

CHARTIST

For democratic socialism

September/October 2014 #270 £2

End the siege



Lucy Anderson MEP

Europe

Andy Gregg

Gaza

Gerry Hassan and

Maria Fyfe

Scotland

Prem Sikka

Taxation

Paul Nowak

*Trade unions &
austerity*

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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 in 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

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Cover cartoon by Martin Rowson

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OUR HISTORY

Sidney Olivier - White Capital, Coloured Labour

Hope for Cyprus: 40 years on

Reccep Tayyip Erdogan won the Turkish presidential election in August. In 1974 there was the Junta in Athens. They caused a coup against Cyprus President Makarios and then Turkey intervened. In August, the Turkey military spread out from Nicosia and Kyrenia to Famagusta and Morphou. They are still there.

So much has changed, yet the individual memories and collective propaganda trump the progress. Facts remain: Famagusta has a fenced off area, Varosha is a ghost town. The Turkish government calls the shots in northern Cyprus. Conscientious objection for Turkish Cypriot reservists is illegal even if married to a Greek Cypriot. The Green Line still separates despite the occupation of the Buffer Zone by Cypriots who want to meet. Civil society, ahead of the politicians, await developments.

Turkey is also a different country from the mainly poverty stricken place that Bulent Ecevit led in 1974. As one of Cyprus' guarantee powers Ecevit came to London to consult about what to do about the coup. He went away without agreement.

Greek Cypriot politicians were thinking, encouraged by USA contact, that once Erdogan won the Turkish presidency he would make a Cyprus concession. Despite winning in the first round, there was only a 70 per cent turnout, he didn't make 52 per cent of that. He needs to sort out who becomes Prime Minister, deal with his Kurdish population, Ocalan their leader is still in prison. Ironically, Britain is being urged to arm Kurdish fighters against ISIS. Turkey has been fighting the PKK unsuccessfully for years.

Who tells the truth about Turkey? Many journalists are in jail. One woman based in Ankara sensed the irony of Erdogan's celebrating the Cyprus peace operation while condemning the actions of the Israeli state in Gaza. Are the EU countries using Cyprus because they don't want Turkey despite the contradictions this causes for NATO?

The Cyprus peace talks ended on 24 July without agreement on things agreed or not agreed. The

negotiators did not travel to Ankara or Athens. One negotiator wants to be the Turkish Cypriot leader rather than the one he is answerable to next April if there are no developments in the talks. They met on 26th August as a prelude to the 2nd September leaders meeting.

More remains of 'missing people' are being identified and returned to their relatives.

Some Cypriot school students have spent their summer together with host families in the USA, organised by the Cyprus Friendship Programme, or camps in Cyprus. Before email and the opening of the Green Line they couldn't keep in contact. Now they can and they do. Breaking down stereotypes and learning their communality builds hope for the future.

Some Cypriots now see themselves primarily as Cypriots distinguishing themselves from Greeks and Turks. Some place first their linguistic and cultural heritage attachment to Greece

and Turkey. A federal bi-communal bi-zonal federation could take them all forward if agreed in the near future. Exploitation of natural gas in Cyprus' Economic Exclusive Zone awaits a settlement where profits can be shared or risk Turkey's intervention. Compared with the rest of the region, Cyprus could be an oasis of calm, sense and stability. It could help to export peace.

Turkey knows that any European ambition runs through Cyprus. Cypriots know that there is a peace dividend however calculated. They are ready but cynical and tired of waiting. Their politicians talk as if nothing has changed in 40 years. Political will needs to be found somewhere. Perhaps the awful events elsewhere in the region puts things into perspective. Peace is there to be claimed.

Mary does briefings for the Friends of Cyprus which are available from her, marysouthcott@hotmail.com.

SCOTTISH INDEPENDENCE why the Left must say 'Yes'

Saturday September 6
1pm

London South Bank University
London Road
London SE1 0AA.

(Nearest tube is Elephant and Castle Bakerloo line
exit and turn right into London Road
and entrance is fifty yards down on the right)

Speakers:

Bernadette McAliskey, former MP for Mid Ulster. Bernadette is a socialist, feminist, republican, human rights campaigner and community activist.

Allan Armstrong, author, member of Radical Independence Campaign. Allan is a regular contributor to *Emancipation and Liberation*.

There will be contributions from organisations supporting the yes campaign:

A World to Win, Agreement of the People, Occupy (Real Democracy), Republican Socialist Alliance, Revolutionary Socialism 21, Socialist Resistance, Scottish Republican Yes Tendency (Left Unity)

advertisement

Blood, bombs & austerity

Problems of division at home and abroad require better answers than the ones we're currently given

Conflicts in the Middle East have dominated the summer headlines. A quest for justice and self determination lies at the root. The legacy of the failed military intervention in Iraq reveals a broken state seemingly incapable of creating an inclusive non-sectarian polity.

Dominating the whole region is the fate of the Palestinians and their struggle for statehood. The one-sided intervention of the USA, Britain (£42m military equipment sales) and Europe in supplying huge military stockpiles of advanced weaponry to Israel makes the battle in Gaza a David and Goliath struggle. As we go to press well over 2000 Palestinians—mainly women and children civilians—have been killed by Israeli military forces. The land, sea and air blockade has created an increasingly desperate situation. **Andy Gregg** details the strategy of the Zionist state in its bid to deny even a limited two-state solution as prescribed at the Oslo peace talks. **Phil Vellender** highlights the bias in BBC and other mass media reporting of the one-sided war. The UN needs to implement its resolutions against occupation and apply sanctions appropriate to the repressive apartheid Israeli state or the region will continue to bleed.

In Ukraine, close fighting is taking place between the Kiev forces and the Don Bas separatists and the city of Lugansk is now surrounded; being shelled and bombed. Whatever the military outcome of the situation, the political initiative has probably been lost: bombing and shelling civilians is not a good way to win hearts and minds.

Meanwhile, for the UK, the dominant issue until September 18th will be the Scottish independence referendum. *Chartist* correspondents have expressed various views on the campaigns for an independent Scotland—largely fronted by the Scottish National Party and the cross-party pro-union 'Better Together'. In this issue prominent analyst **Gerry Hassan**, summarises much of his recent book *Caledonian Dreaming* on the rise of the new radicals in Scotland. Whilst puncturing many of the pretences and posturing of the pro-independence movement, he sees huge weaknesses in the Labour case against independence. Ex-MP **Maria Fyfe** strongly embraces the union; highlighting the actual and potential benefits of a United Kingdom and the damage of a divorce. **Paul Salveson** sees successful Scottish independence as part of wider moves for UK regions and people to take greater control and ownership of decisions that affect them.

Underlying all these struggles is the question of power: who owns and controls our society? In whose interests is the economy geared? Whatever affiliation socialists and radicals have, it is still the case that only the Labour Party can provide an alternative government to the Tories. As Labour meets for

its last conference before next year's general election is it likely to adopt policies that represent clear red water between it and the opposition? Without radical policies to address the challenges it is unlikely Labour will win the necessary majority.

As **Paul Nowak** of the TUC argues, statistics may show an economic revival after six years of stagnation but what counts is living standards and how people experience the economy. The reality is more people using food banks, growing poverty and a society wracked by divisions between the haves and have-nots. **John Lea** sees this alienation as one of the key unresolved problems from the riots three years ago.

The much trumpeted fall in unemployment is largely a result of more self employment and of young people staying in education or training. Recent figures from the ONS show self employment at its highest for 40 years with 15% or 4.6 million people today as compared with just 8.7% in 1975. The reality is longer hours, lower incomes and insecurity with 22% experiencing a fall in real pay since 2008-9, says the ONS.

Higher rail fares and housing costs, soaring energy bills and a pay freeze in the public sector all underline the need for a new approach. In response to the Coalition government's placing the burden of paying for the bankers' economic crisis onto working people, the TUC is supporting a mass demonstration on 18th October on the theme 'Britain needs a pay rise'.

The Labour policy review has produced blurred lines rather than clear red water between the party and Coalition. Despite pledges to freeze energy prices, boost affordable homes and introduce a living wage, Labour clings to the same austerity agenda. This is not going to secure a majority Labour government says **Peter Kenyon**. A commitment to properly paid work, investment, wel-

fare and health provision which puts need before profit is the route Labour needs to embrace.

This call is echoed by **Lucy Anderson**, newly elected London Labour MEP. **Emmanuel Maurel MEP**, **Mathieu Poydesseau** and other French Socialist Party members are backing Socialists Against Austerity in the face of damaging backtracking from the Hollande government. Across Europe public spending cuts, deflation and job losses—especially harsh in Greece and Bosnia, as **Sheila Osmanovic** reports, require a new anti-austerity voice to be heard in government, conferences and policy groups. As **Prem Sikka** argues, there is money to pay for investment and public services in the billions lost to governments in tax avoidance by the big corporations. Closing tax loopholes through unitary taxation must be a priority for any incoming left government. Will Miliband and other European social democratic leaders finally seize the opportunity?



Despite pledges to freeze energy prices, boost affordable homes and introduce a living wage, Labour clings to the same austerity agenda. This is not going to secure a majority Labour government.

Building new bonds between Scotland and the North

Paul Salveson
on new
worlds

These are exciting days for Scotland. The ferment of ideas around the independence campaign goes way beyond the SNP, embracing a wide cross-section of society involving the Greens, Scottish Socialist Party, many Labour Party members and a huge number of people who have not been involved in 'politics' before.

In the North of England there is a growing sense of grievance about the widening gap with London and the South-East. It is economic and social: as yet it hasn't really developed a political expression but it's going that way. The newly-formed 'Yorkshire First' party won nearly 20,000 votes in the European elections, after being in existence a matter of weeks, with a tiny budget. Similar moves are afoot in the North-east and there are signs of interest in a pan-Northern political movement. As a member of the Labour Party I want to see my own party embrace the idea of directly-elected regional government on a similar basis to the governance enjoyed by Scotland, Wales, Northern Ireland and London.

As things stand, people in the North are watching events in the North of England with mixed feelings. I don't detect any 'anti-Scots' sentiment despite the intense London media hostility to Salmond and the nationalists. Within the Labour Party there are quite a few of us at the grassroots who support independence though most are against, for two main reasons. One is the electoral maths: an independent Scotland would mean fewer Labour MPs and the possibility of a permanent Tory majority. In fact the experience since the war has shown that in most general elections when Labour won, it would still have had a majority without its Scottish MPs.

The second reason has perhaps more resonance: a Scot-free England would become even more unbalanced with the North abandoned as the south-east 'powerhouse' steams ahead. There is a very real risk here, regardless of who wins the election next year. Labour seems concerned to demonstrate it is not just 'the party of the North' even though it's where most of its support lies. It wants to win votes in the south - and there's a certain irony that while the Tories (who need to win seats in the North) are coming up with suggestions for major investment - such as the HS3 high-speed line from east to west - Labour is silent or cynical. The issue of an unbalanced England, with an increasingly rebellious Wales, will become more and more pronounced driving demands for real devolution within England. Change will have to come and it will be driven by a new coalition of political forces. We can learn much from the tactics of the radical independence campaigners in Scotland who have mobilised new forces

and adopted very different tactics. There are thousands of people out there who want change but feel dis-empowered by politics south of the border.

Let's look at some more arguments against independence, from a 'Northern English' perspective. The recent 'love bomb' from 200 'celebrities' organised by Dan Snow was, on one level, laughable. In fact quite a few comedians, ranging from Bruce Forsyth and Ronnie Corbett to George Galloway figured strongly. I wouldn't take guidance from any of them. One of the things Snow said did make sense. He wanted to retain the 'bonds of citizenship' which unite us. In reality the 'bonds of citizenship' between Scotland and England are invariably mediated via



The North of England and Scotland will achieve much with closer ties

London and its Westminster bubble. Citizenship is not an abstract idea, it is about real, living links between people. These can, and do, cross national borders. I have more friends in the Irish Republic than Northern Ireland: the border is irrelevant. I very much hope over the coming months we can strengthen our 'bonds of citizenship' with the people of Scotland, whatever the outcome of the vote. The same goes for class solidarity. Some on the left have argued that independence is either irrelevant or an obstacle to 'class solidarity'. Why? We've seen precious little of this class solidarity in recent years; I'd welcome more collaboration between trades unionists across the UK. Again, the border is irrelevant. It's interesting that a growing number of union activists have embraced the 'yes' campaign even if the London-based leaderships are against.

A 'yes' vote will have a major impact on the British state, showing that 'another world is possible'. Yes, it is a leap in the dark. Nobody really knows how an independent Scotland will perform, though the experience of other emergent nations is that after a possibly bumpy start they will blossom. The alternative is to continue with the status quo, perhaps a bit more devolution, but continuing with the shared neo-liberal agenda embraced by the main parties. We need to develop a debate with our friends in Scotland and Wales and Ireland about what a future democratised British Isles would look like. That debate needs to take place outside and beyond the London-based elite.

The first step for a new Federal Britain is a 'yes' vote on September 18th. That great English radical, Tom Paine, who played a key role in an earlier 'independence' struggle for what became the United States of America, said "We have it in our power to begin the world over again". Over two centuries later those words still ring true. Let's reject the politics of fear and conservatism and embrace radical change in these isles.

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A Local Government Innovation Taskforce promises to change the nature of local government. Keith Savage considers the prospects for success.

Can public services be reformed?

The issue of improving public services without necessarily spending more money on them has been raised in the pages of *Chartist* before. It is a question that has also exercised the Labour Party leadership and in July a report was published that will be significant to Labour's election message in England next May.

The Local Government Innovation Taskforce was commissioned by Ed Miliband 'to advise us on how we can make a difference even when there is less money around.' The Taskforce was led by Sir Richard Leese, Leader of Manchester council, Sharon Taylor, Leader of Stevenage council and Jules Pipe, Mayor of Hackney. In addition a number of other Labour council leaders served, and evidence was received from dozens of individuals and charities.

The final report makes a number of pledges and recommendations which we are entitled to judge in terms of their likely electoral impact and, more importantly, in terms of how they might transform the communities in which we live and work.

The key starting point of the recommendations is summed up in these terms: 'we need a culture of people-powered public services that puts power in the hands of people and disperses it within communities. Devolution will be central to achieving this and core to a Labour government's reform agenda in the next parliament'.

For those of us with long-memories this focus may not seem all that earth-shattering or radical. Back in the 1980s, inspired by feminist authors, many debates about the provision of local services emphasised the potential to transform the power relationships between those that provided the services and those that used them. However, let's be glad of this starting point and see if it can be used in a genuinely radical fashion.

The Report goes on to spell out what it calls a 'New Deal' for English councils and makes five pledges on behalf of the next Labour government. As a result of a redistribution of power to local communities Labour would promise: to provide people with the care they need to live independently; to give every young person the opportunity to get a decent job; to increase community safety and reduce crime; to help excluded families to overcome challenges for good; to give every child a good start in life.

When I picked up this Report I really hoped to be inspired by it but the five pledges, undoubtedly worthy as they are, seem unlikely to capture the imagination. In part this is because they are like the proverbial 'apple pie' - who wouldn't want these things? I can't help but feel that an electorate would

be sceptical about the worth of these pledges - but is there more in the detail of the Report to get excited about?

The Report suggests that three core principles underpin the proposed reforms:

- **People power:** People should be more involved in the design and delivery of services, able to access information to inform decisions and empowered to hold local services to account. As they share in power people also share in responsibility for achieving sustainable outcomes: services should not be a one-way transaction that is 'done to' people but should work actively with them to shape solutions.

- **Collaboration:** joining services up around people and working towards closer integration of separate services. At present many public services have strong organisational identities which are hard to shift. This can hamper collaboration around people and places to achieve sustainable outcomes.

- **Prevention:** shifting away from high cost reactive approaches towards investment in preventing problems before they occur or deepen. This means taking a more long-term view of public spending and a shift towards service interventions that can tackle the root causes of problems.

The first point captures elements of a radical critique of our public services. Services are treated like any other commodity - in the same way that you go to the supermarket and buy groceries, so you pay council tax and your waste is collected. This is essentially an alienating transaction. There is no sense that this is a service that you, the tax payers, have any say in.

So, two cheers for this Report. It identifies some crucial questions and outlines some possible first steps. The matter of two-tier local government is fudged. Having borough or district councils and county councils providing services for the same area makes little sense if you are serious about 'joining-up' services and properly engaging communities in service design. Trying to liaise across two (or sometimes three councils) is likely to add to frustration and confusion. So a recommendation on unitary authorities would have been welcome.

Whilst not greatly exciting, this report is what we have and it is important that we engage with it as fully as we can. Transforming local services will be a slow job and if Labour is to make significant progress in the next parliament then it will need to hit the ground running.

Keith Savage is a councillor in High Peak



Sir Richard Leese, leader of Manchester City Council, is one of the contributors of Labour's ideas for local government

Paul's website is
www.paulsalveson.org.uk

Scotland's new radicals

Gerry Hassan on the opportunities and challenges of the Independence debate

Radical Scotland's re-emergence and re-invigoration around the independence referendum has been one of the most welcome and positive occurrences for many years in Scottish politics.

An array of groups, networks and initiatives of which the most prominent are National Collective, the Radical Independence Campaign and Jimmy Reid Foundation, have brought new ideas and energy, fresh ways of doing things and a sense of generational change. In my book* I have described these groups as representing 'the third Scotland' – distinct from the two establishments who have so defined modern politics – Labour representing the old, declining order, and the SNP, the promise of the bright, new class.

There is within Scotland's new radical voices the emergence of an unrealistic left politics – postulating a series of simplifications and inaccuracies. These need to be challenged.

The problem of neo-liberalism

First, there is the promotion of a caricature of the British state. This draws from the influence and writings of Tom Nairn, but without understanding his analysis. The British state is regularly presented as broken, unreformable and undemocratic, all of which might be true, but which ignores the extent to which it has other characteristics and an element of adaptability. Examples of the latter include Scotland getting a Scottish Parliament when Scots voted for it in decisive numbers, and the existence of the independence referendum.

Second, is the problem of neo-liberalism. This has become a blanket term of catch-all abuse used by people to identify what they don't like from Gordon Brown and New Labour to the City of London. In this strange world neo-liberalism is seldom defined and understood. Not everything Brown and New Labour did was motivated by the logic of neo-liberalism. Instead like the modern SNP they were

an uneasy compromise between it and a social democratic impulse.

Related to this, the threat of neo-liberalism is consistently posed as external – gathering over the border in the highest echelons of the British state, political classes and think tanks. Its presence in the Scottish state and policy is often ignored or downplayed, or posed as a problem about Britain.

Third, there is the talk of Scotland's egalitarianism and compassion as if such qualities defined our public life and services. Thus, this version of our society, which in its more traditional accounts invokes 'the democratic intellect' and 'the mutual bonds' of civil society, shows little interest in how we selectively implement these values, and in places pretend we do when we often don't. The mismatch between how we see ourselves, and our actions and words is pivotal to the maintenance of this.

Fourth, there is a lack of awareness that political change isn't easy. Instead, it is often presented as simple and only requiring will, vision and a sense of direction. Thus, system change of the scale of 1945 and 1979, which this current debate is regularly compared with, didn't come about without huge effort. In both of these cases, British change was part of a seismic international movement, in the latter running from Europe and the US to China and Iran (see on this Christian Caryl, *Strange Rebels: 1979 and the Birth of the Twentieth Century*).

Fifth is the missing question of agency. Political parties and trade unions and with it the idea of the labour movement have retreated and diminished. Most NGOs have become incorporated and reliant on the state, so a key question is where are the social groupings, interests and locations going to be to create a long lasting movement for change beyond the independence referendum?

Genuine political movements have an awareness of who they are giving voice to and their wider anchoring, and in this Scotland's new radicals – disproportionately young, articulate and educated



Even without Tommy Sheridan kicking about, Scotland's radical left need a heathy dose of realism

but in portfolio, semi-self-employed and insecure work - are members of what is called the precariat. This may be a rising grouping across the West, but it isn't enough on its own to make a viable force.

Sixth, in relation to Scotland's role in Britain and the world, this isn't a post-colonial moment. It cannot be because Scotland was never colonised, while many of its people and society engaged in colonising others (see Tom Devine's *Scotland's Empire*). Any portrayal of this as post-colonialist is an inaccurate reading of Scottish history, our role in Empire, and insulting to genuine liberation movements which fought against colonial rule.

The above have to be seen in relation to the failings of the pro-union left in Scotland who aren't exactly in a positive state. They after all present a vision of Britain unconnected to reality, invoking the hyperbole of 'the greatest union in the history of human civilisation', the opportunity it gives for redistribution and such obvious whoppers as its 'generous welfare state' (LibDem Michael Moore).

There is also the absence of presenting any plausible way of advancing a progressive Britain from the rather unequal, unprogressive present day. In this there is an invoking of a fantasyland Britain, which is particularly problematic for the Labour Party, and a refusal to engage with the character of the British state and

how it has become an advocate for corporate crony capitalism (quite a lot of this happened on New Labour's watch).

Seismic political change is complex. It cannot be reduced to a pre-prepared formula for success. Take a couple of examples. Some people are saying Scotland could be the 'first democratic socialist country in the world'. This is delusional. There is no immediate prospect of this happening in Scotland, or anywhere else – the UK, the Nordics, Western Europe or Latin America.

Take the Jimmy Reid Foundation's Common Weal programme which has the strapline 'All of Us First', rather than a 'Me First' society. The Reid Foundation have produced a wealth of research papers, many of them well written and considered, but there is an ambiguity at the heart of Common Weal. On one level it over-promises declaring that we can knock the old order down and make a more egalitarian society, while on the other it can appear mundane and about something not very significant, with Isobel Lindsay declaring 'we have a Common Weal NHS at the moment'.

Similarly, as the Scottish debate has brought to the fore the failings of Anglo-American capitalism, there has been more referencing of the Nordic model and its variant of social democracy.

Two radical roads

This brings us to the state of Scottish society. There are two very different routes open to radicals. The first is to invoke and reinforce the myths of Scottish society – that we are different, special, egalitarian and democratic. The second is that we see our myths as what they are; myths and challenge them, dig them up and look at ourselves in all our 'glories and stupidities' to use Fintan O'Toole's phrase.

This is a profound choice. The first road seems like the road of least resistance and has been one historically chosen by Scotland's institutional elites and also by successful political parties from post-war Scottish Labour to the current SNP. It represents a consensus which runs from Gordon Brown to Robin McAlpine of the Jimmy Reid Foundation, Joyce Macmillan and 'civic Scotland'. This broadness tells us something about it: that it can be all things to all men and women, and that it is filled with contradictions and

shaky foundations.

The second is the option of challenging the narrow bandwidth of what Scotland has talked about politically (the Westminster dependency, the pocketbook Parliament), and paternalist institutional elites which has characterised society for as long as anyone can remember. It entails taking collective responsibility for our decisions, understanding choices and trade-offs have to be made with distributional consequences, and that is part of a painful process of growing up, i.e. we stop blaming others and reflect on what we can decide to do for ourselves.

The first involves going with the grain of society as it has been and repeating mantras such as 'no tuition fees, free care for the

There is within Scotland's new radical voices the emergence of an unrealistic left politics – postulating a series of simplifications and inaccuracies. These need to be challenged

elderly' as if this were proof of progressive credentials. It isn't; it is evidence of how insider groups have worked Scotland's political system. The second entails going with the emerging grain of the Scotland now evolving: a society which is moving from being closed, top down and deferential to one more pluralist and disputatious. After all the story of Scotland of recent times has been of institutional turmoil and collapse (for example, the collapse and crises of RBS, Rangers FC and the Catholic Church).

Post-September 18th

Scotland is being changed by the independence debate. It is being changed by the new radicals. A different Scotland is being made in the here and now. To sustain and build on this post-September 18th, three factors have to be understood. First, there has to be an awareness of the difference between campaigning mode and governing. Thus, it is appropriate to say that 'the UK is the fourth most unequal country in the developed world' as a soundbite, but it is more difficult to develop a coherent programme of social justice.

Second, there has to be recognition of timescales and priorities. This is missing from most of the interventions of the new radicals at the moment. The problem of

what Bernard Crick once called 'the instant gratification culture' of the left has to be overcome. This has a tendency to believe that the new social order of plenty can be easily built and the old ways overthrown as they are so discredited. This is a route which only ever leads to disappointment.

The myths

Finally, there is the issue of Scotland's myths, who our myth-makers are and whose interests they serve. Scotland's new radicals have to realise that the myths of our country have reinforced a faux social democracy and progressive politics of our elites and professional classes which Labour and SNP have articulated and benefited from.

The independence debate has to be understood as not just a decision about Scotland's constitutional status but about what kind of society people wish to live in, and how to navigate a path to it. In this it is a product of a country becoming less managed and controlled, and acting as a catalyst, further shifting power and authority.

Whether Scotland votes Yes or No on September 18th an ecology of self-determination and a different Scotland has been born. It is an incomplete project with work to do, but it is a force of creativity, imagination and radicalism. Scotland and the rUK. The UK will never be the same again.

***Gerry Hassan is author of Caledonian Dreaming: The Quest for a Different Scotland and a Research Fellow at the University of the West of Scotland**

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Labour, be bold!

Peter Kenyon sees a risky strategy and wants Miliband to be honest with voters

Fingers crossed Labour leader Ed Miliband is saving the best until last. Firing off policy ideas too early just feeds a hostile, predominantly right-wing press. So an apparently incoherent economic policy less than a year before a General Election might not be such a bad tactical move. But it is testing for party members keen to get out on the doorstep with clear, easy to tell messages. Repeating commitments to Tory austerity policies is regrettably saps the party faithful's morale, put off prospective new members and reduces the odds of winning an absolute majority of seats in the Westminster parliament next May. That is a risky strategy. We can only presume that Miliband believes the electoral downside of upsetting financial markets, the business community, and the media, versus being honest with the electorate, are still too great to come clean?

Great tragedy

A great tragedy befell the Labour Party when Alistair Darling, as Britain's chancellor of the exchequer (commonly known as Finance Minister in any other jurisdiction) announced in January 2010 that the budget deficit arising from the banking crash in 2007/08, would be cut by 50% over the course of the next (Westminster) Parliament. Deliberately or otherwise, he cemented a Thatcherite mantra into the national political consciousness – treating state finances just like a household budget. Why 50%? Why five years? We were never enlightened. Darling just told the *Financial Times* it was 'non-negotiable'. By putting the budget deficit centre-stage, Labour lost sight of why the public finances were in such a mess – the bankers, and the critical need to reignite economic growth, real incomes and employment creation. Policies that had been put in place by former Labour Prime Minister Gordon Brown and Darling were working. But that technocratic policy focus in the



The two Eds are not convincing with austerity-lite

twilight days of that government gave birth to the Big Tory lie – the mess that Labour left behind. And Labour under Miliband has been strangely silent on that matter.

Austerity refuseniks

Those of us who are too easily and lazily branded 'looney lefties' are in good company challenging Labour's front-bench. The roll of

Labour's mission is surely to get enough money in people's pockets so they can put food on the table, get and keep an affordable roof over their heads and offer their children a better future.

honour of austerity refuseniks includes distinguished economists, like former Bank of England monetary policy committee member, David Blanchflower, former TUC economist, now BBC Newsnight economics editor Duncan Weldon, columnist Polly Toynbee and now possibly former Labour front-bench heavyweight Alan Johnson. Johnson's entry into the fray reported by the *Daily Mirror* on August 14th 2014 is fascinating. In Keighley on a hot summer's evening to pro-

mote his autobiography, Johnson in an oblique criticism of Ed Miliband's leadership, prefaced with praise of Labour's message about the cost of living crisis lamented that the Shadow Cabinet had failed to nail the Big Lie. "We have stopped talking about it," he said. "I don't agree with that."

This latest recruit to the anti-austerity cause could trigger a radical shift in Ed Miliband's presentation of Labour's economic thinking.

Food on the table

Labour's 2014 summer campaign to woo voters was set out in his 'the Choice' speech to the Royal Institute of British Architects at the end of July. It was long of self-deprecation "you could find people who look less like Wallace", but short of 'in your face' political goals. Labour's mission is surely to get enough money in people's pockets so they can put food on the table, get and keep an affordable roof over their heads and offer their children a better future. At the same time, there is a parallel requirement to restore trust in politicians. Otherwise, the state will never be enabled to raise taxes to pay for better public services, and play a constructive role in the wider

world to secure peace and prosperity.

Miliband chose in his speech to Labour's National Policy Forum on July 19th in Milton Keynes to set a completely different tone: "The Tories can never be the answer. And why? Because the Tories don't even understand the problem. They think this is how a country succeeds: Low wages, zero hours, bad terms and conditions. That's the Tory approach. A race to the bottom. These problems have got worse under the Tories. But they started before the Tories got to power. Even before the recession. And they won't simply be fixed by recovery. *And the answer cannot be our traditional answer either. Of spending to fix the problem. You and I know we won't have the money.* For all of the cuts, all of the pain under this government, Britain still has a deficit to deal with and a debt to pay down. That's why our programme starts with a binding commitment to balancing the books in the next government. We will get the national debt falling as soon as possible in the next parliament. *We will deliver a surplus on the current budget.*" (My emphasis) Miliband cannot be serious. Does he really think that repeating the Thatcherite mantra about balancing the books should continue to occupy centre-stage of Labour's economic policy? How can that be squared with boosting purchasing power by raising the national minimum wage, offering tax breaks to employers paying a living wage, and ramping up new housing builds to 200,000 additional homes by 2020?

"There's was no more money"

Nailing the Big Lie should be a primary focus, not promising a budget surplus.. As for repeating that economically illiterate statement by former Labour chief Treasury secretary, Liam "there's was no more money" Byrne MP, that really is pathetic. Of course there is more money, tax avoidance schemes, Her Majesty's Revenue and Customs (only for the poor), quantitative easing, villas, yachts, share incentive schemes, golden hellos, golden handshakes, golden handcuffs, tax cuts for millionaires, housing benefits for buy-to-let landlords – the list goes on and on. Big reform yes, but not in the interests of brushing away the real issues facing society out of a fear of upsetting the markets.

What is really puzzling is that Labour is already committed to tax more to spend. So Ed, if you don't mind me being blunt, why the deceit? Surely one of those bright things in your office has worked out that Tory campaign strategists are likely preparing their 2015 General Election 'Labour – tax *blitz krieg*' campaign already. Restoration of the 50p tax band (proposed by former Labour Leader Gordon Brown and his chancellor Alistair Darling in their 2010 budget), a £2 million mansion tax, and a repeat of the Bankers' Bonus tax (again originally implemented by Brown and Darling). Each of these devices is seen by Labour today as part of its tax fairness agenda.

Pre-empt the Tories

Surely, it would make sense for Miliband to use his 2014 Conference speech in Manchester to counter the intense nastiness that will characterise the next election? Get people on side now,

Surely, it would make sense for Miliband to use his 2014 Conference speech in Manchester to counter the intense nastiness that will characterise the next election?

Labour needs as many as possible to carry its agenda for hope forward. Labour's leader needs to pre-empt the Tories on tax and be honest with the electorate.

There is a lesson in all this regarding party management, brilliantly revealed in Lewis Minkin's latest tome, reviewed on page 28 in this issue of *Chartist*. Miliband remains enthralled to the machine: There are people who staff Labour's head office and regional outposts, those who have worked in trade unions, represent safe Labour seats and who share a leadership cult, and distrust freethinking members. Conference stage management, stifling debate, isolating members continues. It is resented. All that Miliband has been able to achieve is to ease some constraints on the deliberations of the National Policy Forum (NPF) imposed by his recent predecessors Tony Blair and Gordon Brown. Web-based devices have been contrived under the One Britain rubric offering members or anyone else an opportunity to contribute. But there was still no debate at the most recent NPF in Milton

Keynes about economic policy or any other issue. Instead, there was horse-trading over words to achieve a so-called 'consensus'. After the event the Huffington Post published (11 August 2014) an illuminating synopsis of contributions from constituency Labour parties that had met and formulated submissions. The piece was headlined: *Ed Miliband's Agenda Branded 'Pathetic, Bland And Catastrophic'*. Of course, insiders will say that the NPF discussion documents are not necessarily Miliband's or Labour's Agenda. But they are all ordinary members have to work with.

In hock to the unions?

In a marked departure from NPFs ahead of general elections in Warwick in 2004 and 2009, there was no late night bargaining with the affiliated trade unions. Miliband, already under intense criticism from the Tories and the press, did not want to add fuel to the charge that Labour's leader is in hock to the unions. Instead, an understanding was apparently reached beforehand and under wraps. What was agreed with the unions is shrouded in mystery. What we know is that when George McManus, a comrade representing members in Yorkshire and Humberside, moved an anti-austerity amendment to drop Tory spending plans in 2015/16, the first year of the next Labour government, the affiliated trade unions voted AGAINST.

Avid readers of Minkin's new book will understand how that happened. But who is going to read 800 words to ease a sense of betrayal. There is a simple remedy. Honesty. NPF members in the consensus wording deliberations on the Work and Prosperity working paper know what Labour's shadow chancellor Ed Balls revealed in his attempts to stifle debate about austerity. According to my sources at the NPF he admitted there will be an emergency budget. That is precisely what the Labour Assembly Against Austerity (LAAA) has been calling for. That sort of dishonesty by a leading member of Miliband's front bench team is weighing down Labour's standing with the electorate. To quote Miliband: "We can do better than this."

Will Cameron & Osborne put their foot in it?

Maria Fyfe puts the case for staying together

There have been times when I thought we would lose it. The gap was down to single figures when Cameron and Osborne managed to get hackles up. They were explaining a simple truth, but saying it in a bossy way. Why would England, Wales and Northern Ireland want to be the lender of last resort to what had become a foreign country? So yet again we heard Salmond's refrain: anything any opponent says is either bullying, bluffing or scaremongering.

The deceit by the Nationalists has been staggering. Salmond claimed to have legal advice that Scotland would have no difficulty with continued membership of the European Union. This turned out to be completely untrue. There never has been any such advice and the Scottish taxpayer paid for the legal bills arising out of a successful Freedom of Information challenge.

Currently they are claiming the NHS will be privatised in Scotland if the No vote succeeds. This, despite the fact that our NHS is wholly in the hands of the Scottish Parliament, and no party at Holyrood has ever proposed doing that. They claim no-one in Westminster will deliver extra powers for the Scottish Parliament, because having the parliament at all was rejected in 1979. No mention that Labour campaigned for it for years, and it was won when Labour came to power in 1997.

They even lie about Scottish history. You can amuse yourself counting the number of factual errors in the film 'Braveheart', which some regard as inspirational for the struggle for Scottish freedom. But my favourite is the one about the Scottish Parliament. It came into being in 1999, created by an Act of Parliament whose first line was, 'There shall be a Scottish Parliament'. Not according to the Nationalists. As they will have it, even although 300 odd years have passed since it was abolished (as was the English parliament too) in 1707, it has actual-

ly been 're-convened'.

They have been promising a land of milk and honey. But with no tax rises promised as well, and a cut in corporation tax of 3p in the £ below whatever George Osborne sets it at, people then ask how they are going to pay for all this. And doesn't it follow that with big business paying less, the rest of us will either pay more, or see cuts imposed in social services? Do people in England realise this policy is expressly intended to draw businesses and jobs away from England? It's a race to the bottom. Not only that, it is hardly the action of a 'good neighbour' which Salmond goes around England promising to be.

They even pretend to have Labour's interests at heart. Oh yes. In an independent Scotland Labour will be free of the shackles imposed by right wing Labour in England, and could compete

I fear that if it is a narrow win for a No vote, the Nationalists will not respect the result, but keep on in a neverendum like Quebec

with the Nationalists as an alternative social democratic party. Just in case any reader is fooled by this, note that for years it has been the SNP's intention to destroy Labour, because that is the only party that can stand between them and their goal of independence.

Frustrating

It has been frustrating to me to see so much of the media down South ignoring all this, or even worse pandering to Salmond's ego and making him out to be the best politician in Britain today. Then of course they all forecast Salmond would win the TV debate with Alastair Darling. What a shock they had when he didn't.

An oft-repeated joke is that Scotland has more pandas (two, soon to be three?) than Tory MPs (1). Therefore England is irremediably Tory. But the last time the



Get this face off Scottish Tellies? Yes please for a 'no' vote

Tories won a General Election outright was in 1992. People are voting in this referendum who were not even born then. And the Tories do have 15 MSPs, which the Nats never mention as it rather spoils their argument.

So, is all this winning a Yes vote? According to recent polls, the Yes vote has dropped by four points and the No vote up by the same amount, following Alastair Darling's trouncing of Alex Salmond. Examination of poll results shows strongest support for Yes to independence amongst male working class respondents. Women in all social classes are hugely more likely to vote No. None of us campaigning for a No vote are complacent. This is a vote we must win. I worry about something happening between now and the 18th September that swings it for the Nats. Salmond must be desperately trying to find some kind of game changer. And can Cameron and Osborne and other top Tories avoid putting their foot in it?

I fear that if it is a narrow win for a No vote, the Nationalists will not respect the result, but keep on in a neverendum like Quebec. To stop that happening Labour has to regain trust amongst voters that fell away, in all parts of Britain, and at least achieve and stay in power for a good while to come.

Maria Fyfe is a former Glasgow Labour MP

Whose recovery?

Paul Nowak on preparing for TUC-led mass action in October

On July 10 this year, over 1 million public sector workers took industrial action, frustrated by the government's continuing squeeze on pay and pensions. And we are likely to see further industrial action in both local government and the NHS just a few days before the TUC hosts a massive national demonstration under the banner 'Britain Needs a Pay Rise' on October 18.

Stagnant wages aren't just an issue for public sector workers. Right across the public and private sector, pay-packets have yet to reflect the government's much heralded economic recovery. Of course, rising GDP is good news, as is falling unemployment. But for the vast majority of working people in Britain and their families, the fact is that the recovery hasn't yet found its way into their wallets and purses.

This matters

It matters to public and private sector workers who've faced the longest squeeze on living standards since the 1870's. After all every month that inflation outstrips wages means a real terms pay cut for millions of working people. Unions - as you might expect - have been stressing for some time that a recovery underpinned by rising property prices, particularly in London and the south east, rather than real wages growth is unsustainable. But, perhaps more surprisingly, calls to boost wages are now being echoed by figures as diverse as the Director-General of the CBI, the Governor of the Bank of England and the Archbishop of York.

The need to get real wages rising is just one of the key challenges we face in building a fair, sustainable and balanced recovery. We need more government support: for a coherent industrial policy; measures to reduce the short-termism endemic across the UK economy; banking reforms which reward long-term investment rather than high-risk share-flipping and speculation; to better harness the voice and ideas of the workforce from shopfloor to

boardroom; and a national effort to boost productivity, skills and investment in the workforce. We also need to re-think the role and responsibility of businesses within our society - a fact that the likes of Poul Polman, Unilever CEO have acknowledged and begun to address through initiatives such as the 'Blueprint for Better Business'.

But instead of this progressive, and potentially radical agenda, the government has decided instead to fall back on a stock of hoary old 1980's policy clichés. So instead of measures to boost pay, we have the spectacle of the government dusting off bits of proposed trade union legislation that even Norman Tebbit thought went beyond the pale during his time as employment minister. Instead of engaging the public sector workforce in a genuine conversation about how to drive service improvement in a time of constrained budgets, Francis Maude et al seem more concerned with undermining the basic trade union rights of public sector workers. These are policies designed to appeal more to the Conservative backwoodsmen and possible UKIP defectors in the Tory shires than to seriously address the fundamental problems facing the UK economy. They fly in the face of public opinion - some three-quarters of the British public believe unions are essential to protect workers' interests - and they do little to create the climate of positive employment reactions which will be an essential part of putting the UK economy firmly back on its feet after years of austerity-fuelled stagnation.

This 'back to the 80's' approach to unions and employment relations doesn't stand in isolation either. From Oliver Letwin's blue-sky thinking about a flat rate of income tax, to the Government's determination to push the East Coast Mainline back into private hands despite the fantastic work done the government-owned Department for Railways (DoR), it is becoming clear that in the absence of any real policy direction, and with the failure of the Prime Minister to win his party over to compassionate

Conservatism, the blue half of the coalition has decided to retreat into its comfort zone of privatisation, de-regulation and regressive redistribution.

It's this agenda that should set alarm bells ringing in the trade union movement with just over 250 days to go to the next general election. The last four years have shown how much damage a Conservative-led government can do to the fabric of our society - another five years would spell disaster for the NHS, workers' rights, our education system, and the 800,000 young people currently languishing on the dole.

So the next few months will be crucial. TUC Congress and the party conference season will effectively put us under starter's orders for what has the potential to be one of the most important - and nastiest - general elections in our recent history. Lynton Crosby doesn't have a track record of playing nice, and so we can expect smears and attacks on trade unions and their leaders, on migrants, on welfare, on public services. Our job over the next few weeks and months will be to



Paul Nowak is Assistant General Secretary of the TUC



shift the political agenda onto the issues that really matter to unions and the people we represent – decent jobs, fair pay, world-class public services that support and nourish local communities, respect and a voice at work. We know parents care about the fact that their kids can't find a job, or are forced to work on a zero hours contract. We know that patients would rather see tax-payers money go into providing great care in the NHS rather than shareholder dividends. We know too that people think it's fundamentally unfair that those unlucky enough to lose their job

should have to wait five weeks before they are entitled to claim any basic support for them and their family.

We now have 250 days or so to show people that casting a vote next May will make a difference on these issues and much, much more. We are half-way there. Thanks to trade union campaigning, Labour is committed to ending the exploitation of zero hours contracts, to promoting the Living Wage, repealing the Health and Social Care Act and the bedroom tax, building 200,000 new homes a year, to a job guarantee for young people out of work, to

putting workers on remuneration committees, and to reviewing the bust rail-franchising system. All important commitments – and all commitments which reflect the aspirations of our members and their families. I'm confident we can use the 250 days we have left to do even more – to raise the aspirations of our members and politicians alike, to deliver not just the change of government we all want to see, but the change in political direction our country deserves.

[/britainneedsapayrise.org](http://britainneedsapayrise.org)

Checking the corporate tax cheats

Prem Sikka explains why unitary taxation must be a policy priority

The revenues lost due to tax avoidance and tax evasion, including those relating to corporate practices, are hard to estimate, but the European Union claims that member states may be losing around €1 trillion (£830 billion) a year, or about 7-8% of the GDP of EU states. The loss is significant. Without tax revenues the state cannot perform the democratically mandated administrative functions, provide collective goods, such as education, healthcare and security or redistribute wealth.

Tax avoidance schemes enable companies to report higher profits to appease stock markets and incessant pressures from shareholders for higher returns. Company executives personally benefit from tax avoidance as their remuneration packages are often linked to corporate profits. Behind this massive transfer of wealth are armies of accountants, lawyers and finance experts, able and willing to undermine social settlements. Ending their selfish games needs to be a key public policy objective.

Corporations operate a variety of schemes to avoid taxes, schemes which may comply with the letter of the law but not its spirit or intentions. This is often done by shifting profits to low/no tax jurisdictions by creating complex corporate structures, creating intellectual property, such as logos, trademarks, copyrights and patents out of thin air, and then charging royalties to transfer profits to low tax jurisdictions.

Other schemes include creating management fees, interest charges on intergroup loans and a variety of transfer pricing techniques (or prices charged for transferring goods and services within a group of companies) to shift profits. Tax authorities can challenge such schemes but litigation is costly and often takes decades to resolve.

The Present System

The current system of taxing corporations is fundamentally flawed and needs major changes. Consider the case of *Calcutta Jute Mills v. Nicholson* (1876) 1

A different approach to taxing corporate profits is known as unitary taxation. It does not attach importance to the place of corporate control or residence. It makes transfer pricing games ineffective and eliminates the effects of profit shifting through tax havens

Tax Cas. 83 at 103, which enunciated early principles which continue to inform international corporate taxation. In this case, the company was registered in England, but had no property, office or other place of business in the UK. The largest amount of capital, as well as the greatest number of shares, was owned by persons residing in India. The company manufactured and sold jute in British India. Its entire

property was located in India and all books of accounts, papers, and other documents, as well as its moneys, were kept, received, and dealt with by the management in India. The local control was exercised by a director based in India who executed orders sent from a director in London. The court held that on this basis, the company was resident in London and thus liable to pay taxes on its entire profits in the UK rather than India. Such cases established the principle that companies should be taxed at the place of their control rather than where economic activity takes place. Now roll forward to early twenty-first century and we can see that companies can easily establish control in low/no tax jurisdictions and thus escape taxes in places where the economic activity takes place.

Taxing corporations has been a major problem because corporations make profits by integrating their global operations, but the system of states requires that profits be disaggregated so that each state can determine the profits made within its jurisdiction and tax it at the rate mandated by its local politics. Of course, each state would like its share to be as high as possible, resulting in double taxation, duplication and confusion. So an international order was established by a variety of treaties, conventions and protocols. The first such treaty was in 1928, under the auspices of the League of Nations. A number of others followed. The three key elements of various agreements are that firstly, com-

panies would primarily be taxed at the place of their residence or control rather than where the economic activity took place. Secondly, even though companies may be under common ownership, control and strategic direction, they were to be taxed as separate entities. Thus, each subsidiary of a company becomes a separate taxable entity. Thirdly, the value of the intra-group transfer of goods and services would be established through transfer pricing techniques which would primarily be based on 'arm's length' principle, or free-market prices.

The above three principles are now a source of problems in the era of globalisation where companies have established direct manufacturing and services facilities across the globe. Companies can easily shift residence and control and avoid paying taxes at the place of their economic activity. Corporations such as Google, eBay, Microsoft, Starbucks, Apple and others have a common board of directors, shareholders and strategy and are thus integrated businesses rather than a collection of independent subsidiaries. By treating their subsidiaries as independent taxable entities, governments have opened the doors to profit shifting and tax arbitrage. In the era of global monopolies, free market or arm's length prices are not easily ascertainable. For example, the top 500 transnational corporations control 70% of the worldwide trade, 80% of the foreign investments, 30% of the global GDP, one-third of all manufacturing exports, 75% of all commodities trade and 80% of the trade in management and technical services. Just 20 companies control the global coffee trade; four companies account for between 75% and 90% of the global grain trade, and five companies control around 80% of the global trade in bananas. Thus, independent arm's length prices are difficult, if not impossible to ascertain or verify.

The Way Forward

A different approach to taxing corporate profits is known as unitary taxation. It does not attach importance to the place of corporate control or residence. It makes transfer pricing games ineffective. It eliminates the effects of profit shifting through tax havens. The concept of unitary taxation considers transnational corporations to be integrated single entities. They are



The world's largest companies have no argument against paying their fair share in tax

required to submit a single set of worldwide consolidated accounts in each country where it has a business presence. Thus Google would be treated as a single global entity. Intragroup transactions would have no effect on its total profits because one subsidiary receives revenues and another one incurs the equivalent expense; and the net effect is zero.

Under unitary taxation, the total global profit of a corporation would be allocated to each country by a weighted formula reflecting its genuine economic presence in each country. This could be the number of employees, sales, existence of productive assets, etc. Such an apportionment formula would allocate little to tax havens because most productive assets are not located there and they have few corporate employees and negligible sales. Each country can then tax its share of profits in accordance with its local democratic mandate.

How would the above system work in practice? Fortunately, we have living laboratories? The USA, Canada and Switzerland are federal countries with common tax frameworks and regulatory systems, but with considerable autonomy for local states or provinces. They have been operating versions of unitary taxation for decades in their domestic economy. In essence, profits made by corporations within the USA are allocated to each state by an apportionment formula primarily based on sales. This has restored some order to the domestic tax system, but obviously leaves out the field of international

operations.

Unitary taxation

Unitary taxation can prevent tax arbitrage and artificial shifting of profits. A variant known as the Common Consolidated Corporate Tax Base (CCCTB) is advocated by the European Union. Inevitably, it is opposed by major corporations and accountancy firms. They claim that the allocation of profits to each country would be arbitrary. Well, no. It is based on the drivers of wealth generation. Actually, the current system is so arbitrary that some companies are escaping the payment of corporate taxes altogether. Neoliberals say that unitary taxation would inhibit the mobility of capital. This is not true either. All that it would do is inhibit artificial shifting of profits. If a company thinks that it can take advantage of economies of scale by shifting production to India, China or the UK, it can still do so. Its decisions would be based on economic considerations rather than tax arbitrage. Neoliberals say that unitary taxation requires global or regional agreements (e.g. EU) and would thus be difficult. That may well be the case, but any country on its own can operate a system of unitary taxation. The EU is trying to develop its version for member states. The real problem is that the key pillars of the present system of corporate taxation are dysfunctional and beyond repair. Only a complete overhaul can create a system fit for the twenty-first century.

Prem Sikka is Professor of Accounting, University of Essex

Gaza victims no accident

Andy Gregg sees the refusal of the Israelis to lift the seven year siege of Gaza, the land grabs and civilian massacres as part of a wider strategy.

The Israeli Government has been largely successful in getting western media to buy the notion that the current round of hostilities in Gaza started with incessant Hamas rocket fire from Gaza. This narrative completely fails to acknowledge the constant and deliberate provocation by the Israeli Defence Force (IDF) and the seven years long siege of Gaza which was supposed to have been lifted in previous rounds of negotiations which Israel has repeatedly reneged on. Israel has enforced an air, sea and land blockade on Gaza, effectively sealing off the 25 mile long strip of land, caging 1.8 million Gazans within it - a form of collective punishment which is against international law.

The fog of war is one thing. But Israel's deliberate attempts to mislead and misinform have been quite another. The Israeli government runs an extremely effective propaganda campaign (which it calls 'hasbara') using thousands of volunteers and students (some of whom are paid) to trawl (and troll) through new media sites such as facebook and twitter. The purpose of hasbara is to ensure that the Israeli slant is imposed on any discussions about Israel/Palestine or the Middle East. The handbook on which IDF spokespeople are tutored to respond to media questioning has recently been leaked and this 'Hasbara Handbook' reveals the Israeli Government's deliberate and dishonest approach to news management and disinformation.

The real cynicism and hypocrisy of the Israelis is shown by the fact that for public consumption they claim at every opportunity that they are making 'superhuman efforts' to avoid civilian casualties in Gaza and that they 'have empathy for both sides'. At the same time they are operating a policy doctrine which deliberately sets out to do exactly the opposite. The notorious Dahiya doctrine was devised by Israeli generals in the 2006 Lebanon war as a way to deter, subjugate and humiliate hostile civilian populations by deliberately targeting civilian infrastructure as a means of inducing massive suffering for the civilian population 'keeping them preoccupied with the essentials of life rather than demanding, or fighting, for their rights'.

The Dahiya doctrine

The Dahiya doctrine is a military strategy that pertains to asymmetric warfare in an urban setting. The doctrine is named after a southern suburb in Beirut with large apartment buildings which were flattened by the IDF during the 2006 Lebanon War. The first public announcement of the doctrine was made by General Gadi Eizenkot, commander of the IDF's northern front, in

October 2008. He said that what happened in Dahiya would, 'happen in every village from which shots were fired in the direction of Israel. We will wield disproportionate power against [them] and cause immense damage and destruction. From our perspective, these are military bases. [...] This isn't a suggestion. It's a plan that has already been authorized. [...] Harming the population is the only means of restraining Hezbollah'. Exactly the same doctrine of collective punishment is now being used in Gaza against Hamas. The United Nations Fact Finding Mission on the previous Gaza Conflict in 2008-9 found that Israel targeted the people of Gaza as a whole. The Mission gave its opinion that 'the operations were in furtherance of an overall policy aimed at punishing the Gaza population for its resilience and for its apparent support for Hamas, and possibly with the intent of forcing a change in such support.'

Further concerns should also be raised by the international community about Israel's attempts to manage the news in such a way that key occurrences are used as an excuse for further war crimes without adequate investigation being allowed first. This has happened a number of times in the recent "Protective Edge" operation. For example the abduction and killing of three Israeli soldiers in the West Bank at the start of the conflict. These deaths were blamed on Hamas without any evidence being produced and before the bodies had even been discovered outside Hebron in the West Bank – an area that is not under Hamas control. There was good evidence that those responsible for the abduction were not Hamas operatives. They were clearly heard on the tape recorded by one of the abducted soldiers speaking in Hebrew and on previous occasions Hamas have always acknowledged any capture of IDF personnel so that they have a stronger hand in later prisoner swap negotiations. This did not happen here and no surprise, a few



Hypocrisy abounds

the initial attack. This fake kidnapping allowed the Israelis to deploy another even more appalling strategy than that of Dahiya. This is the so-called Hannibal directive. This controversial protocol, introduced in the late 1980s, allows IDF commanders to take any necessary action to foil an abduction of a soldier, even if it means endangering the life of the captive Israeli. It can also include massive carpet bombing of an area to avoid the captive Israeli being successfully abducted. This seems to be what took place in Rafah in the hours after the disappearance of the IDF soldier Hadar Goldin.

All of this disinformation can only lead us to question whether the Israel regime can be trusted and indeed whether it has any intention of making peace with the Palestinians. It seems clear that Netanyahu's intention is to ensure that the two state solution becomes impossible (whilst pretending to do the opposite). At the same time the Israelis are increasingly in danger of presiding over a one-state apartheid solution - whilst proclaiming themselves to be the most democratic country in the world. Israel and the occupied territories is rapidly becoming a state with different laws, different roads, a different penal system and

weeks later the IDF admitted that they no longer believed that the Hamas central command structure had planned the attack and that it was likely to have been carried out by 'rogue elements' that were not under Hamas' control. By this time the Israelis had used this excuse to attack Gaza and kill over a thousand Palestinians.

Later in the operation the so-called 'kidnapping' of an Israeli soldier was used to provide cover for an immediate escalation and the deaths of over 120 Palestinians in Southern Gaza in less than a day before the IDF eventually admitted that they had found DNA evidence that the soldier had already died in

Of course a number of brave Jews, some of them Israeli citizens, are waking up to the ways in which the occupation and periodic pogroms in Gaza are brutalising not just the Palestinian people but also the Israeli soldiers who are tasked with carrying out this hugely destructive operation

utterly different conditions of life for the two populations whether the Palestinians concerned live in the occupied territories or Israel itself. Not only is there a continual land-grab by settlers and the separation wall going on in the illegally occupied West Bank. There is also a land grab going on in Gaza. With Netanyahu's edict establishing a 3km (1.8-mile) buffer zone, a 'no-go' zone for Palestinians, Gaza's habitable land mass has shrunk by 44% - a good part of Gaza is only three to four miles wide. Over 250,000 Palestinians within this zone must leave their homes, or be bombed. As their territorial space collapses, 1.8m Gazans now living in 147 square miles will be compressed into 82 square miles. There is the suggestion that Israel's policies towards Gaza may not be unaffected by the likelihood that significant oil/natural gas has been discovered off the Gaza shore – and therefore potentially within the control of an independent Palestinian state were Israel ever likely to grant Gaza this status as part of a wider settlement. In July, Moshe Feiglin, deputy speaker of the Knesset, called for Gaza to "become part of sovereign Israel" and to "be populated by Jews. This will also serve to ease the housing crisis in Israel."

The new Zionism

Of course a number of brave Jews, some of them Israeli citizens, are waking up to the ways in which the occupation and periodic pogroms in Gaza are brutalising not just the Palestinian people but also the Israeli soldiers who are tasked with carrying out this hugely destructive operation as well as the wider Israeli society that supports them so unconditionally.

One of the most eloquent of these Israeli critics of the new Zionism is Miko Peled in his book *The General's Son*. This is the account of how he, the son of a prominent Israeli general and hero of the 1967 war, has come to the conclusion that the two state solution is no longer viable. He does not believe that an Israeli Government will ever intentionally allow the establishment of a viable separate Palestinian State. He believes that the only solution is for the different peoples of Palestine/Israel to learn to live

together in one secular state with equal rights and access to justice. Despite its adoption by Edward Said and some others over the years the idea of a one-state solution has usually been seen as a radical and unrealistic scenario. However as the Israelis make it increasingly clear that they will not countenance an independent and viable Palestinian state on the West Bank and Gaza it seems we are going to have to seriously consider the previously unthinkable.

Selling the massacre: Israel's Pyrrhic victory

Phil Vellender on how the BBC bought the framing of mass murder

Mainstream mass-media (MMM) coverage of the Israeli assault on Gaza has confirmed a deep bias. As Steve Chibnall explains in his seminal book on crime reporting, *Law and Order News* (1977), newspapers and television

'Do not merely monitor events of the real world; they construct representations and accounts of reality which are shaped by the constraints imposed upon them: constraints emanating from the conventions, ideologies, and organization of journalism and news bureaucracies'

Chibnall's analytical framework describes how news gathering operates, the way stories are 'framed' to fit into an established narrative, the meaning and implication of the term 'newsworthy', and the criteria employed when journalists use this term, the effects of reporters and editors' news values and prejudices and, finally, how the subtle interplay of these last two identify and influence the 'angle' and presentation of any given story.

Meticulous news management

Space only allows reference to two MMM outlets' reportage of the 2014 Israeli war on Gaza - BBC and Channel 4. As Patrick Cockburn notes (*the Independent* 29/7/14), Israel has made meticulous news management one of its top priorities, aiming to avoid any repetition of the PR disaster of 2009's 'Cast Lead'. Thus, Israel's spokesmen talk a tightly controlled script, one derived from the *Global Language Dictionary* (2009) written by ex-Bush campaigner, Dr. Frank Luntz. Seemingly, neither the BBC nor Channel 4's newsrooms have studied it. The 'Hasbara handbook' provided Mark Regev *et al.* with a crash course in managing Western media. Luntz's Do's and Don'ts were field-tested and honed to be consumed wholesale by Western MMM. That they generally have been is testament to

another of Chibnall's observations - for deadline-bound journalists, the daily 'news cycle' (the 'life' of any Gaza story in the MMM) means the 'angle' that is easiest to write up will reach the newspaper or newsroom. Luntz's dictionary framed the story for both networks.

Access to MMM coverage crucially enabled Israel to conceal its two actual war aims: first, to 'degrade' Hamas, so splitting Palestinian resistance from the rest of Gaza's population and, second, to destroy the recent reconciliation between Hamas and Fatah. Both the BBC and C4 conceded the omnipresent Regev and the UK Israeli ambassador Taub unlimited access to assert the Israeli propaganda priorities of 'tunnels' and 'rockets' and to foreground 'empathy' with the 'unnecessary suffering' of the Palestinians (this last refrain was straight from Luntz's Dictionary). The Corporation faithfully presented the Palestinians as Hamas's passive victims by scarcely modifying Regev's depiction of them as 'prisoners', 'held hostage' by a terrorist 'war machine', unwittingly caught up in a 'conflict' (massacre) Israel 'never wanted'.

Jonathan Cook (July 31), echoing Chibnall, described how 'framing' worked in Jon Snow's notoriously aggressive interview with Hamas's Osama Hamdan. Constantly interrupting (a technique also adopted by the BBC whenever any Palestinian was being interviewed) Snow's first question clearly showcased C4's news values: "Israel has demonstrated that it is prepared to go on killing Gaza's woman and children, civilians generally. Why are you encouraging them by continuing to fire your ineffective rockets?" In short, 'why are you goading Israel into killing women and children?' and 'why don't you abandon ineffective resistance?' Snow then adopted the classic BBC/Israeli line, "There's no time to go into the history". Neither the BBC nor Channel 4's approach to framing the

Palestinian case admits to historical contextualization. This suits Regev *et al* since Israel's narrative is precisely about concealing the origins of their occupation (the 1948 Nakba and subsequent land grab), whereas the Palestinians' argument, as Glasgow University's Greg Philo attempted to explain on BBC Radio 4's flagship Today programme, before he too was summarily interrupted, is totally predicated on an understanding of an historical wrong.

Israeli propaganda

In 2014, Chibnall's analysis and description of the structures of crime reporting cited above still chime with our recent experience of MMM political coverage of Gaza. However, the game changing arrival of new social media (NSM) creates new potentials to counter Israeli propaganda much more effective than previously. In July and August 2014, NSM have successfully challenged Israel's response to the worldwide outrage against Protective Shield's 2000 Palestinian deaths. In 2009, Cast Lead's 1400 casualties were, in effect, crudely dismissed as 'collateral damage' in a 'war of survival'.

Writing about the recent Anti-Austerity march, Richard Seymour (June 22nd) underlines the importance of 'taking the NSM initiative' rather than simply responding to MMM distortions:

"The obsession with BBC coverage is bad political framing... When we take political action, and then bemoan how terrible it is that the BBC have ignored it, it sends the message that big media coverage is more important in the campaign than, in reality, it actually is. It tells a story that we need BBC coverage to be successful. We don't."

'We' Palestine Solidarity and Stop the War activists should take note, although personally, I won't be chucking Chibnall just yet!

Democratic challenges in Bosnia and Herzegovina

Sheila Osmanovic on protests in the Balkans against corrupt elites

The unfolding protests in Bosnia since February 2014 against the corruption of unaccountable political elites seem to have come to a temporary halt. Terrible floods engulfing Bosnia and the entire region since May 2014 have hindered opposition. The damage has been enormous. Whilst Bosnian citizens united in attempts to clean up the wreckage, the political leadership against which the people rose not only remained unhelpful but also capitalised on the human misery by fortifying the rhetoric of their nationalistic separatism. For example, there were calls to refuse assistance from the other areas - either of the two provinces created by the Dayton peace agreement which ended the 1992-95 Bosnian war and divided Bosnia into two incompatible regions: the Bosniak-Croat Federation and Republika Srpska. Each entity, which through the war became ethnically cleansed and ultimately homogenised, was endowed with the characteristics of independent states, such as police forces, courts and parliaments.

Patronage and fear

This international arbitration enabled the political leadership to protect the spoils of war, thus keeping established ethno-territorial fiefdoms in which they can avoid accountability by wielding patronage and leveraging fear from the 'other'. The arrangement provided for the political-business-criminal nexus to remain insulated against the popular will under the tacit approval of the 'international community', which has a multibillion presence in Bosnia. Thus, the 'international community' executed a contemporary state-building experiment in Bosnia and Herzegovina that has produced a dysfunctional state. In diplomatic communiqués, puzzlingly enough, it persistently remains an exportable 'peace model' to disputed regions such as Iraq or Kosovo.

But the protests may also have been halted by the hooliganism

that subsequently followed the genuine outburst of popular discontent against corruption, nepotism and non-functioning social institutions. In other words, the extreme poverty that the great majority of people endure, even twenty years after the war ended, became unbearable. Bosnia and Herzegovina was the backbone of industrial development in the former Yugoslavia, with the most developed defence industry and a major electricity exporter amongst other commodities. The USAID report stipulated that in 1988 alone Bosnian revenues from armaments exports was worth over 78 billion dollars. The 'Enrgoinvest', another successful company, was a major building contractor for most Arab and Gulf states.

Today this industry is either stale or privatised, owned by foreign investors or domestic oligarchs who enriched themselves through war profiteering, exploiting political positions they occupy even today. The protest that started in February 2014 came as a consequence of the privatisation of four public companies employing over 10,000 people. Workers demanded that once the privatisation has been completed their 54 months overdue salaries were paid. It became common in the post-war Bosnia to work and not receive a salary for many months after. When Ministers refused this demand the workers poured into street of Tuzla, a town in north-west Bosnia that is most ethnically mixed, and pushed through the local government buildings. The protest spread to the main cities of the Federation in solidarity with the betrayed workers. The movement developed into demands for social welfare for all citizens and an end to the kleptocratic oligarchy that has been ruling in a president-kings style.

The citizens of Republika Srpska did not overtly rebel even though there are reports of their widespread sympathy with the workers of the Federation. The political elites in Republika Srpska immediately adopted the politics of fear and claimed that

the protests were 'the other side's' conspiracy to erode the autonomy of their state. Citizens were aware of being manipulated but were afraid of the Stalinist-style police brutality.

Citizen's demands were being successfully articulated through the plenums that were subsequently formed in the major cities. Catherine Ashton, the EU High Representative for Foreign Affairs and Security Policy met with the representatives of the plenums and was interested to hear their demands.

Brutal treatment

Plenums kept meeting regularly in open platforms but suffered two major impediments. Firstly, they lacked a structured political environment and vital know-how resources to build viable democratic institutions that could potentially lead to a new accountable socio-political contract. Secondly, the plenums split into two groups with mutually exclusive approaches: intellectual and regressive. The latter lead protesters into vandalism that ultimately spurred the violence and set fire to the archives of the Sarajevo presidency building. Whilst the majority of the protesters were shocked, condemning this repugnant act, the political elites were quick to capitalise on this situation and called for more vigorous police involvement accusing protestors of vulgar hooliganism. The brutal treatment of the protesters was thus legitimised in the light of the mayhem. The almost orchestrated fashion in which the cataclysm occurred begs the question whom would such an act serve the best.

The answer may seem obvious since the riots came to a halt mainly due to the refusal of law-abiding citizens to take part in acts of vandalism. The water torrent and violence may have temporarily disabled the work of the democratic plenum of the Bosnian citizens, but their demands for new accountable democratic structures persist.

Towards a more equal Europe

Lucy Anderson sees some grounds for optimism in the outcome of Euro elections

The UK Labour Party did well in the European elections in May, and now has 20 MEPs, increasing our share of the vote by nearly 10% since 2009. Unfortunately the Socialists and Democrats Group as a whole and the wider Left did not make the gains that had been hoped for. Despite this, there is a positive mood amongst socialists and like-minded potential allies in the new European Parliament. We are determined to use our powers and influence to challenge the European Union inter-governmental consensus on the need for cuts in social security and public spending together with even greater deregulation of labour markets. Instead, we want to be key players in helping to build a new model of European-level rights and protections, quality jobs and solidarity.

More widely, the highly regrettable increased number of far right extremists in the European Parliament has attracted much media attention. But even when they bother to attend and participate, their presence is likely to increase constructive co-operation between the Left, centre-left and mainstream centre-right rather than result in any real danger of fascist populism hijacking the legislative and political agenda. Individual far right MEPs have already failed to gain any positions of influence within the Parliament. It was also good to see that in some Member States strong support was given to parties who were explicit in their opposition to 'pro-austerity' politics and policies, especially Syriza in Greece.

Juncker

Labour MEPs voted against Jean-Claude Juncker as European Commission President for reasons of principle and not to pander to euroscepticism. As Finance Minister and then Prime Minister of Luxembourg, Juncker played an important part in consolidating the country as a haven for tax avoidance, and in his capacity as President of the eurogroup of finance ministers he was instrumental in pushing

through the harsh bailout packages for EU countries hit hardest by the banking crisis and recession. Furthermore, despite running on a platform for Commission President mentioning 'responsible climate change policy', Juncker did not commit to support for further binding targets on reduction of carbon emissions or to concrete environmental protection measures.

Policies of the EU and of 'pro-austerity' governments have certainly not helped close the income gap between rich and poor. Nevertheless, early signs for incremental progress for the Left in the next five years are encouraging:

- Initiatives and funding to tackle youth unemployment such as the EU Youth Guarantee programme are continuing to be prioritised and extended, helped by the efforts of outgoing socialist employment commissioner László Andor. At least 7.5 million young Europeans aged under 25 are not in education, employment or training. In the UK, as pointed out by the House of Lords EU Committee, the Tory-led Coalition are refusing to implement the EU Youth Guarantee programme and make proper use of the funding streams available.

- The European TUC and the trade unions here and in Europe are pushing strongly on a new start package for jobs, social protection and investment, including a change in European Commission country-specific economic recommendations to reflect these goals. On employment rights, the Posted Workers Directive is likely to be targeted for further review to help prevent 'social dumping'.

- Although vigorously opposed by the UK, the Financial Transaction Tax is still on the table. There also seems to be a growing will behind the concept of a European Minimum Wage, perhaps as a proportion of average national earnings in each country, and the urgency of tackling unequal pay for women.

- The Socialists and Democrats Group remains opposed to the inclusion of investor-state dispute settlement procedures circumventing nation-



Juncker: everyone's favourite "raving federalist"?

al law in US or Canadian free trade deals with the EU.

- In September, discussions will begin again on the controversial EU Fourth Railway Package, which includes a draft proposal opening up passenger rail services further to compulsory competitive tendering, partially rejected by the European Parliament in February 2014 much to the dismay of the Commission. This debate will have particular resonance for current Labour Party policy formulation on ending the current UK rail franchise system.

As former *Guardian* European Editor John Palmer said in his article in *Chartist* earlier this year, 'to argue for EU democracy is not to buy into the neo-liberal, conservative politics of the present EU leaders. But it is to recognise that even now a European Union, increasingly integrating the economies of 28 different countries, has far more capacity than even the largest countries to set very different economic and political priorities to those of capital'. Fundamentally, given our powers to shape and approve the EU agenda and budget, make binding legislation, as well as champion vital social and political issues, the potential for positive democratic action through and with the European Parliament is obvious.

Lucy Anderson was recently elected as a Labour MEP for London



French socialists at a turning point

Emanuel Maurel, Mathieu Pouydesseau & Charlotte Picard put the case for an end to French austerity

The Parti Socialiste (PS) has seen a surge of opposition from new MPs and MEPs ready to fight against the austerity agenda followed by Francois Hollande since the 'turning point' of October 2012. A surprisingly degree of support has emerged for their Socialistes contre l'austerité – Socialists against Austerity initiative.

Demonstrably there is an alternative within the socialist/social-democrat movement in Europe, and such initiatives needs to unite with similar initiatives within the German SPD, the Spanish SPÖ, and Labour Assembly Against Austerity who have joined last year's call For another Europe, against Austerity www.europagehtanders.eu.

Electoral Disasters

Over the last 10 years the PS won at all political levels in France – 60% of all cities above 10,000 inhabitants, 75% of all departments and 20 Regions out of 22, a small majority in a left-coalition in the Senate, a stand-alone majority of two seats in the National Assembly, and the Presidency.

This created expectations that a left policy, driven by a coalition from the Left to Greens, could engage a reform process rebalancing the neoliberal agenda, and move towards another Europe, in particular, opposing the conservative alliance around German chancellor Angela Merkel. Only two years later the PS is losing ground everywhere, with neither the conservatives nor the other left parties gaining from PS losses, leaving the field open for the far-right populist Front National (NF).

The local elections in March 2014 saw the biggest shift of municipal authorities from left to the right since 1958. The European elections saw the PS falling below 14% votes, with the NF becoming the first French political party in Brussels with 25%, ahead the right-wing UMP.

The total of the Left shrunk

from more than 53% in June 2012 to 35% in May 2014, with Fronts de Gauche and Greens not winning back the voters leaving the PS.

Francois Hollande changed the Prime Minister, nominating Manuel Valls to replace Jean-Marc Ayrault, leader of the PS liberal wing. Manuel Valls' promotion led the Ecologists to leave the government.

Hollande's agenda to solve the economic crisis is not working. Unemployment and inequality continue to rise and a flat economy means less tax revenues. Moreover, Hollande turned his back on key elements in his programme: fiscal reform, re-negotiation of the European Stability Pact, and an economic policy in favour of people's spending power and investment not business and corporations through tax cuts.

In this context, two initiatives started: L'Appel des 100 (Appeal of the 100) and l'Appel des Socialistes contre l'Austerité (Socialists against Austerity).

100 socialist parliamentarians signed a petition to the government for a new majority contract and made alternative proposals to protect the social system, invest in the economy and increase demand through increases in wages. Eleven of the 100 went so far as to vote 'no confidence' in Manuel Valls, with 41 not voting on his budget.

Emmanuel Maurel united 30% of PS members at the last congress in October 2012, and the agendas pushed by Now the Left on a European policy focusing on investment, renewable sources of power, no more austerity and NO to the TAFTA, got a majority of votes within the PS in May 2013.

The PS has not discussed the shift from the election winning left agenda to the current right policy. General Secretary Harlem Désir –who led the PS to catastrophe in the local elections - was brought into government in April, allowing a new General Secretary to be nominated without election. The current leadership is doing everything possible to postpone new internal elections and a Congress, hoping that leftist

activists will leave and let a social-liberal majority continue to run the PS.

Below is the Manifesto of Socialists Against Austerity, launched in April. It came from activists in social networks, tired of being ignored by the party and wanting to give the 100 parliamentarians a show of support.

The battle in France goes on, but the war against austerity can only be fought and won in Europe.

Manifesto

"Socialists' activists or sympathizers, we ran the 2012 presidential campaign based on a promise of change, social justice & progress. We want the left in power to succeed, which is the first step to social justice. But the huge defeat we experienced in 2014 city & European elections was on the basis of austerity politics made by the government and approved by a majority of deputies. We're launching a scream of alarm: the Left will succeed only if it shows that it is building another politics than that of the right.

We can see the social situation getting progressively worse, we can see austerity failing everywhere (Greece, Spain...) Lower contributions from companies, with a 50 billion euros reduction in public spending risks degrading the living conditions of many without any certainty real jobs will be created.

For us, it can't be that just one politics is possible.

Some socialists parliamentarians launched a signal to the government for a majority contract and made proposals to avoid endangering social achievements and public services. 41 of those decided to express through their vote their will to change politics, to stay true to the basis of their election. We support them and encourage them to hold on in Parliament for debate which will open soon. We are here together to remind the people with other socialists, activists and sympathizers that austerity is not prescribed."

Emmanuel Maurel is a PS MEP, co-initiator of l'Appel des 100, Mathieu Pouydesseau, PS and SPD, Mandate for Now the Left, Charlotte Picard, PES activist, with support of Martine Chantecaille and Gerard Elbaze, PS, co-initiators of Socialists against Austerity

The 2011 Riots: still talking?

John Lea finds lessons unlearned and the sources of alienation behind the uprisings unresolved.

Three years after the August 2011 riots - the worst in modern UK history - there is still a lot to talk about. The Justice for Mark Duggan campaign continues and is particularly focused on the verdict of the Coroner's Jury (last January) that Duggan was lawfully killed despite not having had a gun in his hand at the time. The family has campaigned successfully for a Judicial Review of the verdict. This was heard in July with the result being expected in October.

Meanwhile, under the radar there is still a discussion going on about the politics and causes of the riots. Some young people who participated have produced low-budget documentary films. Two of the best are *Riot From Wrong* (Future Artists) and *Riots Reframed* (Voiceover). These have had numerous screenings in universities and colleges and as part of local meetings on the riots. They refute the notion peddled by the media, right wing politicians, and some academics who should know better that the 2011 riots were simply mindless rampages by a 'feral underclass'. They show rather articulate youngsters fed up with oppressive policing, the job seeking regime, being hounded out of public spaces and with the collapse of opportunity and funding for education and employment.

Such sentiments were revealed in post-riot interviews by what is still the most important research into the causes of the riots, the Reading The Riots project conducted by the London School of Economics and the *Guardian* newspaper. As one young rioter put it "Everyone gets hung up on the looting, but the real reason for the riots was taking back the spaces we've been pushed out of by the cops and society."

The fact that the research was done by a university and a newspaper on their own initiative is important. At national government level the effects of David Cameron's 'mindless criminality' characterisation of the riots are still being felt. The consequence at the time was the refusal to ini-

tiate anything resembling Lord Scarman's high profile government-sponsored inquiry into the 1981 riots. When finally Nick Clegg, supported by Ed Miliband, launched the Riots Communities and Victims Panel (chaired by Darra Singh, head of JobCenre Plus) it was a relatively low key affair with little input from anyone who knew what was going on. The contrast with Scarman could not have been more stark.

Element of rationality

Scarman acknowledged an element of rationality on the part of the young, mainly black rioters in Brixton and Liverpool in 1981. He noted that many 'believe with justification, that violence, though wrong, is a very effective means of protest: for, by attracting the attention of the mass media of communication they get their message across to the people as a whole.' He went on to call for a Keynesian response to the riots maintaining that 'in order to secure social stability there will be a long term need to provide useful, gainful employment and suitable educational, recreational and leisure opportunities for young people, especially in the inner city.'

It is a safe bet that if the late Lord Scarman had appeared in the television studios following the 2011 riots, alongside the likes of historian David Starkey, he would have been denounced as a raving leftist. Scarman, even in the early years of Thatcher's first term represented the last breath of an older Keynesian Welfare State which took it for granted that government ought to take some responsibility, and blame where necessary, for what was going on in society. But in 2011, after thirty years of neoliberalism the rioters had only themselves to blame.

The issue for neoliberals is to get cities, communities and individuals to take responsibility for themselves - which basically means make themselves 'business friendly'. After the 2001 riots in West Yorkshire towns New Labour had called for 'community



The aftermath of the 2011 London riots is still with us, and so are its causes

cohesion' but at least had accompanied this with the 'New Deal for Communities' programme. By 2011 this had degenerated to level of the Singh Report's platitudes about the need for 'resilience' on the part of communities and 'strength of character' on the part of individuals. The report is full of stuff like 'the Panel recommends primary and secondary schools should undertake regular assessments of pupils' strength of character.' This reinforces the idea that the cause of the riots was to be found in the degenerate character of the rioters themselves.

True, Singh voiced the odd sympathetic reference to young people in the deprived communities having lost any sense of hope but the main conversation at national government level since the riots has been about police preparedness for future disturbances. The latest farcical move has been Boris Johnson's recent purchase of second hand German water cannon which Teresa May is unlikely to let him use. She at least has been willing, despite diversionary nonsense about the role of gangs and 'troubled families', to court unpopularity with the police by talking about the need to reform stop and search. However, reform of stop and search was one of Scarman's main

recommendations and despite the 1984 Police and Criminal Evidence Act, nothing on the ground actually changed. The levels of and ethnic disparities in stop and search are as high as ever.

"...a violent action demanding nothing"?

A second difference from 1981 is that the 'mindless criminality' theme found an echo among some radical academics who decided that (outside the original Duggan protests in Tottenham) the overriding theme of the riots was apolitical consumerist looting and 'taking stuff'. Thus the well known radical philosopher Slavoj Zizek in an article shortly after the riots characterised them as "zero-degree protest, a violent action demanding nothing." As if looting and arson, carried no political message about anger at exclusion from neoliberal consumerism. In fact, as Reading the Riots showed, looting was one theme among several in the riots, alongside fighting the police and symbolically reclaiming public space.

David Lammy, the MP for Tottenham, a year after the riots still characterised them as "an explosion of hedonism and nihilism". But last year he revealed and publically denounced the way the government was attempting to bury its complete lack of response even to the vacuous recommendations of the Singh Report.

However, if we look below the level of national government to the regional and city level the riots do appear to have had some results in terms of funding for urban reform. It is at the level of local urban regeneration panels and schemes that a conversation about how to avoid the riots happening again is still taking place. But it may not be the right conversation.

Urban regeneration ?

In London, for example, the 2012 report, It Took Another Riot, by the Mayor of London's Independent Panel on Tottenham (where the riots had begun following the police killing of Mark Duggan) is full of the usual neoliberal discourse about resilience and potential and the need for better co-ordination between government, community groups, private and third sector organisations. But there is also some

money. The Mayor's Regeneration Fund is allocating upwards of £70 million for urban regeneration with a focus on the riot-hit areas.

But as to what is actually happening on the ground, perusal of local community group websites shows controversy. In Tottenham there is an issue concerning the role of Tottenham Hotspurs Football Club in funding affordable housing construction and concern that post riot 'regeneration' of the area may well amount to the familiar neoliberal scenario in which glitzy new development proposals effectively amount to 'social (or even ethnic) cleansing' through rent rises, changes to housing stock and the marginalisation of local working class communities and small traders.

Similar themes can be found in other areas which suffered riot damage in 2011. In Croydon, where the blazing Reeves Corner carpet warehouse splashed across national TV screens during the riots a £1bn regeneration scheme aims at retail and leisure development and promises of 5,000 jobs but again there is criticism that the scheme is oriented to big commercial property developers focused on central area shopping precincts while the voices of community groups and the poor are being marginalised. Neoliberal urban regeneration has its own character and it is implausible to imagine that a response to the riots by planners and businesses is going to break from that character - the very character that produced the riots in the first

place.

As architectural writers like Owen Hatherley have observed, the renewal of central areas through luxury housing and retail outlets for high income consumers, walled off from the poor by battery of ASBOs, CCTV and private security guards, only recreates the conditions for more riots in the future. This has been happening since Michael Heseltine's famous initiative in Liverpool following the 1981 riots in Toxteth which glitzed up the Albert Dock but left the poor areas in many ways worse off.

Writing shortly after the 2011 riots, Hatherley linked the attempt by councils such as Wandsworth to evict from council tenancies the families of rioters - even before the latter had been found guilty in the courts - to the neoliberal policy of "removing the 'undeserving' poor from highly profitable inner-city sites."

The problem with this 'urban regeneration plus security' is the notion that the poor will just disappear and find housing somewhere else. This is of course nonsense. Periodically the poor will re-visit, in the form of riot, the areas from which they have been excluded. The farce is that much of the urban policy response to the riots may be intensifying the conditions that lead to riots in the first place. Meanwhile Boris Johnson polishes his water cannon and the police practice firing baton rounds.

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The gift of sympathy

Patrick Mulcahy
on working dilemmas

Would you give up your 1,000 Euro bonus in order that a colleague can keep her job? This is the dilemma presented in the Dardenne brothers' drama *Two Days, One Night*. Belgian brothers Jean-Pierre and Luc Dardenne (*The Promise, The Kid With A Bike*) specialise in presenting characters with few social advantages negotiating difficult issues without the recourse of state intervention. Working predominantly with non-actors their films invite empathy. In all their films characters struggle to find and maintain their dignity.

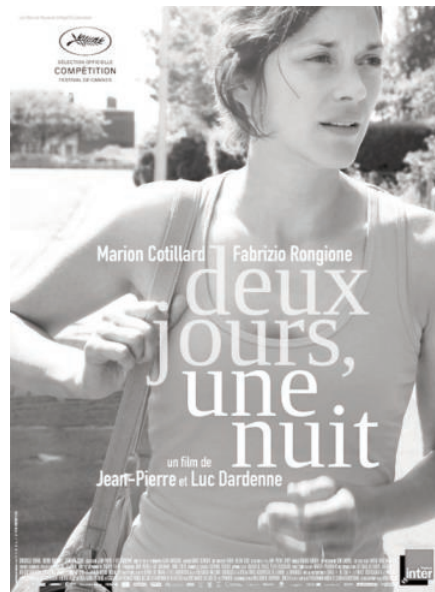
Two Days, One Night is the first Dardenne Brothers film to feature an American Academy Award winner in the leading role. Admittedly, Marion Cotillard is no Julia Roberts but she is eminently recognisable not just from *La Vie En Rose* but also *The Dark Knight Rises, Anchorman 2* and *Contagion*.

She plays Sandra, a mother of two, who is returning to work at a company that makes solar panels after an unspecified illness. (The suggestion is delayed post-natal depression.) She learns from a friend that a vote has taken place to deny her a job in order that her 13 colleagues, who did the work of 14 while she was off sick, will receive a bonus at her expense. The suggestion is that when it comes to small businesses in France, workers have fewer rights. Long term illness really costs employers, especially those competing with foreign manufacturers. The employer invites a certain amount of sympathy, but the bonus is justified. Egged on by a friend and her husband, Sandra visits each of her colleagues to petition for their support in a second, secret vote.

The film raises a number of issues. Where does sympathy stop and self-interest take over? Who is responsible for social insurance – and help for employers – at time of employee need? How does sympathy work, through 'there but for grace go I' or the persuasive presence of suffering in your face, recognition of a past good turn or through an

acknowledgement that nobody should be given a voice in such circumstances.

If the company Sandra worked for had been a co-operative and the colleagues worked considerably longer hours without paid overtime to meet orders then the issue might be more difficult. That doesn't appear to be the case here. There is the suggestion that Sandra's absence and the bonus are unrelated; that bonuses are normally paid when targets are met anyway.



Like the Dardennes' best work it confronts us with behaviour that we can recognise and also with real kindness. *Two Days, One Night* offers a reminder that societies are made by people interacting with one another and not by individuals implementing an ideal. Sandra's colleagues do not share common goals or circumstances and are not in control of their destinies. Their collective decision cannot be banked for a future reward – the Dardennes don't introduce religion into the equation. It really is about the gift of sympathy.

The Dardennes don't present a system that is wrong that needs fixing. The company for whom Sandra works is bound by market forces. There is always

the suggestion that a company with physical assets (machinery, materials) has it better but equally it has the liability of its obligations to its workforce.

The Dardennes present a world as functioning better if people behave well towards one another. They don't propose a social revolution, rather self-examination on the part of the viewer.

Two Days One Night wouldn't be a good film – and it is - if we didn't care about the outcome and are absorbed by each encounter and the setbacks Sandra endures. There are no sub plots to distract us or *deus ex machina* to provide an ending that hasn't been earned. What comes across finally is Sandra's dignity, earned and intact. This isn't the sort of film that will win major prizes. But it is a questioning film, vital, engaging and raw.

Frank Lee
on the
Book of
the Year

CAPITAL IN THE TWENTY-FIRST CENTURY Thomas Piketty
(Harvard University Press, £29.95)

"It is a truth universally acknowledged, that a single man in possession of a good fortune, must be in want of a wife." (Pride and Prejudice – Jane Austen)

Such was the moral zeitgeist during the 19th century. Piketty drives home the point by adding Honoré De Balzac's novel *Père Goriot* which focuses on the decadent, money-grubbing dispensation of the Bourbon Restoration. Arguably the moral climate hasn't changed a good deal in our money worshiping age, but the origins of a 'good fortune' has. What concerns Piketty is the source and nature of this 'good fortune' which is so sought after.

The world of Austen and Balzac lasted from roughly 1870-1910 representing the Belle Époque of rentier capitalism. Rentier capitalism involves ownership of capital assets – in the 19th century mainly land – and living from the rent (in the broad sense) derived from this asset. Latterly the capital asset base has changed from land to ownership of financial assets, real estate, stocks and bonds and high corporate incomes. This is not to say that the old rentier classes have ceased to exist, but they have been supplemented by a new class of hedge-fund managers, Corporate executives and CEOs, investment bank chiefs, and former entrepreneurs like Bill Gates – which we will call the working rich. As he explains:

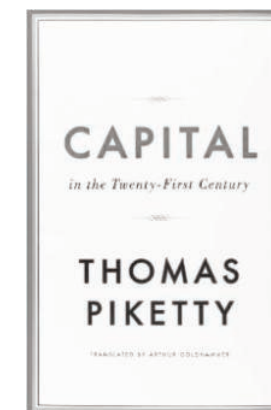
"The top decile (10%) always encompasses two different worlds: the 9% in which income from labour predominates, and the 1% (of true rentiers) in which income from capital becomes progressively more important."

Thus, former entrepreneurs such as Bill Gates cease to live off their labour as their accumulation of capital enables them to enter the genuine rentier class, the class able to live off capital.

Historically speaking the trend line for return on capital has been 4/5% whereas growth has lagged at 1 to 1.5%. Accumulated capital (as stock) has tended to increase as a ratio to income (as flow). Moreover the distribution of national income (GDP) has

become increasingly skewed favourably to the top decile. According to Piketty this has been a technical as well as a social/political process the consequences of which will be profound.

"When the rate of return on capital significantly exceeds the growth rate of the economy (as it did throughout history up to and including the 19th century and as is likely to be the case in the 21st century) then it logically follows that inherited wealth grows faster than output and income ... and that the concentration of capital will attain extremely high levels – levels potentially incompatible with the meritocratic values and principles of social justice fundamental to modern democratic societies."



Not that this rentier ascendancy has always had its own way. The profound shocks, both political and social, of the period 1914-1945, have tended to narrow both the capital/income ratio and the grotesquely unequal share of the rentier classes in national income (GDP). These shocks were of both a technical and political nature.

High rates of growth are both cause and effect of economic, social and political change. New economic functions and innovations are constantly being created and new skills are needed. Education becomes more widespread and compulsory as the system revolutionises itself from within and new classes and work methods emerge which require increased rates of social mobility. This process has a tendency to spread the social product more evenly, tilting it towards more egalitarian levels. Moreover, political developments - trade unions, workers' political parties and movements and the growing militancy of the working class -

tended to add an additional momentum to this process. The increasing state regulation of the system which now introduced progressive taxation and the number of lost fortunes during the depression years, in addition to the capital destruction during World War 1 resulted in the ancien regime of rentierdom undergoing a severe contraction.

But this was not to be a permanent trend, as revisionists like Anthony Crosland and his epigones insisted. From 1980-2010 the status quo ante was able, to an extent, to re-establish itself. The neo-liberal counter-revolution successfully overturned the post-1945 settlement. It was a return to business as usual.

Piketty's solution to this increasing income and wealth inequality is a progressive tax on capital which will, it is argued, prevent the ultimately unsustainable mal-distribution of wealth into fewer and fewer hands.

But here's the rub: Piketty, like J.A.Hobson, Sismondi, Keynes, and most other underconsumption theorists tend to think of capitalist malfunctions as problems of distribution. No problems on the supply side (production) apparently, as pointed out by inter alia: (Ricardo) diminishing returns, (Schumpeter) disappearing investment opportunities (Marx) the tendency of the rate of profit to fall, don't warrant a mention. Moreover, the problem tends to be viewed as being fundamentally technical: just get the macro-economic and fiscal variables correctly lined up and – bingo! Problem solved. Unfortunately the problem is really political rather than technical. History clearly shows that the ruling elites will not give up their wealth and power without a tenacious fight. They won't hesitate to use extra-parliamentary methods to defend their privileges. The programme advanced by Piketty, whilst worthwhile in a technical sense, lacks any serious political content.

One of the great political paradoxes is that substantial reforms tend to be achieved by irresistible and often extra-parliamentary pressure from below. Without the mass movement, such well-intentioned, well-thought out and sensible policies seldom get off the ground.

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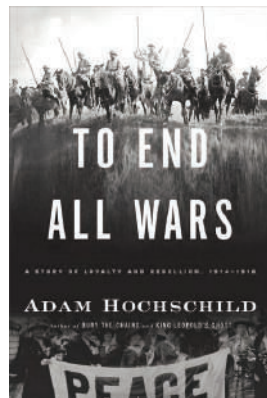
The rush to war

Duncan Bowie embarks on a broader review of writing on the great war

Duncan Bowie is speaking on the Liberal opposition to the war at Conway Hall, Red Lion Square 7pm on 21st October, together with John Newsinger who is speaking on Irish Labour and WWI. This is part of a seven week lecture series

The anniversary of the start of the First World War has led to a rush of publications. Adam Hochschild got in early and published *To End All Wars* in 2011, and the book is now available in paperback. Subtitled 'A Story of Protest and Patriotism in the First World War'. Hochschild's book is unusual in that it gives equal coverage to the generals and soldiers fighting and those opposing the war. In the latter category, and the final pages make the author's commitment clear, we find Charlotte Despard, Sylvia Pankhurst, Bertrand Russell and Alice Wheeldon. In 2012, Oxford academic Christopher Clark published his 736-page study *The Sleepwalkers*, which focuses on the Balkan origins of the war. Margaret Macmillan, Canadian historian author of the classic study *Peacemakers on the Treaty of Versailles* then last year published *The War that Ended Peace*, which is a study of European diplomacy between 1900 and 1914. There are numerous other 'celebratory' volumes. This article discusses Douglas Newton's *The Darkest Days* (Verso, £20) which focusses on the radical Liberals who tried to stop the war from breaking out, or at least to stop Britain's involvement.

Newton's book is a study of the British cabinet discussions and diplomacy in the week before the start of the First World War on 4th August 1914. Newton is an Australian historian an author of a previous study, *British Labour, European Socialism and the Struggle for Peace 1889-1914*, which is an excellent study – in fact the only one – on the British role in the second International. His new book is a forensic study of the archives of politicians and diplomats. Newton has tried to trace the narrative events and assess the impact of each intervention in the rush to war. What is novel about this study is that it demonstrates the strength of the opposition to war within Asquith's Liberal government. Newton demonstrates that there was in fact a majority within the cabinet in favour of some form of neutralism and avoiding a commitment to support France or Russia. He also demonstrates that Britain was committed to



war before the Germans invaded Belgium, though this invasion provided a useful retrospective justification. He also demonstrates that there was no treaty obligation for Britain to support France, though the Foreign secretary, Grey, thought there was a moral obligation and considered that Britain was honour bound to intervene to support its Entente ally. In fact he threatened to resign if Britain remained neutral, and Asquith would have resigned with him. In fact it was the possibility of the Government falling and being replaced by a Liberal imperialist/Tory war coalition that kept some of the more neutralist Ministers within the government.

Newton analyses the roles within the war party. It is Winston Churchill as Lord of the Admiralty who actually pre-empted Cabinet decisions by ordering the mobilisation of the navy, which encouraged both Russia and France to adopt a more aggressive position. The Times led a pro war campaign, and Churchill certainly encouraged the Tory leadership of Andrew Bonar Law and Austen Chamberlain to adopt a pro-intervention position. It is Newton's study of the Liberal neutralists which is perhaps most interesting. John Burns, often criticised by socialist historians, was the strongest opponent of intervention and resigned first, to be followed by John Morley. John Simon, the solicitor general and future Liberal leader and Lord Beauchamp, Liberal leader in the Lords, also resigned, but were persuaded to keep their resignations secret and to rejoin the cabinet once war was actually declared. In fact Beauchamp was

to chair the privy council meeting with the King which signed the declaration of war. Neither parliament or cabinet formally debated the declaration of war. Some 16 backbench radical MPs managed to speak on an adjournment debate just before the declaration, but no vote was taken, and the Liberal leadership, including the cabinet dissidents, absented themselves from the debate.

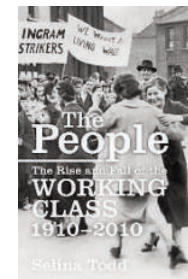
In the last few days before the war, the radicals established a British Neutrality committee. This was led by Arthur Ponsonby who established a Liberal Foreign Affairs Group, and Charles Trevelyan, who resigned his junior ministerial role, with the Fabian Graham Wallas. The foreign policy dissident, Norman Angell, established his own British Neutrality League. On the eve of the declaration of war, on Sunday 2nd August, a mass anti-war rally of 20,000 people was held in Trafalgar Square, called by the British Section of the Second International, whose leaders had just returned from a crisis meeting in Brussels. Keir Hardie was among the speakers, together with Arthur Henderson. Ben Tillett and Bob Smillie and the leaders of the labour women's movement, who had been active in opposing the rush to war - Charlotte Despard, Margaret Bondfield, Mary MacArthur and Marion Phillips.

Newton however demonstrates that Grey and Churchill contributed to the rush to war through their own interventions. Grey rejected a number of opportunities for negotiation and on a number of occasions clearly misled the cabinet and parliament. Churchill could not wait to get the war started.

The book raises a number of parallels with the run up to the British military intervention in Iraq – a lack of parliamentary accountability in decision making, secret commitments to allies, dodgy dossiers and conscious misrepresentation of the facts. In remembering the Great War, we need to remember that it could have been avoided.

Those who tried to stop the war are just as much heroes and heroines as those who fought it. We will remember them.

Don Flynn on the working class



THE PEOPLE – THE RISE AND FALL OF THE WORKING CLASS 1910-2010
Selina Todd,
(John Murray, £25)

An earlier generation of British historians set out to tell the story of the working class with the expectation that their studies would end on an ascendant note. Thompson's account of the making of the English working class, Cole and Postgate's, *The Common People*, and Hobsbawm's *Labouring Men* were amongst the many strands of reasoning which traced a 'rise' of the working class from the early eighteenth century. They held out the hope that the social consciousness which sustained solidarity and collectivism would lay the foundations for a socialist society.

This account by the Oxford historian Selina Todd locates itself within the lineage of British labour studies, but on this occasion there is a crest to the rising theme, and the concluding point is how it is now tending towards a fall, if that end hasn't already been achieved.

Even with this gloomy prognosis she builds on foundations laid by the work which began rolling off the presses in the 1980s which told of a 'forward march of labour, halted'. At some point during the century Todd focuses on the solidarity and consciousness of common interest that had been forged by the life experiences of the production line and the working class community had become inadequate to the task of driving history onwards, and at the point of its faltering, other forces stepped in and shunted things in a different direction.

The problem with this highly readable account is that it doesn't quite get round to putting a name to the malaise which sapped away at the energies of the working class during this critical century. Todd provides an impeccable history of the social pressures which operated to reconstitute the working class over the course of the twentieth century and how these transformed its skills base, gender and ethnic composition. The reader sees all the points where the process of integrating women or immigrants into the business

of capitalist production led to tension and conflict, and how all this could have resulted in a breakdown in the working class's sense of its historical mission.

But none of these things provide a complete answer to the reasons for the 'fall'. The battles were messy and the politics unpleasant during these years, but by the time the working class entered the final quarter of the century its traditional forms of trade unionism and reformist activity had made considerable strides in integrating women and immigrants into industrial organisation. On the face of it, the working class movement circa the mid-1970s, with its union membership of close on 13 million, robust local democracy organising the supply of housing to around 40% of the population, and the huge endorsement for the ethos of public service over private profit shown in the level of support for the NHS, was in a strong position to move onwards and upwards.

The final segment of the book, in a chapter headed 'Hard Times', tells the story of the labour movement's encounter with Margaret Thatcher and the plunge over a steep cliff as far as the fortunes of the working class were concerned. Her mode of telling this story, used throughout the book, is to turn to a cohort of working class informants who lived through the period. It produces a lively and compelling narrative, but by the time we get to the miners' strike of 1984-85 the sense of a downward spiral becomes stronger, not just because of the dispute's unfortunate outcome, but because it was leaving behind the concerns of the common people.

From here the story becomes that of a 'New Britain', forged by the market and neo-liberal values, and the tale of a Labour Party which briefly flourishes as it attempts to hang a progressive narrative around these developments but ultimately flounders and gives the ball back to a triumphant right.

Todd surveys the wreckage in an epilogue and, thankfully, avoids the temptation to conclude that the game is lost. It isn't, but what remains is a vista of social and economic spaces hugely transformed by the rapid advance

of the globalised version of capitalism that Thatcher did so much to usher in during her years in power. The malaise and torpor which equates with the 'fall' of the working class is not so much a failure of solidarity and collectivism in itself, but of the politics of the working class movement which did not adapt with sufficient vigour and foresight to the changed nature of the capitalist beast. In that sense, it was not the 'modernisation' project attempted by a section of the Labour party during the 1980s that was the core of the problem, but the fact that it was the wrong type of modernisation pursued for the wrong reasons.

The apparent 'fall' of the working class has not produced the classless society which capitalist ideologues tell us is our modern state of existence. States and markets still act together to bring the greater part of the population under the thrall of asset-monopolisers and global bourgeoisie whose largest faction is nowadays made up of shameless rent-chasers. The challenging question today is knowing where the new proletariat will find purchase for mounting a meaningful resistance to globalised capitalism, and go on from there to resume its forward march towards a decent human society.

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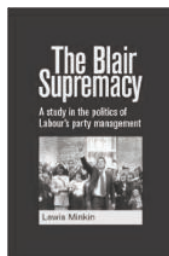
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Peter Kenyon
on the
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dynamo



Shambles

THE BLAIR SUPREMACY: A STUDY IN THE POLITICS OF LABOUR'S PARTY MANAGEMENT
Lewis Minkin
(Manchester University Press, £26.99)

Party politics – boring? Oh, no. There are many facets to this extra-ordinarily well written and extensively sourced study. Most gripping is the role of Tony Blair. His anti-trade union, anti-party, 'Tony wants', 'Tony knows best' dispositions were evident at a relatively early stage in his front-bench career. But that didn't stop him being elected by a substantial majority as Leader in 1994. Nor were any of the stakeholders in the Labour Party sufficiently concerned to do anything to rein him in decisively, until he sealed his own fate in the Autumn of 2006 over the Lebanon. His legacy in terms of party management may now be marked, but lives on regardless. Sandwiched between the covers of this 800-page must read tome are 21 chapters set out in four parts covering Antecedents, Forging 'New Labour' management, Crisis and Control and an Appraisal.

Minkin himself was a player in the recent history of the Labour Party, both as an academic and

an advisor to Neil Kinnock in the early 1980s. The idea for the book came from a long interview with Blair himself by the author in, wait for it; 1989. It was then when Blair was shadow cabinet spokesman for employment that Blair revealed his ambition to radically reform the party by breaking the link with the unions. Like a dog with a bone he never gave up his anti-union stance as Chartist readers of the March/April 2007 issue will remember from my own account of Blair's last-ditch attempt in November 2006 to secure state-funding and sever the link.

Minkin's introduction reminds us, 'At every party conference he [Blair] was the recipient of huge acclaim, reflecting ...an unusual and unshakeable supremacy over the party...' It was all managed in remarkable detail even down to party staff sitting in the Conference hall clapping to a prepared script. Alongside the anti-union stance as part of the modernisation programme was an uncritical, fawning longing to make the Labour Party the party of business. Pro-business policies were dictated by Blair and carried forward by whatever means. 'The danger of a financial oligarchy

endangering democracy was not within the New Labour terms of reference', Minkin observes in a section on the New Labour government, the unions and business. Whether in policy formulation, party institutions – Conference, National Executive Committee (NEC), National Policy Forum (NPF), or candidate selection, all were subject to the controlling hand.

Dig below the surface, and that is Minkin's mission, Blair ran into innumerable problems. To an extent that I wondered whether he was tempted to entitle the book, The Blair Shambles. Why were so many stupid mistakes made by Blair and his ilk? Minkin cites former No 10 aide Geoff Mulgan: "We expect leaders to be able to think through the full implications of what they do." Hear, hear to that. Minkin himself concludes his summary: analysis and characterisation in Chapter 20: 'The Blair dynamo had driven a significant and very damaging legacy'. A must read for anyone interested in the Labour Party as a democratic socialist party.

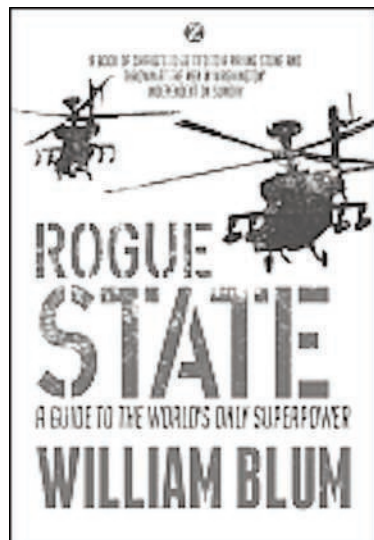
Crimes of the powerful

James Grayson
on the
USA

ROGUE STATE: A GUIDE TO THE WORLD'S ONLY SUPERPOWER
William Blum
(Zed Books, £9.99)

William Blum chronicles the activities of the USA all over the world. This is an update of the book with the same name, published in 2001. The format is a mixture of short essays and an encyclopaedia of interventions since 1945.

This is where one finds a chronicle of activities that the Authorities would like to keep secret. Blum attracts a wide readership and was quoted by Osama Bin Laden in a 2006 audiotape. Chapter 12 considers the use of depleted uranium as a battlefield weapon which is dangerous to combatants on both sides; it can enter the food chain. Subsequent health problems



include: kidney and liver dysfunction, leukaemia, carcinoma, lung cancer, late term miscarriage, deformed fetuses, anencephaly, fused digits, fatigue, pain when swallowing, numb hands and nausea. One could go on. More than two pages devoted to a list of attempted assassinations. The chronicle of events of interventions in former Yugoslavia explains the bombing of the Chinese Embassy and how easy it is to persuade the media to accept propaganda over chronology.

The final chapter asks how does the US get away with it and chronicles scores of examples of what has been recorded that, one might consider at the least, to be untoward.

This is an useful addition to one's reference shelf.

A fragile independence

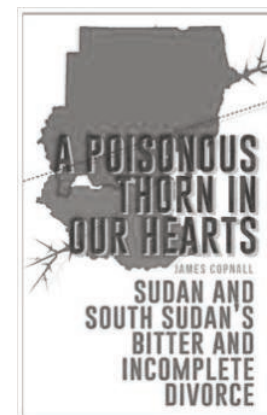
Nigel Watt on
South
Sudan

A POISONOUS THORN IN OUR HEARTS
James Copnall
(Hurst, £19.99)

On July 2011 9th one enormous dysfunctional country split into two large dysfunctional countries, Sudan and South Sudan. James Copnall ably describes the politics, economics, complex ethnic divisions, personalities and international context before and after the Comprehensive Peace Agreement (CPA) of 2005 which led to the referendum in 2011 in which 99% of South Sudanese voted for independence. Copnall has detailed knowledge of these two complex countries and he brings the story and the personalities alive and has arranged the material in an accessible way.

Sudan in the 19th century was an extension of Egypt, and from 1898 to 1956 was ruled by Britain. The North is overwhelmingly Muslim but with many non-Arab ethnic groups. Northerners sneered at the abed (slaves) in the South where the British had encouraged Christian missions and had blocked Islam. They saw the South as 'a poisonous thorn'. Most Southerners hated Arabs and Islam.

Civil war broke out soon after Independence and continued on and off until 2005. Omar al Bashir came to power in a coup in 1989, an Islamist and an authoritarian (who loves to dance and to tell dirty jokes.) Under his rule there has been much corruption, some development (e.g. the road to Port Sudan which was built by Osama bin Laden when he was in



the country) but no reconciliation. Bashir's great opponent, the charismatic SPLM (South Sudan) leader John Garang had a vision of a 'New Sudan', a reformed, united and tolerant country where the Southerners, but also the minorities in the North in areas such as Darfur and the Nuba Mountains, would have found a place. His vision was not going to be accepted by either side and tragically he died just after the CPA was signed.

South Sudan's independence was driven by the US: the Bush administration's simplistic analysis was of Christians rebelling against an Islamist pariah regime – and Americans are still popular. But South Sudan started off with more challenges than almost any country: the boundary between the two states was never properly agreed and this is bound to lead to further conflict; the leaders are inexperienced and have difficulty changing from bush fighters to politicians; educated and trained personnel are in short supply (or

are living abroad); infrastructure is terrible; the country is landlocked and trade has to pass through the North or by long routes through Kenya. South Sudan has been described as 'a state in search of a nation'. Its 66 ethnic groups are united only in hating the north. The Dinka are the biggest group and the main leaders have come from this group, including the president, Salva Kiir. At Independence the liberation movement and its flag merely took over the state and one party rule in the South now mirrors one party rule in the North.

Economic factors are crucial. Sudan had been doing well as an oil exporter after 1999 but 75% of the oil came from the South where it should provide 98% of national income. The North retained 25% and would earn from the South the transit costs and a subsidy to compensate for the loss of income. In late 2011 when South Sudan did not pay up for several months, Sudan began confiscating the oil. In anger Kiir simply shut down all oil production, causing crisis in both countries and bankrupting the South. Outside pressure led to the resumption of oil production but then, late in 2013 a virtual civil war broke out with Vice President Riek Machar who is from the second big ethnic group, the Nuer, leading the rebels. A unity government has now been patched together but the situation remains fragile. Extracting the 'poisonous thorn' has been difficult for both parties.

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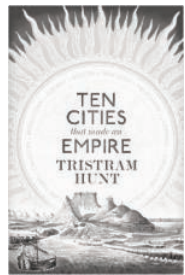
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Duncan Bowie on a new imperial history



TEN CITIES THAT MADE AN EMPIRE
Tristram Hunt
(Allen Lane, £25)

I was somewhat sceptical before reading this book. There has been a plethora of books on the British Empire published in the last few years, several of which have been reviewed in *Chartist* and I did wonder what our shadow Minister for Education had to add, though I have to admit his previous books on Victorian local government - *Building Jerusalem*, and Engels - *The Frock-Coated Communist*, were sound. I also wonder how an MP who is also a shadow Minister actually finds time to write a major historical work, and one which appears to have involved visits to ten 'imperial' cities across the globe. The acknowledgements do imply Hunt had a large group of research assistants, though what Benjamin Wegg-Prosser, Mandelson's sidekick, and Julia Hobsbawm, PR guru and daughter of the great Eric, had to contribute is a puzzle.

Andrew Marr's book cover blurb refers to the book as 'ingenious, gripping and unorthodox'. That is a bit overstated, though the book is well written and well researched (despite Michael Gove pointing out that Hunt got a few dates wrong). This is imperial history as urban history. It has been done before - for example in

Briggs' classic *Victorian Cities*, and any reader of *Urban History* journal will be familiar with the discipline. Hunt however does the job well, using ten cities as exemplars of different stages of the rise and fall of the British empire. His selection is curious - three cities in India: Calcutta (Kalkota), Bombay (Mumbai) and New Delhi; Boston in New England, Bridgetown (Barbados) and Hong Kong. Cape Town is the only African choice, and Melbourne in Australia (which also features in Briggs' study, though this is not referenced), Dublin - and finally Liverpool to represent the end of Empire. Sub Saharan Africa is ignored as is the Middle East. Hunt's methodology is to combine contemporary accounts and secondary studies - and his bibliography - or at least that of his research team, is impressive.

Hunt apparently argues that the Empire was neither all good or all bad. By focusing on the rise and fall of individual cities, he tends to discount all the wars of conquest and occupation. The nationalist struggles and the process of decolonisation also tend to be ignored (apart from a few references to Indian nationalism in the Delhi chapter) as Hunt moves from the New Delhi in the 1930's to Liverpool in the 1980's. Hunt is however impressive on summarising the origins of each of his selected cities, and the role of colonial governance. He is good on

the trading origins of each city (and appears a little critical of the Bombay/Hong Kong opium trade which led to the Opium war and the occupation of China) and focuses on the planning and design of his cities - the section on Mumbai is good, though like other chapters is based primarily on secondary studies by others. Each city - even Bridgetown - has its own urban historians from whom Hunt borrows, though to be fair, he does acknowledge his borrowings.

There is much commentary though little analysis. The theory of empires and their rise and fall does not really concern Hunt. Marx gets a few mentions, notably his comments on the opium wars; Lenin gets two, while J A Hobson gets one. Hunt is keener on those Victorian promoters of empire - Froude, Seeley and Dilke - rather than their critics. The debates within the British Labour Party on imperialism, colonialism and self determination don't get mentioned. Colonialism is in fact depoliticised - the general impression being left that applying Chamberlain's civic reform and sewerage to Cape Town or Mumbai was spreading English civilisation round the world and was very worthy. Nevertheless this is an enjoyable book and an informative one. I just hope Hunt now gets back to his day job.

imprisonment and night-time raids by militant suffragettes are particular highlights with the use of browns and shades of grey to highlight the grim realities of campaigning. But there is colour animating the story, (Sally with her mop of ginger hair) and a careful weaving of contemporary newspaper clips, posters, banners and badges. Edwardian Britain comes to life as do the political debates on tactics that divided the suffrage movement. This book is a triumph of collaborative work, convincing evidence that the graphic novel has come of age and packs a powerful political message for today - with a twist only revealed on the last page.



SALLY HEATHCOTE SUFFRAGETTE
Mary Talbot, Kate Charlesworth and Bryan Talbot
(Jonathan Cape £16.99)

This is a gripping inside story of the campaign to win the vote for women, deftly drawn within a narrative of love, courage and conviction. Written by Costa Award-winners of Dotter of her Father's Eyes, Mary & Bryan Talbot, the book tells the tale of a northern working class woman who becomes swept up in the campaigns led by the Pankhursts and Pethick-Lawrences to secure the franchise for women. The pre-war demonstrations, physical force window

smashing and house burning versus petitioning and lobbying politicians is all shown in an imaginative story line combined with brilliantly illustrated strips drawn by Kate Charlesworth. The brutal force feeding of women,

Building an economy that works?

Peter Kenyon on Left Economics



THE FAILED EXPERIMENT
Andrew Fisher
(Comerford and Miller, £9.95)

This book is the first under 'A Radical Read' imprint by publishers Comerford and Miller. It is written by the co-founder of the Left Economics Advisory Panel. Andrew Fisher takes the election of the first Thatcher government in 1979, seven months before he himself was born, as his starting point. His thesis is that by 2008 the 'great experiment' had failed spectacularly. The six central objectives of the Tories 'great experiment' were to: cut public services and overall public spending, privatise public assets and publicly owned industries, privatise and deregulate the housing market, weaken the bargaining position of workers in the labour market, substantially reform the tax sys-

tem, and deregulate private industry, especially the finance sector. Fisher's account of the financial crash, how the seeds were sown, the economic illusions that followed and the state we are in are all vividly described and explained in helpful, accessible language. He starts his concluding analysis with a claim that 'The UK has a failed economy' adding, 'The politicians that led us into the financial crisis did not understand the economy they oversaw, and the politicians post-crisis have no answers except to carry on as before...'

Rather than stop there, Fisher set himself a further goal, adding a concluding chapter headed: 'Building an Economy that Works'. He may have accidentally created his own failed experiment. Policy remedies need to be examined in the light of the real politik. He opens the final chapter

by quoting from Karl Marx: 'the philosophers have only interpreted the world, the point however is to change it.' Maybe I allowed my own eagerness for answers to over-inflate my expectations. But offering up public ownership as a means of changing the world without any consideration of how Thatcher and the Tories were able to get away with the great sell-off snapped my credulity. I nearly put the book down cursing yet another doomed alternative economic strategy reminiscent of the early 1980s. Some interesting ideas follow. Whether they are any more likely to succeed in addressing falling living standards, a lack of affordable housing or a need (among other matters) to big-up public services and collective bargaining in the near-term is highly debatable. My search for nirvana continues.

Democracy - British style

DEMOCRACY LTD: HOW MONEY AND DONATIONS CORRUPTED BRITISH POLITICS
Bobby Friedman
(Oneworld, £12.99)

Exciting title, isn't it? Gripping introduction too. I had no idea prior to the Michael Brown affair that the Liberal-Democrats had adopted the ways of Lloyd George to fund their political habits. But according to the author they are as mired as the Tories and Labour. Friedman relies heavily on interviews with leading players in his account. Former treasurers Lord (Tim) Razzell for the Lib-Dems, Lord McAlpine for the Tories, fundraiser *par excellence* Lord Levy and former Director of Finance and subsequently General Secretary Peter Watt for Labour to name just a few of his prominent sources.

The brief and compelling Intro '...the grubby arrangements are still in place: we have a system which fails all involved and erodes trust in politicians and politics.' Not much scope for disagreement, there. But there is pause for thought a couple of pages into Chapter One referring back to Lloyd George and other early funding scandals - the price of a peerage (£50K) in his time

was, we are told, the equivalent of £12 million today. A few pages later, the going rate for a baronetcy (£25K) is cited as being worth £1.7 million in today's money.

However, don't let an unfortunate error in arithmetic get in the way of a good read. Examples of rich and powerful people digging deep whether British or not are all given an airing, with sourcing - big personalities, bigger donations - cue Asil Nadir of Polly Peck infamy and Robert Maxwell, owner of the Daily Mirror. Friedman's titillating romps through 'cash for questions', to settle on New Labour, before alighting briefly on the Lib-Dems and fraudster Michael Brown, conflicts of interest for MPs from not just the mainstream political parties, but the Greens as well, weighing in heavily against the Trade Unions, before asserting in conclusion that the answer is more state-funding. Obviously. Well, I'm not so sure.

Chapters on New Labour, Old Practices - chronicling the exploits of Tony Blair and Michael Levy and a Formula for Disaster concerning the ill-fated £1 million donation from F1 supremo Bernie Ecclestone make compelling reading thanks to fresh interview material. It's the author's rhetoric and apparent

agenda that spoils a good read. Friedman's working assumption is that no political party can rely on membership subscriptions and small donations to survive. He offers no mention of the work of the Electoral Commission under its first chair, Sam Younger, to enquire into political party funding

As avid *Chartist* readers will recall, the Commission concluded in its report published in December 2004 that there was no case for increasing state-funding, but the parties would be well-advised to look to their own lights address membership and look for small donations. Blair's then Leader of the House of Commons, Peter Hain, never found parliamentary time to allow debate on the floor of the House of Commons, the rest is history. The tragedy of this book is that its author has no regard for the right of people to collective action through trade unions, and is apparently hostile to trade unions being active stakeholders in political life. But anyone interested in another insight into Blair's obsession with money, read on '...suddenly the Blair family began to treat Levy's home as their personal weekend retreat.' That was in 1994!

Mike Davis on graphic suffragettes

OUR HISTORY 56

Sydney Olivier - White Capital and Coloured Labour (1910)

Olivier is sometimes referred to as one of the lesser Fabians. He was however the only early British socialist to write on colonial policy. Keir Hardie and MacDonald wrote on Indian nationalism and Macdonald also wrote on Labour and the empire, but it was Olivier who sought to analyse the colonial relationship within its economic context and to challenge assumptions widely held among the early Labour leaders as to the inferiority of the ‘negro race’. There is only one modern biography of Olivier, written by *Chartist’s* own Frank Lee, and published as *Fabianism and Colonialism* in 1988. Olivier’s widow published a memoir with selections from Olivier’s writings in 1948. Olivier was secretary of the Fabian Society from 1886 to 1889 and served on the executive committee until 1899. Starting his career as a colonial office official, Olivier served as colonial secretary in British Honduras from 1890 and then as colonial secretary and subsequently as Governor in Jamaica. Between 1913 and 1917, he was permanent secretary to the Board of Agriculture and Fisheries. Having retired from the civil service, Olivier became Secretary of State for India in MacDonald’s 1924 Government. Excluded from MacDonald’s second government, Olivier became a critic of the government’s colonial policy, but served as a member of the Labour Party’s advisory committee on imperial questions, under the chairmanship of Leonard Woolf.

White Capital and Coloured Labour was published in the ILP’s Socialist Library edited by Macdonald and was a serious analysis of what was referred to as ‘the race question’ focusing on the economic context of colonialism and challenging some of the Darwinian perspectives of racial superiority as the justification for empire, widely held by early socialists including the Webbs as well as by Liberal imperialists. Olivier also published *The Anatomy of African Misery* in 1933, and two books on Jamaica, including one on the Governor Eyre controversy and the Jamaican slave revolt of 1865. Olivier wrote the chapter on the morality of socialism in the 1889 *Fabian Essays*:

‘Socialist morality .. is only the morality which the conditions of human existence have made necessary, that is only the expression of the external passion of life seeking its satisfaction through the striving of each individual for the freest and fullest activity; that Socialism is but a stage in the unending progression out of the weakness and the ignorance in which society and the individual alike are born, towards the strength and the enlightenment in which they can see and choose their own way forward – from the chaos where morality is not to the consciousness which sees that morality is reason; and to have made some attempt to justify the claim that the cardinal virtue of Socialism is nothing more than Common Sense.’

In *White Capital and Coloured Labour*, he considered the morality and economics of colonialism:

‘The question of relations between black and white is obscured by a mass of prejudice and ignorance and blindness, proportional to the isolating differences in their evolved constitutions. These barriers are not different in kind or in strength from those which once separated neighbouring European tribes... It is a deplorable but unquestionable fact of experience, and it is the basis of practical democratic conviction in politics and industry, that if you give one average man command over the services of another for his own purposes, he will abuse it... The danger of inhumanity is much greater where there is racial distinction. Because this, at best, obscures the human sense of sympathy; but where this obscuration is enhanced by a positive theory of racial incompatibility and inferiority, race prejudice intensifies the tendency to oppression in exploitation. The social claims that are recognized in the fellow white man are expressly denied to exist at all in the black..... No mixed community can attain unity and health if the white man assumes an attitude which stimulates and maintains this alienating suspicion in the black, or where one governing class bases its polity on the short sighted theory that the dividing habits of Race are permanently stronger than the unifying force of Humanity.’

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CHARTIST have collaborated with the Socialist History Society to reproduce Duncan Bowie’s ebook OUR HISTORY 50 in print, released earlier this year on the CHARTIST website. COMING SOON and available for £4!



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