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Grin and bear it!



Ann Pettifor Labour economics Jon Lansman Murphy's law Sue Goss People and state Claude Moraes MEP Europe and free movement Patricia d'Ardenne

City of London **Prem Sikka** *Industrial scale tax avoiding*



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The editorial policy of CHARTIST is to promote debate amongst people active in radical politics about the contemporary relevance of democratic socialism across the spectrum of politics, economics, science, philosophy, art, interpersonal relations - in short, the whole realm of social life.

Our concern is with both democracy and socialism. The history of the last century has made it abundantly clear that the mass of the population of the advanced capitalist countries will have no interest in any form of socialism which is not thoroughly democratic in its principles, its practices, its morality and its ideals. Yet the consequences of this deep attachment to democracy - one of the greatest advances of our epoch - are seldom reflected in the discussion and debates amongst active socialists.

CHARTIST is not a party publication. It brings together people who are interested in socialism, some of whom are active the Labour Party and the trade union movement. It is concerned to deepen and extend a dialogue with all other socialists and with activists from other movements involved in the struggle to find democratic alternatives to the oppression, exploitation and injustices of capitalism and class society

Editorial Board

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CHARTIST is published six times a year by the Chartist Collective. This issue was produced by an Editorial Board consisting of Duncan Bowie (Reviews), Peter Chalk, Mike Davis (Editor), Nigel Doggett, David Floyd, Don Flynn, Roger Gillham, Peter Kenyon (Treasurer), Frank Lee, Dave Lister, Andy Morton (Production Editor), Mary Southcott, Cat Smith, James Grayson, Patricia d'Ardenne, Sheila Osmanovic and Patrick Mulcahy

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OUR HISTORY

OUR HISTORY 58

The Miners' Next Step (1912)

he Miners Next Step was a pamphlet setting out a the 1926 general strike. Mainwaring joined the

lished by an 'unofficial reform committee' based in Tonypandy in South Wales. The pamphlet was drawn up by a group of miners -Noah Ablett, Will Hay, W H Mainwaring, George Dolling, Noah Rees and C L Gibbons. Mainwaring acted as committee secretary. Ablett and Hay had previously published an article on 'a mimimum wage for the miners' in Tom Mann's Industrial Syndicalist. Hay was editor of the South Wales Worker. Ablett and Rees had been sponsored by the miners union to study at Ruskin College in Oxford in 1907. Rees returned to South Wales as secretary of the Cambrian lodge of the union and was active in the Cambrian Combine Committee strike of 1910-11. Ablett, elected checkweigher in the Masdy colliery, was involved in the establishment of the Plebs League in 1908 and the foundation of the Central Labour College as a marxist alternative to

socialist and was arrested and fined for a speech during not as the beasts which perish."



suggested scheme for the reorganisation of the Communist Party. Both Ablett and Mainwaring were can-South Wales Federation of Miners Unions, pub- didates for the general secretaryship of the MFGB in 1924, a contest which was won by A J

Cook.

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Price-ONE PENNY THE snare

"Our objective begins to take shape before your eyes. Every industry thoroughly organised, in the first place, to fight, to gain control of, and then to administer, the industry. The co-ordination of all industries on a Central Production Board, who, with a statistical department to ascertain the needs of the people, will issue its demands on the different departments of industry, leaving to the men themselves to determine under what conditions and how, the work should be done. This would mean real democracy in real life, making for real manhood and womanhood. Any other form of democracy is a delusion and a

"And with this realization, the agelong oppression of Labour will draw to an end. The weary sigh of the over driven slave, pitilessly exploited and regarded as an animated tool of bur-

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Ruskin. Ablett became a governor of the college and con- den; the mediaeval and fast bound to the soil, and life-long tributed an article on the case for independent working- prisoner of the lord's domain, subject to all the caprices of class education to the first issue of the Plebs journal. His his lord's lust or anger; the modern wage slave, with nothwritings for Plebs were published in a 1919 volume Easy ing but his labour to sell, selling that, with his manhood as Outlines of Economics. Between 1921 and 1926, Ablett a wrapper, in the world's market place for a mess of potserved on the executive committee of the Miners tage: these are phases of slavery, and mankind shall at Federation of Great Britain. He remained a militant last have leisure and inclination to really live as men, and

People for print ad

Back to the 1930s

hancellor Osborne's Autumn statement Treasury has a lower tax income and in-work beneheralds five more years of Tory austerity. fits are rising. Within hours the plan was backfiring. However, as Seamus Milne has argued 'Labour is The Institute of Fiscal Studies said the at risk of legitimising a City-driven austerity aimed Tory plan would shrink the state back to at restoring corporate profitability'. Shadow levels of 1930s spend relative to GDP. It would Chancellor Balls has given Labour some £30 billion mean an end of local government as we know it. wriggle room over and above the Tory plans excluding capital spend from what would be still be severe Most significantly it would mean continuing deprescuts. Polls reveal a growing disenchantment and sion of living standards and greater numbers of people pushed into poverty. opposition to austerity.

Neo-liberalism is a broken economic model. After nearly five years of austerity Osborne has failed to meet even his own objectives on debt, the deficit and growth. As **Ann Pettifor** writes Labour is unwise apeing Tory/LibDem policies. Serving up more of the same will not wash with the British people.

The Tory aim to boost the profits of their friends in the private sector at the expense of the public would see town hall services decimated with further outsourcing and deeper cuts for local services from libraries to refuse collection, school support to social housing. Keith Savage reports on the redundancies and service loss resulting from the 30%+ funding cut from the Coalition alongside dire warnings for the future from town hall leaders. Localism should stick in the gullet of We **Communities Secretary Eric Pickles** as Osborne makes a mockery of the idea.

The return of the profitable public sector East Coast mainline to Virgin and Stagecoach is a portent of plans to further privatize health, housing, social care and any service that could be squeezed for profit.

The NHS and schools, supposedly protected under Tory plans, have experienced creeping privatisation which would turn into a gallop under a Tory government. Meanwhile their bankster and big business friends in the City are being featherbedded with tax must not allow Labour to be cornered by racist fearbreaks, continuing bonuses (in opposition to European bonus cap plans) and ever lower Corporation tax. As **Prem Sikka** explains, the industrial scale tax avoidance revealed in Luxembourg undermines prospects for any social democracy, building in debt and permanent austerity. Tax Justice Network estimates about £120 billion is lost to the Treasury through tax avoidance and evasion. Empty words from the government against avoidance are further undermined by huge staffing cuts in HMRC - the means to regulate and harvest unpaid tax.

Increasingly people are unwilling to accept this ground. Tory narrative. So the choice is clear. Labour as the We are not all in this together. The wealth gap only likely alternative government must pursue a between rich and poor is growing. The rich are getstate-led expansionary strategy of productive investting richer. Working people are hurting. Food banks ment and real job creation on a platform of a living are mushrooming. Evictions, homelessness and overcrowding rise alongside private debt which citizen's wage, with pay at least in line with the cost blights the lives millions of working people. of living. Protect and democratise public services, The 2015 general election is a chance in a generaboost social housing and local government & roll back privatisation. This is the essence of Plan B. tion to make a change. We advised a change in one With the hocus pocus of a street playing-card trickof the Ed's at Labour's helm. If the personnel don't ster Cameron tell us employment is up. These jobs change the policies must. Time is running out to ensure a Labour commitinvolve millions on zero hours contracts or in insecure self employment. Little surprise then that the ment to Plan B.

are not all in this together. The wealth gap between rich and poor is growing. The rich are getting richer. Working people are hurting

There is an open goal for Labour but with austerity-lite the party faces a big handicap. Its traditional votes in Scotland could haemorrhage to the SNP. As Jon Lansman reports, the success of New Labourite Jim Murphy against left candidates Neil Findlay and Katy Clark, to lead Scottish Labour, is not auspicious for Labour's efforts to stem the potential loss of over 25 seats in Scotland. The pro-austerity, pro-Trident, pro-war Murphy will have to change a few spots to stem the tide. With the SNP, (and the Green Party and Plaid) championing antiausterity, alongside the trade union movement, pressure will mount for a more robust expansionary policy from Labour.

So increasingly unpopular economic policies, a belated Lib-Dem denunciation

allied with UKIP snapping at the Tories right wing flank means a populist leftism from Labour over the next few months could do much to deepen Tory difficulties. There are also huge dangers. The right wing narrative which blames immigrants, benefits scroungers, the state sector and Europe as the source of our problems needs a coherent rebuttal. In this issue Labour MEP Claude

Moraes and Don Flynn highlight the facts of migration, underline the cultural and economic benefits and scotch the myths. Miliband mongering and little-Englandism is their message.

On the global terrain Nigel Doggett discusses the startling threat to life on earth posed by climate change. Drawing on Naomi Klein's new book he shows that capitalism needs to go, or reform with humanity's fate hanging on the outsome. In Greece Marina Prentoulis's analysis of the fall of PASOK and the rise of new left's SYRIZA illustrates the fate of social democratic parties in a deathly embrace with austerity. In Spain Manuel Cortes and Mike Davis look at the meteoric rise of Podemos and the efforts of the Spanish Socialists to reclaim lost

MARGINAL NOTES

Shrinking local government

Osborne's spending plans could spell the end for local democracy. Keith Savage looks at the options offered by Labour's northern leaders

he numbers and the statistics that are presented in a bid to describe what is happening to local government spending in England under the Tory-led government are hard to comprehend. Let's begin with some observers who are hardly Labour supporters. According to the Chartered Institute of Public Finance & Accounting (CIPFA) local government spending has fallen by 30% in real terms over the course of this parliament. The Institute for Fiscal Studies (IFS) in its analysis of Osborne's Autumn Statement calculates that £35bn of cuts in public spending have been achieved with a further £55bn to come in the next parliament (if it is Conservative led). More than £4bn of that total will come from central government grants to local councils.

Such cuts would reduce the size of the public sector to 35% of GDP – taking us back 80 years or more to levels of state spending of pre-Beveridge proportions. This has nothing to do with austerity or elimi-

nating the deficit and everything to do with an ideological imperative. Osborne, Cameron, Duncan-Smith and Gove want the public sector to be as small as they can make it. They want as much work as is possible done by private business paying the lowest possible wages, making the biggest possible profit. This imperative, according to a recent OECD report, leads to a widening gap

between the rich

and the poor and chokes economic growth.

The Office for Budget Responsibility (OBR) estimates that a further 1.3m public sector jobs will have been lost come 2020.

In the event of another Tory government we shall see local councils stripped to the minimum in terms of spending and responsibilities: it will bring an end to any meaningful local democracy.

In Leeds, for example, 2,500 council jobs will have been shed between 2010 and 2016 as the council now looks to cut another £76m - bringing losses of central government funding to £200m. Labour leader of Leeds council Keith Wakefield has written: "I will have to consult upon further brutal cuts to our own budget that will mean more closures, reductions in front line services and the loss of more jobs. These are on top of the £470m cuts to West Yorkshire councils that have already seen us have to close libraries, hostels, sports centres, day centres, community centres and youth clubs, and shed thousands of jobs from the public sector workforce."

In Manchester, over the same period, cuts of £300m will have been made and 3,500 jobs lost. Between 2010 and 2016 Manchester will have seen its spending cut by over £300 a head (it has the fourth highest level of deprivation in the country yet

affluent Surrey has had a modest increase in government grant spending).

Nick Forbes, Newcastle City Council's Labour leader, echoes a call made by Keith Wakefield when he says central government must devolve powers to the regions: "It is time to give local government more power: to vary local tax rates so voters can make genuine choices, and - as organisations like CIPFA want - to borrow to build so the costs of homelessness can be replaced by the cost of homes. There is no logic in introducing a new property tax, the mansion tax, to fund central government without reforming local property taxes. Councils need the power to raise money as well as spend it so their voters can decide their own priorities – rather than carrying the can for the chancellor's."

The Institute for Public Policy Research North $\left(IPPR \text{ North} \right)$ welcomed one aspect of Osborne's Autumn Statement - the emphasis on a 'northern

powerhouse' which might in some way counter the massive dominance of London when it comes to largescale capital projects in England. There are currently £13 billion projects planned for London alone – as much as in the rest of England combined.

Ed Cox, director of IPPR North, has made it clear that a 'northern powerhouse' cannot be based on Manchester alone - as Osborne seems to envisage. Liverpool, Sheffield, Leeds and Newcastle would create a potential hub that stretched

across the whole of the north of England from west to east.

As part of its Great North Plan competition IPPR North has been promoting the One North proposal, submitted by Transport for Greater Manchester on behalf of the five cities involved in its development which offers a 15-year, £15 billion plan of interconnected transport infrastructure proposals covering air, roads, ports and rail, and includes a recommendation for a high-speed east-west rail route which has since been endorsed by the government. It is worth noting that this integrated transport proposal for the whole of the north of England would cost little more than the London Crossrail plan alone.

Up until now the preferred option of both Labour and the Tories has been the establishment of 'combined authorities' to focus on large-scale transport projects such as this. See Paul Salveson's Points & Crossings for a critique of 'combined authorities'. There are serious democratic issues when it comes to regional plans such as these. Without an elected and accountable assembly that can represent the whole region there is a danger that decisions involving billions of pounds of spending will be taken in a political vacuum.

A case for regional parliaments?

Paul

Salveson

sets out an

alternative

to elected

Paul Salveson is

prospective

parliamentary

candidate for

Colne Valley,

His website is

on.org.uk

www.paulsalves

Yorkshire First in

West Yorkshire.

mayors

eorge Osborne seems to have a fixation on mayors. The recent deal with the Greater Manchester local authorities to get devolved powers and a bit of extra brass was conditional on having an elected mayor covering the ten Greater Manchester authorities. A similar plan for West and South Yorkshire seems to have stalled in the face of local authority resistance. So what's it all about?

In all of the metropolitan areas (now rechristened as 'city regions') - West Midlands, Greater Manchester, Merseyside, South and West Yorkshire and Tyne and Wear - there are moves towards setting up 'combined authorities' for these city regions. The West Yorkshire George Osborne: fixated city region is based on 'greater Leeds' and also includes York as well as the five metropolitan district but they had a wider vision covering the authorities (Leeds itself, Bradford, Kirklees, whole of the county. My strong suspicion is that Wakefield, Calderdale). The combined authority was most of the combined authorities will end up as dog established earlier this year and has taken on sigfights between rival districts with the biggest player nificant powers over transport and economic devel-(i.e. Manchester, Leeds, Sheffield, Liverpool, opment. It's increasingly starting to look like the old Newcastle, Birmingham) dominating. And of course West Yorkshire Metropolitan County Council which having a directly-elected mayor opens up the possi-Thatcher abolished in the 80s. But with one big difbility of someone being elected who 'isn't one of us'. ference. The old WYMCC was a directly-elected It could even be a woman. body with clear accountability. The West Yorkshire Combined Authority isn't. It is led by the respective **Rushing to embrace** council leaders. They are busy men (yes, they are all Is there any alternative? Well it's staring you in men) and some of their work is delegated to committees, such as the one covering transport. Again, councillors from the districts are delegated to sit on these bodies.

the face: directly-elected regional parliaments, with similar devolved powers to those of Scotland, Wales and Northern Ireland. It solves the so-called 'West For your average citizen, trying to have any Lothian Question' at a stroke, with all parts of the UK having broadly similar devolved responsibilities. impact on these 'combined' bodies is next to impossible. For a start, awareness of the very existence of a So why aren't politicians rushing to embrace the 'West Yorkshire Combined Authority' is minimal, idea? My hunch is that they see it as a threat to from my experience. If you have a problem say with their current power and status. Having a new tier of local bus or train services, trying to identify the releregional government would take power away from vant councillors from your authority who might be the centre, so MPs risk losing out, even having able to help isn't easy. In fact it's extremely difficult fewer of them. Local politicians would revert to what and I suspect that even many local councillors don't they are elected for - looking after their local comknow who their colleagues on 'transport' are. munities, not taking on wider sub-regional responsibilities. That's not so good either, with council lead-Flavour of the month ers having to go back to sorting out more local, mundane problems - like the huge cuts being imposed on Yet despite this very considerable democratic them by central Government. Combine that with the regions is flavour of the month - amongst politicians. There are nuances of difference between the botched approach of 'combined authorities' makes main parties but all three seem to generally agree some sort of perverse logic.

deficit, 'combined authorities' for so-called city Labour leadership needing support of Northern Labour politicians, and sticking with the current that this is the way forward. George Osborne is a bit England, and the UK as a whole, desperately obsessive about elected mayors, with the Northern needs a new settlement. We need a regional tier of Labour-controlled authorities being less keen. To directly-elected regional government and that implies a smaller central state. But it also implies some degree maybe George has right on his side. At least there is recognition that there should be some strong, re-energised local government with real element of accountability in these 'city region' deals, power and resources, reversing the decades of with the leaders of the relevant authorities acting as decline that have been foisted on councils. There is a cabinet. But it sounds like a recipe for political no simple answer and the right way forward is to go chaos with a directly-elected mayor for the whole of out there and ask people what they want. That's the city region having to work with council leaders why groups like the Hannah Mitchell Foundation whose focus is bound to be very much on their own and Unlock Democracy are calling for citizens' condistrict and maybe with a different political agenda. ventions - national, regional and local - to engage with people and communities in what would be the With the former metropolitan country councils, councillors were elected for a distinct ward within a most important debate we've had for decades.



Leeds Town Hall: just one Northern 'power house' facing massive cuts in income and iobs

Keith Savage is a

Labour councillor

in Buxton

POINTS & CROSSINGS





IMMIGRATION

Immigration bear trap

Cameron's much-heralded bid to appease the anti-migrant lobby unravelled within hours reports **Don Flynn**

avid Cameron's longawaited speech on immigration policy was, by-and-large, greeted with a sigh of relief by the political establishment. Seen as 'cleverly crafted' it managed to offer up a commitment to the maintenance of the right of free movement for workers whilst, at exactly the same time, providing the means to clamp down on the actual exercise of the same.

The means to achieve this end is a clampdown on the in-work benefits which EU national workers are currently entitled to receive on the same basis as British citizens during the first four years of their residence in Britain.

Make no mistake about it, there was no possibility of dressing this up as an attack on supposedly 'work-shy' foreigners who were in the UK to abuse the system. The people in Mr Cameron's sights are those who are in a job but suffer the misfortune of being paid at a level below the official 'living' level. At present a single person in this position earning a basic wage of £200 per week will receive tax credits in the region of £90 to supplement their low earnings. About 3.5 million workers, the vast majority being British citizens, receive tax credits around 18% of the working age population.

Entitlements

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The prime minister is not alone in favouring action to end this entitlement for workers who have recently arrived in the UK. Whilst Cameron's junior partners in the coalition government, the Liberal Democrats, have signalled that they have no objection to the measure, the Labour leadership has come up with a more moderate position that the deprivation of in-work benefits should only apply for two years rather than the Conservative's favoured four.

The speech was rushed out to meet a number of needs for the incumbent governmental party.

First of all there was a need to cobble together ิล response to the challenge represented by Ukip's victories in the Clacton and Rochester by-elections. The hyperbole built up around this setback for Tories the seemed to suggest that many more of Cameron's parliamentary colleagues were

about to jump ship and offer themselves up to the insurgent party. The speech offered some halfway plausible sense that the government had a strategy in hand that would allow them to toughen up on immigra-

tion. The second point of pressure came from the announcement

The Labour party has allowed itself to walk so clumsily into the same bear trap

only a few days prior to the speech that the government was hopelessly off target in meeting its net migration aim of 'tens of thousands' by the time of the election. With the Office of National Statistics announcing that incomers exceeded outgoers by 263,000 in the previous 12 months it was clear that the prime minister had not delivered on his 'no ifs, no buts' promise.

For a few hours Cameron must have felt he had succeeded in drawing the toxicity out of his government's record on immigration and a plan was in place to offer voters what they appear to be asking for. But by the time the evening news rolled around the story was beginning to fall apart.

For a start, EU migrants receiving in-work benefits during



Cameron: Who am I talking to? What was I saying? Where am I? How much
longer am I Prime Minister? Good job Miliband's tagging along, what!

Don Flynn is

Director of

Network

Migrants Rights

the four year period in question represent a small fraction – only around ten percent - of the total number of nationals from the EU8 countries (Poland and the seven other former Soviet bloc countries), or about 7,000 people. Assuming that each and every one of them hit by the proposal decided not to come to the UK then only a tiny sliver would be removed from the net migration total.

The confident presumption that low wage earners are highly undesirable people doing work of little value also began to unravel when facts like the portion engaged in poorly paid positions in the NHS and social care sectors began to dribble out. Around 20 percent of new starters in residential care homes each year are from the EU countries, doing valuable and highly-esteemed work, such as looking after elderly and infirm relatives.

Contradicted by legal experts

Another part of Cameron's case, that his ends could be achieved by a simple agreement between a majority of his EU heads of government colleagues, was also flatly contradicted by legal experts who pointed out that the right to equality of treatment in the field of social security came from a key treaty provision, Article 45(2), which could only be changed with the unanimous agreement of all 28 prime ministers and presidents.

So the speech offered a promise of a major confrontation with the rest of the EU to achieve a change to the treaty which, in any event, would make scarcely a dent on the total number of people currently exercising their right to come to live and work in the UK.

This assumes that Cameron pulls off a stunning victory in his quest to reform the EU and that the right to impose inferior, discriminatory conditions on other EU nationals wins the day. It is possible that a fraction of the 228,000 people who came to the UK from the rest of Europe during this period may be encouraged to look harder for better paid work in Germany or elsewhere, but many will still conclude that even without the in-work benefit top-ups, the pay on offer was better than unemployment at home.

Assuming that, despite the loss of the in-work benefits, many will chose to come we will have the unpalatable situation where many workplaces in low wage sectors will function with a staff complement in which some of its operatives receive an income of around one-third less that the colleagues they work alongside. It is hard to imagine that this would not produce a new and fully justifiable sense of grievance for the people affected.

Disappointing thing

The disappointing thing for many readers of *Chartist* is the fact that the Labour party has allowed itself to walk so clumsily into the same bear trap that now has Cameron and his LibDem colleagues by the ankle bone. When EU governments say no to Treaty change, and already low paid workers find out just what the measure means for them, what scope will the party have to distance itself from the car crash which looms just over the horizon.

At least with the disastrous net migration figures Labour has been able to say that the Tories have only themselves to blame for such an inept performance. Unless they distance themselves from the threat to in-work benefits Labour will be right in there with them when the news breaks that Cameron's latest gee-whizz idea has come to nought. Characterize Chara

Defending free movement

Claude Moraes MEP argues the Left must take on the EU free movement critics

n the last issue of *Chartist* Pete Rowlands argued persuasively why the Left needed to campaign against Brexit and for a reformed EU alongside parties and groups in the EU with a similar outlock

in the EU with a similar outlook. In his many arguments, he did not discuss free movement, one of the key issues in any referendum on our membership of the EU and the subject of Cameron's recent speech (on 28 November) which he used to build support among his Eurosceptics and a Eurosceptic British press that he was serious about EU reform ahead of any such referendum. Placing free movement ahead of any other EU issue as a negotiating subject puts this issue in the sights of the Left as well, and we must have a positive narrative on it or face deeply negative consequences.

Much has been written in *Chartist* making the positive case for migration, including excellent articles by Don Flynn. Now as we approach the 2015 general election, it seems clear that the conflation between migration and the EU debate will be a dominant theme.

Clear and unambiguous

We must be clear and unambiguous that free movement of labour underpinned by the best possible national employment conditions and rules is a good thing. British workers can enjoy this fundamental freedom of EU membership, just as many workers from other EU member states can work here in the UK.

On the Left it is now accepted that as part of a strong narrative in support of free movement, it should be part of a labour market with an enforced minimum wage (and living wage) and key safeguards brought with the regulation of employment agencies and those wider protections introduced with the revision of the Posted Workers Directive.

More widely it is also accepted

that good integration measures and attention to key issues such as housing in areas of high migration make sense to prevent 'social dumping'.

However, none of us need reminding that this aspect of migration to the UK has taken on disproportionate significance in our politics. UKIP has fuelled a relentlessly negative view of free movement and at times it has created almost a consensus that it has been bad for the UK.

So David Cameron made it the centrepiece of his EU reform speech last month. However, what was striking about the speech was that it completely abandoned the much trailed idea of 'emergency breaks' on free movement to the UK from other EU countries or as the tabloids called it 'quotas'. Essentially this was because 'emergency breaks' as trailed would be outside EU free movement law and highly unlikely to be accepted by our EU partners.

The 'Dano case'

So the narrative has now become one firmly relating to free movement and access to welfare and benefits. He particularly seized on an important European Court of Justice case in Germany last month - the 'Dano case' that ruled that two Romanian nationals could legitimately be denied the right to claim benefits in Germany designed to cover the recipients' subsistence. A job centre in Leipzig had denied these on the grounds that the claimants had not worked and had not been seeking work.

A first response from the Left on free movement and benefits is to be clear that we do not allow the Right to dictate a hopelessly distorted view of its impact on the UK.

A stark example of this was the *Telegraph* and *Mail* claims at the end of last year that 'an EU study had found 600,000 unemployed migrants living in the UK at the

cost of £1.5bn to the NHS alone'. (October 2013). They found a politician - Douglas Carswell MP to take the figures at face value. As it now famously turns out, the figure included children, students, pensioners and those with caring responsibilities, which puts this inflammatory figure in a different perspective.

Has free movement and migration brought a net economic benefit to the UK? The recent UCL study said an emphatic yes, but what is not in dispute is that on every key indicator workers exercising their free movement rights in the UK have a substantially lower draw on the state than UK citizens. The 'non-activity' rate among EU nationals in the UK is

cent for UK nationals and unemployment rates are much lower. In fact, mobile EU citizens are less likely to receive in work benefits in every EU country they work in.

As for the explosive NHS claims, the National Institute for Economic and Social Research says that as far as the NHS is concerned all the studies, as opposed to the tabloid stories, EU migrants, like migrants in general, pay in more than they take out

In responding to what is now **Claude Moraes is** an attack on free movement by Labour MEP for linking it closely to the idea that EU workers take benefits, we of the European must exercise care. It is vital to **Parliament's** have rules that are clear and 30 per cent compared to 43 per transparent to the people we rep-

London and Chair Home Affairs Committee

Ann Pettifor is

This article was

Prime's website

after the Autumn

Statement and is

reproduced with

the author's

nermission

first published on

misrepresentation of the EU in the press have led people to believe that anything linked to the EU is bound to be negative, wasteful and detrimental to national interest. It is our job to state the facts on free movement and benefits and to ensure fairness in the debate. When making decisions on changes we should communicate clearly the positive benefits of free movement, not just here in the EU, but what British workers gain in other EU countries. If we do not build this case we leave UKIP free to dominate the political landscape with fear and distorteions, instead of a reasoned and balanced debate on this sensitive and central issue.

resent. Years of denigration and

Labour's vision deficit

Ann Pettifor questions Ed Miliband's wisdom

"There is no path to growth and prosperity for working people which does not tackle the deficit". Ed Miliband, 11th December, 2014

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he Labour leader has finally succumbed to a baying media pack that insisted he commit himself to an economic goal set by Labour's opposition: namely "tackling the deficit."

I am no politician, but such capitulation to economically illiterate commentators, is surely both politically unwise as well as economically nonsensical. The reason it is politically unwise is that Mr. Miliband is succumbing to the Chancellor's flawed and frankly dishonest framing of the public deficit as the biggest challenge facing Britain's economy. But while Mr Osborne must be delighted at luring his opponents into a debate that cannot be won, he is plainly very, very wrong.

The biggest threats facing the people of Britain, and therefore the economic issues upon which they will decide their votes, are as follows. First, the broken banking system – still not fixed seven years after 'credit crunched' in 2007, and still not lending at low rates to the real economy, in particular SMEs. Simmering public anger at a greedy and fraudulent banking sector has not diminished. Second, a vast overhang of private debt, and the threat to the solvency of households, SMEs

and corporates posed by a rise in interest rates. The 'Alice in Wongaland' economy is not sustainable, and we all know it. Third the threat posed to all British voters by falling wages and spiralling deflation. Few of us understand deflation, but be sure it poses a very grave threat. Fourth, the threat posed by climate change.

By overlooking these threats, and focusing on the public deficit, Labour is not economically credible, and will fail to win the confidence of voters.

This is particularly so because Chancellor Osborne has proved beyond doubt that governments even his ruthlessly focussed director of Prime Treasury – cannot control the **Economics** budget deficit. We argued as much back in July, 2010, when Professor Victoria Chick and I published "The economic consequences of Mr. Osborne". We wrote then that: "the public sector finances are not analogous to household finances. A household can reduce its deficit by cutting its spending, but the public sector is too important for that. What happens to the public deficit depends on the reaction of the economy as a whole." By focussing on the deficit, Labour emulates the Coalition in viewing the economy through the wrong end of a telescope.

The plain fact is that the deficit is a function of the health of the economy (its share falls when the

economy (i.e. employment) is expanding, and rises when the economy is failing). Because it is a function of the expanding or contracting "cake" that is the economy, government is not able to control its size - as George Osborne has found to his cost. Why would his opponents want to repeat his errors and failures?

Instead of promising to cut the deficit, Labour should be promising the people of Britain policies for investment in e.g. green infrastructure and nationwide high-speed broadband - investment that will generate skilled, well-paid employment, for all, including the millions of under- or part-time or zero-hours employed. The investment to boost current private and public incomes can be financed by borrowed or printed money. Because the investment will generate income for both the private and public sectors - and tax revenues for government – the investment will pay for itself. It's not rocket science

By raising wages, Labour could turn back the threat of deflation. And by tackling both the broken banking system and the overhang of private debt - Mr. Miliband could offer the electorate a credible exit from the chronic, ongoing crisis of globalised capital.

If Labour were to do that, "the deficit would take care of itself.'

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Murphy's mountain

Jon Lansman guestions whether the new Scottish Labour leader's politics can surmount Labour's problems

he media and the book-ies eventually got what they'd predicted all along by a margin that, on the surface at least, looked comfortable. Jim Murphy beat Neil Findlay 56% to 35% with Sarah Boyack on 9%, with Katy Clark ending up with 37% against Kezia Dugdale's 63%. Though no actual voting figures or even turnouts were made public, what neither Murphy nor Dugdale appear to have won is the popular vote. Though it is little consolation compared to the reality of defeat in the electoral college, Murphy and Findlay were neck and neck in terms of member and trade unionist votes, with no-one having an overall majority, whilst Katy Clark did have a clear win in her contest.

It is of course a very disappointing result for those of us who see Jim Murphy as part of the problem rather than as the solution, but it was always going to be a tough contest to win. Compared with the victory of Johann Lamont in 2011, who as a more centrist candidate could count on the backing of centrist MPs and MSPs, Neil and Katy had to do much better than her amongst members and trade unionists to make up their shortfall amongst parliamentarians, but in fact did slightly worse, with Murphy doing better than expected in trade unions, especially those where least campaigning was

done The question is what happens next. With polls putting the SNP twenty points ahead, it seems certain that Labour stands to lose 15 - 20 seats, compared with its current 40 out of 59 seats in Scotland. Jim Murphy has his work cut out. He has talked leftish during the campaign, and promised inclusivity. He has appointed Neil Findlay to lead on Work, Skills and Training, which is an olive branch and bridge to the Scottish unions, but only one other left MSP to a shadow cabinet of ten plus the leader and deputy

Pat Rafferty, Unite's Scottish

Secretary, noted afterwards that Murphy had recognised the appetite for real change during the hustings "because as the campaign progressed his arguments became bolder on issues like taxation and a living wage," warning he now needed to turn words into action to start the process of rebuilding Scottish Labour.

So, for all the animosity towards Jim Murphy, and from Unite in particular over his role in stoking the Falkirk row, he is being (and arguably must be) allowed to prove himself. There is also undoubtedly a resurgence of willingness to allow Labour another opportunity to redeem itself within the unions just because Neil and Katy's campaign has shown the presence of a significant left.

On past experience, expect much to happen by diktat no meaningful consultation with the membership or trade unions about policy or party structures, and rapid moves to reduce party democracy

But not everyone will see it that way. How will the unions respond to a Murphy win, having put such great energy into Neil and Katy's campaign? It is too early to say. There has also, however, been talk by some within Unite Scotland of arguing in the run up to next year's Unite Rules revision conference that Unite should allow its Scotland region at least the option of not affiliating to Scottish Labour. Others would go further as is hardly surprising when the majority of Unite members in Scotland are, according to poll evidence, planning to vote SNP next year. Things are bound to get tougher for Labour in the unions and this is not a process that union leaders or politicians can control.

It would be surprising if Jim Murphy didn't give early indication of the way he plans to take the Scottish party. On past expe-

SCOTLAND



Jim Murphy and Ed Miliband: who's in need of greater protection?

rience, expect much to happen by diktat, no meaningful consultation with the membership or trade unions about policy or party structures, and rapid moves to reduce party democracy, and centralise power ever more in the Scottish Leader's office. I trust him at his word about keeping Ed Miliband at a distance - but I hope that Ed takes action to improve his intelligence about what's happening in Scotland in the future. The fallout from this election and the referendum will continue to play out with massive consequences for UK Labour and UK politics.



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Jon Lansman edits Left Futures

www.leftfutures. ora

GREECE

The rise and fall of the 'People's' parties in Greece

As Greece faces more political turbulence **Marina Prentoulis** reflects on the shifting fortunes of the Greek Socialists and Syriza

ed. We hear that time and again, yet their usefulness in pinning down the political character of a party for broad constituencies never went out of fashion. However, these labels seem to distract from the transformative processes parties go through in order to respond to particular historical contingencies. One of the most fundamental transformations has to do with the relationship between party and social base. Or put another way, with the ability of the party to retain participatory structures keeping it attuned with the demands of the 'people' while simultaneously seeking electoral victory. Greece is a good example of how decisive these processes are in making or breaking parties.

Overwhelming evidence

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After the financial crisis of 2007-8, it became apparent that neoliberal socio-economic policies would persist despite the overwhelming evidence across Europe of their destructive effects. The rise of new political actors, resisting the imposed austerity measures and the lending agreements especially in southern Europe, has led to a reconfiguration of the political spectrum. To use the old, outdated ideological labels, the rise of the extreme right on the one hand and the left on the other, have created a big stir. Not only because they both enter the political scene as serious contenders after years of marginalisation but also because they force the established players to leave the comfortable middle ground of their electoral battles. This reconfiguration is not irrelevant for the new players either: they need to transform in order to take over power while simultaneously retaining their increasing appeal to the people. In this context, it may be useful to follow more closely how the economic crisis in Greece and the subsequent lending agreements caused the collapse of PASOK, the social-demo-

deological labels are outdated. We hear that time and again, yet their usefulness in pinning down the political character of a party forcratic party which shaped Greek politics for over two decades and the rise of SYRIZA, the coalition of the radical left, now leading the official opposition in Greece.

The period following the end of the Greek dictatorship (1967-1974) was marked by the ideological and (from 1981) the electoral, leadership of PASOK which exhibited the characteristics of other socialist, social-democratic and labour parties in Europe: it represented the 'people', the middle and lower social classes. It had a broad organisational base and was in line with the European developments of socialdemocracy. During this period the widespread demand for social and political change had to be expressed by a party which on the one hand, would have foundations in the aspirations of the Greek people and on the other would produce a convincing programme for the transformation and democratisation of the state. PASOK managed to achieve both objectives by creating the organisational structures of a mass party rooted in the socio-political movement of the time, and by giving content and shaping the forthcoming 'Change'. In the years to follow this change was anchored around modernisation and Europeanisation, processes that take a particular form within the Greek context and deserve examination in their own right.

Progressively shifted

With the election of PASOK to government in 1981 the emphasis progressively shifted away from the social base towards the management of the state and electoral results. Twenty years later, fully immersed in the electoral battle and incorporated within the state mechanism, PASOK was willing to form alliances and followed policies that bore little relationship with the demands of its own social base. The grassroots of the party for example had little say in the formulation of policies and the nomination of electoral candidates. This lack of participatory





SYRIZA's leader, Alexis Tsipras opposes austerity

structures leading to the marginalisation of the party's membership played a decisive role in the demise of the party.

The sudden announcement of Prime Minister George Papandreou (PASOK) in 2010 that Greece, unable to repay its debts, would be subjected to the lending mechanisms of 'Troika' (European Commission, European Central Bank and IMF) made it obvious that the party had lost control of the state and touch with the people. What followed was a generalised crisis of political representation embodied in the protest movement of 'Aganaktismenoi' (Indignants). The social diversity of the movement is a testament to the generalised anger against the decisions of the political establishment but also a rejection of the predicament that the people would have no input in democratic politics apart from voting on versions of the same during elections. It comes as no surprise that by the 2012 General election PASOK has lost most of its electoral support, becoming the third party (12%) with New Democracy (Conservatives) first (29%).

The rise of SYRIZA to second position (26%) was however what shook the Greek political terrain. In 2009 SYRIZA, a coalition of radical left organisations had an electoral vote of just 4%. Its spectacular rise to the official opposition showed how deep was the need for a party that would position itself against the political elites of the country on the one hand and Troika on the other. The unholy alliance between New Democracy and PASOK in order to form a pro-memoranda, proausterity coalition government did nothing but reinforce SYRIZA as the hegemonic force within society. The demands of the people, as they had been expressed in the indignant movement, resonated with SYRIZA's programme and a transformative process started broadening and opening the organisational base of SYRIZA to diverse social groups.

This process was symbolically inaugurated with the addition of the acronym EKM (United Social Front) to the party's name. At the same time however a second transformative process was necessary. This process would change SYRIZA from a coalition (within which the diverse organisations retained autonomy) to a unified governing party. In May 2012 SYRIZA submitted to the Supreme Court the application transforming it to a single party. This decision was driven by the Greek electoral law offering the

coming first in the national elections, and it asserted SYRIZA's belief that it was only a matter of time until it could claim the government.

Intense tensions

The proposal of self-dissolution created intense tensions within the party and at the founding conference (10-14 July 2013) a compromise was achieved giving 'reasonable' time to the organisations to dissolve or to cease their public presence. Instead, party members were encouraged to form or join internal tendencies, promoting collective positions within the party and expressing them publicly as long as they specified that they did not represent the official position of the party.

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retained autonomy) to a unified governing party. In May 2012 SYRIZA submitted to the Supreme Court the application transforming it to a single party. This decision was driven by the Greek electoral law offering the bonus of fifty seats to the party

Podemos and Socialists arise

Manuel Cortez and Mike Davis examine the prospects for a revived left in Spain

ot all populist movements emerging across Europe are right-wing. Out of the revolt of the *indignados*, a people's response to savage austerity policies from Spain's right wing government, a new party has emerged. Podemos is now running neck and neck with the Spanish Socialist Party (PSOE) on a platform of bottom up democracy, an end to corrupt government, cuts in public spend-

ing and high unemployment.

Podemos ('we can') was only

formed early in 2014 but from a

standing start won five seats in

the European elections. It is led

by the youthful and charismatic

writer, professor and talk-show

host Pablo Iglesias. Podemos pre-

sents itself as a new broom, pro

European Union and the euro,

but wanting an end to neo-liberal

austerity policies. Its rapid

growth in popularity indicates the

anger of the people, particularly

youth of whom nearly 60% are

unemployed, and a deep-seated

ot all populist movements emerging across Europe are right-wing. Out of the revolt of the *indigna*thostility to politicians. They have mobilised many hundreds of thousands in Madrid, Barcelona and other cities in protest against government policies.

Podemos has yet to adopt a formal programme although it is fast developing a party structure to enable it to fight elections more systematically.

Podemos completed its first congress on 15th November at which it adopted a tighter structure using a 'closed list' system to elect its new leadership. Some critics have seen this as leading to a replication of traditional parties with an even more extreme form of 'caste' rule. Iglesias and his team received 88% of the votes. It has also released an economic manifesto which indicates a rowing back from earlier pledges to cut the retirement age and default on the national debt. Restructuring is the new aim.

Will Podemos be able to sustain its early momentum until Spain's scheduled elections in 2016? And what of the traditional left party

SYRIZA.

Link the party

Only time will show if these processes will link the party with a grassroots base and if and how popular participation will remain the true force behind a future electoral victory. And this time is approaching fast for SYRIZA. When these lines were written the imminent election for the Greek President brought the possibility of a General election within striking distance. If New Democracy and PASOK fail to secure the 180 votes within parliament for their presidential candidate as predictions suggest, SYRIZA will enter the electoral showdown ahead in the polls. A potential victory however, is not necessarily synonymous with social and ideological leadership. This will depend on the participatory structures and the social movement that will support SYRIZA after a victorious election

of government?

The Socialist Party is fighting a rearguard action to reclaim support from workers and trade unions. PSOE has removed its old leadership and sought to sweep away those tainted with political scandals. Pedro Sanchez, their new leader elected in July, opposes any grand coalition and is seeking to repair the links with the trade unions, particularly the UGT, broken in the 1990s.

SPAIN

Those tarnished with corruption scandals and the cajadea*horos* (building societies set up by regional governments) are being replaced. There are renewed efforts to rebuild Spain's manufacturing base with a break from the neo-liberal policies that have dominated Spanish politics for the last few years. This has helped stabilise PSOE's support. Meanwhile the right wing governing People's Party has seen opinion poll support haemorrhage fron 44% to 20%, indicating Podemos is picking up much disgruntled support from this quarter.

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Manuel Cortez in General Secretary of TSSA and President of Greece Solidarity Campaign

AMERICA

Imperial echoes

US foreign policy - from diplomacy to permanent war writes Frank Lee

'The United States is, and should be, an Empire' -US neoconservative Robert Kagan – 17/07/2003

fter the collapse of the Soviet empire and the (somewhat premature) celebration of the end of the Cold War (1990-1991) a new dawn in international relations was supposed to have emerged. The threat of Mutual Assured Destruction (MAD) involving a thermonuclear exchange between NATO and the Warsaw Pact, was now redundant. The world could look forward to the 'peace dividend' since massive arms expenditure was now no longer necessary. The Warsaw Pact was disbanded but. significantly, NATO was not.

In 1992, however, a document authored by the Under Secretary of Defense, one Paul Wolfowitz, and his deputy Scooter Libby, appeared – although not in the public realm, however.

It ran thus:

'Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power'.

We won the Cold War

This became known as the 'Wolfowitz doctrine'. This could be translated as 'We won the Cold War, and as the sole superpower, we are going stop any nation from becoming a potential rival. A multi-polar world will not be tolerated and the US will remain the dominant uni-polar nation.'

Such a policy would of course inevitably set the USA and its Euro vassal states on a collision course with emerging global powers such as Russia and China.

This caused something of a kerfuffle in more sane US diplomatic circles. Indeed the late Edward Kennedy openly described the document as "a call for 21st century American imperialism that no other nation can or should accept."

No matter. In 1997 The Project for the New American Century (PNAC) an American think tank based in Washington, D.C. was established - ostensibly a nonprofit educational organization founded by William Kristol and Robert Kagan. The PNAC's stated goal was 'to promote American global leadership'. For global leadership, read global hegemony.

The theory, and ultimately the practice, of neo-conservative foreign policy, was born and incubated during the triumphalist period of capitalism's victory in the Cold War. Ensuing generations of neo-cons, both inside and outside government, have been extremely influential in the formulation of US foreign policy. The US Department of State, the Pentagon as well as State Funded NGOs like the American Enterprise Institute (AEI) and National Endowment for Democracy (NED) have been infested and used by Neo-cons and their fellow travellers to further their aims.

The two latter 'NGOs' are in fact CIA front organizations, their role is to subvert states which the US regards as being hostile. According to Senator Ron Paul, (Republican Texas, and a libertarian conservative) NED has "very little to do with democracy. It is an organization that uses US tax money to actually subvert democracy, by showering funding on favoured political parties or movements overseas. It underwrites colour-coded 'people's revolutions' overseas that look more like pages out of Lenin's writings on stealing power than genuine indigenous democratic movements.

Apart from Kagan and Kristol, the neo-con fraternity has also included Richard Perle, Max Boot, David and Meyrav Wurmser, Victoria Nuland (aka Mrs Victoria Kagan), Norman Podhoretz, John McCain ... and



Wolfowitz: architect of 21st century US imperialism

so forth. The list is extensive. These are politicians, journalists, academics and think-tankers.

Militant Zionists

These people are all, without exception, militant Zionists who favour unconditional US support for Israel; a point they emphasise openly and unapologetically. According to Max Boot: "supporting Israel is a key tenet of neoconservativism". In the Israeli election of 1996, Netanyahu was assisted by a campaign team which included Richard Perle and Douglas Feith; these two were instrumental in formalizing a bold new plan, which they outlined in a strategy paper, called AClean Break: A New Strategy for Securing the Realm. The paper argued that only "regime change" in hostile Muslim countries could achieve the necessary "clean break" from the diplomatic standoffs that had followed inconclusive Israeli-Palestinian peace talks

Operating in key institutions – of which by far the most important was the American Israeli Public Affairs Committee (AIPAC), a very powerful Zionist pressure group – the neo-cons were influential in persuading the Republican ruling triumvirate of Bush Jr, Cheney and Rumsfeld to go to war against Iraq, for no other reason than it was perceived to be a threat against Israel and the US and needed to be neutralized.

After 'mission accomplished' in 2003, the neo-cons then began to clamour for a war against Syria: As soon as Baghdad fell in April 2003, the lobby (AIPAC) renewed its campaign against Syria. Encouraged by what then looked like an easy victory in Iraq, Israel's backers were no longer interested in getting Syria to simply change its behavior. Instead they now wanted to topple the regime itself. Wolfowitz declared that "there has got to be regime change in Syria", and Richard Perle told a journalist that "we could deliver a message, a short two word message (to other hostile regimes in the Middle East): You're next." (The Israel Lobby -John Mearsheimer, p.274).

ISIS monstrosity

The results of these interventions are now clear to see. The emergence of the ISIS monstrosity was predicated on the chaotic conditions and political vacuum created by the ham-fisted decision to 'reconfigure' the Middle East into an Americanised economic/political zone; the momentum for these policies coming from Israel and their US cheerleaders in AIPAC. However, regime change is an unpredictable and costly policy; but being ideologically driven it is not amenable to rational argument.

In Europe US foreign policy again neo-con driven - was equally as adventurous. NATO's expansion eastwards started under Clinton in 1996. This was after explicit assurances had been given to Gorbachov, after the fall of the Berlin Wall, by US Secretary of State, James Baker, that NATO would "not move one inch" eastwards. But since this was only a verbal agreement NATO expansion, under the directions and tutelage of Bill Clinton went ahead anyway. First new entrants to NATO included Poland, Czech Republic and Hungary. This did not go down well even with a pliant Russian President like Yeltsin, but Clinton attempted to mollify the Russian leader with the assurance that no former Soviet republics would be incorporated into NATO. Since that date a further seven Eastern European

states Estonia, Latvia, Lithuania, Slovenia, Slovakia, Bulgaria, and Romania have been incorporated into NATO, the first three being former Soviet Republics. This was provocative enough, but then US Anti-Ballistic Missiles (ABMs) were deployed in Poland and Romania. This means that if the US were to order a nuclear first strike against Russia and destroy most of Russia's Inter Continental Ballistic Missiles, the ABMs could be used to knock-out any remaining ICBMs targeted at the US.

Naturally enough the Russians regarded this as a massive provocation. When the greatest military alliance in history – NATO – with a manpower advantage of 4-1 and a massive nuclear capacity over Russia parks its military assets in Russia's doorstep it might give rise to a notion that the west is hostile to Russia's very existence. This hostility is put forward by Polish American, Zbigniew Brzezinski, former National Security Adviser to

The United States, and its military arm, NATO, can and does intervene in faraway places in order to reconfigure the political/economic/social structures through subversion, or war (either directly or by proxies)

Jimmy Carter, in his magnum opus *The Grand Chessboard*. He argued that the landmass of Eurasia be seen as the centre of global power, and set out to formulate a Eurasian geo-strategy for the United States. In particular, he writes, it is imperative that no Eurasian challenger should emerge capable of dominating Eurasia and thus also of challenging America's global preeminence. Nothing new here, vintage neo-con policy.

In 2007, Russian foreign minister Sergei Lavrov let the US know that it would not allow further NATO expansion (albeit through the stalking horse of EU membership) to Georgia and Ukraine. Russia's actions could be construed as an infringement of national sovereignty. However, national sovereignty will be rather strained when one great power sees the armed forces of another great power, a traditional enemy since 1945, march its forces and proxies right up to its frontiers. Mearsheimer explains: "One also hears the claim that

"One also hears the claim that Ukraine has the right to determine whom it wants to ally with

and the Russians have no right to prevent Kiev from joining the West. This is a dangerous way for Ukraine to think about its foreign policy choices. The sad truth is that might often makes right when great-power politics are at play. Abstract rights such as selfdetermination are largely meaningless when powerful states get into brawls with weaker states. Did Cuba have the right to form a military alliance with the Soviet Union during the Cold War? The United States certainly did not think so, and the Russians think the same way about Ukraine joining the West. It is in Ukraine's interest to understand these facts of life and tread carefully when dealing with its more powerful neighbour."

Conclusions

At one time foreign policy was based upon the principles outlined originally in the Treaty of Westphalia (1648). Briefly stated this meant that no state should wage war on another state unless its vital interests were threatened. Great powers had their own spheres of interest and legitimate security concerns. This was called the realist school of international relations. This is considered passé by neo-con foreign policy advocates who now control US foreign policy. The United States, and its military arm, NATO, can and does intervene in faraway places in order to reconfigure the political/economic/social structures through subversion, or war (either directly or by proxies). NATO, which was once a purely defensive shield against possible Soviet expansion, is now an aggressive and expansionist military machine that intervenes in 'out-of-theatre' military operations - e.g., Libya, Afghanistan, Yugoslavia.

Given the electoral victory of the Republican party in both the Senate and the House of Representatives; and given Hillary Clinton's conversion to the neo-con cause, and who is likely to get the Democrat endorsement for Presidential election, we can expect more brinkmanship and confrontation with Russia, and possibly even China.

These people are intoxicated on their own hubris and stupidity. As Friedrich Schiller noted: *Mit der Dummheit kaempfen Goetter selbst vergebens* - against stupidity the gods themselves struggle in

TAX AVOIDANCE

Corporate tax avoidance fathers austerity

In the wake of the tax scams in Luxembourg **Prem Sikka** explains how manufactured tax avoidance schemes are eroding social democracy

lobalisation has opened up new avenues for the advancement of neoliberalism. Not only does it demand light touch regulation, faith in mythical free markets and unhindered mobility of capital, it further demands that the state be starved of tax revenues. A state starved of tax revenues cannot meet citizens' demands for social democracy. With erosion of tax revenues, the state increasingly has to resort to debt to finance social infrastructure. In doing so, it increasingly falls under the spell of financial markets and becomes more concerned about, debt repayments, cost of debt and reducing public services. This leads to a smaller but more compliant state, so desired by neoliberals, whilst ordinary people face the erosion of rights and purchasing power, and almost permanent austerity.

The post Second World War social settlement required the state to attach greater weight to the concerns of citizens. This resulted in huge public investment in coal, gas, water, steel, shipbuilding, electricity, education, railways, pensions, biotechnology, information technology, the NHS and much more. The settlement was beneficial to business; it supplied goods and services to the state at an unprecedented rate. The social settlement provided stability, so vital for profitable business activity. However, all this is now unravelling as economic elites want higher returns without necessarily taking greater risks. They no longer consider themselves bound by the old settlements. Organised corporate tax avoidance is a key part of a strategy that increases private returns without any additional risks and at the same time starves the state of tax revenues.

Tax avoidance games

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The latest evidence for starving the state comes from some 28,000 pages of leaks by a former PricewaterhouseCoopers (PwC) employee-based in Luxembourg, a place well known for secrecy, lax regulations and a government that enables corporations to undermine tax revenues in other places. The leaked documents relate to over 1,000 corporations and are available at the website of the International Consortium of Investigative Journalists (www.icij.org). They show that PwC designed complex tax avoidance schemes for hundreds of companies. Of course, PwC is not alone as it together with other big accountancy firms (KPMG, Deloitte & Touche and Ernst & Young) manufactures tax avoidance schemes at an industrial scale to enable their clients to escape taxes. The beneficiaries include Abbott Laboratories, Aviva, Axa, Citigroup, Deutsche Bank, Dyson, Disney, eon, Heinz, HSBC, IKEA, Koch, Pepsi, Procter and Gamble, Shire, Skype, Taylor Wimpey, Wolseley, and many more. No sector of the economy is immune from the tax avoidance games.

The avoidance schemes are mass marketed. They involved the creation of complex corporate structures to enable companies to shift profits from com-

paratively high tax rate jurisdictions to a low-rate jurisdiction, such as Luxembourg. Profits are shifted through spurious royalty fees, intergroup loans, management fees and intragroup pricing of goods and services. For example, in intragroup loan agreements the subsidiary company making the interest payments receives tax relief for servicing its debt and is thus able to reduce its taxable profits. At the same time, another member of the same group of companies located in a low-tax jurisdiction receives the income. This income, depending on the local tax laws, is either subject to low or no tax. In the transaction described above, no cash actually leaves, but the group of companies is able to reduce its total tax bill. The leaked documents show that the profits transferred to Luxembourg were taxed at less than 1%. In 2013. an

inquiry by the House of Commons Public Accounts Committee (PAC) showed that the Big Four accountancy firms are at the heart of a global tax avoidance industry. A whistleblower informed the PAC that PwC would sell a tax a voidance scheme which had only a 25 per cent chance



of withstanding Luxembourg: Home from home for tax avoiders a legal challenge.

As Labour MP and PAC chairman Margaret Hodge put it: 'You are offering schemes to your clients where you have judged there is a 75 per cent risk of it then being deemed unlawful'. Partners of KPMG, Deloitte and Ernst & Young admitted to 'selling schemes they consider only have a 50 per cent chance of being upheld in court'. Rather than expressing any remorse, the firms defended their practices through obfuscation and denial. The firms denied that they mass marketed tax avoidance schemes. Such pretences are laid bare by the Luxembourg leaks, which showed tax avoidance schemes on PwC headed paper and signed by the firm's partners. So in December 2014 the PAC recalled PwC.

At the reconvened hearing of PAC, PwC deployed its usual strategy of denial. PwC is a global brand. It has a global board and CEO. It has a global logo, headed paper and website. In tendering for business it frequently describes itself as a 'global' organisation. Its website proclaims that it is "One firm - a powerhouse of a commercial enterprise that does the right thing for our clients, our people and our com-

Luxembourg and paid tax of about \$2 million. The Luxembourg office of Shire had just two middle-ranking employ-

munities." Under scrutiny from the PAC, all such

claims dissolved. The firm's partner said that PwC

was a loose collection of national firms. Each firm is

apparently independent and able to refer or pass

business to each other and even share the knowl-

edge base, but they are local rather than global. As

many UK based companies had used the avoidance

schemes, it would be reasonable to assume that

there was co-ordination between the UK and

Luxembourg parts of the firms, but the PwC partner

was not too forthcoming on that. All too often, he

took refuge in 'duty of confidentiality' to parry searching questions. The PAC hearing also focused

on the tax affairs of one of its clients - Shire, a major

pharmaceutical company with operations in the US,

UK and Ireland. The company located its treasury

function in a

Luxembourg

subsidiary. The

Luxembourg

company did not

produce any-

thing tangible,

but over a five

year period lent

around \$10bn

(£6.4bn), equiva-

lent to two year's

sales revenues of

the entire group,

to other mem-

bers of the group. It booked

just under \$2bn

in

income

interest

in

ees and incurred annual employment costs of just \$135,000 (£106,000) a year.

Luxembourg leaks

The Luxembourg leaks make a mockery of the corporate claims of social responsibility. Various corporate websites disarm citizens with claims of ethical and responsible citizenship, but none provide any details about their tax avoidance schemes or corporate tax paid in each country of their operations. The 28,000 pages of leaked evidence does not contain even one instance where PwC or any company considered the impact of their practices on ordinary people who will either have to forego hard won social rights or pay even more in taxes to sustain a crumbling social infrastructure.

The leaked documents have not prompted the UK government to investigate any of the companies or accountancy firms peddling tax avoidance schemes. No accountancy firm has ever been investigated or prosecuted for peddling tax avoidance schemes, even

after they have been declared unlawful by the courts. No firm has been disciplined by any professional body either. The current chairman of HMRC is a former KPMG partner and has maintained public silence. The leaks also raise serious questions about the tone at the top of the European Union. The tax avoidance deals were secretly negotiated between corporations, accountancy firms and the government of Luxembourg. They were approved by a government led by Prime Minister Jean-Claude Juncker, who was also its Finance Minister. The same Mr. Juncker is now President of the European Commission, charged with tackling organised tax avoidance. He is unfit to lead the charge for protection of tax revenues, but has clung on to office. Accountancy firms are in the frontline of the war against the state and the people. They receive fees from corporations for starving the state of tax revenues. They also advise the state on privatisation of publicly-owned enterprises, Private Finance Initiative (PFI) and debt finance. Such processes enrich a few, but also force the state to dance to the tunes of markets and demands of creditors who increasingly dictate policies. Through PFI, the state ends up guaranteeing profits for corporations, whilst its ability to meet its obligations is constrained by erosion of tax revenues. The squeezed state has been forced to prioritise the interests of finance and is now implementing the longest ever austerity programme. We are witnessing a revolution in the relationship between capitalism and democracy.

Osborne's budget deficit: mind the 'Google' gap

Tory Chancellor Osborne announced a Diverted Profits Tax, popularly known as the Google Tax. He thinks it would raise £1 billion over five years, assuming that companies have not already moved to negate it. This is poorly thought out and does not amount to a reform of the corporate tax system.

In February 2013, the government said that it will deny public contracts to those involved in tax avoidance. So far not a single organisation so involved has been denied public contracts. The amount of tax revenue lost due to corporate tax avoidance is not known. HMRC has published figures for Tax Gap, which consists of all tax arrears, avoidance and evasion. It now admits to £35 billion per annum, but does not provide details of its model for estimating the figure. Tax Justice Network provide an alternative model, developed by Richard Murphy. He estimates a tax gap of about £120 billion

ENVIRONMENT

Capitalism vs the climate

Nigel Doggett discusses Naomi Klein's challenge to tackle the biggest problem facing life on earth

he notion that to alleviate the Climate Crisis requires the transformation or at least major regulation of capitalism will be attractive to readers of *Chartist*. In her previous book The Shock Doctrine, Naomi Klein highlighted the advance of neoliberalism and US companies by exploiting disasters and wars. Her new book focusses on environmentalism and its links to other progressive causes. This contrasts with George Marshall's recent book Don't Even Think About It... which stresses the cultural background and psychology of climate change denial (see climatedenial.org) and calls for a broader campaign including the political right. Both are very clear that this is a potentially catastrophic crisis: the terms change and warming sends the wrong signals.

Wish list

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The right often makes the connection between anti-capitalist and environmental actions but much of the centre left does not. advocating reform without challenging the dominant economic system. In fact we need both government action and local campaigns on public services, transport, tax and trade as well as the causes of climate change directly. No wonder this book has been dubbed a US liberal's wish list in the London Review of Books (Paul Kingsnorth's review of both Klein and Marshall, 23 October 2014).

Klein traces the origins of the worldwide environmental movement from Rachel Carson's Silent Spring (1962), through the social revolution in the 60s and 70s, the Club of Rome report *The Limits to Growth* (1972) to the first major international conference on climate change in 1988 and the Rio Climate Summit in 1992. Significant action taken worldwide 20 years ago to reduce greenhouse gas emissions would have enabled a gradual transition to a low carbon economy. In the absence of such action, the chances of keeping below a 2?C temperature rise are now slim.

The world must act with a few years or risk a drift to 'disaster capitalism' descending into militarism and authoritarianism.

She cites many fascinating examples from the US and Canada, which I found alternately horrifying and inspiring, but not directly applicable to Europe or Britain.

Richard Branson's unfulfilled 2006 pledge to invest \$3bn in 10 years to develop alternative fuels and other technologies has been widely trailed. The point is not just that Branson is a hypocrite but that even a sincere commitment to greening business involves a clash with the demands of profit and its duty to shareholders. I can imagine an energy company switching to renewables if the political /economic winds clearly blew in that direction, but this would need fundamental economic changes so fossil fuels were no longer profitable. Since the book was published the heirs to the Rockefeller oil fortune have divested from fossil fuel companies.

Of course the recent Virgin spacecraft fiasco highlighted the contradiction, where a major user of fossil fuels to power its planes, trains and potential spacecraft seeks alternatives to enable the party to continue. For most of us the faith prevalent in the days of Concorde and the moon landings is tempered by a healthy dose of scepticism since the BSE scandal, the Chernobyl or Fukushima disasters but a group of self-made billionaires such as Branson and Bill Gates see technology as a solution to every problem. Some promote geoengineering to cool the earth, a concept that Klein sees as a diversion that would be hard to test and also risk disastrous side-effects, particularly harming the most vulnerable peoples

Klein highlights the influence of well financed right wing propagandists such as the Heartland Institute in the US on political realities, by denying the crisis or obstructing action. Also in Britain some fringe right commentators label wind power, opposition to fracking or new roads as merely a

partisan attack on capitalism. Trade treaties such as the North American Free Trade Agreement, the influence of the World Trade Organisation and the looming threat of the TTIP can impede attempts to regulate new energy extraction or transport projects and there is an increasing climate of legal challenges as companies' interests are threatened.

Klein deals at length with 'Big Green' groups in the USA, funded but also tainted by super-rich donors with interests in fossil fuel. Most alarming is The Nature Conservancy, the USA's largest environmental group, which profits from oil extraction on a nature reserve! She also covers campaigns by First Nation (Indigenous) peoples in Canada and the US who have scored some major legal victories to protect their ancestral lands.

World-wide shift

This book covers a wide range of environmental issues for nontechnical readers, offering some hope alongside the gloom. Denial and despair can be overcome by campaigns for alternatives based in local communities, while keeping a global perspective and coordination. The lesson for the left is the need for a world-wide shift to a renewable society, challenging simple growth-based policies. This must be a priority as high as other economic and public services issues.

The challenge must be won or we face many risks to life on earth - principally the climate but also pollution and loss of habitats and species. Somehow we must bring all those who don't share this perspective along with us. In the last few years there have been some hopeful signs but the dangers loom ever larger. On this issue there really is no alternative.

THIS CHANGES EVERYTHING: **CAPITALISM VS. THE CLIMATE** Naomi Klein (Allen Lane, £20 hb)

The common good for the Square Mile

City of London

n 20th March 2014, a Labour Party candidate was elected to the Court Common Council of the City of London Corporation. It made headline news because by tradition and in living memory the City has only had politically independent councillors.

This new voice was an Anglican Priest, who had previously served as an Independent, but had recently joined the Labour Party. He represents Portsoken Ward, one of the most deprived in the country, on the Eastern Fringe of the richest square mile in the world.

So is the City is really politically neutral?

'Of course not! To support the financial services in their current form requires a range of explicit political commitments. If these functions were seen as politically constructed they would be exposed to scrutiny. And the question then would be: is this the way we want to organise ourselves? Do we still want finance capitalism in the driving seat of our national culture?"

Was he neutral as an Independent Common Councillor?

'When I originally stood for election I was interested in some quite parochial issues. More generally I wanted to represent people in the City that I felt were overlooked and to ask questions. How could the Corporation hold so much power but not be accountable? In those days I was more of a community organiser, helping constituents articulate their interests and trying to build a local movement between them. It was hard work. In the end I struggled to have any impact.'

Is that why he joined Labour? 'I knew that I would need support, solidarity, and allies if I were ever going to make an impact. Labour understands the importance of community organising, a practice that enables citizens to find power locally as well as generating legitimacy for the leaders at the top. In addition to this Labour had been thinking deeply about financial services after the 2008 crash - distinguish-



Councillor ever

We need Labour leaders to re-evaluate the role of the City Corporation within London governance and enable its resources and institutions to be extended beyond the Square Mile and serve the common good

ing 'predatory' capitalism from business and mainstream entrepreneurial activity.³ So what of his personal Labour

influences? 'I was impressed by Ed Milliband's 2011 account of predatory capitalism and his willingness to take on powerful vested interests. In the City I found a group of fund managers and Labour Party members (such as David Pitt Watson) who helped me understand the significance of 'fiduciary duty' and the importance of trust and promise keeping, informed by regulation, as key to a vital financial services.

Maurice (Lord) Glasman helped me see the importance of civil society institutions as a key way of moderating the power of state and market.

How do these sit with his personal values?

'I am a preacher before I am a politician, if I can put it like that!

LONDON

Patricia d'Ardenne talked to William Campbell-Taylor, the first Labour councillor in the

The City of London Guildhall where William Campbell Taylor CC sits as the first Labour Common

Certainly my faith informs my thinking. I have found in the traditions of Catholic Social thinking a rich resource for engaging with the power interests in and around the City. In the end Labour represents the interests of working people and the One Nation tradition attempts to reconcile these with the interests of capital.

His local Labour support?

'Over a number of years I had kept in touch with Peter Kenyon from the City branch of the CLP and when this by-election came up we talked about my joining the Party and then standing as a Labour Common Councillor. That's what I did. It made a lot of sense to me. Labour is a campaigning organisation with a tradition of democratic action within the City. For example, through door-to-door campaigning, lobbying the Corporation, and fielding candidates in elections in 2009 and 2011, it achieved a London Living wage for employees in the Corporation, Barbican and Guildhall and their contractors.

'We need Labour leaders to reevaluate the role of the City Corporation within London governance and enable its resources and institutions to be extended beyond the Square Mile and serve the common good.

VOTING REFORM

An answer to voter apathy?

Following the Allen parliamentary report **Gaye Johnston** puts the case for compulsory voting

n 14th November 2014 the Parliamentary Committee on Political and Constitutional Reform (chaired by Graham Allen MP) published a report: 'How to combat low turnout and voter disengagement.'

Its three main recommendations were: compulsory voting in all elections, votes for 16-18 year olds and making polling day a public holiday.

During the past six years, when I spent much time in Australia, I campaigned for the Australian Labor Party in elections. Voting is compulsory in Australia. This typically produces an average turnout of 96% in State and Federal Parliamentary contests. Non-voters face a modest fine: currently equivalent to £18 per head. Absentees seldom object vocally and most readily pay up. These recent experiences down under convinced me that compulsory voting should be introduced in the UK for all national and local elections.

Average turnout

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Average turnout in British general elections between 1992 and 2010 (inclusive) was 67.4%. Average for Westminster elections, since 2000, has been 62.3%. There are also demographic differentials in UK voting habits; 75% of over 65's currently cast their vote compared with only 45% of under 40's and 30% of under 30s. Youth icon Russell Brand has recently advised young people to abstain from voting.

Many of the poorest people seldom vote. An opinion poll conducted for the BBC in 2009 among 'white working class people' showed that 58% of respondents believed that no British political party currently represented their interests. In 2014 some of these probably voted UKIP: perhaps not understanding the right wing character of that Party. The 2009 Parliamentary expenses scandal and increasing disenchantment with the Westminster elite have doubtless alienated many more voters since then. This alienation is also

attributable to having an increasingly out of touch Parliamentary elite. Most MPs, sadly including many Labour representatives, have not lived ordinary lives or done regular, socially useful, jobs in the community prior to arriving in Parliament. Surveys show that 37% of Labour MPs worked solely as political advisers or researchers before hitting the green benches. Only 9% of them come from working class backgrounds (information from Campaign for Labour Party Democracy). There are still pitifully few women, black and ethnic minority MPs, even in the Parliamentary Labour Party.

Public Holiday

This Parliamentary Committee is also to be praised for recommending that polling day be a public holiday. UK election workers know the difficulties of persuading electors to vote before or after a day's work when they are tired or when voting involves missing a favourite TV programme. Australian polling is boosted by elections always being held on a Saturday when the majority have leisure. Most EU countries vote at week-ends. An extra day's holiday would give Britons added incentive to vote.

(Dr.) Gaye

Johnston was a

Save the Labour

currently Chair of

the Campaign for

co-founder of

Party and is

Labour Party

Democracy.

She is also

Labour.

writing a book

An immediate impetus for this Committee Report probably came from Labour's near loss of a 'safe' seat in the Heywood and Middleton by election in October about New 2014. The Labour election organiser told the author, who worked in that campaign, that the main reason for the disappointing result was the large number of declared Labour voters who stayed at home.

Why is this poor turnout important: in addition to the need to win elections? The other main reason is that it impairs the quality of our representative Parliamentary democracy which currently fails to represent more than a third of the adult population after national elections. It represents fewer than two thirds of our young people.

Recent voting patterns have influenced which sectors of the population have had their needs

met by the Government in this age of austerity. The 2014 Torvled Coalition budget favoured seniors by giving them tax and pension concessions, retention of bus passes and winter fuel allowances. However that budget contained little to benefit youth. It omitted funding to tackle our high youth unemployment or to reduce the cost to students of higher and further education.

Working class

Labour's leaders constantly speak about helping the 'Squeezed middle classes.' They say little about meeting the needs of working class people. Under New Labour governments some measures really benefitted working class people (e.g. working families tax credits) but this was done by stealth. Toynbee and Walker's 2010 research (The Verdict: Did Labour Change Britain?) reported that poorer people they interviewed appreciated such measures but did not attribute them to the contemporary Labour Government. The rationale for this Labour 'modesty' was fear of scaring the horses when Labour needed to win over middle class voters in marginal constituencies. Compulsory voting would empower those sections of the population who impair their own influence on government by abstention from voting.

Compulsory voting and a public holiday, would also help political parties, especially Labour, who are often short of campaign workers on the ground on polling day. With compulsory voting it remains necessary to engage in pre-election door knocking to meet the voters and deal with their concerns. In Australia party workers are permitted to do this outside the polling station on election day. They are allowed to offer voters advice on using complex ballot papers. However the current hard grind of having to 'knock out' supporters on polling day disappears because electors turn out of their own accord. We have never been in greater need of the remedies suggested by the Allen Committee.

Nuclear meltdown at Hinkley

David Toke on ever rising costs of the nuclear option

ne British 'new nuclear Centrica. build' programme is turning from farce into disaster. Last year the Government was widely pilloried for offering EDF a contract to build nuclear power paid for by increases in electricity bills over 35 years and Treasury backed loans. The Government may be on the verge of saving electricity consumers from these problems- by failing to bring on line the first in the programme of new nuclear power stations at Hinkley C in Somerset. This (hopefully) means that it will refuse to give the assurances that EDF need to build what is fast looking like a further catastrophic exercise in building a power station design that has become notorious in Europe for its construction problems, delays and spiralling costs. At least it looks like the Government may delay offering a contract for EDF to sign to build Hinkley C until after the General Election.

Financial catastrophe

Ever-lengthening delays and cost overruns have beset the French effort to install a new type of nuclear reactor, the 'European Pressurised Reactor' (EPR), in Olikuoto in Finland and Flamanville in France. Plants which were supposed to be built in five years are taking 10 or more years to finish. Not only do the staff and materials costs mount, so does the interest charge on the capital that has already been spent, producing financial catastrophe for the companies that invest in them indeed it is the French state owned companies that are carrying the can. Private sector companies could not take on the risk. . The EPRs (two of them) at Hinkley C are supposed to be

2015 (originally supposed to begin in 2013). Yet confidence in the project is evaporating as people realise that the chances of the same happening at Hinkley C as is happening in the French and Finnish projects are considerable. Originally, the Hinkley project was supposed to be owned jointly by EDF and

built in eight years starting in

Centrica pulled out in 2013. EDF's finances were challenged to provide the necessary support for the project. So new investors from Chinese state owned companies and also AREVA, the French stateowned company that constructs the EPRs, were own the project.

revealed that AREVA is going bankrupt and its investment in the project is in doubt. The Chinese nuclear companies also had second thoughts, and stories appeared in the press about approaches being made to Saudi Arabia and Qatar to invest in the project. Why these countries should want to invest in what many consultants will advise them is a turkey is open to question. The only plausible explanation would be that the British Government would 'underwrite' the project and pay for all the extra costs that the project might accrue. In fact the Government is already part way there because they have agreed to offer a £10 billion loan guarantee for the project. Further assurances, however, would be at the future cost of electricity consumers on top of the controversial package that has been agreed already.

Laxer safety

The Chinese are said to want to bring in their own equipment to bolster the construction at Hinkley C, something that EDF has apparently refused. The Chinese are building two EPRs themselves at Daishan in China. These projects are said to be delayed, but perhaps not so delayed as in Europe. One plausible explanation for this difference is that the Chinese have laxer safety regulations when it comes to building the power stations. Indeed it may well be that tighter

GREENWATCH



brought in to An artist's impression of the proposed Hinkley C power station

Then in November 2014 it was

safety standards in the West (and this includes the USA where nuclear power is proving as difficult to build as in Western Europe) are making nuclear power virtually 'unconstructable' as one nuclear analyst put it recently.

Ever upwards

There is a widespread belief in this country that we 'need' new nuclear power stations. In fact generation shortages experienced at present are more caused by the unreliability of existing nuclear power stations than lack of new ones. It is often claimed that windfarms and solar farms, by comparison, may now produce the same price increases as nuclear power (provided there are no more nuclear cost overruns). But there is a stark difference. We will only be obliged to pay the increases for the renewable energy plant until 2035, not at least 2058 (and probably even longer) as seems likely with Hinkley C. Renewables may be supported by (little used) gas fired power stations, but these plants are very cheap to build anyway and this sort of system avoids the long term problems of having to clear up the radioactive power stations later. Altogether the financial risk and cost is much lower than nuclear projects like Hinkley C, and the cost of renewable such as solar power is coming down very rapidly – whilst the cost of nuclear power moves in the other direction - ever upwards.

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SOCIETY

Can the state love?

Sue Goss on humanising the state

e have moved a long way from the view of the state as the 'the executive committee of the bourgeoisie' – and from the alternative, equally naïve view of Wilson's government, of the state as 'a car to be driven' – and yet we spend very little time examining the impact of political choices about state intervention. Our public services reflect our society but they also shape our society. The inequalities of class, race and gender are played out as much inside the state as elsewhere, the struggle to define social values takes place inside state institutions as much as it does within Westminster. Public services can never be seen as unambiguously benign, or as inevitably bureaucratic or as in the service of a ruling elite. They are always all of these things – and a site of struggle between them. How we rethink and recreate the state is as important as changing any other aspect of our society.

Currently, the policies of all the major political parties reinforce the idea that the market offers the dominant values that define society. This is not simply through the privatisation of public services, but, more importantly, through the idea of the state as 'provider of last resort' intervening only when the market obviously fails, and even then, for a short a period as possible until the private sector can be bribed or subsidised into moving back. Nowadays, everything is measured only by its economic value, and paid work is seen as the only valuable activity. Publicly funded services once offered alternative values to those of the market but now reinforce, rather than challenge, the logic of brute capitalism

Own two feet

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Nor is it simply about sustaining the familiar division between the 'deserving' and the 'undeserving' poor. To 'belong' to the narrowing, closed tribe, of 'hardworking families' everyone has to stand on their own two feet. Instead of wanting to share good fortune, and use resources collaboratively, we are encouraged to feel cheated if our taxes go to help others. These days, those that are seen as a drain on the work of others include people with disabilities, the mentally ill and the frail. The new defensiveness defines everyone in need of help, who is struggling, who needs work, or a home or care, as 'not like us.'

State provision is no longer a safety net but an absolute minimum for survival, with a constant threat that it can be confiscated for any misdemeanour - and accessible only once levels of distress are acute. We currently spend a significant proportion of the care budget on assessment processes designed to 'keep people out.' We are about to begin to do the same with health care.

Churchill famously said that a

Could we, instead of crushing the human fellowship and empathy out of public services, create a culture within government institutions in which staff provide the affection, the trust, the reciprocity that people need to thrive?

civilisation is judged by the way it treats prisoners. Our society is defined by the way the state treats the old, the frail, children, down-and-outs, the disabled and those who are mentally and physically ill. The state has an important role in setting the rules that condition our encounters with each other and the values that underpin social behaviour. If the state is mean, ungenerous, suspicious and defensive, that defines the society within which we live.

Understanding the cost of author of Open everything and the value of nothing?

In the rush to justify their Wishart additional investment in public services, the Blair and Brown governments ushered in a new era of measurement and regulation. School students sat SATs tests not to judge their own abilities, but to measure the effectiveness of schools in 'adding value'. Each NHS institution is now measured on literally thousands

of indicators. Local authorities were subject to inspection and regulation. The aim behind the new regulatory culture was admirable - intending to guard against waste and inefficiency, drive improvements in standards and bring up the worst public services closer to the average - and in that, government mostly succeeded. But the cost in terms of the human aspect of public services has been heavy. Motivated and committed staff are treated as components in a vast machine delivering 'results'. Transactions have been standardised, measured. It is to this culture that we owe the miserable experience of frail elderly people as their care workers rush to complete all their personal care in fifteen minutes. Schools have become exam factories.

In the process, state workers cease to feel the pride they once felt in offering professional caring services, and begin to be preoccupied with the paperwork that demonstrates compliance with regulatory process. This has an impact not only on the service users, but on the staff who work in public services. Hilary Cottam argued that:

'Being a cog in a machine makes you sick - figuratively and literally - and people who are treated as a component in a computer cease to bring their full human cognitive powers to work. The only way to survive in a machine-based system as a worker is to shut down, so that you really don't see it.'

In doing so we make the state more stupid than it needs to be, because humans are capable of careful nuanced judgements, but the systems we create are 'dumbed down' to ensure compliance. The more standardised the transactions, the easier it is for the private sector to compete - the easier it is to write contracts and measure performance - but what is being measured is always a weak and often dangerous proxy for the good care and the professional skill we want to achieve.

The role of the state?

If we want a society in which we are all treated as 'ends in themselves' and not as means to the enrichment of others, one in which the full humanity of everyone can be realised, we need to think hard about the impact of the state. Of course, we need the state to uphold civic and democratic values, to be free from corruption, to be fair, and prudent. Across the public sector, equality, safeguarding and human rights are now taken more seriously, and that is good, and right, but there are other values that we need to sustain.

Once the values of the public sector become those of the consumerist, individualistic private sector, we begin to demand, to push, to feel an entitlement. But part of our common humanity is our ability to put others before ourselves, the weak before the strong. The attempt to turn public services into a market place and citizens into consumers encourages greed, unrealistic expectations, bad manners and selfishness. If we see public services as creating a relationship, not simply a cash transaction, we begin to recognise as intrinsic to public service a realisation that other people's needs might be greater than our own. We may not be able to have everything we want, but we should trust that our society will help us to have what we need.

And if love is one of the healing relationships we human beings have with each other, what happens when people rely for care on the state? Could we, instead of crushing the human fellowship and empathy out of public services, create a culture within government institutions in which staff provide the affection, the trust, the reciprocity that people need to thrive? What would that look like?

If we were to seriously set out across our public services to restore empathy, creativity, judgement and, balance, we would allow professionals to experiment, to explore, to learn, to invent. Instead of policy and standards being set at the centre, we would expect each group of professionals to challenge and support each other in thinking about their own boundaries and priorities, rather than relying on procedure manuals and system compliance. We would trust them to learn in collaboration with service users about what works best.

We would ask everyone who works in the public sector to live by the values that should underpin an open and inclusive society

- listening, enquiry, curiosity. We would expect staff in any state service to show respect to everyone, however frail, however newly arrived. We would want them to be curious, taking an interest in the unique experience of everyone they encounter, willing to take the time to hear their story and to understand their circumstances. We would look for empathy, an ability to put themselves in the shoes of every patient, asylumseeker or student. We would want imagination and creativity, a willingness to explore situations fully in order to discover new solutions. We would want them to show care and kindness, so that even when administering highly rule-governed procedures, they would never be cruel or offensive.

For public good

in the face of bureaucratic obstacles - courage to whistle-blow or to challenge organisational heartlessness, but also the courage of a social worker to knock on the door of a house where abuse is suspected, or where trafficked girls might be trapped: the courage of a teacher to discuss female genital mutilation; or the courage of a psychiatric nurse to pursue an intuition about a potential suicide. We would not want our public servants to hide behind procedural rules and to cover up laziness. We would want them to be explorers, seeking for public good and for the well-being of the people they serve. Finally, and most important, we would want wis-

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Sue Goss is the Tribe, published by Lawrence and

We would want to see courage



Sue Goss

dom, the ability to make careful, balancing judgements, because the things we want and need are often contradictory and it takes a lively human intelligence to make sense of this and make sensible decisions about competing needs. We would want public servants to bring their whole human intelligence and sensitivity to bear on the problems that face our society, instead of just 'following orders'.

If these are the things we want from our public services, we won't achieve them through a political preoccupation with competition and choice; or through a reliance on regulation and inspection. We have to start a new debate about how to create a different, human, state.

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FILM REVIEW

Theatrical pleasure

Patrick Mulcahy on flying and falling

applied in movie criticism but Alejandro G. Iñárritu's *Birdman* is the real deal. It is a film that announces itself with a medium shot of an actor, Riggan Thomson (Michael Keaton) floating in mid air in the centre of his Broadway Theatre dressing room, legs crossed in Zen-like contemplation. We hear his voice, moaning. 'This place is a dump.' The camera zooms into his back and there is a seamless transition from a special effect to Riggan standing. The camera follows him as he attends to his laptop. Riggan's daughter, Sam (Emma Stone) is calling: what flowers should she buy? Riggan makes some suggestions, but Sam, abrasive, harassed, cuts him off. The camera

retreats - Riggan has a shirt on. When did he have the time? He pulls on trousers and then moves a cup as if through telekinesis, shattering it. Still we are in the same shot. Riggan converses first with his producer (Zach Galifianakis) then goes on stage. The film is one long take, the camera reframing the action, surprising us with special effects, bits of business, the compression of time. It's one long 'how did they do that?"

So wow! And it gets better when Edward Norton turns up as Mike Shiner, who joins the company in time for the first preview. Mike knows the play – how is that even possible? He strips the dialogue of an adaptation of a Raymond Carver story, 'What we talk about when we talk about love' down to its essence, takes the dialogue and rephrases it with force, passion. This

is what actors do. On one level, Birdman is a celebration of performance.

But not from Michael Keaton. Here is an actor who has played manic, talked fast, acted irreverent. In Birdman, he's dialled back to his most naturalistic. As fascinating as theatre is, as exciting as it is to watch, it is ultimately the writing that provides for a transcendent experience. The film is about a vanity project, a play that Riggan adapted and directed, earnest, begging to be liked but with nothing of itself to say. Carver was an unhappy drunk. He can write good speeches but not great characters. We sense his material, stripped of its literary quality its descriptions and turns of phrase – is no better than a soap opera. Riggan himself is not so much a

he phrase 'tour de force' is often liberally character as an idea. Imagine a Hollywood star wanting to redeem himself so much that he believes this is the only way he can salvage some integrity. Really? Why not run a charity? Why not use celebrity as a force for change? Riggan does not attract your sympathy so much as your pity. His objective is banal.

Birdman is subtitled The Unexpected Virtue of Ignorance, a facetious phrase, condescending, apparently coined by a theatre critic, Tabitha (Lindsay Thompson). It's supposed to describe Riggan's performance, but given the climax – which I won't reveal - it feels unearned. The filmmakers show a disdain of critics, which would be fine if it was merited. Tabitha, sitting in the same seat in the same

bar with a note book isn't like any of the critics that I know; they have home lives and volatile relationships with publicists. She is an idea of a critic in some sort of Sweet Smell of Success parallel universe. She is the most theatrical character in the movie.

Fantastic technique, dazzling moments - and yet Birdman crashes down to Earth because it is the story of Icarus, whose wax fasteners melted in the heat of the sun. The metaphor is obvious, but crucially does not take us anywhere new. You can be entertained and energised by the movie – it is a truly compelling

watch, the equivalent of an un-putdownable novel – yet not be impressed by it. Why lavish so much care on a project about a man of limited ambition?

Perhaps we are supposed to think of Riggan as a Willy Loman type –

Death of a Salesman is a good comparison. The point Inárritu and his screenwriting team could be making is that though ways of communicating might be new – Twitter, Facebook, the social media shebang - the stories are still old, classic. Birdman is very far from naturalistic, and it leaves its talented female cast, including Stone, Naomi Watts, Amy Ryan and Andrea Riseborough (the latter unrecognisable) behind. I found myself simultaneously energised and deflated; it's like consuming two opposing pills. Unquestionably, there hasn't been a film like , though at points I found myself thinking of Enter The Void, Gasper Noe's film. I was in the void, looking for the exit.

THE ESTABLISHMENT AND HOW THEY GET AWAY WITH IT Owen Jones (Allen Lane, 335 pp, £16.99)

Phil

Vellender

agenda for

democratic

revolution

needing a

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finds an

wen Jones reacted to the political vacuum created by the lengthy Labour leadership battle by establishing himself as the media's go-to left critic of the mandate-free Coalition. His trademark nailing of any received neoliberal shibboleth with pithy, statistically-based ripostes means his book is replete with invaluable, evidence-based research (though not unique in this respect, Piketty or Mirowski spring to mind). For thousands, Jones represents and articulates 'common sense for Labour's left'. and beyond, and that remarkable social and mass media presence will guarantee this book gets attention from many of his 4500 Facebook and 230,000 Twitter followers, admiring of his cogent defence of those most affected by the bedroom tax, benefits sanctions and anti-immigrant rhetoric, to name but three.

The Establishment's great strengths lie in its exhaustive charting of first, the process by which the eponymous Establishment has consolidated its wealth and power and second, the means by which the Right's neoliberal narrative achieved its remarkable 'common sense' status. From the start, Jones elicits disarmingly frank quotes from past and present ideologues of this regime. Here's Paul Staines (Guido Fawkes blogger since 2004) on the Establishment's real role for British capitalism: "We've had nearly a century of universal suffrage now, and ... capital finds ways of protecting itself from ... the voters".

The thorny question Jones sets out to answer is 'how exactly did the bankers and their allies get away scot free having totally trashed the world economy and leave the rest of us to pick up the tab?' In response, Jones focuses on the 'outriders', those lifelong, free market ideologues who, over a twenty-year period, and in a variety of contexts, prepared the ground for the triumph of Thatcherism. He interrogates figures from various think tanks closely connected to politics, finance and big business and all

GALIFIANAKIS ARD NORTON (THE UNEXPECTED VIRTUE OF IGNORANCE) (VENICE) (TELLURIDE) (NEW YORK

MICHAEL KEATON



Birdman or The

Ignorance opens

in UK cinemas on

2 January 2015

Unexpected

Virtue of

BOOK REVIEWS

Neo-liberalism on the up



OWEN JONES

big players in establishing the 'free market common sense' that dismembered the 1945-79 Lab-Con consensus. Among the players and organisations cited are Havek (Mont Pèlerin, 1947). The Institute of Economic Affairs (1950s), Joseph/ Thatcher (Centre for Policy Studies, 1974), Pirie (Adam Smith Institute, 1977). These true believers in a shrunken state and freed-up markets provided the necessary clout for both Thatcherism and today's neoliberal consensus.

But these outriders had substantial help. Jones holds the 'mediacracy' primarily responsible for this British brand of neoliberalism's success: 'the media is a pillar of the Establishment - however much many journalists may find this an unpalatable truth'). Specifically, he argues the British media has played a key role in enlarging the 'Overton Window', a 'cherished concept of the US Right'. Jones defines this 'Window' as the parameters within which orthodox political discourse, 'common sense', takes place. The capitalist media ('mediacracy') represents ideas outside this paradigm as illegitimate, simply to be brushed aside as unworthy of serious consideration. Jones illuminates how free market ideas, which were previously outside the Window, came in from the cold to supplant 1960s capitalist economic orthodoxy. He ably chronicles how this paradigm shift was achieved as the Establishment adopted the ideas, and then converted them into practical (Thatcherite) policies, so exacerbating the massive concentrations of wealth and power in the UK on the one hand, and extremes of poverty and demoralisation on

the other.

This book provides a treasure trove of information, but its weaknesses reside in its less certain theoretical underpinnings. The problem The Establishment is wrestling with runs deeper than Jones admits. Clearly, he realises the limitations of the strategy of simply reinvigorating Labour and reclaiming its 1945 heritage because he calls for a 'democratic revolution'. If he is unaware of the need shake off his chains of nostalgia for 1945, then his notion of democratic revolution begins do this, but his conception falls short. He declares 'a democratic revolution - to reclaim by peaceful means the democratic rights and power annexed by the establishment is long overdue' (ibid). For Jones, this 'revolution' is narrowly British, drawing on UK Uncut, the Occupy Movement and the recent pro-independence 'Yes' campaign.

Moreover, he sidesteps another thorny issue, that is, the Crown's powers, speaking instead of restoring democracy - barring MPs from second jobs, greater openness for lobbyists, limits on party donations and changing the gender and ethnic composition of Westminster. More radically, he calls for greater 'democracy in the workplace', but his radicalism is flawed since Jones doesn't explain how to take 'peacefully' the political and constitutional powers necessary to impose this on the corporate giants of the Establishment.

The limitations of his conception of democratic revolution are shown by his reformist democratic reference points - 1832, 1867, 1884 and 1918 - rather than the great democratic revolutionary epoch of the 17th Century. There is a sharp contrast between the Republicanism of 1649 and the 2014 Establishment's tepid version of 1688's Glorious Revolution. For 2014 Labour are the inheritors of the Whig reformist tradition and the settlement of 1688. This tradition conflates real democratic revolution with minimal reforms that Jones proposes. Today, if the idea of 'democratic revolution' is to come inside the Overton Window then republicanism, and a party committed to achieving it, must surely be at its cutting edge.

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BOOK REVIEWS

A pioneer

Mike Davis on the legacy of EP Thompson E. P. THOMPSON AND THE MAKING OF THE NEW LEFT-ESSAYS & POLEMICS. ED. Cal Winslow. (Lawrence & Wishart, £14.99)

E.P. THOMPSON AND ENGLISH RADICALISM. Eds. Roger Fieldhouse & Richard Taylor (MUP, £65 hb)

REMEMBERING DOROTHY & EDWARD. Sheila Rowbotham (Past Pixels, £4)

D dward Thompson was a E towering figure of the British left from the 1950s to the early 1990s (d. 1993). Socialist, poet, humanist, peace campaigner, teacher and historian he helped pioneer the course for a new left away from the twin but treacherous peaks of Stalinist communism and statist reformism.

Starting out as a Communist, strongly influenced by his brother Frank, killed in 1946 fighting in Bulgaria with Yugoslav partisans, he became critical in the early 1950s, publishing internally The Reasoner. In 1956 following Khrushchev's anti-Stalin speech to the 20th Congress of the CPSU and the crushing of the Hungarian uprising by Soviet tanks he made his break. With his wife Dorothy and co-thinkers like John Saville he founded the New Reasoner, then the Universities and Left Review then New Left Review in 1960. but with a short-lived association explained here.

He sought to plough a new path challenging the old left arguments about 'apathy' (editing the seminal Out of Apathy) of the labour movement being due 'exclusively to the machinations of the bureaucracy (either Transport House or King Street) and the treachery of the leaders', in Cal Winslow's words. The old left in Thompson's words 'idealise a mythical militant working class... which is far more a construct from passages of Lenin and/or Trotsky than a derivation from actual observation of the real tensions and conflicts of contemporary working class life.'

Thompson was a 'bottom up' socialist and a bottom up historian with no time for 'vanguards'. He remained a life-long socialist interested in changing all forms of human relationships. This distinguishes him from many Communist party refugees who joined the small Trotskyist groups or those who aligned with the 'god that failed' anti-communist, 'Natopolitan' (pro 'Cold War') types like Koestler and Gide. Winslow's Cal

thoughtful introduction to a selection of

brilliant essays by Thompson summarises his quest for a new humanist socialist politics. This saw Thompson at the heart of working class self education (himself teaching in adult education) and facilitating 'new left clubs', with forensic historical research into the lives of working people producing The Making of the Working Class English (TMTEWC), the biography of William Morris & 'Homage to Tom Maguire' amongst others.

Winslow's collection includes 'Through the smoke of Budapest' 'Socialist Humanism' and 'the Free-born Englishman' the latter providing a neat epiphet for Thompson's deeply felt, historically grounded quest for an authentic libertarian socialism. Omitted is the 'Peculiarities of the English' his powerful riposte to Perry Anderson, who by the mid-1960s was at the helm of NLR, taking a very contrary view of English socialism and Thompson's view of the primacy of working class agency.

Fieldhouse and Taylor's collection of wide-ranging essays cites Thompson only by quotation. Divided into three parts: Adult Education-history and literature; Policy, theory and peace cam-paigns; EP Thompson an overview. Each contains engaging essays. David Goodway, for example retraces the 'The making of the The Making' while Theodore Koditschek looks at Thompson's Marxism –(with other writers also noting his critical and loosening embrace of it as a system for understanding and changing society). Michael Newman, biographer of contemporary Ralph Miliband, examines Thompson and the early New Left complementing many of Winslow's perceptive thoughts.

Richard Taylor analyses Thompson's role in the peace movement, finding him a passion-

ate and formidable champion of CND, founder and leader of European Nuclear Disarmament (END) constantly exposing the war mongers and jingoists. Peace and socialism were integral struggles for him, while over years of active campaigning he developed a growing distrust of orthodox political parties and the state. Nonetheless, he joined and resigned from the Labour Party several times.

Thompson, like his contemporaries, Richard Hoggart (The Uses of Literacy) and Raymond Williams (Culture and Society & The Long Revolution) and Stuart Hall, early editor of NLR and cultural politics pioneer, argued in the TMTEWC that cultural activity was as significant as economic factors in shaping working class and class relations. This was one clear example of a shift from orthodox Marxism, emphasising the area of conscious agency rather than rigid materialist determinism.

While Fieldhouse & Taylor provide a good survey of English radicalism and the debates around TMTEWC Winslow by contrast focuses on Thompson as part of the New Left with its efforts to frame and sustain a different socialist politics free from the narrow and spent paradigms of Stalinism, Leninism and Labour reformism.

Thompson's biggest influences were Blake and Morris alongside Marx. He was a peculiarly internationalist English radical. In the dichotomy of necessity and desire, as Goodway argues, Thompson emphasised the 'desirability' of socialism, as defined by 'morality, consciousness, human will' and what became Thompson's defining term 'agency'.

For Fieldhouse and Taylor this characterises not only Thompson's historical method ' but his political and peace move-

ment activities, and indeed his life as a whole'

Master of the political polemic he wrote with passion and poetry. This is particularly evident in his critique of Marxist structuralism and the memorable polemic against Althusser in 'The Poverty of Theory'. Some have criticised TMTEWC for its polemical analysis, others its neglect of the middle class or Irish, Scottish and Welsh workers, feminists its gender blindness. Though much valid criticism, in Thompson's defence

TALKING TO TERRORISTS Jonathan Powell (Bodley Head, £20.00)

Glyn Ford

undiplomatic

handbook

on an

onathan Powell, as Tony Blair's Chief of Staff, played U a central role in the Irish Peace Process during the last Labour Government that was responsible for delivering the Good Friday Agreement and peace in Northern Ireland. He has since parleyed that experience into an NGO, Inter-mediate, that replicates the lessons learned all around the world from Myanmar to Syria, Libya to Columbia. Possibly uniquely of the Blair entourage, he has continued his politics under a different guise rather than being seduced by the City.

Talking to Terrorists puts front and centre the proposition that Governments should always attempt dialogue with terrorist groups as one element of a threefold process encompassing military containment, the redressing of grievances underpinning their popular support and negotiation. Governments are reluctant learners at best. All terrorist groups emerge as 'inhumane monsters' led by 'mindless fanatics' who will never be negotiated with. Yet their leaders are eventually transmuted from beast to beauty - tragically too late for the victims on both sides - as statesmen, treading the red carpets on their march into Buckingham Palace, the Elysée and the White House.

Powell takes no prisoners. Here he argues for dialogue with the Taliban and Al Qaeda. For him the latter, despite the 'Twin Towers', is no different than their terrorist predecessors. Technology has changed. Although Powell doesn't say it - on 9/11 they just

Leninist style democratic centralist organisations with strong leaders are an easier prospect to negotiate with than franchise



written in the context created by new wave feminist politics.

Sheila Rowbotham, an admiring student of Edward and Dorothy, would certainly argue this. Her slim pamphlet marks the inaugural (2012) Edward and Dorothy Thompson lecture highlighting equally Dorothy's contribution to pioneering a new kind of people's' history and a recovery of the female gender. With Dorothy it was clarity of expression, with Edward literary flourish, but with both an immersion in ordinary many would say the book was not lives, a scrupulousness in

research and giving voice to those 'hidden from history'. Rowbotham cites the fun, kindness, patience and intellectual courage of Edward and the warmth of their 'open house' in a refreshingly personal recollection.

Whatever the outcome of continuing efforts to forge a new politics of liberation, social justice and peace the role of Edward Thompson in helping to carve the outlines and begin the ploughing of this new course will stand out as an heroic contribution.

How to end armed conflicts



got (un)lucky. No one foresaw the building collapse. More recently, despite the beheadings, Powell has argued even ISIS deserves a hearing.

Having made the case for dialogue, Talking to Terrorists then becomes the handbook of how to and how not to negotiate. Not quite a 'Teach Yourself' guide, it looks at the processes from making contact to building a channel, from the use (and utility) of third parties to the negotiating process itself and the final act of implementation. This is done by reference to a catalogue of contemporary and historic examples, Ireland and Israel-Palestine, Aceh and Algeria, El Salvador and ETA.

Frankly, there is no simple template to apply. Successful peace processes share certain characteristics. Preconditions are always a mistake. The interlocutors must listen and learn to understand the other side and build trust between them. If at first you don't succeed you must try, try and try again.

copycat networks made possible in the era of Internet and social media. The nature of public support for the protagonists is important

When the two sides tire of the violence, the time is ripe for compromise. Any agreement has both accepting the unacceptable, and enduring the unendurable. Most importantly any Agreement is only the beginning of the end, not the end itself. The final peace is achieved when both fully implement what was agreed.

Is Powell right that there is always the option of negotiation? He makes a powerful case. Neofascists whose terror is a 'strategy of tension' designed to build support for the overthrow of democratic government in favour of a strong state might be a tough call. 'Lone wolves' - like the Oklahoma bomber Timothy McVeigh and Anders Breivik - might be a terrorist too far.

Talking to Terrorists is an important book that should be holiday reading for any politician over addicted to the word 'never'. Yet Powell misses a point in failing to see the financial dimension. The European Union was central to the Aceh Peace Process of 2004-7 with both the Aceh Monitoring Mission and the EU Election Observation Mission overseeing the implementation of the process triggered by Indonesian Vice-President Jusuf Kalla and former Finnish President Martti Ahtisaari. They ended a 30-year long civil war in the World's fourth largest country and largest Muslim state. The total cost was below \$10 million. Less than eight hours spending in Iraq. One might almost wish Saddam had been a terrorist!

BOOK REVIEWS

Mid Victorian English values

Duncan Bowie on Mazzini in England, nationalism and internationalism

VICTORIAN RADICALS AND ITALIAN DEMOCRATS Marcella Pellegrino Sutcliffe (Boydell and Brewer, £50)

This book is a study of the influence of Mazzini on Victorian radicals. Mazzini was an exile in London both before and after his role as a triumvir in the 1848 Roman republic, his main work on the Duties of *Man* was widely promoted by mid Victorian liberals and radicals. Marcella Sutcliffe is an Italian historian based at the University of Cambridge. Her study focuses mainly on the popularity of Mazzini in literary and educational circles, with most attention paid to provincial England, using material from a local study in Tyneside. There are a number of previous works on Mazzini's time in exile, including Stringfellow Barr's 1935 Mazzini- Portrait of an Exile, William Roberts' 1989 *Prophet in Exile*, and Denis Mack Smith's 1994 biography, so it is perhaps understandable that Sutcliffe adopts a new approach.

The first part of the book considers Mazzini's relationship with Chartists and co-operators in the pre 1848 period. Sutcliffe's focus on Mazzini's connections with literary circles means however that Mazzini's links with political organisations are not fully considered, and Mazzini's role in establishing the People's International League with the Chartist William Lovett, only gets a brief reference. This is surprising as the People's International League, was arguably the first London working class based internationalist organisation in the sense of supporting international government, although arguably in the Benthamite utilitarian mode rather than a revolutionary form, but a role rightly recognised in Mark Mazower's recent historical study of international organisations – Governing the World.

Turning to the post 1848 period, in which Mazzini was one of a large number of European republican exiles in London, Sutcliffe focuses on the influence of Mazzini on late Chartists such as W J Linton who published a translation of the Duties of Man in his English Republic journal in 1851, as well as writing his own Mazzinian republican manifesto,

VICTORIAN RADICALS AND ITALIAN



and G J Harney who established the international grouping - the Fraternal Democrats, adopting a more revolutionary semi-Marxist approach, but influenced by Mazzini nevertheless. These relationships have been studied in some detail in Margot Finn's groundbreaking 1993 study After Chartism, and also in a journal article by Greg Claeys. Regrettably, Sutcliffe has little to add on Mazzinian organisations such as the European Central Democratic Committee, an alliance with the French republican Ledru Rollin, the German Arnold Ruge, and the Pole, Albert Darasz, whose manifestos were published in Harney's Red Republican but which rivalled both the socialist exiles led by Louis Blanc and the more revolutionary grouping of Marx's Communist League.

Sutcliffe similarly fails to examine the rivalry between Mazzini's followers and Marx's which dominated the early years of the International Working Mens' Association in 1864. There is no mention of the fact that Mazzini's secretary Luigi Wolff proposed a Mazzinian manifesto to the first meeting of the IWMA's General Council (in opposition to draft submitted by the O'Brienite trade unionist John Weston, which has unfortunately not survived) and it was the Mazzinian manifesto that provoked Marx to submit his own text which was adopted as the IWMA's founding document. It is accepted that this battle of the manifestos has been separately

studied by Mastellone, but it is curious that Sutcliffe ignores such a critical debate.

It is fair to say that Sutcliffe's focus is on Liberal intellectuals in the provinces rather than the factionalism of London's republican exiles. Even on Sutcliffe's own choice of territory, I was expecting more on Mazzinian influence on provincial Liberal politics and republicanism, in terms of the relationships between Mazzini and Joseph Cowen and Jessie White Mario in Newcastle and Peter Taylor in Leicester, never mind the influence on provincial Liberal Party organisation and the policies of the National Liberal Federation, which is not even mentioned. Instead Sutcliffe in her later chapters focuses on Mazzinian study tours of Italy.

Despite the provincial focus in the first half of the book, this centres on the visits organised under the auspices of Toynbee Hall in Whitechapel by Bolton King and Thomas Okey. This produces some interesting photos of London School Board teachers on the Tuscan hillsides and some interesting anecdotes, but does not explain whether or not this Mazzinian tourism actually influenced the political activity or thinking of these hero-worshipping tourists. Bolton King (a Toynbee Hall lecturer) and Okey (a basket weaver turned Oxford Italian studies professor) were to collaborate on a book on Italy, but of the other participants we know nothing other than a few grainy images which are unidentified.

Sutcliffe's study has its fascinating elements, and is to be welcomed for its wide ranging study of Mazzini's influence and its persistency into the early 20th century. I was frustrated at the lack of connections made in the study to Mazzini's role in the politics of Victorian working class radical organisations and to the critical debates between Mazzini's view of nationalism, internationalism and democracy, based primarily on supporting revolutionary violence in Europe while advocating advancement through education and parliamentary democracy in England, and the Marxian position of international collaboration of the working class to overthrow 'bourgeois democracy.'

Old wine, new bottles

Frank Lee on capitalist

crises

MARXIST CONSIDERATION ON THE **CRISIS – PART ONE Balazs Nagy** (Workers international, £9.99)

ooking at the title of the book we may well ask 'which' crisis. After all the capitalist system is characterised by serial crises which are systemic in nature and a recurring historical phenomenon. Whisper it softly - capitalist crises are the method whereby the system restructures itself through the destruction of existing capital values, and, having cleared away all the mal-investment and resource misallocation of the boom/bubble phase, it then resumes a new round of capital accumulation. (It should be added that the system restructures itself politically and socially as well as economically. The social relations of production - the relationship between capital and wage-labour - are also restructured; this is usually referred to as the class struggle.) The notion that it is possible to construct a crisis-fee capitalism which will create semi-boom conditions in perpetuity with the benefits of growth evenly distributed – i.e., the Kevnesian

Such crises vary in the length – in both spatial and temporal terms – as well as in the level of severity. Unquestionably the present travails of the system should be categorized as a crisis, comparable to the 1930s crisis of the 20th century, and a global crisis at that. The only point of argument is the starting date. For Mr Nagy the start point was the early 1970s, more precisely when the world trading and currency system which had been operating since the end of WW2 – the Bretton Woods System - was terminated by Richard Nixon's decision, 15 August 1971, to remove the US\$'s gold convertibility and in doing so commit the world to a system of trade and finance based upon currencies with no gold backing. The great experiment in purely fiat (or paper) money and consequent exchange rate chaos had thus begun. Others would argue that the crisis actually blew up in 2007-08 when Investment and Commercial banks, Insurance Companies and pension funds, had made a huge

view – is summarily dismissed by

the author.

number of bad bets involving various exotic derivatives including Mortgage Backed Securities and Credit Default Swaps bringing them to the brink of insolvency, or worse still, actually insolvence. as the financial crisis morphed into an economic crisis.

The present 'recovery' from this systemic shock has been both historically weak and uneven: disposable income has fallen due to wage, pension, benefits depression, i.e., incomes falling behind the understated official level of inflation.

Moreover, the banks, governments and other financial institutions and industries are simply now repeating the excesses of the very policies which brought the world to the brink in 2008

Mr Nagy's revelations add nothing new to the narrative in both the description and aetiology of these events, but his account is nevertheless compelling.

More interestingly perhaps he identifies global and geopolitical developments which are complementary and contiguous to the financial/economic crisis: principally the genesis of imperialism to its present form. This development was noted by Lenin earlier in the theory of combined and uneven development. He wrote: 'It is inconceivable that in 10 or

20 years time the relative strength of imperialist powers will have remained unchanged. It is out of the question.' The decline of the North-Atlantic economic bloc and Japan and the emergence of the newer economic powerhouses, particularly China, are seen as a dangerous challenge to

the old order; though of course this is never publicly admitted. Given this historical development it would appear that the interimperialist rivalries which were a feature of the 19th up to the late 20th century has been replaced by a collective imperialism consisting of the USA and its vassal states in Europe as well as Japan.

The principal target of the new collective imperialism are the independent developing nations the BRICS - Brazil, Russia, China, India, South Africa, particularly Russia, with China not far behind. The US project for a neoliberal world order - an order which they can control and extract imperial rent - cannot tolerate any state which insists on an independent path as this conflicts with the US's global neo-liberal project. Such uppity states must be regarded as actual or potential enemies, impediments to the New World Order (NWO). This goes some way to explaining the present global disorder; from the middle-east, to Eastern Europe and East Asia.

There is also an interesting discussion of gold and the end of the gold standard contained within this volume, but time and space does not permit any serious description/analysis on my part.

Much of what Mr Nagy writes is known already, but given the total incomprehension of mainstream 'thinking', the counterarguments and critique need to be repeated ad infinitum. Marxist analysis may be old wine, but that does not necessarily make it wrong or irrelevant.



BOOK REVIEWS

Palestinian torments

Jon Taylor on collective punishment

GA7A Jean-Pierre Filiu (Hurst, £25)

Given the impact Gaza has had on world politics, it is extraordinary that this is the first comprehensive history of the territory. The Gaza Strip as it is today 'is not so much a geographical entity as the product of the tormented and tragic history of a territory where the majority of the population is made up of refugees who have already attempted to escape other torments and other tragedies'.

In fact, the author spends only 56 pages – in a 400 page book - on the historical Gaza. By page 57 we are plunged into the Nakhba or Catastrophe of the expulsion of the majority of the Arab population from the new state of Israel. On 27th November 1947 the UN General Assembly passed Resolution 181. This endorsed the partitioning of Palestine into two areas, thus giving the Jewish population, who made up one third of the population, one half of the territory.

Filiu's motive for writing the book is that it 'is necessary to reexamine Gaza's history in order to open a vista beyond today's devastation and grief and to bring into view a new horizon for the future'. Filiu divides his re-examination into generations. The first generation (1948-1967) was the 'generation of mourning'. because of the enduring shock of the loss and expulsion of the large part of the Arab population. The second (1967-1987) was the 'generation of dispossession' because of Israeli occupation and settlement. Then came the 'generation of the Intifadas' (1987-2007). ry. He states the facts but also Finally, there is today the 'generation of the impasses'.

Gaza was historically a thriving oasis that served as a springboard for any power in the Middle East wishing to conquer Egypt. But also any ruler of Egypt who wished to conquer the Levant had to dominate Gaza first. In 1917, as part of the First World War, Britain fought three battles in Gaza for control of the Ottoman Empire, finally succeeding.

Writing the book presented Filiu with something of a challenge. In 1967 Israel stole the Egyptian archives in Gaza and



has since refused to allow academics to study them. Working in the territory is itself problematic because of the daily security issues. The principal Palestinian forces there, Fatah and Hamas have their own stories to peddle; a historian has to get behind these in order to understand the real history. It is to Filiu's credit not only that he overcame these challenges but that he has managed to construct such a clear narrative for the book.

Filiu is not of the now outdated school of history that believes in something called 'objective' histo-

reserves the right to say whose side he is on. For seven years now Gaza has been under siege by Israel. 'This siege is a collective punishment and an act of war that are both condemnable' (interview). The irony of this situation is that it has strengthened Hamas instead of weakening it, as Israel, Egypt and USA and the EU wanted. In the 1970s, after the 1967 war, Israel covertly supported the Muslim Brotherhood in Gaza because it feared it less than the secular nationalism that was the alternative. It was the Brotherhood's social and political operations in Gaza that eventually led to the establishment of Hamas. The 'active interference' of the USA and the 'passivity of the EU' then sabotaged any chance of international engagement with Hamas after its 2006 Palestinian election victory.

Professor Filiu has a very clear understanding of the history of Gaza and he expounds it in his book (well translated) without any of the complexities often introduced by historians. He believes that the peace required between Israel and the Palestinians can emerge only from Gaza itself, despite the violence that is a daily fact of life there. Such a peace must involve 'a fully-fledged Palestinian state of both Gaza and the West Bank'. If he does not say how this might be achieved, that is because he is a historian and not a politician.

A practical point about the book. Although it is 400 pages long, the font size is large so that there is not too much material on each page. It makes for easier reading.



Don Flynn on a personal account

Libertarian lawyers

ON LIBERTY Shami Chakrabarti

vear.

(Allen Lane, £17,99)

iberty, once well-known as the National Council for

Civil Liberties, will be celebrating its 80th birthday this

It is an auspicious moment for an organisation that was born in the heat of the social and economic struggles of the 1930s, bringing radical lawyers into

the fray as defenders of the rights to the unemployed workers participating in the famous hunger marches of that period. With all the news about the entrenchment of low wages and the ubiquity of food banks in the life of the nation again, one imagines there will be plenty of occasions to call on the support of legal defence teams to protect the rights of being those marginalised by the arcane workings of the economy in the days ahead.

The organisations current director. Shami Chakrabarti, offers up a personal account of the work of Liberty today, weaving it around her own involvement, firstly as in-house lawyer freshly poached from the Home Office's legal team, and latterly as a leader who has crafted a much higher media profile for its work.

She came to the forefront during the years when New Labour was performing a peculiar volte face on its own Human Rights Act as it zealously promoted the 'War on Terror' alongside its US partner. Government ministers rushed to draw the curtains down on privacy, the right to a fair trial, and the freedom to protest. Citizens found their daily dealings online and in real life being subjected to unprecedented surveillance, the Home Office threatened 90 day detention orders, ASBOs were sprinkled confetti-like across deprived hous-

the way it provided opportunities for ordinary citizens to challenge the increasingly authoritarian ways of the country's rulers. Chakrabarti shows how her team at Liberty threw body and soul into the task of gathering evidence and representing people being lashed by the new harshness of the state. But she also saw the need to go beyond the legal strategies of public trial to challenge the unhealthy, anti-liberty moods of the powers-that-be. The values of human rights needed to take root in the lives of ordinary people who were being required to fight

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ing estates, and anyone indignant enough to want to speak out risked being 'kettled' by police cordons for hours on end on streets that they once thought they had the right to traverse.

Once promoted by Jack Straw during his time as Home Secretary as the single measure that would come to define New Human Rights Act came to be alised racism. reviled by government because of



daily battles to resist the sorts of injustices that began to rip across the land. Doreen Lawrence's decades-long battle with the Metropolitan Police over their failings to track down the killers of her son Stephen, needed the dimension of human rights law to force disclosure and make public all the manifold failings that Labour's period in office, the arose from the force's institution-

The loutish behaviour of local

government, threatening to evict the parents of offspring deemed guilty of anti-social behaviour without any consideration being given to the degree of responsibility for such wayward action or the hardship it would cause the family, was also the subject of Liberty action as it worked to deepen and broaden the application of human rights to these situations.

Liberty was born during an epoch of struggle in which the leadership of the labour movement evinced a modicum of understanding about the class nature of the grievances that beset millions of citizens. The party that was on the streets and marching alongside impoverished workers back in the 1930s long ago withdraw itself from this role and settled back to enjoy the perks of what felt like the exercise of power and authority.

We are again standing on the threshold of

austerity-driven hardship that is as likely to be as great as anything that went on during the time of the Jarrow Marches. Once again the skills of libertarian lawyers will be needed to hold the state in check as it lashes out against all the people who are being ordered to deliver up massive sacrifice in order that the profits of the private sector are safe and secure. We should be grateful that Liberty is in such obvious rude health, celebrating 80 past years of trenchant legal battling, and hopefully looking forward to many more to come.

YOUTH VIEW



I am not what a feminist looks like

Youth view returns with **Patty McCabe**

write probably puts me in a minority of the females of my generation. I am a white, lower-middle class, well-educated and ambitious 23-year old female, but I absolutely point-blank refuse to identify as a feminist. My reasons for refusing to identify as a feminist are not due to the label being (incorrectly, I must admit) identified with an aggressive, radical brand of feminism, nor are they due to a belief that men and woman are completely equal. Rather it has to do with the current discourse surrounding feminism and its inability to offer any solutions to political problems.

hat I am about to

The recent furore over *Elle* magazine and The Fawcett Society's 'Rebranding Feminism' campaign only highlights my concern over the issue. Like most of these campaigns, it is not wrong in principle. It draws attention to inequalities that are very real and attempts to direct attention to the possibility that feminism does not belong to the radical bra-burning brigade but to anyone, men and women alike, who believe that women should enjoy the same opportunities as men. But what does wearing a t-shirt actually do? What are Ed Miliband and Nick Clegg actively doing about the issue of inequality in our society by wearing a tshirt that David Cameron, by refusing to wear one, is not?

A recent comment by Susan Calman on BBC Radio 4 The HIBSCHIBBERTO CH News Quiz, stating that Cameron should wear the t-shirt, a t-shirt that was in fact produced in a Mauritian sweatshop by women earning 62p an hour, because it would show all the little girls in Britain that he had their interests at heart highlights the problem that is central to the diffireduced the complex issues



The best way to tackle inequality: policies not t-shirts

around inequality in this country to a rhetorical commodity. I understand the thinking behind the Rebranding Feminism campaign was to put the emphasis back on the 'equality' element that sometimes slips away from feminist discourse. This to me is all just a debate about semantics. In truth, feminism does not, and cannot mean equality. Feminism means equality for women, it means equality for a single group, which in my book is not equality. Searching for solutions for equality for women as a single group does not take into account acute inequalities between human beings of different socio-economic

groups, races, religions, sexuality and sexes. This should be a huge concern for Ed Miliband more than any of the other leaders of the political parties. Opposing the individualist, market-orientated vision of the centre-right, those who are on the Left should have as their main concern the betterment of society as a whole, rather than the individual groups within it. It was after all, the boom of identity politics in the sixties that sounded the death-knell of the Left as a vibrant political force in the first place. Feminism, despite its claim that it means equality, is a form culties surrounding of identity politics and any form f e m i n i s m . of identity politics automatically C a l m a n creates conflicting groups all screaming for attention for their highly cause to be heard. In the Rebranding Feminism campaign, the interests of those who wanted to attract attention for the feminist cause have already come up

against those who campaign against the abuse of cheap labour in the developing world.

If we are to talk about equality, and I mean equality within society as a whole regardless of individual groups, then we need concrete policies, not t-shirts with slogans. So Ed, now we know what a feminist looks like, what are you going to do about it?

The best way to start with really tackling the problem of inequality is to start at the roots of the problem. Start with a good state education system and welfare system. Both have been proven to improve the conditions of women. Women were the main beneficiaries of the NHS in its early years, having access to medicine and better child birth provisions. Better welfare includes childcare which could allow women from a poorer background to go back to work and an education system that focuses on the care of each child rather than meeting various SATs, GCSE, and A-Level quotas will dramatically increase the opportunities of children of both sexes and from all backgrounds. This is not an immediate fix, but it is a focused and effective change that will benefit society as whole, hopefully with the outcome of limiting the inequality of opportunity between different groups. Tackling inequality within society as a whole is more difficult than promoting the case of interests groups within society, but it is not something that politicians, least of all those on the Left, should shy away from.