS: There are also some very pressing debates on the left surrounding attempts to define the current crisis as a crisis of 'financialization' of the world economy. How can an understanding of the current era as a phase of ex-capitalist transition be used to frame current issues surrounding the global economy, its crises and threats to our ecosystems?

JB: During the Fordist / consumerist era the U.S. led western economy provided relatively stable growth thanks to petroleum based technologies and Keynesian economics. Based on the experience of the Great Depression, the latter operated from the premise that the state must directly manage both aggregate demand and the currency based on fiat money. The state had to develop market-replacing policies because the atrophied market was incapable of reliably reproducing an ever more complex use-

value life, with ineffective market-bolstering or bourgeois policies. Beginning in the thirties and continuing into the post-war era of Fordism/consumerism, the planning principle of the state did intervene to an extent that would have been incompatible with the capitalist regulation of the economy and the supply of commodity money as regulated by the law of value. Keynes had noticed that large corporate and financial firms could not find adequate investment opportunities for society's idle funds, a situation that would have been unthinkable under a viable capitalism. During the affluent post-war era, Keynes's advice with regard to fiscal policy was heeded but due to solid growth, his teaching with regard to the state's right and duty to issue fiat money in depressed economic circumstances, when increased taxation and borrowing were difficult, was forgotten. In the seventies, the era of stagflation, Keynesianism was largely repudiated (save for military Keynesianism) by newly ascendant neo-conservatives but the problem of excessive savings over private investment, which had persisted since the thirties, has continued to plague the affluent economies up to the present.

After the oil crises and the accompanying stagnation served to expose the declining competitiveness of the American Fordist production system, financial interests gradually established economic hegemony over a 'hollowed out' industrial capital. The increased reliance on a 'financialized' private sector and the downsizing of government only exacerbated a situation in which excessive savings by the affluent generated an enormous stock of idle funds (as opposed to active money) that could not be converted into real capital. The development of sophisticated information technologies and the relaxing of the regulations governing money and finance led to an enormous growth in off-shore

financial investments, banking and speculation (in euro-dollar markets and elsewhere), which the demonetization of gold, the recycling of the dollar surpluses of oil exporting nations and floating exchange rates accelerated.

From the 1980s to the present the financial and policy authorities of the affluent nations have been catering for financial interests and, more particularly, for casino capital, which is mobilized, whenever asset inflation offers the opportunity for speculative gains and the redistribution of existing wealth. Bubbles are deliberately inflated, which may activate the real economy to a limited degree but, inevitably, the subsequent collapse leads to the destruction of a considerable portion of casino capital, the expropriation of the weak and a rising tax burden for present and future generations. The U.S. may still be the most powerful nation but it does not dominate the world by capitalist means, as Sekine and I and other heretics (such as Hudson) have argued. **R**

John R. Bell taught at Seneca College, Toronto before his retirement. He has contributed to A Japanese Approach to Political Economy (1995), Phases of Capitalist Development (2001), New Dialectics and Political Economy (2003) and co-edited New Socialisms (2004). He is currently giving editorial assistance to Thomas Sekine, who is translating Kozo Uno's Types of Economic Policies Under Capitalism. To find out more about his book, visit www.capitalismandthedialectic.com.

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Yves Engler Analyses Canada's Support for Apartheid Israel in

Canada and Israel: Building Apartheid

Jesse Zimmerman

Yves Engler, myth-busting author of *The Black Book of Canadian Foreign Policy* and co-author of the equally revealing *Canada in Haiti: Waging War on the Poor Majority*, has just released *Canada and Israel: Building Apartheid*. Literature that is critical of Israeli policy and Zionist ideology have arguably become more common in the past few years, largely due to the prevalence of internet media outlets, the state of Israel's brutal attacks on Lebanon and Gaza, and the growing global solidarity movement.

Typically the ties between the United States and Israel have been scrutinized. One well-known example is *The Israel Lobby and*

U.S. Foreign Policy by John J. Mearsheimer and Stephen M. Walt. Engler's book takes on a similar tone as Mearsheimer and Walt, but instead details the connections between the State of Israel and Canada. What we get in Canada and Israel: Building Apartheid is a lean and blunt examination of Canada's direct connections to the Apartheid regime in Israel/Palestine from historical diplomacy, to modernday financial connections and the efforts of lobbyists.

In his introduction Engler notes that Canadians often view their place on the international stage as positive: as non-imperialist and the world's honest broker. This attitude has become part of our political culture and politicians reinforce this view. For example, Stephen Harper recently made the absurd statement that Canada has no colonial history. This comment produced an outcry from First Nations groups and activists, but was largely missed by the

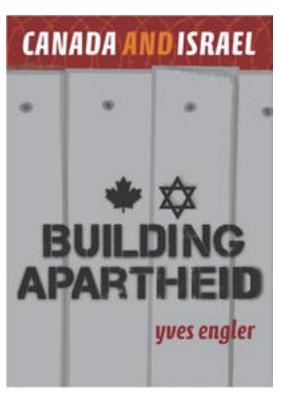
national media. *The Black Book* largely debunked this myth, revealing the many ties Canada has had with both British and U.S. imperialism and support for many undemocratic regimes and movements throughout the "Third World."

Engler quickly debunks many myths about Israel, arguing that Zionism ought to be considered a racist and discriminatory ideology with expansionist ends, and that Israel can easily be described as an apartheid regime. Engler begins with the history of Zionism and Israel and Canada's support for both. Canada's poli-

cies have not recently become pro-Zionist, as Canadian support spans back to before the establishment of the state of Israel.

The first three chapters are historical. In chapter 1, "The Creation of Zionism" he details early connections between the Zionist movement in Europe and Canadian supporters, such as Christian Zionist Henry Wentworth Monk who funded the Palestine Restoration Fund and allegedly had a role in convincing Lord Balfour to accept a Jewish State in Palestine. Monk was one of many influential Canadian Christian Zionists who wanted a Jewish State in the Middle-East. Their motivation had little to do with their concern for the welfare of the Jewish people, and more with geo-

political strategy.



An English-speaking state in the Middle-East and in the Mediterranean was seen as an important outpost for British Empire and a pro-Western buffer to protect trade routes between Africa, Asia and Europe. Engler reveals that early Zionist organizations sprung up quickly around Canada at this time and counted Prime Ministers Arthur Meighen, W.L. Mackenzie King and R.B. Bennett as fervent supporters. Engler thus establishes Israel's creation directly to imperialism. The main imperial power became the U.S. after World War II and Canada has tagged along in support since the beginning. Lester B. Pearson, for instance, played a key role in the partition plan of 1947, rejecting early calls from many Palestinian Arabs for a unified democratic country. That this was done due to reasons of empathy for European Jews because of their re-

cent suffering was suspect, as refugees were routinely turned away from Canadian shores.

Chapter 3, "The Ethnic Cleansing of Palestine" is largely a mini version of the book by the same title by Israeli historian Ilan Pappé, published in 2006, but with revelations of Canada's involvement in the tragedy of 1947-48. The number of Canadians and Canadian-built weapons involved in the ethnic cleansing operations that Engler documents is shocking. In chapter 4, "Decades of One-Sided Support," he details Canada's diplomatic activities

since 1947-48 and how through all governments Canada has backed Israel, contrary to the projected image of Canada as the honest broker. This chapter may be a difficult read for those new to this topic, as Engler mentions many geographical and historical items without explaining the wider context.

Engler argues that Canada has backed Israel and Israel's interests at the United Nations time and again, a hypocritical pattern of action compared with its response to the actions of other countries. Chapters 5 and 6 examine the various modern ties that Canada has with Israel, in terms of business, trade agreements, security, intelligence, military and educational institutions. One of the most widely known Canada-Israel connections is the Heseg Foundation, a group that recruits mercenary soldiers to fight for Israel, funded largely by the shareholders of Chapters/Indigo, hence the boycott movement against that chain store. Chapter 7 examines Canadian political parties and how the Liberals and Conservatives try to one up each other in their support for Israel. A revealing part of this chapter focuses on the left and its relative silence on the Palestinian issue. The NDP has been especially silent, for fear of smear attacks from powerful lobbyist groups. This cowardly approach has given rise to the activist term "PEP" (Progressive Except Palestine). A move is currently taking place within the NDP to break this silence.

In a chapter entitled "The World's Most Pro-Israel Government" Engler notes that the Harper government has become Israel's biggest supporter. Even the United States has condemned illegal settlements in East Jerusalem, and yet Canada has not. Engler pays specific attention to the limited discourse that takes place within mainstream Canadian culture and media. The labels 'terrorist' and 'anti-Semite' are thrown around to keep potential critics silent. Canada was the first country after Israel to cut aid to the Palestinian Authority after it democratically elected a government which included Hamas in 2006. Engler then examines the Israeli Lobby and what is interesting, he refuses to give full credit to the lobby for Canada's stance. Although the various organizations, both Christian and Jewish Zionist groups, play their part, Engler argues that imperialism and geopolitics are likely larger factors. Indeed, the so-called "Jewish vote" is a minor consideration – Jews represent just 1% of the Canadian population and most do not cast their votes based on the Israel issue. In fact, more support comes from the recently-mobilized Christian Right.

Engler also discusses Israeli Apartheid Week in great detail and the Israel Lobby's attempts to constantly shut it down or try to divert attention with pro-Israel campaigns on campuses. Engler states that pro-Israel groups often fund movements on campuses that are fake grassroots movements with backing from powerful interests. One example is the \$1-million spent by the United Jewish Appeal to support student groups to promote Israel at Concordia and York. In 2008-09 a particular instance of this occurred shortly after the faculty strike. During the strike the brutal massacre in Gaza occurred and the York Federation of Students (YFS) passed a motion to symbolically condemn the attacks on educational institutions in Gaza. Pro-Israel supporters, many from Hasbara Fellowships and other pro-Zionist groups at York, attended and tried in vain to defeat the motion. Shortly after classes resumed this group and other Zionist activists started a group called 'DROP YFS' and organized a failed attempt to impeach the YFS executive through the gathering of signatures from the student body. Some speculated that their motivation had more to do with the motion on Gaza than it did with the strike.

It is a small book, and a quick reader can potentially get through its 147 pages in a day. A Canadian activist for Palestinian human rights would be thoroughly disturbed by the revelations of how deep her or his country's direct connections are to Israeli Apartheid, occupation, military aggression and colonialism. Engler ends the book, however, on a positive and encouraging note convinced that the status quo is not static. The book is filled from beginning to end with facts. Everything is simply written, discussed and then the book carries on to the next theme, making it an excellent book for sources and required material for a strong understanding of Canada-Israel relations.

Engler concludes that support for Israel has more to do with imperialism (British and later U.S.) than it does with anything else. The final chapter focuses on possibilities of changing the political climate in Canada. He encouragingly states that the grassroots campaigns for Palestinian solidarity have never been larger, in Canada and worldwide, including many Jews who are speaking out. He makes radical suggestions for getting the word out and educating the public. Engler suggests Canadians focus primarily on Canadian complicity, as global movements require local solutions. The worldwide Boycott, Divestment and Sanctions movement has made modest gains, but Engler admits this is an uphill battle. That books like this one are becoming more prevalent is evidence that the political climate and range of discourses are slowly changing. We must educate ourselves and then others. Getting one's hands on this book is a first step for anyone who wants clear, concise facts about this issue. R

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Efe Peker

The Political Locker that Hurts

It is ironic that as Kathryn Bigelow's *The Hurt Locker* was celebrated at the Academy Awards ceremony this March in Los Angeles, Baghdad was commemorating the invasion's seventh anniversary.

There are two seemingly contradictory myths revolving around this year's Academy Award winning movie *The Hurt Locker* (2008), which follows the story of a U.S. Army bomb disposal team in Iraq. The first myth is that it is not a political movie per se: Kevin Maher of *The Times*, for instance, talked of the film's "refusal to engage with explicit political comment," and characterised it as "a war film that's poetry, not politics." The second myth is that the movie carries a sound and progressive political message; a view endorsed by figures such as Michael Moore, who claimed that the film "is very political. It says the war is stupid and senseless and insane." Film's director Kathryn Bigelow's conflicting statements on the issue only augmented the confusion. First, she acknowledged that the movie did not



hold a political position: "I think that was important [that the film did not divulge into choosing a political stance]. There is that saying, 'there is no politics in the trenches,' and I think it was important to look at the heroism of these men." A few months later, however, she maintained the opposite view: "I see war as hell, and a real tragedy ... We made a real effort to portray the brutality and the futility of this conflict ... So it's definitely taking a very specific position."

What, then, is the cause of this dilemma and which of these views is correct? The answer is, they are both wrong due to a grave failure to comprehend what constitutes the political. For the first argument, one is obliged to ask: is not the very claim to make an apolitical movie that looks at the "heroism" of U.S. soldiers itself political? And for the second: is speaking of an abstract "tragedy" of war political enough for a deliberate military invasion that killed more than one million Iraqis? As Slavoj Žižek reminds us, political struggle is "always the struggle for the appropriation of the terms which are 'spontaneously' experienced as 'apolitical,' as transcending political boundaries." Naturally then, The Hurt Locker is as political as a movie can be (and a conservative one at that), for it appropriates imperialist invasion as a moment of the apolitical. It does so by neutralising it under the guise of a supposed adrenaline rush blended with some vague human suffering – which, of course, is principally on the side of the U.S. soldiers.

What is much less subtle, however, is the outright racism that sets the general tone. In the movie, "a spectre is haunting" Iraq; that is, the spectre of Iraqi people. As more bombs are being deactivated by the U.S. bomb unit; we see in balconies, behind windows, on the streets, and all around the soldiers the Iraqi gazewatching. It is as if Michel Foucault's panopticonis completely reversed, in the sense that the soldiers themselves are in the centre, not the gaze; but they can never be sure whether they are being watched by the people who hold the detonator. Those may be curious bystanders, or among the resistance. Does this uncertainty not forcefully reproduce the plain racist assumption that all Middle-Easterners are *potentially* terrorists? This ghost of an enemy 6 materializes only by its purely evil, inhumane deeds: in the body of the Iraqi boy that was carved up; or the Iraqi man who was begging to be removed of the explosives attached to him. We find that the storyline here is surprisingly similar to that of Avatar's: the natives, who seem to have no agency, can either be exterminated by the white man or be saved by him.⁷

As for the so-called "remarkably realistic" nature of the film depicting war as it is, I gremy Renner's character Sergeant First Class (SFC) William James is himself sufficient to eradicate that possibility. SFC James is the ideal typical personification, almost

a caricature, of the free-spirited, larger than life, reckless American bad boy. Yet still, John Pilger's article on the film was perhaps too quick to brush him off as a mere psychopath⁹ – which he might as well be. The only difference, however, which seemed to have fooled many movie critics, is the cheap "humanization" of the character by showing his "imperfections and psychic traumas," which attempts to underline how "human, all too human" SFC James is – just like *one of us.* Such individualizing humanism not only "airbrushes the heroes' massacre" and reduces invasion to a depoliticised, personal misfortune; but it as well makes American heroism even more impressive. It is much more touching that a "real-life" human being is dealing with such hardships – not some invincible war-machine or a superhero.

Finally, a scene toward the end of the film is worth focusing on. SFC James is in a grocery store back in the U.S., and his partner asks him to get some cereal. He looks at the infinite number of cereal boxes, perplexed, unable to make a decision. This pseudoexistentialist scene can be read in two ways. According to the commonsensical reading, Renner's character feels so out of place at home that he has no idea what to do when faced with an everyday North American situation - which is in direct opposition to his precision when it comes to defusing bombs in Iraq. Yet, we can understand the same scene in an opposite manner, as a direct message to the American audience to make us feel out of place. "In your cosy homes and supermarkets where you make 'difficult' choices on which cereal to buy, you have no idea how hellish it is in Iraq." This overall populist message of the movie sets natural limits to what can be said about the invasion. It elevates the calamity in Iraq to the level of the unspeakable Truth where political discussion ends. The very issues that require questioning are thus placed beyond our legitimate reach.

Are we then supposed to be happy and deem it a progressive move that a female director won an Academy Award for the first time? That is possible only if we have a myopic vision that ignores the dangerous political contents hidden in the Locker. Obviously, few people would question Bigelow's dexterity as a director, which clearly manifests itself in the technical superiority of this movie. Only experienced hands as hers could produce such dynamic cinematography, outstanding visual effects and a powerful soundscape. None of this, however, can overshadow the fact that her movie proved to reach – or even surpass – the standards of men in the reproduction of cheap American exceptionalism and hyper-masculine, populist heroism. It is symbolic that the song "I am Woman, Hear me Roar" by Helen Reddy was playing in the background as she received the award. Unfortunately, a woman had to roar as loud as men to win the respect of a male-dominated industry.

It is of no significance whether these problematic messages communicated by the movie are crafted consciously or unconsciously by the filmmakers; for ideology functions predominantly in the latter, where "they do not know it, but they are still doing it." Moreover, the positive reception of the movie's message, even among critical circles, exposes the severe limitations of North American ideological coordinates with regard to the invasion. What remains, therefore, is that the more *The Hurt Locker* claims

to be "apolitical," the more it sinks to the depths of conservative politics (of imperialism, racism and heroism); and the more it claims to be "political," the more it makes real, progressive politics impossible. **R**

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Endnotes

- 1. Kevin Maher, "The Hurt Locker," Times Online, August 28, 2009.
- 2. Michael Moore, "Let's Watch the Oscars Together," at www.michaelmoore.com, March 7, 2009.
- 3. Jack Giroux, "Exclusive interview," The Film Stage, June 24, 2009.
- 4. Steve Pond, "Bigelow: My Film Does Take a Stand," *The Wrap*, February 22, 2010.
- Slavoj Žižek, "Multiculturalism, Or, the Cultural Logic of Multinational Capitalism," New Left Review I/225, September-October 1997, p. 30.
- 6. This invisible enemy is defined brilliantly in the words of Michael Hardt and Antonio Negri: "The enemy is unknown and unseen, yet ever present, something like a hostile aura," in *Multitude: War and Democracy in the Age of Empire.* New York: Penguin Press, 2004.
- 7. Slavoj Žižek, "Return of the Natives," *The New Statesman*, March 4, 2010.
- 8. See, for instance, Bob Schoultz, "Remarkably Realistic," *The Washington Post*, March 9, 2010.
- 9. John Pilger, "Why the Oscars are a con," *The New Statesman*, February 11, 2010.
- 10 For the details of how this ideological humanisation functions, see, for instance, Slavoj Žižek, *First as Tragedy, then as Farce*. London: Verso, 2009, pp. 40-45.
- 11. Pilger, "Why the Oscars are a con."

"Not by Street Demonstrations Alone"

Ian Morrison

An interview with Saeed Rahnema

Saeed Rahnema was active in the labour and left movement during the 1979 revolution in Iran. He was a founder and a member of the Executive Committee of the Union of Workers/Employees Councils of IDRO, the largest industrial conglomerate of Iran. He was a member of the Industrial Management Institute and served as an officer of UNDP. He is now a Professor of Political Science at York University in Toronto, Canada.

Ian Morrison: Since the recent election crisis there has been some talk among opposition circles about the role organized labour could play in a struggle for democracy in Iran, often in reference to the 1978 oil strike. You took part in the labour council movement during the collapse of Shah and are a sharp critic of that movement today. What could a contemporary democracy movement learn from that historical experience?

Saeed Rahnema: For the first part of your question I can say, as I have argued elsewhere, that there are lots of street protests and confrontations at this stage, but, as important as they are, none of these can really threaten the existence of the Islamic regime. The regime will be in serious trouble when workers and employees in the major industries and in social and government institutions start a strike as they did in the time of the Shah. Strikes are the most important aspect in my view. The regime will not change with street demonstrations alone.

As for the council movement, in the period leading up to the revolution a new type of organization was created, which did not exist in earlier short-lived periods of the labour movement in Iran, called Workers and Employees Showras or councils. The major economic crisis in the late 1970s, along with the gradual erosion of the Shah's power, led to labour activism in most of the large factories. Workers began to demand a set of reforms, increased job security, improved job classifications, as well as wage demands. These led to the creation of strike committees in a growing number of factories. As the political crisis deepened, many owners in the private sector abandoned their factories and left the country; managers in the state-owned industries could not function either, leaving the large industries of Iran without leadership, and forcing the strike committees to take over the factories. Soon, under the influence of the left-leaning activists present in most of these committees, they took the name of council or showras. After the revolution, all major factories established their own showras.

How exactly did showras function? In your work you describe organizing showras in the Industrial Development and Renovation Organization of Iran (IDRO), which lacked an industry wide union with dues paying membership.

IDRO was the largest conglomerate of industries in Iran, which is still true today. During the revolution it comprised of over 110 factories with over 40,000 workers and employees. Some Industries had very old traditional factories from the time of Reza Shah in the 1930s, which produced sugar, textile, cement, bricks, etc., and there was also newer medium to heavy industries, such as machine tool industries, and tractor manufacturing. The IDRO, along with the Oil, Petrochemical, Copper, and Steel industries, were the sites of major councils and strikes, particularly the oil strike, which crippled the Shah's regime.

Like other people involved in the council movement, I had my own illusions. We thought that the Councils, as a form of workers' control, would be able to run the industries. What I argued later was that the councils were doomed to failure for a variety of reasons, one of which you mentioned. However, when the councils came into existence during the revolution, they were successful in toppling the Shah's regime. When Khomeini and the Islamists came into power they were not happy about the councils movement, although the new regime could not have had a revolution without them.

Why were they not happy? Because the councils were mostly formed by the Left as well as the Mojahedeen. The Mojahedeene Khalgh, an eclectic religious left organization, was very popular in Iran, along with a wide variety of Socialist Left organizations. Leftists were the dominant figures in the councils and the regime knew this. Although we all supported the new changes as well as Khomeini's back-to-work legislation, confrontations with the regime started from day one. The new regime's first strategy



was to bring the councils under its own control, which they failed to do. After this, they started to establish 'Islamic Councils' in a growing number of institutions, using groups that they had already created in workplaces called 'Islamic Associations.' These Islamic Associations were similar to *Arbeitsfronts* in Nazi Germany and the *Sampo* in Japan during wartime fascist rule. These associations started to weaken the genuine councils.

When the hostage crisis takeover of the American Embassy in Tehran came, everyone was very excited because they thought it was an anti-imperialist move. In fact this was the most tragic turning point in the revolution. Khomeini's regime used this as a pretext to suppress all dissent. Yet all the councils supported the hostage takeover and organized a huge demonstration in front of the embassy.

Soon the Iran-Iraq war started. With these two crises the regime suppressed all political movements, along with the workers' councils. As the regime became more powerful, the 'Islamic Councils' eventually took over all the showras, and we were all expelled from the unions and our workplaces.

Before these events, councils were extremely powerful. On many occasions we refused to negotiate with the government and were often able to appoint new management. The new post-revolution CEO of the IDRO was a council member from our organization. Still suppression and a lack of democracy were major factors. One of our founding members and a great friend, Mahmoud Zakipour, was later executed by the regime. But, as I have said, the demise of the councils was also the result of internal weaknesses.

One of the weaknesses that you describe is the lack of power on the city, region and national levels. Showras had power inside the factories, but they were not linked to Soviet-type organizations, nor were they linked together through industrial unions. Can you explain this?



One of the main problems of the councils was structural. All of these were 'enterprise' or 'house' organizations in which each factory had its own unit with all workers and employees (none of them dues-paying) considered as members. There where no industrial organizations that could connect individual units together. The types of unions we created, although they covered over 100 factories all across the country with actual central leadership, only served as an umbrella organization, itself isolated from other workers groups.

More importantly, the left was theoretically confused about councils. In regards to the analogy with the Russian Revolution, the councils in Iran were not like the Soviets that emerged in the 1905 and 1917 revolutions. Showras were not organs of political power which organized workers, soldiers and sailors at the city level. Neither were they similar to the Turin councils of the 1920s, which were organs of self-government. If you compare it with the Russian Revolutions, showras were more like factory committees.

The left considered Showras as organs of workers' control, but they were not in a position to exert control other than in a time of crisis and therefore only temporarily. Even if the councils had the capability to manage – in some cases technically they could, because many engineers and middle managers had also joined the councils – still the nature of Iranian industries would not allow for self-government because they were heavily reliant on government subsidies, and were also reliant on licensed imported parts and materials from multinational companies.

Can you explain the process through which these powerful councils were defeated?

The councils were weakened over the course of seven to eight months. Ironically, the confrontations between the councils started with the provisional government of Bazargan formed by the religious nationalist liberals. At that time the Islamists were not ready to run the government and were forced to rely on their closest allies, the religious nationalists. Councils created lots of problems for the liberal government, which was more tolerant of the councils than the Islamists after the provisional government resigned during the hostage crisis.

Internal ideological conflicts within councils were a major problem. Most of the leading members of the councils were members (or sympathizers) of different political organizations. The most powerful left organization of the time, and most influential in the council movement, was the Fadayeen. The Fadayeen had originated from a guerrilla organization during the time of the Shah and soon split into several different Fadaee groups. There was also the pro-Soviet Tudeh Party, Workers Path, and finally a multitude of Maoist organizations. The council members were trying to bring their political organizations' policies into the councils, despite that fact that all these groups were confused about the councils themselves, and had no understanding of democratic workers/employees organizations. The main demand for these groups was "workers' control." Yet it was never clear what was meant by this. Does workers control mean total control of pro-

duction, management, and distribution, by workers alone? This was particularly problematic for large industries. Take for example the Oil industry, or the city transit services. If workers control these industries, what would be the role of the state? And, there are many other questions that I have discussed elsewhere.

After years of repression, and outright exploitations during the Shah's rule, workers had many demands. The old factories were totally impoverished. Even we, who had familiarity with Iranian industries, when during the revolution we started visiting different factories throughout the country (which produced textiles, jute, and other products), we were seriously shocked. It was very hard not to cry for the conditions of the workers and, of course, the workers wanted to solve all the problems overnight.

I remember that once I received a call from the head of a Jute factory in northern Iran. The manager of the factory, whose appointment we had supported, said that today the council unanimously decided to bring all the workers who had been laid off in the past 15 years back into the factory (1,000 workers). He said that the factory could barely manage with the current 900 workers, let alone adding 1,000 more. The Executive Committee of IDRO Union met, and we came to the very difficult choice of not supporting the Jute councils' decision. Problems such as this were endemic.

Overall, as a result of external factors such as repression, a lack of democracy, and internal structural factors, the councils were not in a position to manage the industries. What we needed to do was focus on establishing industrial unions, and turn the councils into their participatory arm in management. We needed to push for political democracy at the national level with industrial democracy on the shop-floor, then, as the unions become stronger one could push for higher levels of participation. There were no industrial unions under the rule of the Shah and we certainly do not have any now.

In the decades following the revolution the Iranian economy has been significantly 'privatized.' How would a more industrially inflected labour movement deal with the problem of international capital? How did this affect the Showras?

Iranian industries, first of all, were mostly government owned. I am referring to large manufacturing industries. However, the vast majority of Iranian industries are privately owned businesses with less than 10 workers. Immediately after the revolution the major industries of the private sector became nationalized and some were given to the religious foundations (bonyads). There were also about 900 top state-owned industries. These industries were mostly reliant on multinational corporations (at the time of the Shah there were some 250 multinationals operating in Iran). They were producing many brands of cars, and all sorts of durable consumer goods, but all of these were assembly plants with minimal local content which relied heavily on imported materials. These industries continue to be like this.

During the Iran-Iraq war, amazingly, in a turn toward war production, the economy was much more self-sufficient. But after

that Iran has continued to be a major importer of raw materials. In the period after the Iran-Iraq war, when Hashemi Rafsanjani came to power in 1989, he followed a kind of neoliberal policy. In this period a new capitalist class was created from the ranks of clerics and senior Islamic Guard officers and their families. During this time a new middle class emerged along with a widening gap between the rich and poor. Some industries were 'privatized.' And although foreign direct investment by multinational remained limited, Iranian industries did continue limited expansion.

'Privatization' is not exactly how it sounds. These are actually transfers of government-owned industries to cronies of the regime, which has continued under the present government of Ahmadinejad. This is so obvious. There are many cases. In one case, which got lots of publicity, a top conservative cleric got a government bank loan to take over a major chain of profitable industries way below its market value for his son. Yet, not only has he not paid back his loan, he did not even pay back the government. This is so-called 'privatization.' Many of Ahmadinejad's friends became millionaires through this process, or by getting major oil/gas contracts. Overall, Ahmadinejad has not paid much attention to the manufacturing industry. He is following a crude populist policy of distributing oil wealth rather than investing in industries that are old, polluting, and need new investments in technology.

When I read articles about Iran today, there is a great deal of social unrest around economic issues, particularly workers not getting paid. There are many labour actions but not a labour movement per se. I wonder what kind of possibilities there are for economic issues becoming more of a question for the Green Movement?

There is now a major economic crisis in Iran. Massive unemployment, terrible inflation (close to 30%), and at the same time, as you rightly said, there are many factories that cannot pay their employees. In terms of leadership there is political anarchy. You have got government-owned industries and then you have partially state-owned industries under the control of bonyads or Islamic foundations. The most significant bonyad is the Foundation of the Oppressed and Disabled (Bonyad-e Mostazafan va Janfazan). These are industries which had belonged to the Shahs' family and the pre-revolution bourgeoisie. After the time of the Shah they were all transferred to this particular foundation, which is now run by people close to the Bazaar of Iran and the clerical establishment. The bonyads are so large and so important that they are responsible for 20% of the Iranian GDP, which is only a bit lower than the Oil sector. Bonyads are not under the control of the state and pay no taxes. It is an anarchic system with no serious protection for workers. Workers do not have a right to strike. They do not have unions and this is the main problem.

Many of these industries are heavily subsidized. But the government has decided to end some subsidies, along with the elimination of many gas, flour, and transportation subsides too. By ending subsidies, or having targeted subsidies, there will be more problems and more industrial actions. But these industrial actions – and you rightly separate labour actions from a labour move-

ment – need labour unions. Labour unions are the most significant aspect of the rights of workers. Unions need democracy and political freedoms, freedom of assembly and a free press. That is why the present movement within civil society is so significant for the labour movement.

This is something that tragically some so-called Leftists in the West do not understand. We read here and there, for example, James Petras among others, who support the brutal suppressive Islamic regime, and take a position against women, youth and the workers/employees of Iran who confront this regime. It is quite ironic that the formal site of the regime's news agency posted a translation of Petras' article accusing civil society activists of being agents of foreign imperialism.

What we need is continued weakening of the regime by street protests along with labour organizing. And, I think it is very important that we recognize that the Green Movement is part of a larger movement in Iranian civil society. The Green Movement is a very important part, but, it is not the whole picture. The Green movement is now closely identified with Mr. Mousavi. So far he has been on the side of the people and civil society. Everyone supports him. But what will happen? Will he make major concessions? That remains to be seen.

There is a lot of confusion about the character of the regime because of its populist rhetoric. I am wondering what effect this confusion has on the possibility of organizing a trade union movement in Iran?

From the beginning, there were many illusions about the regime. One section of the Left, seeking immediate socialist revolution, immaturely confronted the regime and was brutally eliminated during the revolution. Another section of the Iranian left supported the regime, under the illusion of its anti-imperialism, and undermined democracy by supporting or even in some cases collaborating with the regime. This section paid a heavy price as well. Now, ironically, some leftists in the West are making the same mistakes under the same illusions.

There are four major illusions about Iran. The first is that the regime is democratic because it has elections. Leaving aside election fraud, in Iran not everyone can run for Parliament or the Presidency because an unelected twelve-member religious body, the Guardian Council, decides who can be nominated. Also, the Supreme Leader, who has absolute power, is not accountable to anybody.

The second illusion is the Regimes' anti-imperialism. Other than strong rhetoric against Israel and the U.S., the regime has done nothing that shows that they are anti-imperialist. Actually on several occasions they whole-heartedly supported the Americans in Afghanistan and at times in Iraq. Anti-imperialism has a much deeper meaning and does not apply to a reactionary force which dreams of expanding influence beyond its borders. If that is anti-imperialism, then the better example is Osama Bin Laden.

The third illusion is that this is a government of the dispossessed. A lot can be said about this, but I will limit myself to two income inequality measurements. Currently the Gini coefficient is around 44 (the range is from zero to a hundred, with zero as the most equal and one hundred as the most unequal). This is worse than Egypt, Algeria, Jordan, and many other countries, despite the enormous riches of Iran. Interestingly, this figure is not so different from the time of the Shah. The other measurement, the deciles distribution of the top 10% and lowest 10% income groups, shows that the top deciles' per capita per day expenditure is about 17 times that of the lowest deciles. This figure is also quite similar to the pre-revolutionary period.

The fourth illusion is that the regime is based on a 'moral' Islamic economy and not a capitalist economy. This moral economy, as Petras calls it, is nothing but the most corrupt capitalist system that we could possibly imagine.

There are some nascent unions, such as the bus drivers, sugar cane workers at Haft Tapeh, as well as teachers. These groups have been asking for international solidarity for a long time now. I wonder why those groups have had such a difficult time developing support. Have the conversations among 'left' groups about anti-imperialism blinded them to these small but very real organizing efforts?

No doubt. Some among the left in the West make the same mistakes that the Iranian left made during the revolution – focusing on anti-imperialism and undermining and minimizing democracy and political freedoms. If the left really cares about the working class, how can this class improve its status without trade unions? How can trade unions exist and function without democracy and social and political freedoms?

Another aspect that some leftists don't take into consideration is the significance of secularism and the dangers of a religious state, particularly, the manner in which such regimes impinge on the most basic private rights of the individual, particularly women. Even if the Islamic regime were anti-imperialist, no progressive individual could possibly condone the brutal suppression of workers, women, and youth, who want to get rid of an obscurantist authoritarian and corrupt regime. The underground workers groups and other activists within civil society need all the support they can get from progressive people outside Iran, and they despise those so-called leftists in the West who support Ahmadinejad and the Islamic regime. **R**

Ian Morrison covers labour for Tehran Bureau. This was published first on TehranBureau.com.

The Latin American Left Today: 'Socialism is a Search for a Fully Democratic Society'

Marta Harnecker

Marta Harnecker Cerdá, born in Chile, is a sociologist and popular educator. She has published more than 80 works. The focus of her current work is socialism of the 21st century and organizing people in power. Her most widely read book is Los conceptos elementales del materialismo histórico (Fundamental Concepts of Historical Materialism). In 2008, she wrote a book on Bolivia's Movement Toward Socialism (MAS-IPSP), the political instrument led by Evo Morales, which emerged from social movements. Since the 1960s, she has collaborated with social and political movements of Latin America. She is now an advisor to the government of Venezuela. She is interviewed here by Edwin Herrera Salinas.

Edwin Herrera Salinas: What is the characteristic of the Latin American left today?

Marta Harnecker: Twenty years ago, when the Berlin Wall fell, there was no revolution foreseeable on the horizon. However, it didn't take long before a process began to emerge in Latin America with Hugo Chávez. We have gone on to form governments with anti-neoliberal programs, though not all of them are putting an anti-neoliberal economics in practice.

We have created a new left. A majority of victories are not due to political parties, except in the case of Brazil with the Workers' Party. In general, it has been due to either charismatic figures who reflect the popular sentiment that rejects the system or, in many cases, social movements that have emerged from resistance to neoliberalism and that have been the base of these new governments.

The governments that have done most to guarantee that there will be a real process of change to an alternative society are the ones that are supported by organized peoples, for the correlation of forces is not idyllic. We have a very important enemy who is far from dead. It is preoccupied by the war in Iraq, but the power of the empire is very strong and is seeking to hold back this seemingly unstoppable process.

And what is happening to political thought?

What's happening is a renovation of left-wing thought. The ideas of revolutions that we used to defend in the 1970s and 1980s, in practice, have not materialized. So, left-wing thought has had to open itself up to new realities and search for new interpretations. It has had to develop more flexibility in order to understand that

revolutionary processes, for example, can begin by simply winning administrative power.

The transitions that we are making are not classical ones, where revolutionaries seize state power and make and unmake everything from there. Today we are first conquering the administration and making advances from there.

Would you say that we are riding a revolutionary wave?

I believe that, yes, we are in a process of that kind. That there will be ebbs and flows, too, is true. It's interesting to look at the situation in Chile. Here we lost, but it was one of the least advanced processes. Chile always privileged its relation with the United States; the socialist left was not capable of understanding the necessary links that we have to have in this region and betted on bilateral treaties.

During the era of [dictator] Augusto Pinochet national industry was dismantled, and the left didn't know how to work with people. The left went about getting itself into the leadership, political spaces, the political class, while the right went to work among people.

What role do you assign to Bolivia in this context?

I was in Bolivia a year and half ago. The situation was completely different then: people were in struggle and there were regional battles. Now I think you have made an enormous advance, when it comes to conquering the spaces of administrative power.

The correlation of forces in the Plurinational Legislative Assembly, the forces of separatism that were defeated, and the success of moderate and intelligent economic policy have demonstrated to the people that, with the nationalization of basic resources, it is possible to build social programs and help the most defenceless sectors.

There is also something cultural, moral. The Bolivian people is what often doesn't show up in statistics: a people achieving dignity. Here, it's like Cuba, where many journalists were expecting to see the fall of Cuban socialism through the domino effect, which didn't happen because dignity matters to the Cuban people more than food.

I heard of improvements in Bolivia, but there still remain large pockets of poverty. Nevertheless, even the poorest citizens feel dignified thanks to the type of government that has had to understand, given Evo Morales' style, that its strength lies in organized people.

For me, it's like a symbol of what our governments ought to be in the face of difficulties. Instead of compromising and turning the process into top-down decision making, the government receives support from the organized power of people who give it the strength to continue advancing. We must understand that popular pressure is necessary to transform the state, which means we mustn't be afraid of popular pressure, we mustn't be afraid just because there sometimes are strikes against the bureaucratic deviations of the state.

Lenin, before his death, said that the bureaucratic deviations of the state were such that the popular movement had the right to go on strike against it, to perfect the proletarian state. This type of pressure is different from destructive strikes. Social movements must understand their constructive role and, if they choose to apply pressure, do so to build, not to destroy.

Do you believe that Bolivians can conquer power, not just the administration?

I believe that they will, as they are gaining ground and, well, power is also in the hands of organized people. The socialism we want, which can be called socialism, communitarianism, full humanity, whatever, is a search for a fully democratic society, where individuals can develop themselves, where differences are respected, where, through the practice of struggle, through transformation, the culture of thought will change.

One of the greatest problems is that we are trying to build an alternative society with an inherited individualistic and clientelistic culture. Even our best cadre are influenced by this culture. So, it's a process of cultural transformation. Human beings change themselves through practice, not by decrees.

It is necessary to create spaces, or recognize already existing spaces, of participation, because the big problem of failed socialism was that people didn't feel themselves to be builders of a new society. They received grants, education, health care from the state, but they didn't feel that they were themselves building such a society.

What weaknesses do you see in the Bolivian process?

One of the problems is reflected in the leadership of cadre, accustomed as they are to thinking: when we take office, we change. We are democratic while working in a movement, but when we take office, we become authoritarian. We don't understand that, in the society we want to build, the state has to promote protagonism of people, rather than supplant their decision making. It happens in some left-wing governments: government officials think that it's up to them to solve problems for people, rather than understand that they must solve problems together with people.

If our government officials are to be wise, they must be pushed by popular initiatives so that the people can feel they are doing it themselves. The state's paternalism, in building socialism, may help at first, but we must create popular protagonism.

Can this weakness derive from not having cadre?

Of course it can. In my latest book, this idea is developed in the last chapter, called "El instrumento político que necesitamos para el siglo XXI" (The political instrument we need for the 21st century). The idea behind the term "political instrument" always seemed interesting to me. I insisted in 1999 that we use the term "political instrument" because "the party," in some cases, is a worn-out term. We were interested in creating an agency that is in accordance with the needs of the new society, rather than copying the schemas of already obsolete parties.

The party, classically, has been a group of cadre who, at bottom, are seeking to prepare themselves for taking political office, winning elections, with methods of work that we copied from the Bolshevik Party, which were democratic, not clandestine. We mechanically translated that structure.

The results of renovation of what used to be our political parties, or rather social movements that participate in this political construction, are now instruments that belong to social movements, like the Movement Toward Socialism (MAS) [in Bolivia] or Pachakutik in Ecuador, which are instruments created by social movements themselves.

The leading instrument is not a party – varied as situations are – but a popular national front. It mustn't be forgotten that we come from the processes in which the left was in opposition, not in government, and one of the things that we are learning, with each local or national electoral victory, is that it's one thing to be the left in opposition and it's another thing to be the left in government.

Therefore we think that political instruments, whether they are fronts or whatever, must be the critical consciousness of the process. What happens often, or almost always, is that there arises a fusion of cadre in the government and cadre of the party. This is due to the shortage of cadre. We, as a group, are advocating in Venezuela for the necessity of public criticism which serves as a warning. If there are deviations, we have to have a chance to criticize them.

What, in your opinion, does public criticism consist of?

Even a little while ago, the left, including myself, thought that we should just wash our dirty laundry at home. In Cuba, for example, that was always the case, and when we talked to the press, it was said: "Listen, be careful, don't say things that give ammunitions to the enemy." What happened in reality is that political education was greatly endangered, even in Cuba. In other words, the state, the political authority, corrupts if there is no control over it.

Therefore, I very much believe in communities exercising control. The absence of that means easy money and government officials, given various rationalizations, beginning to have a life apart, whether receiving a bigger salary, which doesn't happen often, or receiving a lot of gifts.

In Ignacio Ramonet's interview with Fidel, *Cien horas con Fidel Castro* (One hundred hours with Fidel Castro), the former Cuban president said: "In our country criticism and self-criticism are practiced in small groups, but it has grown stale. We need to practice criticism in classrooms, in public squares... The enemy will exploit it, but the revolution will benefit from it more than the enemy."

I am convinced that our government officials should see public criticism as something healthy. To be sure, norms of criticism should be made clear, too: for example, there should be major penalties for unsubstantiated criticisms, since in Venezuela the accusation of corruption is used against any political enemy, people getting destroyed without any evidence.

What is needed is a fundamental criticism, a criticism that presents a proposal. It is easy to criticize, but what is your own proposal? Each individual who criticizes should have a proposal. Otherwise, what's the point? Also, internal spaces should be exhausted first. If the government is open to hearing criticism and capable of reacting promptly, then there is no need to make it public.

There should be a clear awareness in our countries that, if you are not behaving well, someone will expose your bad behaviour. It's like a moral pressure. Our history shows that being on the left doesn't make us saints. We have weaknesses, we can go astray.

The people must be alert, and critical intellect is very important. Intellectuals are not capable of mediating the correlation of forces: they have their schemas and sometimes are utopians at present; nevertheless, they reflect possibilities, and history often bears them out.

We are in an information world, and there's no hiding things. If we know how things are, so does the enemy. It would be better for us to be the first to bring up solutions to problems; that way, we deprive the enemy of a weapon. It seems to me that public criticism does us good, and our officials had better understand that, too, for sometimes they don't understand it; public criticism will help the process greatly, it will go a long way to combating corruption and bureaucratism.

Who can better watch whether something is going well or badly than the service user? For example, at a bakery, who can be a better watchdog than people who eat its bread and know how the bakery works? That is to say, people should have their say and chances to make local decisions.

Has there been an opportunity to talk about this issue of public criticism with our government officials?

I have not been able to talk with Evo. I'll talk to him about it as soon as I can. In any case what I said is in my latest book. In Venezuela, I'm part of a group making efforts in that direction. We weren't well understood by many, but we understand that the president has understood it.

We are in agreement on public criticism, though there was a moment when it seemed as if our heads could roll. Now it looks like they have understood us and are giving us another kind of possibilities, and I think that this is important. The socialism of the 21st century that we want to build is an immensely democratic society that has no fear of criticism.

We offer public criticism out of pain, not out of hatred or a desire to destroy. We do so because we want a society in which the revolutionary process triumphs, and when we see deficiencies, it pains us, because we want to build something better. It's not the same as right-wing criticism that seizes upon our weaknesses to destroy us. No. We criticize to be constructive, to solve problems.

The most marvelous thing that has happened to us is that, when we made our criticisms public in Venezuela, the people felt completely identified with us, a group of critics, because it was exactly what they were feeling but didn't know how to express it.

Who benefits from public criticism?

When I was editor of political journal *Chile Hoy* (Chile Today), I did a kind of public criticism. Sometimes intellectuals' or journalists' criticism is disliked because we are sometimes a little arrogant. But in *Chile Hoy*, we gave the microphone to organized people and communicated what they saw was going wrong with the process. Our journal put out the government's communiqués, too, but my passion was to get out the opinions of copper miners and organs of workers' power (*cordones industriales*).



So, I'm pleased to hear Evo Morales say, in his interview with Wálter Martínez of TeleSur, that it is necessary to learn to listen, for sometimes government officials don't listen or listen to only those around them, which can only lead to the government officials getting a false picture of the country.

I don't know if it's happening in this country, but in Venezuela, when Chávez announces that he is going to visit a place, they beautify the streets and houses where the president will pass, or turn on air-conditioning in the school that he will visit, and then, on the following day, they will come and get things back to what they were. Only an organized people and a society open to criticism can put a stop to these things.

Is public criticism accepted?

I'd be happy to have an argument about this topic. If there are *compañeros* who think that this is wrong, I'd be happy to hear them say so. But I know historical experiences. You know that Mao Zedong, for all his life, was concerned about bureaucratic deviations and corruption. He organized six or seven campaigns that didn't bear fruit because people who led them came from the party apparatus. They were bureaucrats who were trying to do things without getting criticized.

Then came the Cultural Revolution, which was an opening for public criticism, but a book by a Chinese man, who experienced the Cultural Revolution, went to the United States, and then later returned to China has an analysis of how sectors of the party took the words of the leader to an extreme, caricatured his thought, and made it possible for it to be rejected. They did terrible things, such as cutting people's hair. They were the ones who wanted to destroy the process.

That is why there should be clear norms: we can't engage in an anarchic criticism, which is destructive. I learned from a Venezuelan community group who invited me to a meeting, where they said to me: "No one has the right to speak or propose unless the person takes responsibility for the proposal." That does away with blowhards who just love to talk on and on at meetings and never do anything.

The great virtue of Che, more than his guerrilla war and bravery in the face of imperialism, was the consistency between his thought and action. And that, for example, is what attracts the European youth. I was amazed, when I went to Europe for a commemoration of Che in 1987, to see how much he appealed to the youth. The secret wasn't that they loved to be guerrillas, too, but Che's consistency between thought and action. **R**

The original interview "Hay que tomar en cuenta la crítica pública, conviene y ayudaría al proceso" was published by *La Razón* on March 28, 2010. Translation by Yoshie Furuhashi, editor of *MRZine*.





Malaysian Socialists "We are growing in influence, especially among the working class"

Simon Butler

For decades, there was no socialist party of significance in Malaysia. But in 2009, the Socialist Party of Malaysia (PSM) made some impressive gains. The party more than doubled in size and had members elected to state and national parliament for the first time. PSM activist Sivaranjani Manickam attended the Socialist Alliance national conference, held in Sydney in early January, 2010. She told *Green Left Weekly* that the recent growth in support for the party helped force the Malaysian government to finally grant it legal recognition after a 10-year battle.

"In 2008 and 2009 there was a big change in the awareness of the people," Manickam said. "Unfortunately, we were not a registered party then." Manickam said in the PSM's campaigning, it also demanded the government repeal repressive legislation to allow the PSM to be officially registered. The campaign was ultimately successful: "Now we are a registered party."

Because the PSM was not registered at the last elections, the party's candidates were forced to run under the banner of another opposition party. But the PSM parliamentarians always identified publicly as socialists, said Manickam. With elected members, the party "consistently receives much more media for [its] issues." The extra profile has led to a rush of new members. The number of PSM branches grew from seven to 14 in 2009.

The PSM takes a very different approach from the other political parties. Parliamentary office is not seen as an end in itself, but as useful to the extent it strengthens the people's movement.

"Our leaders do not just speak in parliament," Manickam said. "They campaign on the ground. They say the only way to fully raise our issues is in the street." The PSM's recent growth is especially remarkable given the high level of repression the Malaysian government has meted out to socialists and other radicals in past years. Malaysian authorities have used the notorious Internal Security Act since the 1950s to detain activists without trial.

COUNTERING RACISM

Countering racism is another big challenge. Manickam explained the former British colonial rulers' policy was to inflame racial tensions between majority Malay population and the minority Indian and Chinese communities.

Since independence, succeeding Malaysian governments have used a similar "divide and conquer" strategy. The government's policies breed resentment and distrust between the three ethnic groups. In response, the PSM "fights to raise the class issues," said Manickam. "We say the Chinese workers should stand up for the Malay workers, the Malay workers should stand up for

Indians, and the Indian workers for Chinese. We have to work to break the [racial] mentality, but that's not an easy thing to do."

When it was founded in 1998, most PSM members were of Indian descent. But recently the party has begun to recruit more Chinese and Malay members.

JERIT - OPPRESSED PEOPLE'S NETWORK

Manickam is also an activist with a broad-based Malaysian human rights group called the Oppressed People's Network (JERIT). Founded in 2002, JERIT is unlike many of the other NGOs active in Malaysia. Most NGOs focus on lobbying the government for progressive change, but JERIT aims to mobilize people at the grassroots to fight for their own interests. The group's structure reflects its broad focus. It includes sections for factory workers rights, service sector workers, indigenous rights, young people and the urban poor.

JERIT rose to national prominence in late 2008, after a creative bicycle protest for workers' rights made headlines across the country. Mancikam said a new campaign by JERIT aimed to raise the plight of those living in low-cost housing. She said a major issue for poor families in such housing units was the excessive fees charged for building maintenance. The private owners of the housing estates rarely spend the revenue on maintenance or upgrades. In some places, those who don't pay the maintenance fee have their water supply cut off. "The core issue is that people cannot afford to pay," Manickam said.

JERIT is encouraging people to form their own action committees to organize against the unpopular fee. "Our main demand is either the government abolish the fee, or local governments take over the burden [of paying]." Manickam said the campaign is in its early stages. However, more than 10 action committees have already been formed. JERIT plans to extend the campaign across the country, before launching a coordinated boycott of the fee.

Since the 2008 elections, in which opposition parties made important gains and won control of some states, these parties have often failed to implement promised reforms. For Manickam, this underscored the importance of the PSM in Malaysian politics. "The PSM was formed as a socialist party to bring about the political changes," she said. Although there is a long way to go, the PSM "is growing in influence, especially among the working class." **R**

Simon Butler writes for *Green Left Weekly* where this article first appeared in issue #823, January 27, 2010.

Indonesia: Working People's Association's Goal is a new Workers' Party

Peter Boyle

Socialist Alliance national convenor Peter Boyle interviews Ignatius Mahendra Kusumawardhana, the international relations officer for the Working People's Association (Perhimpunan Rakyat Pekerja – PRP) of Indonesia, who was in Australia to speak at Socialist Alternative's "Marxism 2010" conference in Melbourne, April 2-5, 2010.

In 2003, Mahendra was imprisoned for two years for "insulting the government" of President Megawati Sukarnoputri. He was a member of the People's Democratic Party (PRD) at the time of his arrest.

Over the last six months, the PRP has initiated a number of joint statements issued by left groups from various political traditions in the Asia-Pacific region.

Peter Boyle: The PRP plans to launch a new workers' party in Indonesia by 2012. Can you explain the likely politics of such a party and what steps the PRP will be taking in the lead-up to the launch to prepare such a party?

Mahendra: The PRP has the view that the main problem of politics and democracy in Indonesia is the absence of working class politics. Therefore this can only be solved by presenting a political party that has the political ideology and program of the working class.



Establishing a political party of the working class has been the objective of the PRP since the very beginning of our existence in 2004. Our last congress in 2009 set the timeline with a target of 2012 in order to set a clear goal for the current leadership in PRP.

Our operation as a political association of working people since 2004 was a step in introducing and popularizing the political idea of forming a party among working class activists. For several years we have carried out open propaganda among working people in our grassroots bases about the necessity to build a working class party as the only vehicle for struggle. We received a lot of positive responses and enthusiasm from the grassroots bases, which are fed up with the stagnation of today's politics and the fact that there is no party that they can rely on.

The next step after this propaganda is to broaden our consolidation efforts in order to recruit more people who agree to build the working class party.

Do you see this future workers' party as a broad, multi-tendency party or a party around a very defined ideological platform? A cadre party or a mass-membership party?

A working class party is one which can build and develop an ideological platform for the realization of socialism. A variety of tendencies is normal in such a party and in any real left party it should be democratically guaranteed such tendencies can exist. This is especially so in the Indonesian context where the so-called different tendencies do not really mean much difference in practice. What these tendencies really mean is that there is a deficit in the knowledge and ideology of the working class to cope with the dynamics of change in society.

Every left party which wants to fight against the strong hegemony of the bourgeois parties needs to be a mass-membership party. With broad bases of members such a party can wage the war for hegemony in the many sectors of the oppressed and ensure the spread of socialist influences into their many fields of struggle.

Party cadres should make sure that the new party's ideological platform is formulated and nurtured openly and with the participation of the masses. If we are too closed and paranoid with this question we will lag behind the masses.

Where does left unity fit in this plan for a new party?

We were the first left formation since the fall of Suharto to openly push for left unity. We have always kept in communication with as many left groups in Indonesia as possible, even though most of them don't view left unity as important, and even try to avoid it with so many excuses.

We never gave up our belief that there should be left unity, especially in the struggle for a political party. But what we have learned is that left groups cannot be reduced only to activists trying to create a party in their own image. We must exercise sensitivity toward the actual radicalization in the grassroots. There are grassroot forces that are learning about the struggle and increasingly identify their political position with socialism and left politics.

There's a need to create as much space as possible for socialist propaganda. If this can be done, people can fight any backwardness and also fight off the immaturity and irrationalities that may have contributed to earlier left splits, and have made differences in the left seem more intense than they should be. Open conferences and discussions among left groups can both popularize socialism and at the same time build left unity.

What place do you see for broader anti-neoliberal/anti-imperialist alliances in Indonesian politics today?

It is very important and we are currently developing a strategic, broad and multi-sectoral alliance called FOR Indonesia (Peoples

Opposition Front of Indonesia – Front Oposisi Rakyat Indonesia). The platform of FOR Indonesia is anti-neoliberal/anti-imperialist, with the slogan: Change the regime, change the system.

That slogan itself is an attempt to make the campaign against the neoliberalism/neo-imperalism meet with popular sentiments. The growing dissatisfaction against corruption and political scandals in the government is widespread among the common people. People have started questioning the legitimacy of the regime of Indonesia's President

Susilo Bambang Yudhoyono (SBY), and they also don't trust most of the politicians. The task of any broad anti-neoliberal alliance, such as FOR Indonesia, is to advance the people's consciousness about the current regime and the capitalist system.

In this early phase of its existence, FOR Indonesia tries to educate people with campaigns for real opposition to social injustices. FOR Indonesia tries to prove that there are no political parties at present that are really not entangled in the web of scandals and the oppression of the people. By joining the current public issues, FOR Indonesia has the opportunity to bring together dispersed groups that fight the regime and the system and promote a

popular understanding. People cannot see the problem merely in individual political scandals but need to comprehend them as a consequential effect of a regime that rules the capitalistic system.

The PRP comes out of a rebirth of the Indonesian left after the massacre of the Communist Party of Indonesia (PKI) and other left organizations by the Suharto dictatorship after 1965. But this rebirth took place in the midst of a struggle against the Suharto dictatorship. Has the Indonesian left faced the challenge of adjusting to post-dictatorship conditions? And if so, can you explain your view of this adjustment? Does the left need to change its approaches and methods of organization?

Every change requires adjustments, so this is not a unique challenge for the Indonesian left. What is a more serious problem is that the left in Indonesia is acutely suffering from the problem of amateurism. We continue to fail to exploit the open space of politics after the end of the Suharto era. Sure, there was oppression and coercion here and there against the left, but we failed terribly to respond to it with the capacity of professional revolutionaries.

So while there has been a relative freedom for left literature on the internet and in publications, the left has not optimally organized the power of the marginalized people. It is a sad fact that after 10 years of Suharto's fall, there is still not one single credible left newspaper with a large audience. This is a result of a failure to work together among left groups and see what is sup-

posed to be the priority in practical political struggle.

The Susilo Bambang Yudhoyono government has been facing permanent protests since it was inaugurated for a second term last year. Is it in crisis? Do many Indonesians still see it as the most democratic option in the context of the existing parliamentary parties?

The SBY government is always in crisis because of the corruption of every aspect of political life. Most Indonesians have no preference between the parliamentary parties.

The evidence of this is in so many electoral results with a high percentage of abstention. But the crisis of the SBY government will only become a serious matter when extra-parliamentary people's power struggle manages to accumulate greater strength from people's dissatisfaction through massive demonstrations and acts of civil disobedience.

Do you see electoral politics as an important arena of struggle for the left in Indonesia? What are the political challenges facing the left in this area? What position did the PRP take in the last general election? Did it campaign for a boycott? What is your assessment of the experience during the election?



Electoral politics is important only if you fight against and compete seriously with the bourgeois electoral parties. When the left is weak there's a big danger of demoralization among your members and it will be harder to differentiate yourself from the opportunistic politicians. Therefore a campaign for boycott was necessary to protect our members from potential disintegration.

But after the result and the dynamics of th 2009 election, we don't think that another electoral abstention will help the left groups in Indonesia. Now the progressives must try once again to build a broad and popular front that can give us the material base for its transformation into an electoral party. With the time available before the next election, there is a great task ahead of every progressive movement in Indonesia for the consolidation – an open and democratic one – of an alternative political party that can be used for electoral purposes.

In the popular mass struggle in Indonesia today, what are the most important sectors and mass organizations, and what is the relationship of the PRP to these mass organizations?

When we use the term "working people" we include three major elements: workers, peasants and fisherfolk. We have put as many cadre as we can in progressive organizations, especially in those three sectors. The industrial workers now are growing in militancy and class instinct to fight against the bosses and the state that backs them. We have a strong and close relationship with the biggest alternative trade union Konfederasi Kasbi (Confederation of Congress Alliance of Trade Unions of Indonesia), since most of the leaders in Kasbi are also founders of the PRP. We are witnessing a massive desire for a working class party from trade union activists in Kasbi and from other trade unionists as well.

Does the PRP identify with the anti-colonial heritage from the Sukarno era? Do you see Sukarno as an important national liberation leader like Cuba's revolutionaries see Jose Marti or Venezuela's revolutionaries see Simon Bolivar?



We think in the present time it is relevant to learn and try to understand again the vital meaning of socialism as the driving idea and even the goal of the anti-colonial struggle in Indonesia. The anti-colonial heritage has come from a lot of sources, not only Sukarno, so with all of our respect to his struggle, we have no plan to mystify the personal cult of him.

What is your opinion of the call for a new socialist international by Hugo Chavez?

We believe that a significant socialist international as an institution with real political capacity to lead the working class struggle globally is always a necessity. In our present situation, maybe it is correct to look for directions and initiatives from Latin America where so many socialist experiments have been able to win the political battle domestically.

We understand very well the power and resources of this call by Chavez and so, in spirit and in principle, the PRP supports the call from Chavez. However, for the realization of a concrete unification in what might be the Fifth International there still needs to be a lot of preparation in our Asia-Pacific region.

What do you think are the challenges for the 21st century socialist movement? What are the important lessons our movement should learn from the experiences of 20th century?

The most significant challenge is the need to build unity of the working class struggle and at the same time able to present a significant challenge to the hegemony and repression of the bourgeoisie.

People need more inspiration like that which we've had from the experience of comrades in Latin America. Working people need to develop the counter-hegemony that was once represented in strong and popular institutions such as communist parties in the past.

We should not romanticize past socialist experiences, but common people still need concrete signs that the socialist movement is the alternative of capitalism. What we must learn from the past that the urgency to develop the culture of democracy is something that cannot be compromised. The people of the former USSR and so many others have had to pay the consequences for the failure to develop continuously and dynamically socialist democracy as the competing force against the liberal democracy. **R**

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Dutch Socialists and the EU War on Us

Steve McGiffen

Both Britain and the Netherlands have voted recently in general elections (in May and June 2010). The British result with the defeat of New Labour by a Conservative-Liberal Democrat Alliance is well-known. In the Netherlands, the radical left Socialist Party (SP) suffered something of a setback, but it survived what had at first looked like a potential disaster. Going into the election with 25 seats, it had at one point as few as eight in the polls before recovering to win a respectable 15.

If this still sounds like a major loss, it should be put into the context of the extraordinary circumstances which led to the party winning so many seats in 2006, tripling its total vote in the wake of the successful SP-led campaign for a No vote in the referendum on the European constitution. Fifteen remains the second-highest total in the party's rather brief parliamentary history.

FAR RIGHT RISES

The bad news is that the far-right, in the form of Geert Wilders's Freedom Party, won 24 seats. It remains to be seen how this will affect Dutch politics, as the parties to emerge in first and second place – the neoliberal VVD and the slightly less neoliberal Labour Party – are still locked in negotiations as to how to form a government. It's hard to see Wilders being allowed into government, not just because he's a nasty racist with strange hair but because he says openly that he wants to ban the Qur'an. This is in a country whose arms industry rakes in billions a year selling death-dealing devices to Muslim countries.

However, it is not only the presence of a maverick far-right which makes forming a government difficult in such a proportional, multiparty system where 10 parties are represented in parliament, seven of them in double figures. In the Netherlands, a governing coalition must command the support of at least 76 seats in parliament. The two biggest parties between them can muster only 61. So, even if they can agree between themselves, they will need to find other coalition parties. The question in the Netherlands, as it should be in Britain, is whether any government, when formed, will actually be holding the reins.

Europe was scarcely mentioned in the Dutch election campaign. The SP tried to make an issue of the European question but largely failed, while the centre-left, right and far-right limited themselves to how the Brussels budget might be reduced in order that the Netherlands might make a lower contribution and address its own budgetary problems. This lack of debate reflects the indifference of the Dutch electorate to all things European.

Interest was briefly kindled by the SP's colourful campaign around

the 2006 referendum, but when the resounding No was in effect ignored, people seem – understandably enough – to have concluded that there was nothing they could do to influence events in that sphere. This is both deliberate and unfortunate. Deliberate, in the sense that indifference suits the EU project, which relies on undermining democracy, and unfortunate because all of the issues which were in fact raised during the campaign concern decisions over which Brussels will have a determining influence.

EUROPA 2020: OUT OF THE CRISIS?

All European member state governments will shortly be obliged to present a national implementation plan setting out the ways in which their country will contribute to realizing the ambitions of Europa 2020, the EU's route out of crisis. The Lisbon agenda, which was supposed to make Europe the most competitive region in the world by 2010, is routinely described on all sides as a miserable failure. As the only way to achieve its goals would appear logically to be by reducing wages to Chinese levels, we should surely be grateful for that. But that is not in fact what Lisbon was set up to do. The actual plans were all about "stimulating the knowledge economy," which of course means nothing whatsoever and so was easy for member states to ignore.

Europa 2020 purports to identify five areas in which sustainable growth can lead the way out of crisis. It may turn out to be just as much of a damp squib as Lisbon, but what it looks like is a declaration of class war. And neither of the recently elected parliaments in Westminster and the Hague will have the slightest say in the matter.

Almost €750-billion (£627bn) will be put into a fund to bail out governments that encounter budgetary problems, and national parliaments will not be consulted as to who should get this money and when, as a vote to reject would be punished by 'the markets.' The recommendation is that budget cuts designed to avoid the need for such an intervention be accompanied by wage cuts. These will be achieved by dismantling existing national agreements – a bare minimum wage probably excepted – and allowing wages to be fixed by 'the market.' In addition, social spending will be in the front line of any attempt to find ways of reducing state spending.

The internal market project, established in the late 1980s in order to drive down wages and destroy the welfare state, is entering a new and more intense phase. Far from being discredited by global financial crisis, capitalism is in dire need of new investment opportunities and will be coming shortly to a publicly owned service industry near you. **R**

On Dutch Socialism

Steve McGiffen has been associated in various capacities with the Socialist Party of the Netherlands (SPNL) since 1999, and though he now lives in France, continues to work as a translator for the party. He is a former official of the United European Left Group in the European Parliament, and edits *Spectrezine*. He recently spoke to *New Left Project*'s Edward Lewis.

Edward Lewis: You have for a long time been involved with the Dutch Socialist Party. You seem to regard them as unique in Western Europe for being a genuinely socialist party that has attained significant political representation. First of all, can you explain the key policies of the SPNL?

Steve McGiffen: The SPNL is far from being a perfect model, and would not claim to be. And I would say that the most important thing about it is not its policies, which might look much like those of any European parliamentary party of the genuine left, but its form of organization. The SP is close to being a mass party, with al-

most 50,000 members out of a population of around 16 million. It is active on many fronts, and has built itself up from local level into a national party over some four decades, but in particular in the last fifteen or so years. It is, unfortunately, almost certainly about to suffer its first major electoral setback. Having gone from nine to twenty-five seats in the 2006 election — which took place in the wake of the referendum on the European Constitution, where the party led the successful 'No' campaign — it could well go back down to nine in one fell swoop on June 9th.

This is less significant than it might seem, however, though it's hard to make this point without sounding like a bullshitting politician! Parliamentary politics is only one strand to the SP's bow. It's active on the streets and in the neighbourhoods, and for example played a major supportive role in the recent inspiring victory of a lengthy national strike of cleaners. You can read all about the party, in English, and keep up with its views and activities, at international.sp.nl

EL: Can you explain how a genuinely antineoliberal party has managed to achieve significant parliamentary inroads in the Netherlands, in sharp contrast to the situation that prevails in most Western European countries? What lessons can be learned from them by leftists in other countries, especially the UK?

SM: It's hard to apply lessons learned in one country to experience in another. The SPNL had various advantages: an electoral system which is ultra-proportional. There are 150 seats in the national parliament and if you get 1 vote in 150 on the basis of a national list you get one of those seats. Secondly, democracy means rather more in general in Dutch society than in Britain, where hardly anybody seems to know or care what it means. So while I wouldn't want to exaggerate this, the left gets a rather fairer hearing than you would in Britain.

People might disagree with socialist views, but they tend to have some idea what they are, whereas the political ignorance of the

> average Briton makes trying to present arguments for socialism sometimes futile, generally frustrating and often quite surreal. The only way to tackle that is from the base up.

> The SP began life in 1972 by knocking on people's doors in the small industrial town of Oss and asking them, basically, what they were fed up about. If you did that, or some equivalent, in modern Britain you might have to listen to a lot of racist crap, but you need to engage with that.

And you might identify areas where an organized force of honest men and women who want to move the country



closer to socialism could intervene. You are not going to get very far by concentrating on international issues or matters of identity, important though those things are, because most people don't see them as important and you have to start from where people are.

EL: What achievements do the Dutch Socialist Party have to their name? And what threats do you think they face in the foreseeable future?

SM: Their greatest achievement is to have become a serious force in Dutch politics at a difficult time for the left in Europe. Their leadership of the referendum which defeated the European Constitution was astonishing. I was actually present at an early planning meeting for this campaign and everyone was talking about how great it would be if we could get a good vote, that a 40% No in such a core country would be one in the eye for 'Brussels' and its attempts to undermine our democratic and social achievements. Then, after listening to this for a while, one man banged on the table and said, 'Nee, hoor! Wij gaan winnen!' - "No, listen here, we're going to win!." And it galvanized the meeting and made me think the ruling elite had a bit more on their hands than they had bargained for, which certainly turned out to be the case

Another achievement might be seen as a bit of a mixed blessing, but is surely a good thing overall. Politicians on all sides in the Netherlands began, as a result of the SP's success, to see that television appearances weren't enough. They revitalised their youth movements and the social side of their activities. The SP is a social organization as well as a political party, and other parties have learnt from this. They use the full range of technologies and to good effect. Their website has been voted the best political website in the country more than once and their campaign videos have won awards from the advertizing industry!

You can also, and I have to say this reflects the relatively democratic nature of the Dutch political system, point to numerous small achievements in terms of laws they've been able to influence for the good. Privatization programmes slowed or diluted, deportations halted, and so on. The Labour Party has to look over its left shoulder all the time. As for dangers, well, if the poor poll showing – the reasons for which are many and complicated but really do not reflect any incompetence or poor decisionmaking by the party itself - are followed by a similar result in the election they will have to deal with defeat, something of which they have almost no experience. The danger will be demoralization within the party and the loss of the mystique of constant success to those outside of it.

The longer-term threat is the danger that confronts all left parties which try to engage in parliamentary politics, which in my view you absolutely have to do – and that is the danger that you will become a social democratic party. For me that's less about policies, which are fleeting things which must respond to events, than about organization. As soon as you begin to prioritize parliamentary work, as soon as you start to wonder if militancy is costing you votes and to care that it might well do so, you are on the rocky road to social democracy.

Let me add one remark. As I said, the SPNL is not a perfect party. But it is a radical left party, and a successful one. All I read about from the British left is the success of faraway socialist movements. Well, President Chavez is also far from perfect, but the importance of solidarity with his movement is widely recognized. Yet hardly any-

one knows about the SP. It's a few hours away by train, it doesn't have colourful Latin music or a past fighting in the mountains, their weather is just as lousy as the weather in England, but what it is doing is just as important and much closer to home. It would do the Dutch socialists good to have more grassroots contact with socialists in Britain and elsewhere, and they have resources which could help make that possible. But the initiative will have to come from you.

Talk of a Fifth International makes me cringe when I know that socialists in Manchester or Hull don't even know that there is a vibrant, militant and colourful party just over the water, full of friendly folk who can converse in English. **R**

Edward Lewis writes for *New Left Project* www.newleftproject.org, where this interview originally appeared.



Daniel Bensaïd

Hegemony and the United Front

Daniel Bensaïd (1946-2010) was one of France's most prominent Marxist philosophers and wrote extensively on that and other subjects. He was for many years a leading member of the LCR (French section of the Fourth International) and subsequently of the NPA (Anti-Capitalist Party). Bensaïd became one of the key thinkers on the organizational re-making of the radical left as part of creating a socialism for the 21st century, moving beyond the broken legacies of the socialist parties and organizations of the 20th century. This essay is illustrative of his thinking on two concepts of great historical and contemporary relevance to the Left in a context of organizational pluralism and democratic struggle.

During the 1970s, the notion of hegemony served as a theoretical pretext to the abandonment without serious discussion of the dictatorship of the proletariat by most of the "Euro-communist" parties. As noted then by Perry Anderson, it did not however eliminate, in Gramsci, the necessary revolutionary rupture and the transformation of the strategic defensive (or war of attrition) into the strategic offensive (or war of movement).¹

AT THE ORIGINS OF THE QUESTION

It appears from the reflections of Marx on the revolutions of 1848. Ledru-Rollin and Raspail were for him the representatives respectively of the democratic petty bourgeoisie and the revolutionary proletariat. Faced with the bourgeois coalition, the revolutionary parties of the petty bourgeoisie and the peasantry should ally themselves with the "revolutionary proletariat" to form a hegemonic bloc: "When he is disappointed in the Napoleonic Restoration the French peasant will part with his belief in his small holding, the entire state edifice erected on this small holding will fall to the ground and the proletarian revolution will obtain that chorus without which its solo song becomes the swan song in all peasant countries." This opposition of the victorious "choir" to the funereal "swan song" returns in 1871. The Commune is then defined as the "veritable representation of all the healthy elements of French society" and the "communal revolution" represents "all the classes of society which do not live from the labour of others."

From the end of the 19th century, the Russian revolutionaries used the term hegemony to characterise the leading role of the proletariat in a worker and peasant alliance against the autocracy and in the conduct of the bourgeois democratic revolution. From 1898, Parvus thus envisaged the necessity for the proletariat "to establish moral hegemony," and not only a majority power over the heterogeneous urban populations. That is why, according to Lenin, the social democrats "should go to all classes of the population," because the consciousness of the working class would not be really political "if the workers are not used to reacting

against any abuse, any manifestation of arbitrariness, oppression and violence, whatever the classes which are the victims of it." Whoever draws the attention, the spirit of observation and the consciousness of the working class exclusively, or even principally, on itself is not a social-democrat, because, to understand itself, the working class must have a precise knowledge of the reciprocal relations of all the classes of contemporary society. This Lenin is much closer to the attitude of Jaurès to the Dreyfus affair, than that of a Guesde, advocate of a "pure socialism."

If the term hegemony does not appear in the controversy between Jaurès and Guesde on the implications of the Dreyfus Affair, its logic is nonetheless present in it.3 "There are times," states Jaurès, "when it is in the interest of the proletariat to prevent too violent an intellectual and moral degradation of the bourgeoisie itself [...] And it is because, in this battle, the battle, the proletariat has fulfilled its task toward itself, toward civilisation and humanity, that it has become the tutor of bourgeois liberties that the bourgeoisie was incapable of defending." He was right, but Guesde was not wrong in his warning against the drifts and possible consequences of participation in a government dominated by the bourgeoisie.

For Jaurès, to the extent that the power of the party grew so did its responsibility. The time would come then "to sit in the governments of the bourgeoisie to control the mechanism of bourgeois society and to collaborate as much as possible in projects of reform" which are "the founding work of the revolution." Guesde, on the contrary, a socialist in a bourgeois government is never more than a hostage. The irony of history ensured that Guesde the intransigent ended his career as minister of a government of national and patriotic union, while Jaurès was killed as a probable obstacle to this Union.

Gramsci enlarges this question of the united front in fixing as its objective the conquest of political and cultural hegemony in the process of the construction of a modern nation: "The modern Prince must be and cannot but be the proclaimer and organizer of an intellectual and moral reform, which also means creating the terrain for a subsequent development of the national-popular collective will toward the realization of a superior, total form of modern civilisation."4 This approach is adopted within a perspective of passing from the war of movement characteristic of the revolutionary struggle in the "East" to a war of attrition (or of position), "alone possible" in the West: "This is what the concept of the united front seems to me to mean... Ilych, however, did not have time to expand his formula."5

This enlarged comprehension of the notion of hegemony allows us to specify the idea according to which a revolutionary situation is irreducible to the corporative confrontation between two antagonistic classes. What is at stake is the resolution of a generalized crisis of the reciprocal relations between all the components of society in a perspective which concerns the future of the nation as a whole. In fighting to make Iskra "a newspaper for all Russia," Lenin was not only already pleading in favour of an "effective collective organizer," he also opposed to the corporative localism of the committee men a revolutionary project on the scale of the whole country.

After the failure of the German revolution of 1923 and with the ebbing of the post war revolutionary wave, the task was not to proclaim the situation constantly revolutionary and advocate permanent offensive, but to undertake a prolonged struggle for hegemony through the conquest of the majority of the exploited and oppressed classes of the European workers' movement which was profoundly and durably divided, politically and in trade union terms. The tactic of the "workers' united front" seeking to mobilize in unity responded to this objective.

The programmatic discussion on a body of "transitional demands" starting from everyday concerns to pose the question of political power was the corollary of this. This debate, which was the object of a polemical confrontation between Thalheimer and Bukharin during the 5th congress of the Communist International (CI), was first relegated to a secondary level, then disappeared from the agenda, in the course of successive purges in the Soviet Union and the CI.

In opposing to the dictatorship of the proletariat a notion of "hegemony" reduced to a simple expansion of parliamentary democracy or a long march through the institutions, the Euro-communists watered down the message of the *Prison Notebooks*. Enlarging the field of strategic thought, upstream and downstream of the revolutionary test of force, Gramsci articulated the dictatorship of the proletariat to the problematic of hegemony. In "Western" societies, the seizure of power is inconceivable without a prior conquest of hegemony, that is to say without the affirmation of a dominant/leading role inside a new historic bloc capable of defending, not only the corporate interests of a particular class, but providing an overall response to an overall crisis of social relations.

The revolution is no longer only a social revolution, but also and indissociably an "intellectual and moral reform," destined to forge a collective will both national and popular. This perspective demands that we examine anew the notion of "withering away of the state" since the revolutionary moment does not lead to its rapid extinction, but to the constitution of a political state and a new ethic, opposed to the old corporate state.

The notion of hegemony involves then for Gramsci:

- the articulation of a historic bloc around a ruling class, and not the simple undifferentiated addition of categories of discontent
- the formulation of a political project, capable of resolving a historic crisis of the nation and social relations as a whole.

These are the two ideas which tend to disappear today from certain not very rigorous usages of the notion of hegemony.



IS HEGEMONY SOLUBLE IN THE POST-MODERN SOUP?

At the end of the 1970s, the confused recourse to the notion of hegemony claimed not only to respond to the contemporary conditions of revolutionary change, but also to fill the gaping vacuum left by the unexamined liquidation of the dictatorship of the proletariat.⁷ Orthodox Marxism, of the state or party, then appeared to have run out of steam.

The question re-emerged in the 1990s in a different context. To open a breach in the horizon drawn by a triumphant neoliberalism, Ernesto Laclau and Chantal Mouffe bent its interpretation, conceiving it as a chain of actors without a strong link, or as a coalition of social subjects refusing to subordinate themselves to a contradiction deemed to be principal. The exclusive hegemony of a class inside a composition of alliances which is more or less tactical and variable will be henceforth replaced by "chains of equivalence."

The struggles against sexism, racism, discrimination and ecological damage must be articulated to those of the workers to found anew a left hegemonic project. The difficulty resides in the modalities of this articulation. Bourdieu responds to this with a "homology" postulated between different social fields.

But if one renounces any structuring of the fields as a whole by an impersonal logic – that of capital as it happens – the articulation or the homology can only represent the decree of a vanguard or an ethical voluntarism. This is the heart of the controversy between Žižek and Laclau. The latter envisages a first strategy which would conserve the category of class, in trying to reconcile it with the multiplication of identities represented by the new social movements, and placing it in an enumerative chain (movements of race, gender, ethnicity and so on... "without forgetting the good old workers' movement!"

The Marxist concept of class is however hard to integrate into this enumerative chain, to the extent that, in resigning itself to becoming the simple link in a chain, the proletariat would lose its privileged role. An alternative strategy would seek to expand the notion of working class at the risk of dissolving it in the magma of a wage earning class without cleavages or of the people as a whole, making it thus lose in another way its strategic function.

The "new social movements" thus seriously test a definition of socialism based on the working class and the Revolution with a capital R. Slavoj Žižek responds that the proliferation of political subjectivities, which seems to relegate the class struggle to a secondary level role, is only the result of the class struggle in the concrete context of globalized capitalism. In other words, the class struggle is not soluble in the kaleidoscope of identity or community categories, and hegemony is not soluble in an inventory of equivalences in the style of Prévert.

POLITICAL METAMORPHOSES OF THE SOCIAL ACTORS

Reporting an interview in which Stalin justified to an American journalist the single party for a society where the limits between classes are supposedly being eroded, Trotsky states in *The Revolution Betrayed*:

"It appears from this that classes are homogeneous; that the boundaries of classes are outlined sharply and once for all; that the consciousness of a class strictly corresponds to its place in society. The Marxist teaching of the class nature of the party is thus turned into a caricature. The dynamic of political consciousness is excluded from the historical process in the interests of administrative order. In reality classes are heterogeneous; they are torn by inner antagonisms, and arrive at the solution of common problems no otherwise than through an inner struggle of tendencies, groups and parties. It is possible, with certain qualifications, to concede that 'a party is part of a class.' But since a class has many 'parts' - some look forward and some back - one and the same class may create several parties. For the same reason one party may rest upon parts of different classes. An example of only one party corresponding to one class is not to be found in the whole course of political history – provided, of course, you do not take the police appearance for the reality." 8

Thus he took a new road. If the class is susceptible of a plurality of political representations, there is some interplay between the political and the social.

The theorists of the 2nd International had noted that economic fragmentation prevented the realization of class unity and made its political recomposition necessary but they regretted that this recomposition was incapable of establishing the class character of the social actors. The concept of hegemony appears to deal with this vacuum. Breaking with the illusions of a mechanical progress and of a one way historic direction, it demands the taking into account of historic uncertainty. One can, says Gramsci, only specify the struggle and not its outcome.

The distance maintained between the social and the political allows on the contrary envisaging their articulation as a determined possibility. Trotsky thus accused his contradictors of remaining prisoners of rigid social categories, instead of appreciating live historic forces. He saw the division of politics into formal categories of sociology as a theoretical corpse.

In the absence of conceiving politics according to its own categories (despite strong intuitions on Bonapartism or totalitarianism), he contented himself however with invoking these enigmatic "live historic forces," and calling on them to the creativity of the living. For him, as for Lenin, there was then no other outcome than to consider the Russian Revolution as an anomaly, a revolution out of time, condemned to hold come what may, while awaiting a German and European revolution, which did not come.

In Leninist discourse, hegemony designated a political leadership inside an alliance of classes. But the political field remains conceived as a direct and unequivocal representation of presupposed social interests. Lenin was however a virtuoso of the conjuncture, of the right moment, of politics practiced as a strategic game of displacement and condensations, as the contradictions of the system can erupt under unforeseen forms (for example a student struggle or a democratic protest), where one did not expect it. Unlike the orthodox socialists who saw in the world war a simple detour, a regrettable parenthesis in the march to socialism along the swept roads to power, he was capable of thinking of the war as a paroxysmal crisis requiring a specific intervention.

That is why, in contrast to an orthodoxy postulating the natural fit between social base and political leadership, the Leninist hegemony supposes a conception of politics "potentially more democratic than anything in the tradition of the Second International."

The founding distinction between the party and the working class opens indeed the perspective of a relative autonomy and a plurality of politics: if the party is no longer confused with the class, the latter can have a plurality of representations. In the debate of 1921 on the trade unions, Lenin was logically with those who felt the need to support an independence of the trade unions in relation to the state apparatuses. Even if all the consequences of it are not drawn, its problematic implies the recognition of a "plurality of antagonisms and points of rupture." The question of hegemony, practically present but set aside, could thus lead to an "authoritarian turn" and the substitution of the party for the class. The ambiguity of the concept of hegemony must indeed be settled, either in the sense of a democratic radicalization or in that of an authoritarian practice.

In its democratic sense, it allows the linking together of a multiplicity of antagonisms. It is necessary then to admit that democratic tasks are nor reserved solely to the bourgeois stage of the revolutionary process. In the authoritarian sense of the concept of hegemony, the class nature of each demand is on the contrary fixed a priori (bourgeois, petty bourgeois, or proletarian) by the economic infrastructure. The function of hegemony is reduced

then to an "opportunist" tactic of fluctuating and varying alliances in the light of circumstances. The theory of combined and uneven development would necessitate on the other hand "an incessant expansion of the hegemonic tasks" to the detriment of a "pure socialism."

HEGEMONY AND SOCIAL MOVEMENTS

The Gramscian conception of hegemony sets up the bases of a democratic political practice "compatible with a plurality of historic subjects." That is also implied by the formula of Walter Benjamin according to which it was no longer necessary to study the past as before, historically, but politically, with political categories. Politics is no longer a simple updating of historic laws or social determinations but a specific field of forces reciprocally determined. Gramscian hegemony assumes fully this political plurality. It is increasingly difficult today to presuppose a homogeneity of the working class. Kautsky and Lenin had already understood that the class did not have immediate consciousness itself, that its formation went through constitutive experiences and mediations.

For Kautsky, the decisive intervention of intellectuals bringing science to the proletariat "from the outside" represented the main mediation. For Lukacs, it resided in the party, incarnating the class in itself as opposed to the class for itself.

The introduction of the concept of hegemony modifies the vision of the relationship between the socialist project and the social forces liable to realise it. It necessitates the renunciation of the myth of a great Subject, emancipation. It also modifies the conception of the social movements, which are no longer "peripheral" movements subordinated to the "working class centrality," but entirely separate actors, whose specific role depends strictly on their place in a combination (or hegemonic articulation) of forces. It finally avoids ceding the simple incoherent fragmentation of the social or removing it by a theoretical coup, by envisaging Capital as system and structure, of which the whole conditions the parts.

Certainly, the classes are what the sociologists henceforth call "constructs," or again according to Bourdieu "probable classes." But on what rests the validity of their "construction"? Why "probable," rather than improbable? From whence comes this probability, if not from a certain obstinacy of the real inserting itself in the discourse. To insist on the construction of categories by language helps resist essentialist representations in terms of race or ethnicity. Still an appropriate material is necessary to this construction, and without this it is hard to understand how the real and bloody struggle of the classes has been able to haunt politics for more than two centuries.

Laclau and Mouffe admit to taking their distance from Gramsci, for whom the hegemonic subjects are necessarily constituted on the basis of fundamental classes, which supposes that any social formation is structured around a single hegemonic centre. A plurality of actors, plurality of hegemonies? This fragmented hegemony is contradictory with the original strategic sense of the con-

cept, as unit of domination and legitimacy, or "leading capacity." In a given social formation there would exist, according to them, several nodes of hegemony. By pure and simple inversion of the relationship between unity and plurality, singularity and universality, plurality is no longer that which it is necessary to explain, but the point of departure of any explanation.

PLURALITY OF THE SOCIAL OR SOCIETY IN FRAGMENTS

After the era of simple oppositions (People/Ancien Régime, Bourgeois/Proletarians, friend/enemy), the front lines of political antagonism become more unstable in increasingly complex societies. Thus, class opposition no longer allows a division of the whole of the social body into two clearly defined camps. The "new social movements" would thus have in common the concern to distinguish themselves from the working class and to contest the new forms of subordination and commodification of social life.

The result is a multiplicity of autonomous demands and the creation of new identities with a strong cultural content, the demand for autonomy being identified with freedom. This new "democratic imagination" will be the bearer of a new egalitarianism, worrying in the eyes of neoconservatives. For Laclau and Mouffe, to renounce the myth of the unitary subject on the contrary renders possible the recognition of specific antagonisms. This renouncement allows the conception of a radical pluralism allowing the updating of new antagonisms, new rights, and a plurality of resistances.

"For example, feminism or ecology exist under multiple forms, which depend on the manner in which the antagonism is discursively constructed. There is a feminism opposed to men as such, a feminism of difference which seeks to revalorize femininity, and a Marxist feminism for which capitalism remains the main enemy, indissolubly linked to patriarchy. So there will be a plurality of formulation of antagonisms based on the different aspects of the domination of women. Similarly, ecology can be anti-capitalist, anti-productivist, authoritarian or libertarian, socialist or reactionary, and so on. Hence the modes of articulation of an antagonism, far from being predetermined, result from a struggle for hegemony."



Behind this tolerant pluralism there is the spectre of a polytheism of values out of the reach of any test of universality. The war of the gods is no longer very distant.

Instead of combining the antagonisms at work in the field of social relations, Laclau and Mouffe rest on a simple "democratic expansion," where the relations of ownership and exploitation would be no more than one image among others of the great social kaleidoscope. The "task of the left" would no longer be then to combat liberal democratic ideology, but to "deepen and enlarge a radical pluralist democracy." The different antagonisms exacerbated by the social and moral crisis are nonetheless related to the ills of the world, to the disorders of generalized commodification, to the deregulations of the law of value, which under the pretext of partial rationalizations, generate a growing irrationality. What is the great factor of convergence and the movements gathered in the social Forums or the anti-war movements, if it is not capital itself?

Laclau and Mouffe end up logically by criticizing the very concept of revolution, which would imply necessarily in their eyes the concentration of power with a view to a rational re-organization of society. The notion of revolution would be by its nature incompatible with plurality. Welcome plurality! Exit the revolution! What is it that allows then a choice between the different feminist discourses, or the many ecologist discourses? How do we render them "articulable"? And articulable to what? How do we avoid plurality collapsing into itself in a formless magma?

The project of radical democracy definitively limits itself, for Laclau and Mouffe, to celebrating the plurality of the social. They must therefore renounce a unique space for politics to the profit of a multiplicity of spaces and subjects How to avoid then that these spaces coexist without communicating and that these subjects cohabit in reciprocal indifference and the calculation of egotistical interest? Following a "logic of hegemony," in the articulation between anti-racism, anti-sexism, anti-capitalism, the different fronts are supposed to support and strengthen each other, to construct a hegemony. This logic would threaten however that the autonomous spaces would become eroded in a single and indivisible combat. A "logic of autonomy" (or of difference) would allow on the contrary each struggle to maintain its specificity, but is at the price of a new closure between different spaces which tend to separate off from each other. But without convergences between diverse social relations, absolute autonomy would no longer be more than a corporatist juxtaposition of identity-based differences.

Taken in a strategic sense, the concept of hegemony is not reducible to an inventory or a one to one sum of equivalent social antagonisms. For Gramsci, it is a principle of rallying forces around the class struggle. The articulation of contradictions around the class relation does not imply their hierarchical classification in principal and secondary contradictions, or the subordination of autonomous social movements (feminist, ecologist, cultural) to the proletarian centrality. Thus, the specific demands of the indigenous communities of Latin America are doubly legitimate. Historically, they have been deprived of their lands, culturally

oppressed, dispossessed from their language. Victims of the steam-roller of commodity globalization and of imposed cultural uniformity, they are today revolting against ecological waste, the pillage of their common property, for the defence of their traditions. The religious or ethnic resistances to the brutalities of globalization present the same ambiguity as the romantic revolts of the 20th century, caught between a revolutionary critique of modernity, and a reactionary critique nostalgic for the old days. The balance between these two critiques is determined by their relationship to the inherent social contradictions to the antagonistic relations between capital and labour. That does not mean the subordination of different autonomous social movements to a workers' movement itself in permanent reconstruction, but the construction of convergences of which capital itself is the active principle, the great unifying subject.

The concept of hegemony is particularly useful today in envisaging the unity in plurality of social movements. It becomes problematic on the other hand when it amounts to defining the spaces and the forms of power that it is supposed to help to conquer. **R**

This essay is also published at international viewpoint.org.

Endnotes

- 1. Perry Anderson, "The Antinomies of Antonio Gramsci," New Left Review I/100, November/December 1976.
- 2. K. Marx, "The Eighteenth Brumaire of Louis Bonaparte," Foreign Languages Press, Peking, 1978, p. 134.
- 3. Le Monde, May 16, 2003.
- 4. Gramsci, *The Modern Prince*, www.marxists.org/archive/gramsci/prison_notebooks/modern_prince/ch01.htm
- 5. Gramsci, *Prison Notebooks*, www.marxists.org/archive/gramsci/prison_notebooks/reader/q07-16.htm
- 6. The idea of an "intellectual and moral reform" is taken from Renan and Péguy, whose thought had found an echo in Italy through the intermediary of Sorel.
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- 8. L. Trotsky, *The Revolution Betrayed*, www.marxists.org/archive/trotsky/1936/revbet/ch10.htm
- 9. E. Laclau and C. Mouffe, *Hegemony and socialist Strategy*, Verso, London, 2001, p.55. See Daniel Bensaïd, "La politique comme art stratégique," in *Un Monde à changer*, Paris, Textuel, 2003.
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Clara Zetkin's Struggle for the United Front

John Riddell

Genossinnen und Genossen!

That is how Clara Zetkin began her speeches. It is German for "women comrades and men comrades." Few socialists used that salutation in her time, and there were few women at their meetings. But that was beginning to change, and Zetkin was part of those changes.

Clara Zetkin was a revolutionary leader, who over her long life took part in many struggles, on many issues. Today we will consider only a small slice of her activity, one that was central to the tragedy of German communism in the 1920s.

Our topic today is the united front policy – a crucial part of our political inheritance from the era of the Russian revolution. This policy, adopted by the world communist movement in December 1921, proposed that revolutionary socialists should press for unity with other political forces in action for demands benefiting working people. The character of such a united front was a topic of dispute among socialists then, and remains so today. Let us examine this policy through Zetkin's eyes.

Clara Zetkin was the outstanding woman communist leader of the 1920s, and she is best known today as an apostle of women's emancipation. However, she also helped shape the communist movement's policy on unity in action. She favoured a broad and non-partisan approach, aiming for unity with non-revolutionary currents; action in the interests of the working class as a whole; and efforts to win social layers outside the industrial working class. She stressed the need for Communist policy to reach out to the less radical layers of working people and producers. She opposed a focus on the concerns of the revolutionary vanguard.

ZETKIN - A PIONEER MARXIST

When the Communist International (Comintern) adopted the united front policy, Zetkin, at 64, was more than a dozen years older than any other of its main leaders. She had joined the German Social Democratic party in its early, heroic days. A friend of Engels, she later formed a close partnership with Rosa Luxemburg to defend this party's revolutionary heritage and oppose its right-wing current, which sought to make peace with Germany's capitalist state.

In this period, women were almost completely excluded from political life. Zetkin and Luxemburg were the first women to fight their way into the central leadership of socialist parties. To this day, few women have been able to follow them down this path.

Zetkin led the Socialist International's work among women, and

in this capacity she called the first international socialist conference in opposition to the First World War.² This war was ended by revolutions in Russia and Germany in 1917 and 1918. In 1919, Zetkin joined the newly formed German Communist Party, the KPD. That same year, most of the party's central leaders, including Rosa Luxemburg, fell victim to a wave of government terror.

Zetkin was an influential figure in the party's new leadership and, from 1921, in the Communist International – the world union of revolutionary organizations formed two years earlier in Moscow.



Clara Zetkin - 1857-1933

ORIGIN OF THE UNITED FRONT POLICY

After the German revolution of 1918, Social Democratic leaders had led and organized the restoration of capitalist power in the country,

and had been notoriously complicit in the terror against revolutionary workers. Nonetheless, they had retained the support of most workers, while Communists led a small minority.

In March 1920, when extreme rightists staged a military takeover, the Social Democrats played a major role in the massive general strike that defeated the coup. How could the momentum of this victory be maintained?

A fruitful initiative to break the stalemate came later that year from revolutionary metalworkers in Clara Zetkin's home base, Stuttgart. It was here that worker activists, six years earlier, had convinced Karl Liebknecht to launch open socialist opposition in Germany to the imperialist world war.³

In December, an assembly of Stuttgart's metalworkers, acting on the initiative of Communist Party activists, adopted a resolution calling on the leadership of their union, and of all unions, to launch a joint struggle for tangible improvements in workers' conditions. This campaign, the resolution stated, should call for the following five demands "shared by all workers":

- Reduced prices for food and essentials of life.
- Opening of the capitalists' financial records and higher jobless benefits.
- Lower taxes on workers and higher taxes on the rich.
- Workers' control of raw material and food production and distribution.
- Disarming of reactionary gangs and arming of the workers.⁴

Strikingly, the Stuttgart demands embraced not only issues of bread and pay but to initial steps toward workers' power. This was an early example of the communist concept of transitional demands, which are rooted in immediate needs but point toward workers' rule. The Social Democrats, then organized in two parties, first ignored, then rejected this appeal, some saying the demands were too aggressive, others that they did not go far enough. But the Communists campaigned to rally support for the Stuttgart appeal, and a great many union councils voted their support.⁵

THE OPEN LETTER

A month later, in January 1921, the German Communist Party central bureau made a more comprehensive appeal to all workers' organizations, including the Social Democrats, for united action. Zetkin was a leading member of this body, but the appeal's main author was party co-chairman Paul Levi.

Known as the "Open Letter," this call included the Stuttgart five points, in more detailed form, plus demands for the release of political prisoners and resumption of Germany's trade and diplomatic relations with the Russian Soviet republic.

The Open Letter, too, was rejected by Social Democratic and union national leaderships. Union officials began expelling the appeal's supporters. But this time, the campaign to rally rank-and-file support was broader and more successful – to the point where the national union confederation felt compelled to issue counterproposals. Subsequent exchanges, while they did not achieve agreement, showed that fruitful negotiations between Social Democrats and Communists were possible.⁶

REPARATIONS CRISIS

The month of January 1921 also saw Britain, France, and other victors of the world war levy their demands for reparations. They demanded that Germany pay a sum equivalent to a dozen times the entire yearly revenue of the near-bankrupt German state, and threatened military occupation in case of non-payment. All shades of German opinion held the reparations to be unpayable, and a wave of indignation swept the country.⁷

The Communists responded by elaborating the final point of their Open Letter and calling for Germany to conclude an alliance with Soviet Russia. Clara Zetkin had already raised this call in her first speech in the German Reichstag, or parliament, on July 2, 1920.8 As the reparations crisis came to a head, she raised this demand again in the Reichstag, on January 24, 1921, as "the only way to achieve a revision of the Versailles Treaty and ultimately to tear it up."

By promoting united action on this demand, Zetkin sought to point the indignation of the German masses against the Versailles Treaty in a socialist direction. The establishment of workers' power, she said, will be "the hour when the German nation will be born, the birth of a unified German people, no longer divided into lords and servants."

A STORM OF CONTROVERSY

The Stuttgart and Open Letter initiative marked a sharp change in direction for the Communist Party. Instead of merely denouncing the Social Democrats' pro-capitalist course, Communists were now proposing a test in action of Social Democrats' capacity to struggle for demands consistent with the Social Democrats' formal program.

This shift alarmed many German Communists, who felt their party was playing down the goal of overthrowing the government and concentrating on moderate demands more acceptable to Social Democrats. They feared that Zetkin's invocation of a workers' Germany as a new nation gave ground to reactionary nationalism.

The initiatives of Levi, Zetkin, and their allies also encountered objections abroad. A current led by Hungarian Communists such as Béla Kun called on Communists to sharpen their slogans and initiate minority actions that could sweep the hesitant workers into action – the so-called "theory of the offensive." Although criticized by Lenin, this concept found some support in Moscow-based Executive Committee of the Communist International (ECCI), including from Nikolai Bukharin and Gregory Zinoviev. 10

The ECCI initially criticized the Open Letter. Lenin supported it, however, and the matter was referred to the next world congress.¹¹

DIVIDED WORKING CLASS

The dispute on the united front policy was rooted in a dilemma facing the German working class. It had been defeated, with heavy casualties, in the civil war organized by the Social Democratic leaders in 1919. In the following years, hunger and destitution spread: average grain consumption was now little more than half pre-war levels; meat consumption was reduced by two-thirds. Capitalist attacks rained down, and the workers' movement was in retreat.

By the end of 1920, the Communists grown into a mass party, with more than 400,000 members, but they held the support of fewer than 20 per cent of workers voting socialist.¹²

This produced a division among German workers: the Communist vanguard was frustrated and impatient to act, while the majority of workers were pessimistic and passive. In Zetkin's words, the workers were "almost desperate" yet "unwilling to struggle."

Zetkin and her colleagues urged efforts to unite workers in a defensive struggle, in which they could regain the confidence needed for a renewed offensive for workers' power. However, her left-wing opponents within the party urged minority action to provoke a crisis. As one of them later commented, "A stagnant swamp was everywhere. A wall of passivity was rising. We had to break through it at any cost." ¹⁴

Leadership was needed to rein in impatience and pursue consistent work for unity in action – but this was lacking, both in Berlin and in Moscow.

THE 'MARCH ACTION'

The tensions in the KPD exploded over an issue not directly related to the united front issue. At the January 1921 congress of the Italian Socialist Party, until then affiliated to the Communist International, a wing of the Comintern supporters walked out to form a Communist party – with strong backing from the ECCI representatives, the Hungarian Mátyás Rákosi and the Bulgarian Kristo Kabakchiev. A larger and less radical grouping, who claimed to support of the Comintern but opposed an immediate break with the party's right-wing, reformist minority, stayed in the Socialist party.

In a subsequent discussion among KPD leaders, Levi and Zetkin argued that the split, while inevitable, had been driven through by representatives of the Comintern Executive Committee (ECCI) in an aggressively inflexible manner that unnecessarily divided the pro-Comintern forces. Karl Radek, then representing the ECCI in Germany, defended its actions in Italy, winning the support of the KPD leadership's radical wing. The dispute became heated, touching off tensions in the KPD regarding united front policy, the theory of the offensive, and the ECCI's role.

The party's Central Bureau adopted a motion by Zetkin that smoothed over the difference, but it soon flared up again. At a KPD Central Committee meeting on February 22, Rákosi, representing the ECCI, reopened the debate, going so far as to suggest that a split of the type that had occurred in Italy might be needed in Germany as well. By 28 votes to 23, the Central Committee backed Rákosi and rejected Levi's position. In protest, Levi, Zetkin, and three others resigned from the Central Bureau, the day-to-day leadership body. They were replaced by new, more radical leaders, who had been critical of the party's united front initiatives. Zinoviev, addressing a Russian party congress, greeted the overturn.¹⁵

There were precedents in Communist history for Zetkin's demonstrative resignation. Zinoviev himself had quit the Bolshevik Central Committee in this manner only a few days before the October 1917 insurrection that established Soviet power. However, the resignation of Zetkin and her allies from the German leadership had disastrous results. The new leadership viewed it as disloyal – an act of desertion. Moreover, it placed Zetkin outside the day-to-day leadership discussions during the decisive events that soon followed.

In March, the KPD, with strong encouragement from ECCI envoys, put the "offensive" concept into action, attempting to launch

an insurrectional general strike based on the party's forces alone. The so-called "March Action" was a costly failure, but party leaders held to their course. Paul Levi publicly denounced the party's conduct as a "putsch," an action for which he was expelled.

CORRECTION AT WORLD CONGRESS

This left Zetkin as the most prominent advocate of a united front course in the KPD and the International. At the April 7-8 meeting of the KPD's Central Committee, she condemned the party's Bureau for having abandoned the Open Letter and the alliance with Soviet Russia and for launching the party on a confrontation course that excluded the masses. "Party campaigns can prepare the road for mass action, can provide goals and leadership for them, but cannot replace them," her proposed resolution stated.¹⁶

Yet Zetkin stood almost alone, surrounded by "a frigid wall of rejection, mistrust, and hostility" and branded as an "opportunist" and "renegade," writes biographer Louise Dornemann. Zetkin "felt herself dreadfully alone, as never before in her life." ¹⁷

When the International met in congress in Moscow, in June, Zetkin found support. Lenin and Leon Trotsky launched a campaign to overturn the ultraleft "Theory of the Offensive" and won the International to a course similar to what Zetkin had advocated.

Meanwhile, the dispute among German Communists raged at the congress, with Zetkin leading the critics of the March Action. In her view, the party leaders had shown no sense of reality. "They treated ... trends as already-existing facts," she said. "Concentrating on what was conceivably possible, they overlooked what was real. They believed that a resolution concocted in a test tube ... could master the situation and instantly reorient the party rank and file," who were entirely unprepared.\(^{18}\)

In a compromise decision, the congress adopted the essence of the political course that Zetkin had advocated. This outcome opened the door to the International's adoption of the united front policy in December 1921. It enabled Zetkin to carry out two years of fruitful work as the International's best-known non-Russian leader.

UNITED FRONT IN PRACTICE

As the head of the Communist International's work among women, Zetkin sought to imbue it with united front concepts. This work was never a high priority for party leaders, and women made up at best 10 per cent of the membership. Still, the Communist Women's International had its own publications and conferences both internationally and nationally, which reached far beyond the party membership. Zetkin "wanted to win not only women [industrial] workers, but women who were office employees, peasants, civil servants, intellectuals," writes biographer Gilbert Badia. "She favoured appealing to Social Democratic women, setting aside invective in order to win a hearing." 19

In the mid-1920s, as the International was bureaucratized under Stalin, the Communist Women's International was among the first victims. In 1925, Zetkin's international women's magazine was shut down as "too costly"; the next year, over strenuous objections by Zetkin and her colleagues, the women's secretariat was dissolved and formation of further women's organizations prohibited, amid warnings regarding "feminism" and "Social Democratic methods."²⁰

Zetkin also was among the central leaders of two organizations established to coordinate solidarity across borders: International Workers Aid, which provided humanitarian relief, and International Red Aid, which defended victims of political persecution. Established to help counter the famine in Russia in 1921, the Workers' Aid soon had 200,000 people fully under its care; it then provided funds for industrial development equal to half what the Soviet government summoned up from its own resources. This vast effort rested on worker donations and also contributions from more affluent friends of Soviet Russia; even some banks were induced to provide loans.²¹

These efforts were organized on a non-partisan basis; supporters included Anatole France and Albert Einstein.²² But later, in the Stalin era, the non-partisan principle could not survive. Despite Zetkin's vehement protests, these organizations were purged in the late 1920s, eliminating all critics of Stalin, including her closest collaborators.²³

Zetkin was an exponent of the concept of a workers' government, that is, a government based on the mass movement of working people and acting in their interests. This was an application of the united front that originated in Germany and became part of the political tool-chest of communists in Lenin's time. I leave this topic for separate discussion.²⁴

UNITY WITH THE PEASANTS

The Bolsheviks' agrarian policies, aimed at forging an alliance with small-scale, exploited farmers, had aroused objections from many Marxists elsewhere in Europe, including Rosa Luxemburg. Zetkin, however, in a November 1922 speech on the fifth anniversary of Soviet power, emphasized the Bolsheviks' achievements in reaching out to the peasantry. In the following passage, she expresses a thought that I have not found elsewhere in world communist literature of the time.

"Among the Russian poor peasants," Zetkin said, "there are old and deeply felt traditions of indigenous village communism that have not entirely died away. They have been sustained and reinforced by primitive religious feelings that view all property as ultimately from God, as God's property.... And these beginning of communist understanding are systematically encouraged and promoted by the measures of the proletarian state."²⁵

This conception reaches back to ideas of Marx that were unknown in Zetkin's time, and reaches forward to the positions of José Carlos Mariátegui of Peru and Marxists today regarding survivals of original communism among indigenous peoples.

UNITING CREATIVE PRODUCERS

The dominant event in European politics in the 1920s was the rise of fascism, which triumphed in Italy in 1922, and was then gaining strength in Germany. Zetkin made an important contribution to Marxism's understanding of this unprecedented phenomenon.

Zetkin believed that in these conditions of generalized social crisis, the workers' united front must be extended far beyond the industrial proletariat. Her distinctive approach is indicated by a word used by her, and only by her, with reference to the forces that must be united: *die Schaffenden*, a German word combining the meaning of "producers" and "creators." The *Schaffenden*, Zetkin says, are "all those whose labour, be it with hand or brain, increases the material and cultural heritage of humankind, without exploiting the labour of others." They include many who are not exploited wage labourers – whether fishers, artists, or physicians – but are nonetheless victims of capitalism whom the proletariat must strive to win.

Commenting on a strike by German civil servants working on the railways, she viewed it as symptomatic of disintegration in the German state. Communists should "develop their ties among all public employees – not just railwaymen and postal workers but teachers, judicial clerks, etc."²⁷

Addressing a united-front anti-fascist conference in 1923, Zetkin explained that "broad layers of petty bourgeois and intellectuals have lost the conditions of life of the pre-war period. They are not proletarianized but pauperized." Their hopes in capitalist democracy have been betrayed; it no longer produces reforms. But the proletariat offers them a road forward, because "only revolutionary class struggle wins reforms." 28

THE STRUGGLE AGAINST FASCISM

Zetkin's concept of creative producers gives depth to her analysis of fascism. Unlike other forms of right-wing dictatorship, fascism is sustained "not by a narrow caste but by broad social layers, large masses that reach even into the proletariat," she told a Comintern conference in 1923. "We cannot defeat them through military means alone."

She regarded fascism as "an expression of the decay and disintegration of the capitalist economy and a symptom of collapse of the bourgeois state." In these social conditions, Zetkin continued, not only is the proletariat driven into poverty, but petty-bourgeois layers, peasants, and intellectuals are proletarianized.³⁰ These layers "have lost faith not only in reformist [Social Democratic] leaders but in socialism itself."

Fascism offers a "refuge for the politically homeless and socially uprooted, who are disillusioned and deprived of the basis for living." Yet "the vital interests of these layers is in growing contradiction to the capitalist order," as is also their "longing to rise to

CONTINUED ON PAGE 62

ZETKIN: A LIFE OF STRUGGLE FOR SOCIALISM

Clara Zetkin was one of the most prominent leaders of the world movement for socialism from 1890 until her death in 1933.

Zetkin was born in 1857 in Saxony, when it was still one of several dozen German feudal principalities then in the earliest stages of industrialization. Trained as a teacher, in 1878 she joined the German socialist movement, later known as the SPD. The repressive policies of the newly established German empire forced her into exile in 1882. She returned in 1890 and joined her party's publishing apparatus as editor of a woman's rights magazine, *Die Gleichheit* (Equality).

Ten years later, Zetkin joined her close friend Rosa Luxemburg in opposing the "revisionist" policies of Eduard Bernstein, who had abandoned the goal of socialist revolution. She also led the struggle to win the Socialist International to a campaign for women's personal freedom, political rights, and to equality on the job.



Zetkin speaking to a crowd of workers - circa 1930.



Zetkin and Rosa Luxemburg, 1910

During in the first years of the new century, Zetkin resisted the SPD leadership's drift to the right and took part in the initial steps toward creation of a revolutionary opposition current. When war broke out in 1914, the SPD leaders betrayed socialist principles by committing the party to support of German government's war effort. Zetkin was among the first party leaders to protest. In 1915, she convened a socialist women's conference that was the first international gathering to reassert the principle of unity of working people across the battle lines.

Zetkin joined Luxemburg during the war in launching the Spartacus League, the revolutionary current that founded the German Communist Party in January 1919. *Gleichheit* was reborn under her editorship as *Kommunistin* (Communist Woman). She served as an elected deputy in Germany's parliament from 1920 until her death. From 1921, she supported the wing of the German party most committed to the united front policy. She was a prominent leader of resistance to international fascism.

Zetkin headed the Communist Women's International from 1921 until its dissolution in 1926. During this period, and until her death, she worked primarily in Moscow as part of the Communist International's apparatus. She carried out major responsibilities in international efforts to defend workers from political repression.

In 1928, Joseph Stalin imposed an ultraleft policy on the International, rejecting the united front approach. Zetkin strongly opposed this turn. Defeated but unrepentant, she continued her work in the International until her death near Moscow in 1933. **R**

continued from page 60

a higher cultural level." Such "despairing layers need hope, a new world outlook," which the proletariat can provide.³¹ These ideas were taken up by the International Provisional Committee Against Fascism, formed in 1923 with Zetkin and the French author Henri Barbusse as co-chairs.³²

ZETKIN IN STALIN'S COMINTERN

This promising beginning was undone the following year when the Communist International and its KPD reverted to a more extreme version of the ultraleftism of the "Theory of the Offensive" period. Social Democracy was now seen as a "wing of German fascism," or, in Stalin's word, its "twin." The term "united front" was still used, but it was now to be a "united front from below," that is, no appeals to leaders of other political currents; instead, attempts to win rank-and-file workers to communist-led movements.

This reversal was dictated by the tactical needs of a bureaucratic faction that ruled in Moscow, in the first stage of a process that quickly led to the Communist International's degeneration. Except for a partial respite in 1926-27, Zetkin now became an oppositionist, expressing her most deeply held views only in private letters, closed meetings, and confidential memos.

The then-dominant left faction of the KPD was aligned with Comintern President Gregory Zinoviev, and in 1926 they followed him into the United Opposition, led by Zinoviev and Trotsky. Zetkin allowed her animosity to the German ultralefts to colour her assessment of this new opposition. She lined up with Nikolai Bukharin, then allied with Stalin, in a combination that was promoting bureaucratization of the International. Tragically, in 1927 she vocally supported measures to expel the United Opposition's supporters.

Only two years later, Zetkin supported the current led by Bukharin, the so-called "Right Opposition," in its rebellion against an ultraleft turn in Stalin's policies. Bukharin's tendency was defeated, and its supporters expelled or forced to recant. Zetkin alone remained at her post, never recanting her views, and proclaiming them when she could in letters, memos, and personal discussions. She made no secret of her scorn for Stalin, once writing of him, in the chauvinist idiom of the era, as "a schizophrenic women wearing men's pants." ³³

During these tormented years, her health, never good, gave way. Circulatory problems increasing impeded her walking. She suffered the after-effects of malaria, and in her last years she was almost blind. She held to the hope that the Communist International could be reformed – as did Bukharin, Trotsky, and almost all Communist oppositionists at that time. She did not quit the official Communist movement. But she could not prevent Stalin from utilizing her enormous prestige for his own purposes.

On one occasion she managed to assert in print that she disagreed with the International's line. Two of her closely argued critiques of Stalinist policy somehow reached independent socialist periodicals, which published them.

Zetkin's greatest concern was the rise of German fascism. Faced with this threat, the Communist International retreated into sectarianism, branding the Social Democrats as fascist, rejecting a broad alliance against Hitlerism, and making no attempt to prepare concerted resistance. Zetkin favoured a united-front response, a position similar to that championed by Trotsky and the Left Opposition.

When the German parliament reconvened in 1932, it was Zetkin's right, as its oldest member, to officially open the session. When she heard this, she exclaimed, "I'll do it, dead or alive." The Nazis vowed to kill her if she appeared. Now near death, she was carried in a chair to the speakers platform, to face an arrogant throng of uniformed Nazi deputies. Her voice, weak at first, grew in volume and passion,³⁴ expressing both her defiance and her insight into how the fascist menace could be defeated:

"The most important immediate task is the formation of a United Front of all workers in order to turn back fascism.... Before this compelling historical necessity, all inhibiting and dividing political, trade union, religious and ideological opinions must take a back seat." 35

Nonetheless, the German workers' movement went down without making a stand. In the early months of 1933, the Nazis took power and crushed the Communist Party and the workers' movement.

Clara Zetkin died in July that year. It was a time of defeat and demoralization. Had she lived five years longer, she would have witnessed the Communist International turn sharply to the right, embracing alliance with bourgeois forces in defence of capitalism, while Stalin organized the murder of almost all her friends and colleagues then living in the Soviet Union.

What does Clara Zetkin say to us today? Let me suggest three points:

- 1. Political conditions and class relations have changed enormously since Zetkin's time. But her insistence on the need for unity in action on the road toward workers' power remains valid.
- 2. As a communist leader, Zetkin was distinguished by her attention and sensitivity to the moods of more backward and more privileged working people. A revolutionary party leadership should not consist solely of such leaders. On the other hand, such a leadership needs to encompass this outlook. Zetkin's example illustrates the need for inclusivity and breadth in the leadership of a revolutionary party.
- 3. Clara Zetkin was often wrong, sometimes tragically so. Yet succeeded in contributing enormously to the struggle for human liberation in her time. She provides an example of what we, working together, can achieve in the coming decades. **R**

John Riddell is one of the editors of *Socialist Voice*, and editor of a number of volumes on the Comintern during Lenin's time.

Endnotes

- 1. Lenin, whom Russian communists often called "the old man," was born 13 years after Zetkin.
- 2. See John Riddell, ed., *Lenin's Struggle for a Revolutionary International* (New York: Monad Press, 1984) 276-79.
- 3. Riddell, Lenin's Struggle 172.
- 4. Pierre Broué, *The German Revolution 1917-1923* (London: Merlin Press, 2006) 468-69; Arnold Reisberg, *An den Quellen der Einheitsfrontpolitik* (Berlin: Dietz Verlag, 1971) 50-51.
- 5. Reisberg 51-53.
- 6. Reisberg 53-62, 65-67.
- 7. Sigrid Koch-Baumgarten, Aufstand der Avantgarde: Die Märzaktion der KPD 1921 (Frankfurt: Campus Verlag, 1986) 99-101.
- 8. The winning of women's suffrage had been one of the gains of the German revolution of 1918; only then was Zetkin eligible to stand for election.
- 9. Reisberg 71. Zetkin's statement recalls a passage in the *Communist Manifesto*: "The working men have no country. We cannot take from them what they have not got. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is so far, itself national, though not in the bourgeois sense of the word." Karl Marx and Frederick Engels, Collected Works (Moscow: Progress Publishers, 1984) 502-503.
- 10. Koch-Baumgarten 81. Lenin, "'Kommunismus,' "in Collected Works vol. 31 (Moscow: Progress Publishers, 1960-71) 165-67.
- 11 Broné 473
- 12. Reisberg, 97; Koch-Baumgarten, 87.
- 13. Zetkin, "Die Lehren des deutschen Eisenbahnerstriks," in Kommunistische Internationale 20 (1920) 1.
- 14. Quoted by Trotsky in Protokoll des III Weltkongresses der Kommuinistischen Internationale (Hamburg: Verlag der Kommunistischen Internationale, 1921) 274.
- 15. The complex story of the Italian split and its impact on German Communists is well told by Broué 474-90.
- 16. Reisberg 125.

- 17. Luise Dornemann, *Clara Zetkin: Leben und Wirken* (Berlin: Dietz Verlag, 1973) 423.
- 18. Protokoll des III Weltkongresses 601.
- 19. Gilbert Badia, Clara Zetkin, féministe sans frontières

(Paris: Les Éditions Ouvrières, 1993) 256.

- 20. Badia 257; Bernhard Beyerlein, "Zwischen Internationale und Gulag. Präliminarien zur Geschichte der internationalen kommunistischen Frauenbewegung (1919-1945). Teil 1." in The International Newsletter of Communist Studies Online, vol. 12 (2006), no. 19, 38-42.
- 21. Protokoll des Vierten Kongresses der Kommunistischen Internationale (Hamburg: Verlag der Kommunistischen Internationale, 1923) 550, 555
- 22. Badia 265.
- 23. Badia 267.
- 24. See Zetkin, "Die Arbeiterregierung," Die Kommunistische Fraueninternationale 9-10 (1922): 651-57.
- 25. Protokoll des Vierten Kongresses 250.
- 26. From a speech to the German Reichstag (parliament), March 7, 1923, published that year by the KPD and quoted in Tânia Puschnerat, *Clara Zetkin: Bürgerlichkeit und Marxismus* (Essen: Klartext Verlag, 2003) 346
- 27. Zetkin, "Die Lehren des deutschen Eisenbahnerstriks," in Kommunistische Internationale 20 (1920) 8.
- 28. Zetkin, "Kampf gegen den internationalen Faschismus," in Internationale Presse-Korrespondenz 52 (1923) 418.
- 29. Protokoll der Konferenz der erweiterten Executive der Kommunistischen Internationale Moscau 12-23. Juni 1923 (Hamburg: Verlag Carl Hoym, 1923) 205.
- 30. Protokoll der Konferenz 205-209.
- 31. Protokoll der Konferenz 222.
- 32. Puschnerat 283.
- 33. Puschnerat 374.
- 34. Badia 302-303.
- 35. Philip S. Foner, ed., Clara Zetkin: Selected Writings

(New York: International Publishers, 1984) 174.

The Revolutionary's Heart

Something on the left keeps asking:
"What is to be done?"

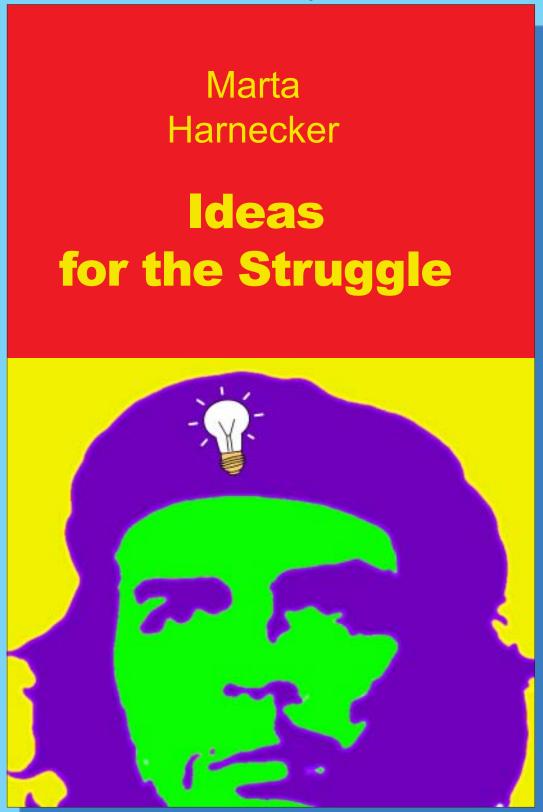
Like a tightened fist around a tool, it ceaselessly drives the crimson flow of change.

With its rhythmic voice it speaks to every standing bosom and inspires in every man and woman the desire: to create; and the faith in unity's power.

It reads out loud from time's records a pattern, a riddle most profound, whose solution will be found in love — the love, that fills this heart with every breath and every beat and is the feat of being free.

The revolutionary's heart beats in you, as it has, in me.

Socialist Interventions Pamphlet Series #10



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