

CHARTIST

For democratic socialism

September/October 2015

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Historic moment?

Dave Prentis

Trade unions

Rosa de la Fuente

Spain

Louise Hoj Larsen

TTIP

Tim Jones

Greek debt

Andy Gregg

Refugees



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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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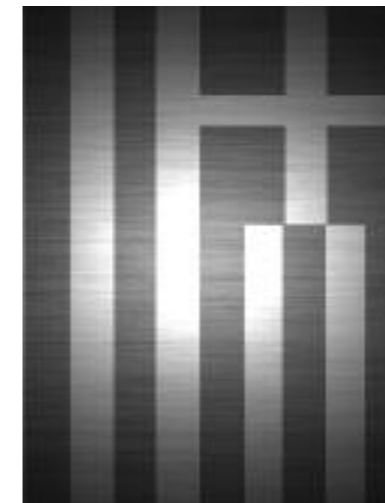
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A new way or will it be axed?

British Labour Party politics is at a crossroads. Jeremy Corbyn MP's nomination as a Leadership candidate has dramatically transformed the contest. He has done it with great dignity, clarity of thought and purpose.

Win or lose, Corbyn has provided a vivid illustration of how Labour politicians need never again be accused of being the same as the Tories. He has attracted back young and old Labourites in numbers not seen since the end of the 1970s.

This is all despite former leader Tony Blair's cataclysmic warnings: 'Civilisation as we know it will end.' 'The world will cave in.' 'Annihilation is at hand'. His PR man Alastair (dodgy-dossier) Campbell claimed Corbyn 'would kill Labour'. Blairite acolytes launched an 'ABC-anyone but Corbyn' campaign. As the ballot papers were despatched, all they seemed to have achieved is to encourage more members to vote Corbyn4Leader.

But impressions can be deceptive.

What is beyond doubt is that Corbyn has helped draw into the Labour Party huge numbers of new members, £3 supporters and union affiliates, boosting the Party electorate to over 610,000; more than treble that before the general election. Many of these new recruits are young people enthused by Corbyn's campaigning zeal, his message of hope and consistent anti-austerity politics. He has also attracted back many lapsed and disillusioned supporters who dropped out during the Blair years. The mood at his overflowing meetings has been akin to the Scottish independence campaign.

If he wins, his first major electoral tests will be in Scotland and London. It is in Scotland that Corbyn has already marked himself out as a capable and perceptive leader. "I'm a socialist, not a unionist", he told Scottish audiences in mid-August: a dog-whistle to former Labour members and the young who defected to the Scottish Nationalist Party, reducing Labour Scottish MPs to a rump of just one in the 2015 General Election.

More importantly, Corbyn has driven a stake in the heart of the neo-liberal economic thinking that has plagued British Labour Party economic policy since former Prime Minister James Callaghan embraced monetarism during the mid-1970s. It may have elements of 1980s Bennisism—not surprising given that Tony Benn was a significant mentor—yet Corbyn has attuned his policies to the 21st century, talking up new technology, boosting apprentice-

ships and lauding entrepreneurs, SMEs and co-operatives. Yes, he proposes to renationalise energy companies and railways, but not in the context of state control. He wants consumer and worker involvement - democratic control.

The common ownership Clause 4 which Blair ditched to seal his victory in 1997 will not be a centrepiece of Corbyn's campaign despite the critics. He acknowledges that a public-private mix is the way forward, but that private profit and the market have come to dominate the neo-liberal economic world of the Tories and New Labour. He starts from the proposition that people's needs and welfare must come first.

Corbynomics embraces the alternative to Tory austerity, that the Labour Party leadership singularly failed to spell out with enough clarity or conviction to win the 2015 General Election.

He is also an internationalist. His support for movements of the oppressed, challenges to global capitalism and to the Zionist Israeli state (that lies behind so much division in the Middle East) are not without controversy. His willingness to promote equality and justice is what has caught the imagination of Labour Party members and supporters.

To criticise NATO is not to endorse Putin and his nefarious ways. Similarly, to oppose Trident renewal (which could save up to £100bn) and promote nuclear disarmament

has been a consistent campaign commitment for Corbyn for over 40 years. He stands in the shoes of other great Labour leaders from Keir Hardie and George Lansbury to Bevan and Michael Foot in opposing imperialist wars and exploitation. This is an era when these themes could find support around the world.

This is not going back but forward. His are policies to tackle globalisation, exploitation, inequality and threat of environmental apocalypse. Win or lose, Labour Party members are enjoying a master-class in how to re-forge Labour as the credible party of social justice, internationalism and solidarity.

Corbyn's ability to lead and hold the party together is untested. Even if he is overwhelmed at the ballot box, his contributions over the course of the four-month campaign demand an end to command and control by the Labour Party machine. That is a challenge for *Chartist*. He has proposed restoring democratic elections to the shadow cabinet and a restoration of Labour Party democracy. There are more than enough reserves of experience, enthusiasm

and commitment from which to draw in a newly energised party.

Popular policies, consistently campaigned for, will have the ability to appeal to disaffected former Labour voters, many who voted UKIP, will appeal to Tory voters who voted for the real thing rather than austerity lite and many hundreds of thousands of new, young voters. Corbyn's policies appeal to the underdog, workers and immigrants as well as 'aspirational' voters, (though who doesn't have aspirations?) on a people's EU, education, housing, culture and enterprise. At root it is about a robust opposition to Tory policies of inequality, exploitation and attacks on human rights pitted against an alternative vision of a democratic social republic in which wealth is redistributed, democracy is enhanced and the economy works primarily for people not markets and Mammon.

Whoever wins they will have 4-1/2 years to consolidate that transformation of the terms of political engagement. The fatalists say impossible, the nay sayers utopian. But an economy and a world geared to the needs of the many not the few is a world both worth fighting for and achievable. Who would have thought after the dismay of 8 May 2015, that goal might be in sight again after just another five years in opposition?

This edition of *Chartist* was largely written a month before the ballot closed.

Whether it is Burnham, Cooper or Corbyn who becomes the leader of the Labour Party he or she will have to hit the ground running. The Tories in government have once again revealed their nasty class character with the removal of the cloak of coalition that curbed their more aggressive tendencies. As **Dave Prentis** reveals, their Trade Union Bill is an unashamed assault on human rights and the largest civil society organisations in the country. Being forced to achieve voting thresholds that do not apply to this government in order to take industrial action, trade unions will also be spied up, checked and inhibited from conducting currently lawful activity.

Social security is another pillar of the post-war welfare state that Cameron and Co. are intent on savaging. As **John Percival** reports, their plans to cap benefits will hit the poor, the vulnerable, disabled and women hardest. The idea that families will get no further support for a third or fourth child is reminiscent of Chinese totalitarianism. Corbyn was the only leadership candidate to join almost 50 other Labour MPs in voting against this nasty bill which seeks to recreate a deserving and undeserving poor while depicting benefit recipients as scroungers.

Amid all the campaigning for Labour's leadership it is important not to lose sight of the reasons why Labour lost. **Peter Rowlands** provides a detailed analysis of the demographics of defeat, highlighting features that could provide the springboard for future Labour success. **Trevor Fisher** underlines the importance of Labour registering new voters, democratising its operations and moving on from the Blairite years.

The growing crisis in the Mediterranean with 100,000s

of people fleeing civil wars, repression and dictatorships in North Africa is brought under the spotlight by **Andy Gregg**. He focuses on the plight of Eritreans and the under-reported situation in that brutal Horn of Africa state. But the questions are the same. What concerted approach will the European Union take to support migrants? How will Britain welcome asylum seekers and refugees?

The 'migrant crisis' (a term like *Al-Jazeera*, we will now seek to avoid) brings into relief the issue of what the European Union is for. Currently the emphasis is more on disunion. This is what the beleaguered Greek government have found. Having achieved a huge mandate for a new deal within Europe in January, the SYRIZA-led Athens regime negotiated in good faith for a further loan with debt relief and restructuring. They have ended up with a further round of austerity and privatisation in exchange for a third bail-out of £60bn. Whether debt relief will result is in the balance but as **Tim Jones** of Jubilee Debt Campaign argues, without debt forgiveness the Greek economy, like Latin American and African countries before, will have little

chance of recovery. The neo-liberals who currently run Europe seem blind to the long term prospects. Greece finds itself between a rock and a hard place as **Isidoros Diakides** and **Mike Davis** report on the latest 'deal'. A shift in the political balance of forces in Europe is urgently needed. The rifts were beginning to show during the Greek negotiations. Political changes in Ireland, Portugal and Spain away from austerity policies could further that process. **Rosa**

de la Fuente reports on successes in Madrid and Barcelona for the left which could bode well for Podemos and socialists in the end-of-year elections.

However, with the crisis in Greece combined with the war in Ukraine **Frank Lee** is less optimistic about the longer term prospects for the EU. Attempts to pursue failed free market economic policies persist. **Louise Hoj Larsen** reports on the Transatlantic Trade and Investment Policy, a spearhead of neo-liberalism, currently being pushed through the EU. TTIP in its current form seeks to force open the doors to privatisation and gives corporations powers to sue governments who resist for huge sums. So much for democracy!

A Jeremy Corbyn-led Labour Party, with an alternative economic programme to austerity-lite neo-liberalism, could provide new hope to millions of disillusioned and new voters, as newly elected MP **Cat Smith** writes. Corbyn's economic programme to invest in manufacturing, housing and public services, new tech and green jobs, combined with progressive taxation and no set timetable for deficit reduction, would help set Britain on a new economic course. It is a course to enthuse millions and that will find increasing allies throughout Europe and the wider world. Whoever wins, *Chartist* will be publishing a special 16-page edition in time for the Labour Party Annual Conference to signpost a new era of democratic socialism.



Jez points the way for the party of Labour

Railways for the common good?

Paul Salveson sounds a warning about returning rail to public ownership

A feature of the Labour leadership campaign has been the renewed support for rail 're-nationalisation'. Corbyn was first to raise the call, followed by Andy Burnham, whose statement was more qualified, suggesting that a Labour Government led by him would permit a 'public sector' bidder to compete for franchises. This was basically what shadow transport secretary Michael Dugher proposed during Labour's disastrous election campaign.

Both are ill-conceived. Burnham's suggestion that a 'public sector' bidder should be allowed to compete for franchises is particularly muddled. The cost of putting together a passenger rail franchise bid is around £10 million per bidder, plus the high costs of evaluating the three or four franchises which may be short-listed. It's not surprising that the franchise market has come to be dominated by a small number of bidders (many of whom are owned by foreign state-owned railways) who can absorb the risks posed by bidding for a franchise. So how would a 'public sector' body find the resources to put in a viable franchise bid, knowing that it might not win? At the same time, any public sector bidder would basically have to accept the economic logic of franchising, just as the other bidders have to do. The benefits to society of having a specifically 'public' bidder are limited, apart from profits going back to the Treasury. There is no greater likelihood of fares coming down or more trains being introduced than if the winning bidder was Stagecoach or First Group. That can only be delivered by the outputs demanded by the Government, through its franchising teams in the Department for Transport.

Corbyn's call for full nationalisation does have more coherence. Essentially, you create a public sector body – lets' call it 'Rail UK' – which gradually takes back into public ownerships each franchise when it comes up for renewal. To do that won't cost anything and avoids the high costs of re-franchising. There is the slight difficulty of EU law which is becoming more, rather than less, insistent on the rail network being opened up for competition. But putting that aside, moving towards a re-nationalised railway could work. Infrastructure is already owned by the state, through publicly-owned but increasingly embattled Network Rail.

Yet there are questions that need to be asked. Why re-nationalise? What do we want from our railways? If you just want public ownership for its own sake, well OK but be careful what you wish for. The old British Rail was far from being a model of social-

ist enterprise, with a very hierarchical management structure and little interest in developing the network. Was customer service better in BR days than now? I wouldn't say so. Were employees more 'empowered'? No, I was one of them and I never felt very empowered. But didn't the Government invest in rail? You must be joking. Remember Beeching in the 60s? But more recently, don't forget the stranglehold which the Treasury inflicted on BR refusing desperately-needed investment and the run-down of many local routes.

The current approach towards creative use of the franchising tool by DfT civil servants is bringing some benefits. Rail franchises are specifying substantial benefits for employees, passengers and local communities. Franchise bidders are having to wise up on social cohesion, community engagement and real consultation. The results of this have already been seen with the ScotRail franchise, which was specified by the Scottish Government. The winners – Dutch Railways' owned Abellio – are delivering a railway which is much more than punctual train services but includes substantial economic, social and environmental benefits to Scotland. We'll see what the successful bidder for the huge Northern Rail franchise is committed to delivering when the winner is announced in December.

So should we just leave everything as it is? No, I don't think we should. But we need to be clear on what we do want, and going back to a monolithic BR would

actually be a huge step backwards. In Railpolitik: bringing railways back to communities (2013) I argued for keeping a mix of operators, some of whom could be social enterprises, operating a mix of regional and UK-wide InterCity networks: a railway run for the common good. To get there would not be easy (think the £10m cost of bidding), but there is scope for co-ops and employee/passenger-owned mutuals partnering with larger private bidders. There's also scope for some open access operators structured as co-operatives. That would allow them to build competence and financial muscle which could allow them to eventually bid for franchises independently. The benefit for private sector bidders would be having a junior partner with distinct expertise as a social enterprise. But at the same time we shouldn't let the private sector companies off the hook either. Through the existing tools we have, much more could be demanded from private bidders for public sector contracts.

But back to BR? No thanks!

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



Think again: a return to British Rail is not the utopia some think it will be. Reform has to look to other alternatives

Alarm bells

Dave Toke on the extinction of bees and Brexit

Well, crop yields haven't tumbled in the wake of the bans on allegedly bee-killing neo-nicotinoid pesticides, I read in the *New Scientist* (August 13th). Dave Goulson, a bee expert from the University of Sussex writes that far from declining, yields from this pesticide (crops such as sunflower and maize) have actually risen by around 25 per cent in the period since the chemicals were banned. Farmer organisations had been predicting a massive collapse in crop yields, with 50,000 jobs on the line. A bit of an overstatement, a bit of hype?

I must say I am very sceptical about the association, so beloved in this country, of the 'countryside' with nature. I suppose it is a leftover from Victorian conceptions of countryside aesthetics. Indeed there was undoubtedly more nature in the countryside in those days. But biodiversity has plummeted since WW2. The death of the bees is a symptom of the over-chemicalisation of the countryside. This is to such an extent that botanists report that urban areas have more biodiversity (more animal and plant species) than we call our countryside. It is not coincidence that bees can be reared more effectively in urban areas than our 'countryside' these days.

Establishment turns against nuclear deal

It is astonishing just how radically the establishment is turning against the 'deal' being promoted by the Department of Energy and Climate Change to give the proposed nuclear power development Hinkley C a guaranteed premium price for nuclear generation over 35 years. This is now worth £94 per MWh, and increasing with inflation. To boot, he Treasury will be guaranteeing £10 billion of loans which, given the track record of late delivery of the French design of power station under consideration, is likely to be added to the costs. So, even the £94 per MWh over 35 years is likely to be a big understatement of the price that we will pay in practice. Our grandchildren will still be paying for this plant, which even if it goes according to plan (unlikely), will not be generating (and starting its 35 year contract) until 2023.

Meanwhile energy prices are falling as what could well end up being the last ever oil price spike recedes into the distance. Renewable energy costs, are falling – in the last of the contracts it will issue (before the end to support is implemented) wind

power plant will be paid around £80 per MWh for a mere 15 years, with no loan guarantees. So far *The Sunday Times*, *Daily Express* and *Daily Mail* opinion pieces have condemned the deal, as well as various energy analysts and other institutions. But the Government are still ploughing ahead with a fanfare piece of agreement with the Chinese in the October. The Chinese are agreeing to this in order to open the door to build their own nuclear power plant in the UK. Perhaps they are being a bit hopeful here, after all the nuclear build programme in China seems to be falling well below expectations for its delivery.

Of course conservative voices who are turning against the Hinkley deal say their concerns are about money, not the environmental issues. But then the reason nuclear power cannot be cheap is precisely because this risky technology has to have so many safety measures fitted that it becomes so expensive. And demands for new safety measures have increased over time.

Biodiversity has plummeted since WWII. The death of the bees is a symptom of the over-chemicalisation of the countryside. This has occurred to such an extent that botanists report that urban areas have more biodiversity (more animal and plant species) than what we call our countryside

Will the Greens campaign to stay in the EU?

I totally agree with Caroline Lucas when she says, writing in *The Guardian*, that 'What's happening in Greece should drive us towards greater solidarity, not less. We must

join Podemos and Syriza in calling for the EU to be rebuilt, not retreat into our corner and cut off ties with our fellow Europeans.' One of the things that seem to be missed by leftist opponents of EU membership (including quite a few greens) is that leaving the EU will undermine the citizenship rights of 5 million people, and potentially trigger the biggest forced repatriation since WWII. There's a lot of theorising on the left about how UK leaving the EU will be a strike against 'neoliberalism'. But I really doubt that the headlines after a Brexit vote will be 'UK says no to neoliberalism'. More like 'UKIP wins'. I thought that neoliberalism was firmer in the UK than the EU!

But the practical effect of a vote to leave the EU will be to end the residency rights of 2.5 million people in the UK and a roughly equal number of British people living on the continent. I thought that the left in general, and greens most of all cared about defending the rights of citizens in transit. Apparently I'm wrong judging from the recent upsurge in left wingers and greens favouring Brexit.



Going for the jugular

Dave Prentis explains why the Trade Union Bill is an attack on human rights

The right to strike is a fundamental human right recognised across the democratic world. It has played a crucial role in helping workers – whether they are a member of a union or not – to secure better conditions and lives for them and their families.

The new proposals to make it harder to strike, to allow employers to employ agency staff during a strike, to introduce new criminal sanctions on picketing, criminalise other dispute related protests and to add new surveillance powers to the snoopers charter specifically for trade union activity are all attacks on our basic rights. Social media activity linked to a dispute will also need to be registered in advance.

This is yet another proposal for legislation that is consistent with the Conservative's anti-human rights agenda. In fact, it is very much linked to the Tories' attack on the European Convention on Human Rights (ECHR) and the Human Rights Act.

The ECHR protects the rights of workers under freedom of association. In a case a few years ago involving the Turkish government's ban on public sector strikes, the European Court of Human Rights used the ECHR to declare the law incompatible with Turkey's human rights obligations.

Mandate to intervene

The European Court of Human Rights may therefore have a mandate to intervene against the Conservatives' anti-strike proposals. Aware of this, the Conservatives have developed what looks like a deliberate and calculated plan to assault workers' rights and undermine the ECHR at the same time.

While we, as trade unionists, rightly celebrate human rights and access to justice, our government is busy working on further reforms aimed at shutting down dissent and weakening people's rights at work. Already, the Lobbying Act has constricted civil

society organisations ability to protest and cuts in public services and Employment Tribunal fees have seen the number of cases bought by workers collapse by close to 80%, something Unison is already challenging in the courts.

As Frances O'Grady from the TUC recently said "Dictatorships and authoritarian regimes routinely clamp down on freedom of association and spy on dissenters. Everyone who cares about civil liberties should be worried about these plans".

Unison has been a long time member of both Liberty and Amnesty International and is also a member of the Human Rights Alliance to protect the Human Rights Act. We hope our allies will rally to help the biggest voluntary movement in the UK, the trade union movement.

Though the Trade Union Bill

This is yet another proposal for legislation that is consistent with the Conservative's anti-human rights agenda

has many other threats to the voice of ordinary workers across the UK, there is one other area with serious human rights implications, namely the Communications Data Bill. The planned legislation will enable the tracking of everyone's internet and social media use, and will strengthen the security services' warranted powers for the bulk interception of communications.

Given that the government is currently being investigated for mis-using its existing powers to unlawfully spy on lawful trade union activity, any additional powers could have a significant impact on trade union activists going about their lawful activities.

In addition, by proposing to criminalise picket infringements via the Trade Union Bill, it is much more likely that any additional surveillance powers would be able to be instigated 'legally' in disputes with employers.

Home Secretary Theresa May set up the judge-led public

inquiry to scrutinise the failings of the police's long-running undercover infiltration of hundreds of political groups. The remit of the inquiry - to be headed by Lord Justice Pitchford - is being drawn up at the moment and is due to be announced any time.

The call for this enquiry from trade unionists follows revelations by a whistleblower that Scotland Yard's undercover unit, the Special Demonstration Squad (SDS), gathered intelligence on members of at least five unions.

Former SDS member Peter Francis disclosed that during a four-year spell undercover infiltrating political groups, he spied on members of Unison, the Fire Brigades Union, Communications Workers Union, National Union of Teachers and the National Union of Students.

Surveillance powers

As the current law requires that surveillance powers must be employed proportionate to any harm to privacy caused (as required by Article 8 of the European Convention on Human Rights and Article 12 of the Universal Declaration of Human Rights), any expansion or change to the UK's surveillance powers should be proposed in primary legislation and clearly and accurately described in the explanatory notes of any Bill to allow for necessary transparency and full debate.

Unison members believe that human rights are not only practical rights that improve the services we all use every day but also improve our workplaces. For example, we are pleased to be working with the Equality and Human Rights Commission on their taskforce with employers on improving conditions in the cleaning industry.

It is time for unions and civil society to unite around a common vision of individual and collective rights that brings all our aspirations for a good society together.

Dave Prentis is the general Secretary of Unison

Back to the undeserving poor

Without tough opposition to Osborne's welfare cuts Labour risks becoming an irrelevance says **John Percival**

Following the General Election defeat Labour leadership contender Liz Kendall warned that the Labour party it had "no God-given right to exist". As the leadership contenders compete to define the party's *raison d'être* under their leadership, it is worth recalling that the party first existed to give representation to the then voiceless working class. Anyone doubting that a party is needed to do the same today needs look no further than Tory Chancellor of the Exchequer George Osborne's July budget and in particular the latest round of welfare cuts.

Osborne's budget hits the most vulnerable hardest. Most benefits, already devalued by the switch from the indexation used to calculate annual uprating from RPI to the lower CPI and the subsequent 1% up-ratings cap, will be cut further in real terms by a cash freeze. Children in large families previously affected by measures such as the household benefit cap will now see it cut by a further £3,000 to £23,000 in London and by £6,000 to £20,000 across the rest of the United Kingdom. The Government's own impact assessment states that 59% of those affected by this change will be single mothers. Research from IPSOS-Mori has also indicated that 37% of those currently affected by the cap come from a minority ethnic background; almost triple the percentage of the non-white population across the whole of the UK according to the 2011 census. Larger families in future will also have their child tax credit restricted to the first two children, essentially a two-child poverty for the working class.

Welfare cuts

The coalition's welfare cuts brought progress made by the previous Labour Government in slashing child poverty to a halt. Two million children were taken out of absolute low income after housing costs were taken into account between 1997 and 2010. Since David Cameron became

Prime Minister, the number has increased by 500,000. Osborne and Work and Pensions Secretary Ian Duncan Smith, well aware of the implications of their latest policies have abolished the former Labour government's child poverty reduction targets and are seeking to redefine poverty so that it is no longer just linked to income. BME families are disproportionately hit by increases in child poverty with research for the Department of Work and Pensions (DWP) estimating that different minority ethnic groups have child poverty rates six to 30% above the national average with Pakistani and Bangladeshi children worst affected.

Arguably, however it is disabled people who will be hardest hit. As a result of measures such as the bedroom tax, which two thirds of households affected include someone with a disability, real terms cuts to Employment and Support Allowance (ESA) and the closure of the Independent Living Fund, disability poverty increased under the coalition. Since 2010, the percentage of families in which someone is disabled living in absolute poverty after housing costs are taken into account has risen from 23% to 30%.

One of the nastiest elements of these cuts has been the way in which the Tories have sought to divide and rule. ESA appears to have been divided into a 'deserving' support group and 'undeserving' work related activity group. All the while they have cut support for both in real terms by capping the personal allowances paid to both groups at a below-inflation 1%. The work-related activity group is now hit further with new claimants seeing their entitlement cut by 30%. It is worth remembering that this is a group of people who have been assessed under the Work Capability Assessment and been found not fit for work.

Poverty reduction was one of the last Labour Government's finest achievements. The party's response to this latest round of cuts is therefore disappointing.

Even more concerning than the decision to abstain on the 2nd Reading of the Government's Welfare Reform and Work Bill, which introduces many of the cuts, was the acceptance in principle by acting Labour leader Harriet Harman on BBC TV's *Andrew Marr* show of the lowering of the household benefit cap and cuts to child tax credit for families with more than two children. In effect this was accepting the Tories artificial division between "shirkers" and "strivers".

Abandoning

Across Europe those stung by austerity are abandoning social democratic parties that fail to speak up for them. There is a very real potential for this to happen in the UK. In Scotland voters simply did not want to listen to Labour's message at the last General Election feeling that the party had abandoned them for too long. In England and Wales we have seen an increase in direct action groups by-passing traditional party politics which they see as offering nothing for them. Kendall is right that Labour has no divine right of existence. Should Labour fail to stand up for those who need a voice they will either find it themselves or elsewhere. If the next leader allows this to happen Labour risks becoming an irrelevance.



Speaking of the 'undeserving'...

Why Labour lost

So what actually happened in the 2015 election? **Peter Rowlands** looks at the evidence

It is unfortunately not a caricature to say that much comment on the recent election has consisted of vigorous assertion by the Labour Party right that the programme was too left wing, countered equally vigorously by the left that it was not left wing enough! Supporting evidence has been scant, beyond the cry of '1983' from the right, countered by '1945' from the left.

The leadership campaign has if anything made this situation worse, with fear of a Corbyn win having elicited some desperate responses from the right and from the other candidates. While Corbyn himself, to his very great credit, has stuck to an elaboration of policy, many of his supporters on the blogosphere have sunk to the level of their opponents.

It is surely only by a rational analysis rather than blind assertion that Labour can again successfully promote itself in 2020 or before. So what of the considered evidence and opinion on the 2105 election? Much of this has not received the attention it should have done, although there will hopefully be a renewed focus on this when the official 'Learning Lessons' enquiry is published next month.

The most important areas of investigation can be grouped as:

- How the UK voted, by region, age, gender, class and other relevant distinctions
- How the new electoral situation has changed Labour's prospects
- How potential and actual Labour voters viewed the party's appeal
- The impact of UKIP and the Greens
- Why Scotland moved from Labour to the SNP
- Why the pollsters got it wrong again

How we voted

I shall cite some of the main findings under these headings and comment briefly on each.

The biggest single change was Scotland, where Labour's loss of

40 seats was a huge blow which will not be easily reversed, and obviously makes it much more difficult for Labour to gain a majority. It also means that we now have three different electoral systems – Northern Ireland, which was always different, and now Scotland, because of its domination by the SNP. The main system is what remains in England and Wales. Here there were significant variations between the main regions, with London and the three Northern

regions experiencing the biggest swing to Labour, with small to negative swings elsewhere, including, inexplicably, Wales. However, extra Labour votes were largely at their strongest in seats already held by Labour and much weaker in the small towns and suburban areas that Labour needed to take.

The LibDem vote went to Labour more than any other party, (24%), but the Tories got, crucially, not much less at 20%, and the Greens 11%. Over 65s were twice as Conservative than Labour, with a much higher turnout, while voters became progressively more Labour as they became younger, but with a progressively lower turnout. Women, except the over 65s, were more Labour than men, particularly the young. There was some reversion to social class alignment, but the middle class Labour vote largely held, but turnout was much higher among the more Conservative inclined social groups. The Conservatives lost heavily to UKIP, as did Labour to a lesser extent, mainly from the older white male working class. Labour remains strong among BAME voters, but the Conservatives have increased their share here. Workers in the



Red Ed to blame? too lefty? how boring this narrative has become...and wrong

private sector are more Conservative, those in the public sector Labour, but less so. Those with more qualifications tended to Labour, those with fewer to the Conservatives.

It is clear that unless Labour can either increase its turnout among the under 35s and the D/E social groups, or increase its support among the over 65s, and preferably both, then winning is going to be very difficult. Labour must pay urgent attention to these tasks as well as analysing its failure to capture more than a handful of Conservative seats, and losing some to them.

The new electoral situation

Prior to the 2015 election Labour had an in-built advantage, all of which has not only gone, but swung the other way to the Conservatives. That is before expected boundary changes, which the Tories will no doubt seek to push through prior to the next election.

There are three main reasons for this reversal of fortunes. Firstly, Scotland, where Labour's huge loss of 46 seats contrasted with the Conservative's nil loss; the huge decline in the Lib-Dem vote meaning that the opportuni-

ty for tactical voting, either by Labour to keep the Conservatives out or by the Lib-Dems to keep Labour in has largely disappeared; and the swing to the Conservatives in their marginal seats meaning that they are less marginal.

Several commentators have pointed to the huge challenge that Labour faces here, and of the necessity of winning back votes from the Conservatives if it is to win in 2020. This is strictly not true, as a combination of votes lost to the SNP, UKIP, the Greens and of new voters and previous non voters could suffice, but it is unlikely that all of that could happen simultaneously, and there is no longer a big Lib-Dem vote to be inherited.

How voters saw Labour

There have been a number of surveys on this, most of which have highlighted similar concerns. The most important were concern over Labour's past and future handling of the economy, immigration, too generous welfare, control by the SNP and Miliband's credibility as leader. Anti aspiration and anti business were lesser factors, as was austerity, about which there has been an interesting debate.

It is hardly surprising that Labour is viewed poorly on the economy, as its biggest mistake was not to defend its record in government prior to 2010 and allowing the myth that the deficit was Labour's fault to become widely believed. Not having put forward a coherent alternative to austerity policies means there is little support for something that is not policy, which is not the same as support for austerity. The problem with the 'immigration problem' is that it can embrace much, from racist opposition to any non white immigration since the 1940s to justifiable concern with pressure on local services caused by migrant European workers. Here and on welfare, myths abound, but Labour's rather desperate pronouncements on these issues prior to the election indicate that much work is needed here.

Both predictably did very well, despite ending up with only one MP apiece. The Greens, thanks to the Lib-Dem implosion have probably secured lasting extra support, now at 4% although clearly at Labour's expense. In most of the seats lost to the Conservatives the Green vote was

higher than the margin of loss.

But it is UKIP that is now the most significant extra force. The failure to even win a seat for Farage highlights the injustice of our electoral system and may well serve to boost pressure for the adoption of some form of PR, and UKIP is likely to remain strong at least up to the forthcoming referendum. Thereafter it is, assuming a by no means certain win for remaining in, partly a question of how the Conservatives position themselves, but it is difficult to see UKIP sustaining its momentum, although its appeal now goes well beyond the EU to cover immigration and nostalgia for the whole gamut of reactionary prejudice.

It is clear that unless Labour can either increase its turnout among the under 35s and the D/E social groups, or increase its support among the over 65s, and preferably both, then winning is going to be very difficult

The decline of UKIP would help the Conservatives most, but Labour as well, although it would make it harder for Labour to win overall.

Scotland

As indicated above, this now effectively constitutes a separate electoral system, about which much has been written, to which I do not intend to add, except to say that without a significant number of Scottish MPs Labour's task is much harder. With the SNP having firmly established itself as the dominant Scottish party there can be no assumption that in the short run at least those seats will be won back.

They got it wrong again, more badly than at any time since 1992. To be fair it was only Labour and Conservatives that they got badly out, by three points too many for Labour and the same too few for the Conservatives, thus enabling a majority government to narrowly emerge, and experts on a hung parliament to go back to their ivory towers. Investigation into the reasons for this error are ongoing, with not much evidence of a late swing over Scotland, nor of 'shy' Conservatives (i.e. those deliberately lying), but some evidence of turnout for Labour being down by those indicating their intention to vote.

This brief summary of what happened on May 7th has not touched on the wider and more important issues that will determine Labour's future. Can Labour win on the basis of a populist social democracy now being promoted by Jeremy Corbyn here and elsewhere in Europe? Or is a reheated Blairism the only way back to power? Is our unjust electoral system a barrier to change, and is PR the only way forward? Did Labour lose because of a number of factors which can be changed, or is its plight part of the crisis of social democracy afflicting similar parties in Europe?

Such questions and others will be debated in the coming period, but in order to move forward we must have a clear idea of what actually happened.

For those interested in further reading see main sources below:

Touchstone Blog, TUC Polling. Ipsos Mori. How Britain voted in 2015

P. Kellner, You Gov - How Britain really voted

J. Curtice, IPPR - A defeat to reckon with

A. Harrop, Fabians - The mountain to climb

Smith Institute Red Alert. Why Labour lost



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Precariat – key Labour opportunity

Paul Reynolds on taking a different road and reaching out to the 'precariat'

There is something odious about the Labour Party leadership debate. A rise in membership and an enthusiasm for supporting Jeremy Corbyn is deemed entryist subversion. When it was for Tony Blair it was a resurgent support for the party and its policies. Right wing Labour and ex-Labour figures, including Blair, seek to undermine and challenge a democratic process because Corbyn represents a different set of choices as opposed to acquiescence to neo-liberal agendas and corporate power. There is no credence given to the possibility that a growing proportion of the population might be beginning to see through the false promises of market and its inequalities and immiseration of the working classes, the poor and vulnerable. These are people waiting to be re-politicised and drawn back into the public debate on social change. Labour's failure to address that constituency underlines its lack of direction and its failure to think strategically about leading rather than following prevailing politics.

Electoral failure

If one moment underlines Labour's electoral failure and lack of strategic political leadership, it was at the BBC *Question Time Leaders' Special* in which the three main party leaders had 30 minutes before a studio audience. Ed Miliband was confronted by a questioner who asked if he accepted that when Labour were in power they overspent and caused the need for austerity politics. Miliband disagreed, but instantly established that the audience might not agree and then talked about Labour's investment in public programmes and the global crisis.

A following questioner - who worked in financial services - challenged Miliband's account as ludicrous and said he lied, and in the ensuing exchanges used the example 'If I get to the end of the week and can't afford to buy a pint, I've overspent. It means I haven't got any money left.' Miliband's response was that he could not convince that person and then moved to discuss indus-



A message for Labour, a message for voters

trial policy, leaving the charge unanswered and its rejection weak. He should have said 'If you get to the end of the week having paid your bills, invested in your children and your family, with a small overdraft, and the Bank says we need a massive bailout or life as you know it and access to your money stops, would you blame yourself or a profiteering and reckless banking system?'

This is not just an issue of political rhetoric, though someone with style and presence might have garnered more votes. Five years of vacuous and timid Labour responses to austerity politics, for the most part following Conservative rhetoric with limited opportunist counterstrokes such as the attack on profiteering energy companies failed.

If there is to be any form of democratic socialist response, the lessons of Labour's impotence need to be learned. The first is that a party cannot quietly avoid a fight for four years and expect to then gain electoral success. All movement building, whether electoral or social movements, is a process of engagement that builds, so the challenge for the 2020 election begins today. At this juncture, left politics will be about populist alliance building, including those of the left in Labour, under a broad alliance of progressive forces to oppose Conservative politics and build left refutations into the public consciousness. In that respect,

smaller socialist movements and groups such as the Chartist have a definite role to play, perhaps a more definite role than they have previously had.

Critically, there needs to be strategy. Labour is not short of targets. These include: an unreformed and profiteering banking system; corporate power that permeates and destroys local markets but avoids tax; privatised public utilities that profit with social consequences; the unequal burden of austerity upon the poor and vulnerable, the illusion in a consumer society that the consumer rather than the producer or retailer are sovereign. Popular support could be built around all these issues.

This form of politics involves recognising that one of the most significant developments in contemporary politics has been the exploitation and alienation of wide constituencies of voters who begin to see their social ills as a matter of fate rather than political choice. This involves a reintroduction of a concept Labour have feared for some three decades - class. Labour need to begin to recognise and to promote a class politics that does not have to appeal to old stereotypes of mass industrial disputes - though they still have their place as part of socialist struggle. Class needs to be promoted as explaining alienation, inequality, the distribution of power and wealth and the principal divide between the rich and

secure and the poor and insecure.

One fertile area of engagement is the emergence of what is labelled the 'precariat'. These include a wide range of people whose employment is based on precarious terms: those working on 'zero hours' contracts; casual workers, often working with no legal recognition and thus unregulated employment; recurring temporary and fixed term work, those doing home based or telecommuting work at piece-meal rates and those forced to be self-employed, in order to lighten the burden of employment rights on business; those in minimum wage employment that is demonstrably lower than a 'living wage'; those in work with no possible skills development and progression and therefore disposable at any time. These forms of work have become legitimised by claims that global competition and lower labour costs elsewhere, technological development and

changing flexibilities in employment require more flexible employees.

Jobs

Whilst it is difficult to get a sense of what volumes of workers we are describing, *The English Business Survey* reported in 2013 that one in ten of the UK's entire private sector workforce, some 2.3 million people - were in precarious employment (interestingly, the survey was discontinued in 2014). A TUC *Labour Market Report* at the end of 2014 put the figure at one in twelve and noted only one in forty new jobs were full time, whilst 60% of advertised jobs were self-employed and 36% part-time. It reported over a million zero hours contract workers - 3.1 of the UK Workforce, with less than half (44%) lasting for two years.

This is one constituency that is woefully neglected in contempo-

rary political debate. It is an exemplar of class relations, where people are reduced to disposable assets. This is a constituency waiting to be mobilised and recognised, and to be brought back into politics, and at the core of Labour's strategy should be that, rather than simply trying to fight the Conservatives over a hostile middle class whose interests are entrenched in the status quo (though they can also be drawn in on some of the other political agendas for Labour).

C Wright Mills famously set the agenda for a sociological imagination as dispelling anxiety and indifference and making the connections between personal troubles and public issues. That should be the mantra for Labour over the next five years, and Jeremy Corbyn is the only leadership candidate who appears to represent that prospect.

OUR HISTORY

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Eden and Cedar Paul - Creative Revolution (1920)

Eden Paul was the son of the publisher Charles Kegan Paul. He was a medical student who assisted Beatrice Webb and Charles Booth in their social studies of East London before becoming a war correspondent for *The Times* in the Sino-Japanese war of 1895. He practiced medicine in the Far East before returning to England. He was a member of the ILP and worked for the French Socialist Party before joining the Communist Party. Cedar Paul, Eden Paul's second wife was born Gertrude Davenport, daughter of a composer, and studied music. She joined the Independent Labour Party (ILP) in 1912 and was secretary of the British section of the Women's International Council of Socialist and Labour Organisations from 1912 to 1919. Marrying Eden Paul in 1915, the couple translated over 130 works by French, German, Russian and Italian writers, including works by Marx, Hilferding, Michels, Stalin and Plekhanov. Cedar Paul also joined the Communist Party and was on the committee of the Plebs League. They published *Creative Revolution* in 1920, subtitled *A Study of Communist Ergatocracy*. They coined the word 'ergatocracy' to replace the more commonly used 'dictatorship of the proletariat'. In 1921, they published *Proletcult*, which was a study of proletarian education and culture in Britain, France, Germany and Russia.

"In the theoretical field, we wish to effect an analysis of socialist trends and to attempt a synthesis of contemporary proletarian aims. In the sphere of practice, we hope to intensify and to liberate the impulse towards fresh cre-

ative effort.

"Socialism... has threefold roots in the three spheres into which, for convenience, the human psyche has been artificially divided. Intellectually, socialism is a criticism of the existing order; emotionally and in the realm of art it is the feeling that we can replace that order by a better, by an order that shapes itself in the imagination of the result of our intellectual criticism of capitalism; volitionally, or in the realm of will, it is an endeavour to create in the world of objective fact what we have already conceived in the intellectual and artistic imagination. It is an endeavour to overthrow the capitalist order, that latest and most finished form of ownership rule, and to replace it by the rule, or better by the administration, of the workers. It is an attempt to put an end to exploitation, to the use of man or woman, as a mere means to another's ends.

"We return to the idea that the revolution is a transcendent creative act, wherein man's will, guided by the accumulated knowledge, asserts its freedom, widening the bounds of freedom alike for the individual and for the race... Human freedom is, with all its inevitable limitations, precisely one of those phenomena wherein is displayed the triumph of life over material causation. ...The will to revolution is for us the real cause of the creative revolution now in progress, a revolution that will signalise an enormous advance in man's movement towards freedom. If this be no more than poetry, we say with the poet: Yet freedom, yet thy banner, torn but flying, streams like the thunderstorm AGAINST THE WIND."

Another way to safety?

Andy Gregg explains why Eritreans are making up a large number of Mediterranean refugees

On April 19th 2015, an overcrowded and ramshackle fishing boat capsized a few miles off the tiny island of Lampedusa in the south Mediterranean Sea. The boat had set off days earlier from Libya with hundreds of men, women and children packed on board with little to eat or drink. Worse still many had been locked below deck by the traffickers and were unable to escape when the boat inevitably capsized – probably as a result of those on board rushing to one side of the vessel having sighted an approaching rescue ship.

This was the most horrific incident of its kind so far this year and marked a day when up to 900 people died in various incidents across the Mediterranean including this one. Nearly half of those who died were from Eritrea, a tiny country of about five million people thousands of miles southwards on the other side of the Libyan and Sudanese deserts in the Horn of Africa. What is happening in Eritrea to force so many of its young people to risk their lives through desert sands and mountainous waves whilst at the mercy of people smugglers, kidnapers and Islamist murderers?

Welcoming?

Eritrea is an interesting case to look at as it demonstrates the stupidity and lack of humanity of those who are convinced that “if we are in any way welcoming to refugees and organise a programme to save them from drowning this will only result in more of them coming”. This view that any humanitarian attempt to save drowning people becomes part of a “pull factor”, has been

put forward by prominent MPs and opinion formers (many of whom might otherwise consider themselves to be ‘Christians’ or at least marginally more so than Katie Hopkins).

Eritrea accounts for the second-largest number in transit to Europe in the last few years, and is second only to war torn Syria as a producer of refugees. In 2014 around 35,000 Eritreans arrived in Europe and applied for asylum. This number is increasing and the Institute of Migration estimates that around 5000 Eritreans are fleeing their country every month despite the Eritrean Army being ordered to shoot them on sight if they are found near the border areas without permission. Unlike Syria, Eritrea is not currently at war. Since gaining independence in 1993 it has at various times fallen out with every one of

its neighbours and launched military threats and border incursions against some of them (Sudan, Yemen, Djibouti) with a full scale trench war with Ethiopia from 1998-2000 in which over 100,000 died on both sides.

Push factors not pull factors

Any brief examination of the situations in war-torn Syria or ultra-repressive Eritrea presents the following: growing migration from these areas is actually one of push factors rather than pull factors. Few people make such dangerous (indeed often suicidal) journeys just to improve their economic conditions. If this is the case one might think that the European powers and the UK in particular might be interested in looking at the root causes of this migration rather than trying to

ignore its symptoms until they burst onto our doorstep in Calais.

However, in response to the Eritrean situation, the UK and other European governments are doing exactly the opposite of what should be done if they seriously want to stop the flow of refugees from Eritrea. In an attempt to stem the flow, the EU is proposing to boost its aid to Eritrea. It says the money is meant to help tackle poverty and create jobs. Actually it will just prop up a tottering authoritarian regime for longer than it would otherwise survive. The real cause of Eritrea’s exodus has little to do with poverty or lack of economic opportunities. If the Government wants to stop the flow of refugees from Eritrea it must support attempts by the Eritrean diaspora and human rights activists to bring down the Government by peaceful means such as economic pressure, boycotts of the international mining companies that are propping up the Government and a serious attempt to outlaw the illegal 2% tax that the Eritrean government extracts from any Eritrean in the diaspora who needs to visit the country or maintain business links or ties with family members. It must tighten not loosen the UN Sanctions that are currently in place because of the Eritrean Government’s well attested support for Al Shabab (the Islamist group that has carried out a murderous rampage in Somalia.)

A repressive dictatorship

Since the turn of the 21st Century Eritrea’s people have been fleeing from a repressive military dictatorship that forcibly conscripts young men for indefinite periods and has used them as slave labour, treats prisoners like animals and is the most repressive regime in the world for journalists. Eritrea has been listed last in the World Press Freedom Index for the past eight years – below even North Korea. Recently the United Nations Commission of Inquiry on Human Rights in Eritrea released a report revealing the government’s gross human rights violations which it claimed were tantamount to “crimes against humanity”. The UN body accused President Isaias Afewerki’s regime of committing extra-judicial executions, torture, arbitrary and incommunicado detentions, enforced disappearances, sexual violence and other forms of serious human right

abuses. There are an estimated 10,000 political prisoners in Eritrea.

The experiences of Eritrean refugees are key to any understanding of the roots of the current refugee crisis in the Mediterranean – and why the EU’s misguided aid package looks like an attempt to either ignore or paper it over.

From bad to worse

Meanwhile the situation in the Mediterranean goes from bad to worse. Deaths in the sea this year may end up being double or even treble what they were last year. These deaths do not include the thousands who die of thirst in the Libyan desert or who are kidnapped and sometimes even killed for their organs by a string of kidnappers, people traffickers and ISIS thugs at every step of their way North before they even get to the Mediterranean shores. There is evidence that the smugglers are cramming more people

There was hope that the Lampedusa disaster would at last spur Britain and the EU into action. Whilst the EU agreed to reinstate a somewhat more effective search and rescue mission there is no leadership around this issue and some of the poorest parts of the EU are still expected to take by far the largest share of the burden

onto ever more vulnerable boats as they run short of such crafts on the Libyan coast. Laughable attempts to destroy such boats before they sail are likely only to make this situation worse. *The Economist* reports that ‘twice this year, armed smugglers have forcibly taken back boats used to transport asylum-seekers after their passengers were rescued by other vessels – a sure sign that the boats are becoming more valuable. In the second incident...the smugglers fired shots in the air before recovering a wooden craft about 100 km from the Libyan coast.’

There was hope that the Lampedusa disaster would at last spur Britain and the EU into action. Whilst the EU agreed to reinstate a somewhat more effective search and rescue mission (having cut the previous Mare

Nostrum programme on the grounds that it was part of a ‘pull’ factor), there is no leadership around this issue and some of the poorest parts of the EU are still expected to take by far the largest share of the burden. It would be foolish to imagine that the migrants and asylum-seekers will stop coming. In lawless Libya and in other countries of origin, the forces pushing them to gamble their lives on a sea crossing to Italy are still in place.

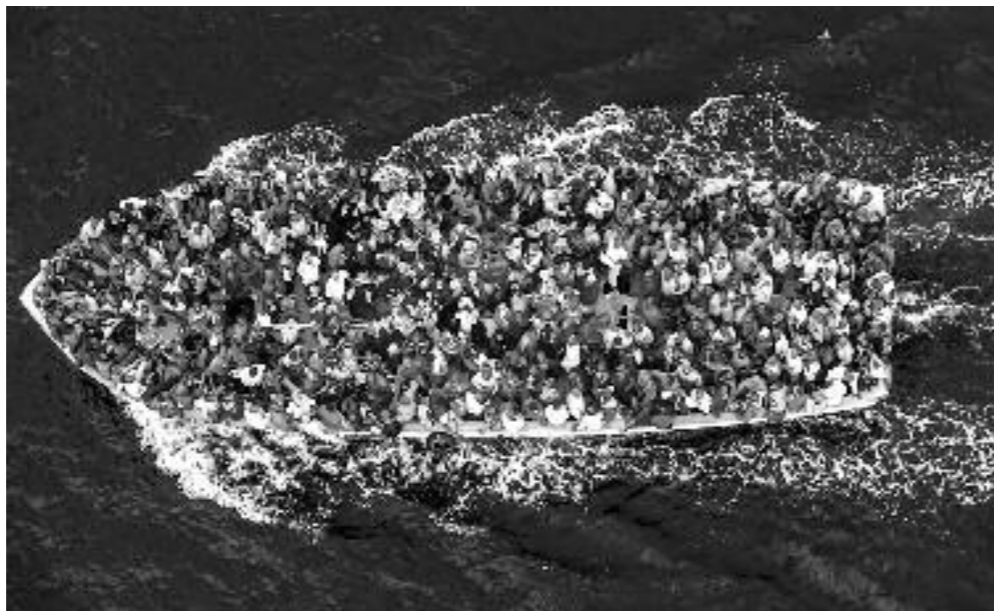
At Calais thousands of migrants (over a third of whom are estimated to be Eritrean) are making ever more desperate attempts to jump into lorries or strap themselves under Eurostar so as to reach the UK - with two recent deaths inside the tunnel in the last month alone.

Pathetic

What should be done? The EU’s response so far has been pathetic with arguments breaking out about how the resettlement of a paltry 40,000 Syrian refugees could be shared across the 28 member states. Britain has characteristically refused to take any through this route and so far has only taken a few hundred Syrian refugees from the surrounding refugee camps through its own resettlement scheme. There are no other legal routes for such migrants to enter the UK and seek asylum so refugees are forced to make more and more dangerous attempts to cross the Channel. The UK Government must increase the resettlement places for those people forced to flee so that they can reach the UK without risking their lives.

Above all the Government needs to look at the root causes of these migrations on a case by case basis and try and do sensible things to deal with the causes in the countries of origin rather than just the symptoms when these people arrive at the shores of either the Mediterranean or the Channel. In some countries of origin this may involve the judicious use of diplomacy and aid and in situations like Eritrea it will need to involve sanctions and international pressure to improve human rights conditions. To continue to stick our heads in the sand and refuse to act will make our Government morally complicit in the deaths and continued suffering of hundreds of thousands of people.

Andy Gregg is Director of Race on the Agenda (This is an update of the talk he gave at Chartist AGM in June 2015)



Pictures of packed boat after boat is only the back end of the problem. The trail starts in war torn Eritrea, Sudan and neighbouring countries

Debt right-off for Greece

Tim Jones explains the origins of the Greek debt and lessons from Africa & Latin America

In May 2012, Kenneth Dart, a hedge fund manager based in the Cayman Islands, was given €400 million by European taxpayers. He had bought up a Greek debt, probably for close to half that amount, several months earlier. Having never actually lent Greece any money, just speculated on a debt, he walked off into his Cayman Islands sunset with his wad of profit from the European public.

Two years earlier, in May 2010, it became apparent to everyone what a few insiders already knew, Greece could not afford to pay its debt. Hit by huge falls in tourism and trade revenues after the global banking crisis, and with an oligarchical elite setting up a system in which it could avoid large amounts of tax, the Greek government did not have the money to make the payments coming due.

This was bad news for those who had lent the money: Greece, German, French, British and American banks, pension funds from the same countries, offshore hedge funds and the Greek banks themselves. All faced another round of losses or bankruptcy if Greece defaulted on its debt.

Instead, a well tried and tested solution from the global South was used. The IMF and Eurozone governments lent more money to Greece to enable the debts to be paid. Between 2010 and 2015, of the money lent to Greece, 92% was used to pay off previous lenders. Meanwhile, the debt remained with Greece and the IMF and EU insisted on a course of austerity measures, removal of trade union rights and privatisation.

Tried and tested

This tried and tested solution was used because it is known to work – for the banks. In the 1980s and 1990s many countries in the global South entered debt crises due to a fall in prices for the commodities they export, and a rise in US interest rates. The IMF and World Bank lent more money to those who could no longer pay their debts, whilst preaching austerity and liberalisation. In early 2012 I was at a conference where the former Colombian Finance Minister, Jose Antonio Ocampo, said the response in the 1980s "was an excellent way to deal with the US banking crisis, and an awful way to deal with the Latin American debt crisis".

Between 1980 and 2000 the Latin American and African economies shrank in per person terms, whilst the debt continued to increase. More importantly, between 1980 and 1990 the number of people living in poverty in Latin America increased from 144 million to 211 million. In Africa, the number of people living in extreme poverty increased from 205 million in 1981 to 330 million by 1993.

Representatives of these countries tried to share this history when discussions on the bailout of the lenders to Greece began. At the IMF Board meeting to agree the loans, countries such as India, Argentina and Brazil, said the bailout was just for



A simple message for Greece's creditors

Tim Jones is policy officer at the Jubilee Debt Campaign. He has campaigned for debt justice for 15 years through the Jubilee Debt Campaign and Global Justice Now (formerly the World Development Movement). www.jubileedebt.org.uk

banks rather than Greece, that the policies would crash the economy, and the crisis would continue for years to come. Instead, they said the banks which had lent the money should be made to cancel some of the debt. The EU and US overrode them and pushed through the bank bailout regardless.

As has happened many times before, the consequences for the Greek people have been catastrophic. One-in-four are out of work with two-thirds of young people unemployed. One-in-five people now live in absolute poverty. The debt is higher now than it has ever been since the crisis began.

When Syriza won the Greek elections at the start of 2015, they did so on a platform of demanding a debt conference to agree necessary cancellation of debts across Europe. The idea was taken directly from a 1953 conference in London which agreed to cancel half of Germany's debt. Crucially, payments on the other half were made dependent on the rest of the world trading

As has happened many times before, the consequences for the Greek people have been catastrophic. One-in-four are out of work with two-thirds of young people unemployed. One-in-five people now live in absolute

enough with Germany for it to earn the money to repay. Greece was one of the countries which cancelled the debt.

However, outside of the geopolitical alignments that saw a prospering German economy as more important than imposing punishment on a financial

and moral debtor, other debt cancellations are hard won. In the 1990s and 2000s, the global jubilee movement pushed for debt cancellation for 52 impoverished countries, both because of the misery it was causing, and because much of the money had been lent originally to odious regimes which were no longer in power. Finally in 2005, 25 years into the debt

crisis, a scheme was setup to cancel much of the debt owed by the most impoverished countries. \$130 billion has been cancelled to date, though to do so, recipient countries had to implement even more of the liberalisation and privatisation conditions demanded by the IMF and World Bank.

Jubilee Debt Campaign is part of a global movement demanding freedom from the slavery of unjust debts and a new financial system that puts people first. www.cancelgreekt.debt.org

Lenders are often guided not just by the financial interests of themselves and their elites such as banks and hedge funds, but also the power that debt gives them to impose their wishes on the debtor. However, the sheer scale of debt owed can give debtors power. Defaulting is an option, and one that can cost the lender a lot of money.

At Christmas 2001, Argentina defaulted on its debt, when it simply ran out of money. For four years its people had been enduring an economic crisis caused by closely following IMF policies through the 1990s. The proportion of the population living in absolute poverty had increased from 2% to 20%. Following the default, the economy soon began to recover, and poverty rates by 2009 were below the 2% they had been in 1990.

Not the end of the story

In 2005, Argentina reached a deal with 93% of its lenders to pay (over several years) 33 cents on every dollar owed, with interest rates linked to the performance of the Argentine economy. Those holding out from this deal have included vulture funds, which bought up Argentine debt cheaply after the default, and are seeking huge profits – estimated at 1,600% - by being paid in full. So far they have not received a penny, though two vulture funds NML Capital and Aurelius Management (of Cooperative Bank takeover fame), have got a US judge to declare that Argentina is not allowed to pay anyone unless the vulture funds are paid in full first. So Argentina, is currently in a bizarre situation where it is not being allowed by a US judge to make debt payments that it wants to make.

In Greece default has been considered as an option, and the government has indeed for the moment stopped paying the IMF. However, its fear of the retaliation by European governments to a default – getting kicked out of the Euro – has been strong. At the time of writing, Greece is close to reaching a deal to be lent €90 billion more, all of which will be used to pay previous loans, whilst implementing even more austerity, removal of trade union rights and privatisation.

This is not the end of the story. Just as in the global South, the current plan being forced on Greece will continue the crisis for many years to come, which means more than ever the people of Greece need our solidarity. The power to threaten a default along with solidarity of movements across the EU has not been strong enough – yet. With elections in coming months in Spain and Ireland, increasing awareness of what has actually been happening in Greece, and a wave of revulsion at the sheer vindictiveness of how Eurozone governments have treated Syriza, there is hope that a new approach in Europe can be won.

www.cancelgreekdebt.org

Blackmailed & bullied by neo-liberals

Isidoros Diakides and **Mike Davis** report on events in Greece that have led to a third bailout deal at a huge cost and a general election

Following the referendum in which Greek people voted strongly to back their Syriza led government in rejecting the original deal, in mid August the Greek Parliament finally authorised a third bailout worth £60bn. But the cost has been high both in terms of the deal itself and in dividing Syriza (a third of its MPs and the Central Committee opposed the final deal). PM Alexis Tsipras has called a snap general election for later in September to reinforce the government's position.

The outcome of these protracted negotiations means the solidarity movement has new challenges but the fight against austerity, cuts and privatisation, which now shifts back to the trade union and civil society movements, assumes a new and more difficult dimension.

On 13th July, after a marathon 17 hours meeting of all the 19 heads of the Eurozone countries, (the longest top level summit in the history of the EU), the 'Institutions' drove a very tough and vindictive draft deal with the Greek Government, in exchange for a third €82-86bn bailout and liquidity for the Greek banks.

The deal is set to run for three years. There is also provision in the deal for longer repayment periods and restructuring of the debt. The IMF has underlined that without debt relief the package is unworkable.

Defeat or retreat

The deal represents a huge compromise by the Greek government, which some see as an utter defeat and others as a tactical retreat. Whatever the interpretation, it represents the imposition of yet another harsh programme of cuts aimed at making Greek workers pay for the structural and financial crisis of neo-liberal capitalism.

The Greek government will stress that there is a commitment in the agreement to address the long term viability of the Greek debt, provisions for financing

growth in the economy, short-term relief of the crippling debt servicing obligations of the next two years, new measures to tax shipping companies and phase out preferential treatment and some flexibility in the implementation of some of the more punitive and deflationary measures to be imposed.

However the reductions in public sector wages, VAT increases on the vital tourism and agriculture sectors and privatisation of the electricity grid company ('unless replacement measures can be found that have an equivalent effect on competition'), water provision, regional airports and ports, weigh heavily on the negative side. The retirement age will be raised to 67 and pensions trimmed further. There will also be cuts to civil service staff. Collective bargaining and trade union rights will come under the cosh.

Although the Greek government has managed to remove the demands to repeal all legislation passed since February which was not consistent with earlier memoranda, the proposed deal states that 'With the exception of the humanitarian crisis bill the Greek government will re-examine with a view to amending legislation that was introduced to counter... the effects of previous programme commitments'. The government has also agreed to rising year-on-year primary budget surplus targets, albeit at lower levels than those originally demanded by the 'Institutions'.

There will be a Greece based €50bn asset fund set up (effectively the continuation of the similar fund that had been set up by the previous government under a different name), with an open ended time horizon, administered by the Greek authorities under the supervision of the Institutions, to raise funds to partly recapitalise Greek banks (50%), partly repay debt (25%) and invest in growth (25%). This will result in dismantling significant parts of the Greek public sector.

The European Commission also will aim to secure a €35bn loan

from outside the European Stability Mechanism to help growth and job creation. Britain's Tory government, for one, have opposed this part of the agreement.

This is the price for lifting the imposed closure of banks and capital controls (which damaged the Greek economy and caused huge harm to average low-income Greeks) and for remaining within the Euro (still an expressed desire of the majority of the Greek people).

Schism in Europe

On the broader picture, the referendum and the subsequent marathon negotiations have brought into the open the real nature of the politically motivated blackmailing of Greece, enabling the European public at large to become for the first time aware of how far the EU has been hijacked by international financial and neo-liberal interests. It has also broken the hitherto solid consensus imposed on EU countries, revealing real splits within the 19 Eurozone member states. France and Italy together with most other Mediterranean states for the first time have taken a stance against a German-led block (which includes a handful of its newly Europeanized small neighbours and Holland), with the rest adopting a middle position, daring to distance themselves for the first time from the belligerent stance of the German government.

While the new deal seems to be consolidating further the position and popularity of Tsipras within Greece, the damaging divisions both within Syriza itself and the wider Greek and European anti-austerity movement, could result in shipwrecking the whole project that kicked off with the January 25th elections. Syriza's leadership of the process will be severely tested. Indubitably Greece now enters yet another period of instability with a general election beckoning and a new configuration of political forces.

Isidoros Diakides is co-chair of Greece Solidarity Campaign. Mike Davis is press officer. Both write in a personal capacity

Spanish cities turn left

Rosa de la Fuente looks at political change in Madrid and Barcelona after May's local elections and prospects for Podemos

In May 24th regional and municipal elections were held in Spain. The results meant a clear electoral change from the local conservative majority of the previous elections at both levels. This new situation could open a more pluralist and left-oriented scenario for the next General elections coming in autumn. In Madrid and Barcelona, for the first time new citizens' coalitions, Barcelona en Comú and Ahora Madrid supported by the anti-austerity party Podemos (We Can) and other left parties, as well as by the grassroots movements and neighbourhood associations, were able to beat the traditional parties (Socialist party, People party and the nationalist parties at Catalonia). Therefore, two new female Mayors, Ada Colau and Manuela Carmena, are now leading the future of the two most important cities in Spain with a different approach to social and civic problems, mainly opposing austerity measures and their impact on the cities.

The conditions for this outcome have been a combination of the consequences of the crisis in the urban context, the appearance of new social movements, waves of contentious politics after May 15th, 2011, and the electoral pathway opened by the European electoral success of Podemos.

The main Spanish cities have suffered badly from the financial crisis and the crash of a real estate bubble. International enterprise and financial centres represent more than 85% of the service sector. Between 1997 and 2007, housing prices rose by 232%, which together with the trend towards home ownership (+80%) caused a sharp increase in household debt over the past two decades. High proportions of household incomes were committed to mortgage repayments. Therefore, the financial crisis had the immediate effect of bursting the Spanish real estate bubble. House prices declined by over 20% between 2007 and 2012 and in some cities unemployment increased around 25% of active population. However, in

Barcelona the main problems have been those related to foreclosures and evictions.

In Madrid, after the Sol Square camp movement of May 15 2011, different social movements led by architects, cultural activists and social scientists, young people



Beautiful Barcelona: political and economic struggle has created a big moment

In Barcelona and Catalonia this civic coalition gained legitimacy and became able to present a political setting in which all the traditional parties were viewed as distant from the social problems of the city and citizens

together with the old neighbourhood associations and even squatter activists, were able to begin a new civic arena debating the use of city public space and fighting against the social effects of the crisis. In 2014 in Madrid a new party Podemos, headed by charismatic leader Pablo Iglesias, started gaining support winning five deputies in the European Elections. The openness of the institutional and electoral pathway to fight against the austerity measures, thanks to Podemos, as well as the previous confluence of social movements and neighbourhood associations after May 2011, created the conditions in Madrid City to change the governing party for the first time since the Popular Party won in 1989. Without doubt the ability of Manuela Carmena, a retired judge, to lead a coalition of myriad left and ecological parties, Podemos, and Madrid's grassroots movements was a key fac-

tor.

In Barcelona, Ada Colau became the leader of Anti-Evictions Movements (PAH, Platform of Mortgage Victims) in 2009, and since then, she has been the most effective activist in the streets stopping evictions in Barcelona and its metropolitan area, but also she was the legal spokeswoman of the Popular Legislative Initiative (PLI) at the Spanish Parliament. This initiative aims to change abusive mortgage conditions and particularly to claim for the legal possibility of reassigning or rescheduling to avoid debts after evictions. Although PLI was not approved, the PAH was able to show the unfair social effects of the housing bubble and the financial crisis among citizens. Colau's speech at the Spanish Parliament was a political turning point. After that, in Barcelona and Catalonia this civic coalition gained legitimacy and became able to present a political setting in which all the traditional parties were viewed as distant from the social problems of the city and citizens.

This is a great electoral change. However, neither of the two new mayors has an overall majority. They have to negotiate and to persuade other councillors to support their proposals. Despite this a new context of urban possibility has been opened in Spain.

What is the European Union for?

After all the initial 'europhoria' about social-democratic Euro-bloc, the reality has turned out somewhat differently writes **Frank Lee**

In a *Chartist* pamphlet written in 2011 – *Europe: The Unfinished Project* – I wrote, 'At the present time the EU project seems to be stuck in no-man's land, unable to press ahead with full political integration, or retreat back into a northern European protectionist Deutschmark zone, and leaving the peripheral member states to the tender mercies of unfettered, globalized capitalism. However there seems to be a sufficient residue of the original EU idealism in the present stage of development to persevere further with the political struggle taking place.' (Ibid, page 19)

I believe that this view, justifiable and plausible enough at the time of writing, has now become difficult to sustain. The reason for this came in the next sentence.

'One only has to consider the Anglo-American alternatives (to the European model) and globalization more generally to make this choice.'

This was, however, based on the tacit assumption that the European model of capitalism was somehow fundamentally different from the Atlanticist model, a paradigm exemplified by the US/UK axis. In the fullness of time this has, unfortunately, turned out to be a fundamental misconception. The UK of course has always been bound hand and foot to the US in terms of both foreign and economic policy ever since the end of imperial preference demanded by the US in exchange for the American loan negotiated by Keynes in 1946. Next came the American intervention in the Suez crisis in 1956 which effectively ended any independent UK foreign policy. This dog-like devotion to American imperatives – the 'special-relationship' – then extended with the neo-liberal turn and the Reagan-Thatcher counter-revolution of the 1980s. True, the UK was always more Atlanticist in its outlook than its European neighbours. However, continental Europe is as enamoured of Atlanticism as the UK - and those more recent EU ex-communist states, probably more so.

It is not only the UK which is

Atlanticist, the continental European states are no less so... proof of this is given by the central position of NATO in this political construction. That a military alliance with a country outside the union (the US) has been integrated *de facto* into the European constitution – in terms of a common foreign and security policy – constitutes an unparalleled anomaly. For some European countries (Poland, Hungary and the Baltic States) NATO's protection - that is, that of the United States against their 'Russian enemy' - is more important than their adhesion to the European Union.' (Samir Amin, *The Implosion of Capitalism* – 2014)

Americanization of Europe

This Americanization of Europe – this invisible annexation - has been achieved by a combination of soft and hard power, a cultural, political, economic and militaristic assimilation of the old world by the new. It should be understood that the US does not do 'partnerships'; any relationships the US enters into with other states is always on the basis of 'Me Tarzan, You Jane.'

'It follows from this that the neither the European Union nor any of its component states any longer have an independent foreign policy. The facts show that there is one single reality: alignment behind whatever Washington (perhaps in agreement with London) decides on its own.' (Amin – Ibid)

European economic policy is similarly aligned to US interests and US practices. This is hardly surprising since the US has been the dominant economic force (although now in a declining trajectory) for the last 100 years. It has control of the world's reserve currency which allows it to run persistent deficits on its current account since it can simply pay for its imports by printing its own currency. The US tends to dominate the multilateral institutions such as the International Monetary Fund (IMF) and World Trade Organisation (WTO), having the largest bloc of votes in the



The Europe that former EU Commission President Jacques Delors built has been withering ever since he left in 1995

IMF. American policymakers have used their influence in the IMF to pursue American financial and foreign policy objectives. The IMF offers larger loans to countries heavily indebted to American commercial banks than to other countries. In addition, the IMF offers larger loans to governments closely allied to the United States. New York is the second largest financial centre (after London) with the most deeply liquid capital markets, and in absolute terms the US is the largest economy in the world. (Although in terms of purchasing power parity, the Chinese economy is now larger.)

Additionally, the 'soft power' the US (and UK) which includes, university economics departments, economic think-tanks, publications – *The Wall Street Journal*, *Financial Times*, *The Economist* – Business and Financial circles, and the universal language of business and diplomacy - English - have effectively dominated and structured the global ideological discourse.

The 'Washington Consensus' along with the deadly weapons of financial mass destruction – the lethal derivatives – have come to dictate policy and policy making in the western world.

Recently, however, the neo-liberal, neo-conservative project has run into difficulties as instanced in the twin crises now besetting the Euro-Atlanticist bloc: namely, Greece and Ukraine.

Greece

At the outset it was wholly predictable that the accession of Greece into the Eurozone was going to lead to trouble. In order to qualify for admission Greece needed to demonstrate that it conformed to the Maastricht Criteria. The Maastricht rules threaten to slap hefty fines on EU member countries that exceed the budget deficit limit of three percent of gross domestic product. Total government debt mustn't exceed 60 percent.

The Greeks had never managed to stick to the 60 percent debt limit, and they only adhered to the three percent deficit ceiling with the help of blatant balance sheet cosmetics.

Not to worry, in 2010 some creative accounting was supplied by the premier (infamous?) US investment bank, Goldman Sachs. GS's selling point for financial *legerdemain* is well known. In this instance cross-currency swaps where government debt issued in dollars and yen was swapped for euro debt for a certain period – and then exchanged back into the original currencies at a later date. Hey, presto! The figures added up (for a while at least). Goldman Sachs collected a \$15 billion kickback for their labours.

As members of the Eurozone the Greeks then had access to cheap credit from Eurozone banks, particularly French and German. But any deal between borrower and lender means that both should act responsibly. The creditworthiness of the borrower has to be assessed before the loan is made. But such rigorous investigations of this sort were not carried out. With the deregulation of finance such tiresome procedures had been done away with and banks lent to almost anyone who had a pulse. The rest as we say is history.

But if these lenders knew that borrowers would not be able to repay the loans, this would have amounted to 'odious' debt'. That

occurs when the national debt incurred by a regime for purposes that do not serve the best interests of the nation, should not be enforceable. Vulture capitalism is another equally unprepossessing term for the policy toward Greece. Vulture funds target distressed firms or countries, buy their the bonds and stocks at knock-down prices, then when the company fails, sue the owner not only for the interest, but also the principal. The Troika policy toward Greece has been one of 'Loan and Foreclosure'.

If Greece remains in the Eurozone it will continue to be bled white, privatised and ultimately dismembered. An example must be made to stop others in the southern periphery from getting ideas. And just as Thatcher was the junior partner of Reagan in shaping the EU, German Chancellor Angela Merkel has been US President Obama's enforcer in the Euro's restive US provinces.

Any deal between borrower and lender means that both should act responsibly. The creditworthiness of the borrower has to be assessed before the loan is made. But such rigorous investigations of this sort were not carried out

It is interesting to note that Victoria Nuland, a rabid neo-con, Assistant Secretary of State for European and Eurasian Affairs at the United States Department of State, visited Athens on 17th March and had talks with Tsipras regarding the turmoil. Suffice it to say it was geopolitics and the retention of Greece in the EU and NATO she was concerned with, rather than debt. She no doubt reminded Tsipras that there might be consequences if Greece did not toe the EU line. As Assistant Secretary for regime change in the State Department the redoubtable Nuland's brief has been to threaten or bring about regime change in countries of which the US and its vassals disapprove.

Ukraine

Earlier the peripatetic Nuland was also busy in Ukraine promoting regime change – a process which had been going on since 2004 – and the installation of an oligarch-fascist regime paid for (\$5 billion according to Nuland)

and whose leaders were hand-picked by herself and the US Ambassador in Kiev Geoffrey Pyatt. (See *Chartist* e-book on this issue, www.chartist.org.) However, the IMF's treatment of the Kiev regime differs significantly to that meted out to Greece. Firstly, a \$40 billion aid package is granted to Ukraine over the next four years. Secondly, IMF managing director, Christine Lagarde has stated that "In the event that a negotiated settlement with private creditors is not reached and the country determines that it cannot service its debt, the Fund can lend to Ukraine consistent with its Lending-into-Arrears Policy" (12th June 2015). In other words if Ukraine defaults, there is a strong possibility that the IMF will – in violation of its constitution – come up with the cash. Moreover, the IMF is also not mandated to lend to states which are at war. Of course this is hardly an even-handed way of operating, but then the IMF is a highly politicised institution and a key part of the neo-liberal, neo-conservative global establishment. Ukraine did miss a bond coupon payment 17th July, setting off a default on about \$19 billion of debt, as a standoff with creditors shows no sign of abating – it will be interesting to see what happens in light of Madame Lagarde's statement.

The decision to expand the EU and with it NATO right up to Russia's borders, initially under the guidance and policies of the Clinton administration, was a clear indication that the governments of the EU had come under American domination. With this decisive shift the EU project was over. It has been replaced by a North Atlantic project under American command.

The hegemonist strategy of the US – made abundantly clear in both the Wolfowitz doctrine and the more recent enunciations and actions of the dominant US war party, a coalition of neo-cons, liberal hawks and liberal interventionists - is clearly visible behind the disappearance of the European project.

However, it is quite possible that even against US wishes and geopolitical imperatives the EU might well fracture internally due to inter-state tensions and contradictions. One thing is certain: in its present structure the EU cannot endure, nor does it deserve to.

Frank Lee is a member of the Chartist editorial board and writes on political economy and international politics

The chill effect

Louise Hoj Larsen shows how the proposed US-EU trade deal heralds privatisation of public services

The Transatlantic Trade and Investment Partnership (TTIP) is a comprehensive trade agreement currently being negotiated between the European Union and the United States. The TTIP negotiations were initiated in July 2013 and 10 rounds of negotiation have taken place since. Originally, the TTIP negotiators stated that they aimed to conclude the talks by the end of 2014. Negotiations rapidly provoked strong public attention and widespread criticisms of how such an ambitious and unprecedented broad agreement would affect everything from the food we eat to the democratic decision-making process. TTIP is supposedly about trade, but what the negotiators intend to cover goes way beyond traditional trade treaties that focused on tariffs and quotas. As a consequence, the negotiations have been drawn out and a so-called fresh start was announced by the negotiating parties in December last year.

At the same time the then newly elected European Parliament (EP) started drafting its own recommendations on the controversial TTIP negotiations. In all 15 of the European Parliament's committees were involved in the process of drawing up the EP's recommendations and the final result was adopted with clear majority on 8 July 2015. In the United States, trade discussions have predominantly concerned the Trans-Pacific Partnership (TPP) between the United States and several countries of the Pacific Rim and to a lesser TTIP. In the State of Union 2014, President Obama called upon the Congress to endorse his trade agenda and in particular to grant the President the Trade Promotion Authority (TPA), which is also known as fast track. Fast track gives the US President the authority to negotiate international trade agreements and limits the role of the Congress to that of approval or rejection of



The massive Europe-wide campaigns against this awful trade deal should be an indication of its threat

trade agreements. While both the Senate and the House initially voted against fast track, after a fierce fight Obama recently managed to get the fast track bill passed in the Congress.

Locking in privatisations

The serious risks posed to public services by legally binding trade rules in TTIP is a particularly strong concern of trade unions, who demand an explicit carve-out of public services in the core text. Otherwise, TTIP could open the door to privatisation and marketisation of public services through rules which would result in restricting the policy space available to organise public services as well as locking in privatisations in areas public services where this has already happened. In particular, market access rules could seriously restrict governments in limiting the entry and regulate the quality of foreign private and for-profit providers. Under trade rules any measure to

promote high quality standards in licensing and accreditation processes could potentially be interpreted as a 'disguised barrier to trade' or 'more burdensome than necessary'. This implies that a government would have to prove that its regulations are needed to achieve a specific policy goal and the threshold for what is considered necessary may be set at a very high level in a trade agreement aimed at increasing levels of liberalisation.

However, this idea of assessing the necessity of regulations is contrary to the democratic decision-making process in which regulations are established. Regulations in democratic societies are established not on the basis of most burdensome or least burdensome legislation, but as a result of a compromise. Furthermore, the EU's proposed regulatory cooperation is worrying as it intends to set transatlantic requirements and related procedures for the supply or use of a service at central and non-

central level. In the case of the education sector, such transatlantic arrangements could seriously affect the provision of high quality public education through its application to accreditation, performance and quality requirements and standards.

What is more, education is an exclusive Member State competence in the European Union and in Member States with a federal system education is decided exclusively on the regional level. The European Commission has repeatedly claimed that public services are protected in TTIP. In March this year the EU Trade Commissioner Malmström and the US Trade Representative Froman issued a joint statement on public services, in which they confirmed that TTIP would not prevent governments from providing or supporting public services and that TTIP would not require the privatisation of public services. However, so far there have been no statements promising the definite exclusion of public services from the scope of TTIP. The European Parliament's TTIP recommendations called for the exclusion of all current and future public services from TTIP. During the last round of TTIP negotiations, which took place on 13-17 July, the EU and the US exchanged their revised services offer and repeated the previous assurances that public services are protected. However, it is difficult to be reassured when the service offers are still kept secret from the public.

Sue the host state

The most controversial aspect of the TTIP negotiations concerns investment protection and especially the idea of including the flawed Investor-State Dispute Settlement (ISDS) mechanism into TTIP. ISDS enables foreign investors to sue the host state for its policies, not in the domestic courts available to everybody else, but rather in special, private arbitration courts that are only open to foreign investors. Moreover, with ISDS foreign investors can make the choice if they want to skip the domestic courts, unlike domestic investors or citizens. The contrast between ISDS and international human rights law is striking. In the case of international human rights law there is no legally enforceable mechanism to oblige the government to meet for example its commitments to ensuring the child's right to edu-

cation. It is only possible to make suggestions and general recommendations, while under ISDS the government is obligated to pay often immense amounts in compensation to the foreign investor through the arbitration procedure. ISDS arbitration is a one-way system in which only investors can sue governments, and not the other way around.

In other words, governments must constantly be on the defensive. In recent years the number of ISDS cases has exploded from just three cases in 1995 to over 600 known ISDS claims by 2015. Furthermore, ISDS currently applies to between 15-20% of global investment, but a possible inclusion of ISDS in TTIP would greatly expand the ISDS coverage of global investment as TTIP would cover roughly 50-60% of global investment flows. The practice of ISDS has demonstrat-

TTIP could open the door to privatisation and marketisation of public services through rules which would result in restricting the policy space available to organise public services as well as locking in privatisations in areas public services where this has already happened

ed that the government's right to regulate is often undermined as investors challenge regulations, which they feel violate their rights to access a market or affects their future profits. In addition, ISDS arbitration is an extremely expensive affair for a government to be involved in. On average the cost of defending ISDS cases amounts to \$8 million and in addition comes the high-level of compensation awarded in favour of investors.

Foreign investors

Past cases have revealed that foreign investors have been awarded tremendous amounts in compensation, even when the actual investment was very limited or no real investments were employed. This situation is clearly illustrated by the Al-Kharafi versus Libya case where the investor was awarded \$935 million in lost profit based on an investment of \$5 million. Research shows that there has been a strong tendency towards

expansive rulings in previous ISDS arbitration, which enhanced the compensatory awards to investors and, in turn the risk of liability for governments. The high cost will make government think twice before introducing new legislation and therefore in practice ISDS arbitration may deter governments from pursuing future policy goals or taking regulatory measures that may have an impact on foreign investors and consequently result in regulatory chill effect.

Under ISDS, foreign investors are given exclusive rights to challenge democratic laws and regulations with potentially very substantive awards in their favour without being subject to any responsibilities in return, while at the same time governments and citizens are ultimately paying the price of this special subsidy only available to foreign investors. Essentially, the ISDS mechanism results in privatising the gains and socialising the losses.

Currently, the negotiations on ISDS in TTIP have been on hold since March 2014 when the European Commission announced its public consultation on ISDS. The response to the public consultation was unprecedented and in total as many as 150,000 submissions were received. The message to the European Commission was very clear, with 97% being against the inclusion of ISDS in TTIP or generally against TTIP. The European Commission nevertheless intends to go ahead with ISDS for now albeit with some reforms of the current ISDS mechanism. So far no legal proposal has been presented, but in May the Commission suggested establishing an international investment court with tenured judges in the long run, while in the meantime it wants to include ISDS provisions in TTIP. Unfortunately, the European Parliament's recommendations sent an ambiguous message regarding the possible inclusion of ISDS in TTIP with the wording "to replace the ISDS system with a new system for resolving disputes between investors and states".

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For a more detailed case from the ETUCE against the inclusion of education in TTIP see:

<http://bit.ly/1E60FFt>

Ending the elective dictatorship

Trevor Fisher asks whatever happened to the post election debate?

The election on May 7th has failed to spark any deep political analysis, partly because the polls were so wildly out that no expectation of what happened made sense in the event. However the Tories, who did not expect this windfall victory, have a vested interest in not promoting debate on the elected dictatorship that came to them. Nor do the other forces in play, weak though they are. Labour is currently conducting a leadership election in which all the candidates are offering programmes as though they could implement them, and there is no grasp that they cannot deliver anything. There are four years and nine months before the election.

Labour Party culture remains focused on winning a Westminster election under the current rules, though this is a remote possibility and the essential task has to be to build bridges across the political spectrum for a new Westminster politics which would marginalise at the level of public opinion the current unquestioned acceptance of Tory totalitarianism. The Tory Party now released from the limited restraint of the LibDems are showing that they are fundamentalist operators with a hyper Thatcherite agenda. The abolition of grants for poor students to go to university is matched by attacks on unions, notably the abolition of check off for union subscriptions so that union membership is cut, with more to come. The most ominous steps are further reductions of the right to register and vote at elections, which Mary Southcott pointed out in *Chartist* 275. This should be the basis of a cross party resistance movement. It does not figure in any current debate.

The Liberal Democrat collapse sets the tone for the next five years, marking the unexpected demolition not only of a party which had made major advances for forty years, but the collapse of the old centre politics. As the Lib Dems have been replaced by UKIP, despite their lack of seats, the political spectrum has moved to the right. None of the commentariat, particularly on The

Guardian, has grasped this, and the old Blairite establishment has remained stuck in calling for a centre movement, although its space has vanished. Indeed, the New Labour establishment shows no idea that its world is vanishing inside and outside the Party. Whatever happens in the leadership election, the party activists have turned away from the candidate most obviously linked to the Blair current, Liz Kendall. The only hard evidence at time of writing is that 147 CLPs nominated Corbyn (38%), 110 Andy Burnham (29%), 109 Yvette Cooper (29%) and 18 Liz Kendall (5%). Some 267 CLPs did not nominate (41%).

Labour Party culture remains focused on winning a Westminster election under the current rules, though this is a remote possibility and the essential task has to be to build bridges across the political spectrum for a new Westminster politics

Despite this, the Blairites continue to believe the smart politics is to woo the right – as the Centre has collapsed, this remains the major option, with Jim Murphy talking to Policy Exchange in June – a body set up in part by Michael Gove – the editor of the very Blairite *New Statesman* writing in the *Daily Telegraph* on how the next leader must learn from Cameron and Ed Balls continuing his obsession with business. Business is important, in the modern world, no party can succeed if business is hostile.

Big but ineffective demos

But the sense that New Labour could not at the very least shut up in a world that was reacting badly to its programme is a sign of a deeper problem for the post election situation – the political culture does not know that the world changed on May 7th. The Tories intend to make the changes permanent, on a vote of 36.5% of those who turned out.

The anti-austerity campaign has far to go to move beyond big

but ineffective demos. The leadership candidates could hardly be expected to start a big debate on what Labour did wrong, but the lack of any sense that it is in a corner and has to fight its way out on big issues is still not evident. Some say Labour has five years to sort itself. Not with Mayoral elections, Scottish and Welsh elections, and not to be forgotten local elections to fight next year. Something at least ought to have been said by candidates about the local government scene, which is taking broadside after broadside from the Tories. But that would raise the Elephant in the Living Room question, the deficit and austerity.

Tory lies

It's not possible to expect the leadership candidates to sort these big issues, they were dropped into a campaign they never expected to happen. But only Yvette Cooper has attacked the Tories for lying during the election. Two thoughts occur for the next period. The first is that the democratic deficit has to be a priority for the extra parliamentary movement. The Tories may gerrymander the system so no other party can win, in England at least. Secondly, whoever wins, a mid term election for the leader has to be on the agenda. Labour cannot give its leader a five year blank cheque, with only a parliamentary revolt – which does not happen in the Labour Party – as its only way to call a halt.

This last assumes there will be no foolish attempt to set aside the leadership result. The process has been absurd and the £3 membership carte blanche for non supporters to enter the process. But there is no real evidence of organised entryism. The establishment has made many mistakes, but to set aside the result on current data would be incredibly damaging. The post election situation has barely figured in the leadership campaign. That yawning gap will have to be addressed, by the extra parliamentary movement if the political establishment cannot rise to the task.

Patrick Mulcahy on multiple realities

Imprisonment – Iranian Style

What if anything does the treatment in his own country of army cinematographer turned film director, Jafar Panahi, tell us about Iran's commitment to international agreements?

On 14th July, Iran concluded a deal with American and European negotiators to limit its nuclear programme in exchange for the easing of sanctions. In March 2010, Panahi was arrested for voicing support to an opposition candidate in the 2009 Presidential election. He was released on bail in May 2010 after a period of hunger strike. In December 2010, he was sentenced to six years in prison and banned from making films for 20 years. Yet since the judgement, Panahi has completed three films, award winners all, and is able to travel freely within Iran. His is not the sentence one might expect, but a subtler form of incarceration. Panahi is forbidden to travel overseas and his films are banned from Iranian cinemas, only seen in the United States and Europe. Subsequently, in his own country, Panahi has been reclaimed as an artist able to overcome his restrictions. *The Golden Bear* awarded to his latest film, *Taxi Teheran* was celebrated by the Iranian Ministry of Culture in what might be judged an act of spin.

Closed Curtain opens in cinemas on 4th September

Panahi's three films weren't made with state approval. The first, *This Is Not a Film*, was smuggled out of the country on a USB stick hidden in a cake and screened at the 2011 Cannes Film Festival. Shot on a DV camera and iPhone, it features the housebound Panahi talking about his work and acting out an unproduced screenplay. The second, *Closed Curtain*, co-directed with Kambozia Partovi, who also appears in the movie, is more formally daring, but with the camera never leaving Panahi's well-appointed villa on the Caspian Sea.

It opens with an extreme long shot of the writer (Partovi) being dropped off by a car and walking towards the house. The driver follows behind him. Once inside, the writer unzips his bag and out climbs a dog, who is entertained with a tennis ball. The dog follows him upstairs to the top of the house, but the camera stops in a doorway. It can go so far but no further for fear of being seen from the outside.

The writer shaves off his hair to disguise his appearance and sets about sealing all the windows with black curtains so he cannot be seen outside.

The dog hits the on button on the television and we see a graphic news report about the banning of the ownership of dogs. The writer has our complete sympathy; it helps that the dog is remarkably camera friendly and devoted to the writer.

Events take a mysterious turn when a couple, brother and sister (Hadi Saeedi, Maryam Moqadam) appear at his open door. How did they get in? The brother takes a bottle of spirits and asks the writer to look after his sister who is suicidal. He then disappears. The young woman, Melika, evaded capture by wandering into the sea. Now her clothes and mobile phone are wet. Having asked for assistance and wandered up to the roof, she puts the writer on the spot by asking, 'where's the dog?'

It is fair to say that what follows isn't naturalistic. The woman disappears and reappears at will, almost as a figment of the writer's conscience, testing his commitment to the screenplay he is writing which at one point she scatters about the room. After the villa is broken into, Panahi himself appears, setting about the repair of a large window. The house is his and although the writer and the woman are also present, he cannot see them. At one point, the woman tells the writer to leave. 'What matters is who belongs here.' This becomes an existential question about citizenship: can a country elected by its people disown selected citizens who disagree and confine them to a space where their

views mean nothing?

One line resonates: 'all life is memories; sweet memories, bitter memories.' The memories can also feature unexplained feelings that prompt Panahi to leave his villa at the end.

Multiple realities: in Iran, there is a difference of opinion between the elected President and the Supreme Ruler. Two points of view are allowed to co-exist. The film suggests a country that switches between impulses. One reality (sweet) crashes into the rocks like waves, another (bitter) replaces it. The suggestion is that Iran cannot be relied upon to project one course of action, but the curtain of the title, symbolically black, covers up the operation of the country. One of the tensest moments features the writer peeping behind the curtain. We can't see what he sees, but his neck is exposed, vulnerable. It's this image that resonates in a fine, challenging film.



Know your enemy

Duncan Bowie on the continuing influence of Tony Blair

BLAIR INC
Francis Beckett, David Hencke and Nick Kochan
(John Blake, £20)

With Tony Blair's intervention on the Labour leadership contest, this book is a timely investigation into Blair's activities since resigning as Prime Minister in June 2007. It is perhaps unusual for an ex-PM to be worthy of a book on his life in retirement – but Blair is far from retired. He was only 54 when he was replaced by his long-term rival Gordon Brown, and clearly felt that his skills and wisdom could still be of service to the world.

Blair's main retirement position was as the quarter representative in the Middle East, a post from which he resigned in June this year. Blair's role in the Iraq war and his known pro-Israeli position clearly limited his ability to be an effective mediator. The book however focuses on Blair's network of initiatives. The Africa governance initiative places Blair's appointees as consultants within the governments of Sierra Leone and Rwanda. The Tony Blair Faith Foundation seeks both to promote the role of faith in politics and combat religious extremism – focusing on combating Muslim extremism. The organisation has links with

Charles Clarke, the former Blairite minister (and once potential successor) who runs a Religion and Society course at Lancaster University. The foundation staff includes Ed Husain, founder director of Quillam, the Muslim anti fundamentalist group.

The book also investigates Blair's private consultancy work, through Tony Blair Associates – his role in advising authoritarian governments in Burma, Kazakhstan, Kuwait and Belarus for example, promoting democratisation in very general terms, but in practice providing public relations cover for some of the most undemocratic regimes in the world. This role often linked him to acting as a broker for western companies seeking to invest in lucrative trade deals, often in relation to oil.

It is perhaps the chapter on Blair's return to British politics that may be of most interest to Chartist readers. The book traces Blair's involvement in Progress as the organised Blairite faction within the Labour Party. The authors investigate Progress's funding and activities as a 'party within a party' and demonstrate the extent of the group's professionalism and intervention in local party politics including candidate selection, focusing on the increasing rivalry between

Progress and Unite, with other intra party networks in effect being marginalised. The promotion of Liz Kendall by Progress for the leadership is an attempt by the Blairites to take back control of the Labour Party. The abuse hurled by Progress supporters such as former Blairite staffer, John McTernan as well as by Blair himself at both Jeremy Corbyn and those MPs who are prepared to either work with Corbyn or at least engage in debate with Corbyn's position, demonstrates the desperation of the Blairites - what they thought was a guaranteed succession may now be uncertain. The Blairites threat to split the party shows their lack of willingness to participate with Labour Party colleagues in a broader alliance. Progressites are desperate to get back into power, but have no wish to work in a party which is not under their control. This is not about pragmatism or idealism or about which form of socialism is best for the country – this is a crude struggle for power. It will get nasty. The role of Blair in this struggle should not be underestimated. This is one former Prime Minister who really should retire from politics. All *Chartist* supporters need to read this book. Know your enemy.

Apologies to James Sweetland whose name we misspelt as Sweetman in our last issue.

Living history

Mike Davis on a London guide with a difference

REBEL FOOTPRINTS - A GUIDE TO UNCOVERING LONDON'S RADICAL HISTORY David Rosenberg
(Pluto Press, £10.99)

This is a unique book. It is both history and travel guide. Based on the author's actual city walks, in ten chapters the book takes us from 1830s Chartists in Clerkenwell Green to 1930s anti-fascists on Cable Street. Along the way we discover Tom Mann, Ben Tillett and John Burns, the dockers and gas worker's leaders who alongside the Bryant and May match women, aided by Eleanor Marx and Annie Besant, set London trade unionism alight (metaphorically) in the 1880s. We learn of George Lansbury leader of the Poplar councillors resisting rate

rises, Bloomsbury radicals, the Suffragettes speaking truth to power in Westminster and immigrant agitators and anarchists in Spitalfields and Brick Lane organising for their rights. A huge number of other famous and forgotten radical figures come to life in this inner urban metropolis that is London.

Much of the history has been written before but what is unique about Rosenberg's account is the guided DIY walks with maps and points of interest at the end of each chapter. His venture transpontine to Battersea reveals the passage to office of London's first Black Communist MP Shapurji Saklatvala, backed by the first Black Labour mayor, John Archer, supported by a leading leftist Suffragette Charlotte

Despard. Their biographies interweave in the heady formative period of the London socialist and Labour movement.

Rosenberg tells the stories of London's inspiring radicals alongside the significant buildings and spaces they occupied with a richly researched narrative. Never dry, always engrossing, this account brings us to the 1930s. I'd love to see the story brought up to the end of the 20th century. This is living history in the best traditions of History Workshop. Buy this book and better still try some of the walks. If you're lucky you might even get Dave to take you round himself. Check his website. It should become a radical urban rambler's reference bible.



Time to end economic injustice

Dave Lister on demonising the poor

THE COST OF LIVING CRISIS
Michael Calderbank
(Comerford & Miller, £9.95)

In Tory Britain it is no longer acceptable to make racist, sexist or homophobic remarks. However the one group that we are positively encouraged to demonise is the poor. The Conservative Party and the media present an image of people on benefits lying around, drinking beer and watching wall to wall television all day, which is clearly largely untrue. We know, for instance, that many people on benefits are in work. The huge growth of food banks over the past few years is evidence of the extent to which a considerable group of people are suffering. Yet this Government intends to hit them even harder and the current Labour leadership appears happy to go along with this, at least to some extent.

Michael Calderbank is a researcher for trade unions and this book is based on research which he undertook for the Trade Union Coordinating Group. He is



also Co-Editor of *Red Pepper* and Secretary of my Constituency Labour Party – Brent Central. His book provides comprehensive coverage of all the elements that make up the attack on the living standards of many people. It was published in the final months of the Coalition Government and therefore does not take account of George Osborne's latest regressive budget. Michael provides swathes of statistics but also his remedies for each area that he describes. He also comments on less quantifiable aspects around the quality of life.

This book provides a superb introduction to the issues for newcomers to Left politics, especially young people, and people who have bought into Tory or UKIP myths, and there is useful information for us all to campaign with. Unfortunately the people who really need to read this book are unlikely to do so.

Michael points out that the poverty and debt into which a section of the population has been driven following the 2008 crash is

without parallel in post-war Britain. He quotes a Shelter report that the number of people struggling to pay their rent or mortgage rose by 44% in 2014 to 7.8 million and points out that by 2014 there were 5¼ million workers paid below the minimum wage. The author also exposes the myth of idle people on benefits and gives the example of over 1700 people applying for eight low paid jobs at Costa Coffee in Nottingham.

On the stopping of benefits, in 2013 the DWP issued 897,000 sanctions, including over 100,000 against disabled people. The homeless charity Crisis had reported people being sanctioned for missing appointments that they were unaware of. The cuts in benefits also affect people's mental health causing growing anxiety to people already struggling to make ends meet. It is surely shameful that parliamentary Labour has found it so difficult to oppose benefit cuts.

Why Britain belongs to someone else

Tony Manzi on privatizing the public sector

PRIVATE ISLAND
James Meek
(Verso, £12.99)

James Meek has been a fearless, although studiously balanced analyst of the marketisation of public sector services and his writings on the politics of privatisation will be familiar to regular readers of the London Review of Books. This book is a collection and slight reworking of some of these earlier articles and Meek focuses on a range of privatisation policies within: the postal service, rail, water, electricity, health and housing.

He provides an invaluable account of the way that the initial objectives (to increase share ownership and to diffuse assets amongst the wider public) were systematically undermined to

benefit private overseas companies. Meek takes care to argue that his objection is not founded on xenophobia but that having to pay for these core public services (most of which we cannot avoid using) constitutes a form of taxation, which has been sold to 'foreign governments over whom we have even less control than our own'.

Meek's skills as a novelist as well as journalist makes compulsive reading, interspersing personal stories with penetrating analysis of the consequences of policy decisions made by government. Whilst refusing to idealise earlier forms of service provision, Meek clearly shows how the liberalisation of core public services (without taking adequate steps to support them) has directly

favoured large (sometimes public sector) corporations. When viewed together, the overwhelming (human and financial) cost of these privatisation initiatives has been remarkable and the book provides perhaps the best account to date of the implications of a short-term, ideologically-driven strategy pursued without consideration of longer-term consequences; whether for workers, consumers, residents, patients, passengers or taxpayers.

My only real criticism is that the book would benefit from more original, contemporary material - the inclusion of an index would also be useful. Nevertheless, *Private Island* is essential reading for all who share a concern at the seemingly inexorable decline of the UK public realm.

Socialist seeds, capitalist fruit

Nigel Watt on Angola



MAGNIFICENT AND BEGGAR LAND
Ricardo Soares de Oliveira
(Hurst, £25)

Back in the 80s a number of us on the left supported the Mozambique Angola Committee (MAC) which worked in solidarity with the MPLA, the party that has ruled Angola since its independence from Portugal in 1975. In that same year much more effective solidarity came from the Cuban military who literally saved the country for the MPLA. Angola was a war zone from the last years of Portuguese rule until the death in 2002 of Jonas Savimbi, the leader of UNITA which had been supported by South Africa and the USA. This book gives a very detailed account of the political and economic developments in the country in the first decade of peace that followed.

Angola is not like any other African state: its civil war gave total victory to one side. Its natural resources, mainly oil, are vast and effectively controlled. Its territory is huge and its population is small. Jose Eduardo dos Santos has been president since 1979 and he kept the well run and internationally respected petroleum company, Sonangol, separate from the socialist state, and ensured it provided the rev-

enue to run the war. (American companies who were exploiting the oil were protected by Cuban forces against the US-supported rebels!) In 1991 MPLA changed from being a vanguard party to being a mass party and it ditched socialism. Its support was mainly in Luanda and along the coast where most people lived. It was (and is) dominated by the urban rich, including a visible number of mestizos and white Angolans. The victory in 2002 coupled with high oil prices led to a decade of extravagant construction, first repairing infrastructure after the 50 years of war, then huge and often useless prestige projects (mostly built by the Chinese in exchange for oil) such as stadiums for the Africa Cup of Nations, big airports in small towns, hotels and inappropriate housing. Politicians and army men enriched themselves and the former state firms were privatised and bought by the new rich.

This new capitalist state still has a dual structure: the president controls most things, including Sonangol's profits, separately from the formal state structure. A sovereign wealth fund has been created in parallel. With so much wealth Angola is proud and confident. It behaves more like a Gulf sheikhdom than an African post-conflict country. It has invested

hugely in Portugal and elsewhere, having ended up on the losing side when it tried to intervene in Guinea-Bissau and Ivory Coast. It offers money not troops.

This new Angola may be a success story on its own terms but it is far from its socialist origins. In 2012 GDP per capita was US\$ 5,700 and since a large majority are dirt poor this illustrates the obscene inequality that exists. Promises were made at the last election but there is no real sign of a desire for social justice. Politically MPLA is so dominant that only a complete crash in oil and diamond prices could bring it down. There are, however, some signs of growing opposition, not only in the rural areas where UNITA used to be strong.

The author has written a serious study giving credit where it is due: he points out that no vindictiveness has been shown to the losers in the civil war and that peace is now sustainable. Regular parliamentary elections have been held. He does not ignore the downside. The president has never been elected (and the succession risks going to a member of dos Santos' extremely rich family), and most of the population has been left in dire poverty - an opportunity for real development has been wasted.

Sustainable development?

Duncan Bowie considers a lesson

GHOST CITIES OF CHINA
Wade Shepard
(Zed Books, £14.99)

This book is a study of urban development in China by a travel writer and blogger (www.vagabondjourney.com). It is part of a series of slim volumes in Zed's Asian Arguments series. Having attended a planning conference in Shanghai in December 2013, I was taken to visit some of the ghost cities Shepard describes - acres of high rise residential developments, with no residents and was shown plans for a new town for a million people, based on a country park where not a single dog was visible. I was

asked to lecture on the role of the London Green Belt and our country parks! Shepard describes newly created cities in Inner Mongolia, and copycat towns such as a near exact recreation of the Austrian village of Hallstatt and an English Thames-side town. While Shepard describes the flats without residents and the malls without shoppers, and the administrators and students sent to these new towns as pioneers, he also demonstrates that some of the earlier cities have in time been populated and that the ghost city phenomenon has perhaps been exaggerated.

These developments do represent a form of state controlled

capitalism, with local communist leaders competing with each other to develop the highest tower or the biggest shopping mall. There appears to be a lack of national planning and little employment in these new cities, with many of the new flats being bought for investment rather than for occupation.

This book serves as a warning to those who promote new garden cities in the UK without considering who could actually live there, whether there are employment and housing opportunities for a diverse population and whether a genuinely sustainable new community can actually be created.

Mike Davis on a graphic depiction of violent CIA-led regime change

OPERATION AJAX
Daniel Burwen and Mike de Seve
(Verso, £14.99)



Subtitled 'The story of the CIA Coup that remade the Middle East' this graphic novel is timely and revelatory. Timely because Iran and the US have just negotiated a deal to relax sanctions in return for a moratorium of nuclear weapons development in Iran. Revealing because the bigger picture of modern imperialism is exposed. Before 1953 Iran (Persia) was pretty much a colony of Britain. Its huge oil reserves were 'owned' by the Anglo-Iranian Oil company (now BP).

The story involves Winston Churchill, Clement Attlee, a corrupt playboy Shah, and civil service lackeys in which none comes out well. For fifty years the British had given a paltry amount to Iran and balked when a new

Prime Minister demanded a 50-50 split for the oil. Following British intrigues the democratically elected Mohammed Mossadegh threatened nationalisation. Then the United States moved in. The real villains of the story are the CIA. In the best traditions of thriller writing the author and illustrator of this hard-hitting indictment of western interference unfold a

Looting today

Stephen Marks on African wealth

THE LOOTING MACHINE
Tom Burgis
(William Collins, £20)



Africa has 13% of the world's population, but only 2% of its GDP. Yet it has an estimated 15% of the world's oil reserves, 40% of its gold, 80% of its platinum, totalling an estimated third of the planet's hydrocarbon and mineral resources. What seems a paradox is in effect Africa's distinctive form of the 'resources curse'.

Two thirds of Africa's exports are natural resources which total more than seven times the volume of foreign aid flowing in the opposite direction - without counting the total at least equal to 'aid' which disappears through corruption and tax evasion. In effect Africa is the site and victim of a colossal looting machine which Tom Burgis, Investigations Correspondent at the *Financial Times*, has analysed and described in this lucid impassioned analysis.

He substantiates his broader picture with acutely observed case studies and pen portraits. His scope takes the reader to

Nigeria, whose oil industry should make it one of the world's richest countries in energy, but where corruption and outright theft means that the electricity supply is so intermittent and inadequate as to supply enough power for one toaster for every 44 citizens, thus destroying the country's textile industry.

It takes in the Democratic Republic of Congo, the poorest country in the world, where private militias fight for control of key raw materials such as diamonds and coltan, essential for mobile phones and consumer electronics, for the profit of an elite network of corrupt local officials, organised criminals and shadowy foreign businessmen and 'intermediaries'.

Angola, Zimbabwe, South Africa; Vicente, Katumba, Sam Pa, Dan Gertler; the names and locations may vary, but an overlapping network of interests recur, and always, lest we feel smug, to the ultimate benefit of 'respectable' household name corporations in which our pension money is invested, and which make and market the consumer products on which we rely.

gripping, visually stunning tale of plots, skullduggery and violence to unseat Mossadegh.

Twenty years before the overthrow of Allende in Chile a team of operatives stretching up to President Eisenhower set in motion a train of events that would set back democracy in the Middle East, establish a corrupt monarchical dictator, restore western oil power, and lead to the Islamic revolution of 1979.

Based on Stephen Kinzer's 'All the Shah's Men: a Middle East Coup & the Roots of Middle East Terror', Operation Ajax demonstrates the early workings of this covert, but deadly arm of US imperialism in the era of the Cold War. If you want to know why so many Middle East states are in the grip of tyrants, some compliant, some independent of western capitalism, read this account, made all the more powerful by the comic format.

The FT deserves full credit for allowing Burgis the time and resources to pursue his forensic, angry yet controlled investigation. As he reveals in an introductory note he wrote it in effect as a form of therapy after a delayed breakdown attack of PTSD, haunted by images of the mangled corpses of the victims of a 'tribal' massacre he witnessed in northern Nigeria.

Behind the seemingly pointless and murderous internal conflicts which make up much of the 'news' we get from Africa, are conflicts for control over resources and the consequent wealth and in which we are not the distant and superior observers we are encouraged to imagine ourselves to be.

Let us hope that we do not have to go through the same personal trauma as Burgis in order to absorb his conclusion; 'We prefer not to think of the mothers of Eastern Congo, the slum dwellers of Luanda and the miners of Marange as we talk on our phones, fill up our cars, and propose to our lovers. As long as we go on choosing to avert our gaze, the looting machine will endure'.

War on Gaza

Ben Francis on Israeli aggression

THE 51 DAY WAR
Max Blumenthal
(Nation Books, £14.99)

As we mark the first anniversary of last summer's brutal military assault on the Gaza strip, Max Blumenthal provides a timely reminder of the humanitarian specifics of that campaign.

As one of few Western journalists to be present in Gaza at points during the 51 day campaign, Blumenthal is able to offer a unique perspective on the events that the Israeli military labelled 'Operation Protective Edge'. Indeed, the main focus of this book is a series of on-the-ground reports from various parts of that small, 360 square kilometre stretch of Mediterranean coast whose population has been so savagely affected by the politics of the region. Unfortunately a lot of this reporting takes the form of a kind of interview-based, after-the-event style attempt to collect anecdotes of the worst excesses of the Israeli military machine. This serves to highlight some important issues (specifically the repeated practice of summarily executing Hebrew-speaking Palestinians, the deliberate targeting of civilian areas and the possible use of experimental munitions). But it covers ground and incidents which have already been more thoroughly examined by, amongst others, B'Tselem,



Amnesty International and the UN in reports released over the last year.

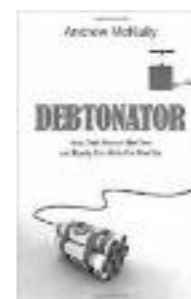
Blumenthal provides some more interesting analysis of specific military evolution on both sides of the conflict. He speaks in some detail about the tactical shift of the Al-Qassam brigades, the military wing of Hamas, and other armed factions inside Gaza to a more disciplined, guerrilla force inspired by the Iranian trained forces of Hezbollah. He speaks, too, of specific trends and policies within the Israeli military. These include the Hannibal doctrine which seems to promote the killing of captured Israeli soldiers over negotiation for their release and the more political concept of 'mowing the grass' – an

all too rarely discussed notion within Israeli political thinking that promotes regular military campaigns of the type that have devastated Gaza three times since 2009.

These increasingly brutal shifts in Israeli military policy are served by the move to the right in domestic politics, which the author mentions too briefly but enough to make the reader aware of a new political context. It is in this context that, during times of war, expression of disagreement or the promotion of peace become dangerous lines to take for the average citizen, and almost impossible for public figures.

The book provides some valid commentary, too, on the role of the ICRC in the crisis and lays an appropriate amount of blame at the feet of a Sisi-led Egypt which supported the Israeli siege of Gaza with even more vigour than the Mubarak regime. However, this is largely a narrative aimed at highlighting the full unfathomable violence, not just of the 51 day conflict that provides the title, but of the savage and ongoing occupation and blockade more generally. What Blumenthal fails to offer in terms of context and nuance already exists in the historical record – the point here is to shine a spotlight on the war crimes committed a year ago and this is achieved with some poignancy.

Frank Lee on the bigger they come ...



DEBTONATOR
Andrew MacNally
(Elliott and Thompson, £9.99)

UK public debt is now roughly 100% of GDP. Add in corporate, personal, household and financial debt and the figure balloons to almost 600% of GDP. Neither is this specific to the UK, but is a global phenomenon. Of course in polite company such matters are not mentioned, and the conventional wisdom holds that somehow debt doesn't matter. All very reassuring one might suppose. However, debt is an unfinished transaction; it has to be eventually repaid, and this will result in a gush of liquidity exiting the economy causing a collapse in demand.

Certainly debts can be defaulted on, but that will just result in another sort of crisis as lenders and savers take a massive hit resulting in widespread bankruptcies. Debt-fuelled growth is simply pulling consumption down from the future. But the future will eventually arrive like a financial nemesis, and since nothing has changed and the banks and financial institutions have been left unreformed with even higher levels of leverage, the next downturn will in all probability be worse than 2007/08.

In this short book the author pulls no punches about the level and consequences of the ever growing debt mountain. It would be comforting to believe that we were over the worst of this ongoing debt crisis, but unfortunately the situation has deteriorated even further. Taking global corporate debt levels alone '... at the turn of the millennium they had £26 trillion worth of debt outstanding. By 2007 the figure was £38 trillion, by the end of 2014 debt had risen to £56 trillion.' Moreover, just prior to the first downturn in 2008 the global level of household, company and government debt stood at 174% of world GDP. By 2014 it had reached 212% of world GDP. In round figures this comes to US\$165,528,960,000,000.

This is where Quantitative Easing has got us. But that's okay since runaway asset price inflation in stocks and property

markets makes rich people richer as the price of their assets increases. Those who hold what assets they have in cash will get the sticky end of the stick, as their disposable income becomes increasingly devalued by inflation. Bear in mind also that QE has enabled commercial banks to borrow at miniscule rates of interest from the central banks, 0.25% in the US, 0.5% in the UK. The commercial banks then lend these monies back to their respective treasuries at 3% - nice 'work' if you can get it: money for nothing, as Dire Straits used to sing.

The upshot of all this has been a huge transfer of wealth from the lower and middle income groups to the top 10% or 1% or 0.1%. And in the land of the free, that paradigm of social mobility and equal opportunity, the United States, 'more than half of all US business equity, both private and public, was owned by the top 1%, and the top 10% owned nearly 90% (I repeat 90%) of it.' So much for the American dream.

With regards to a solution for this clearly unsustainable trend, MacNally advocates equity instead of debt as the instrument for investment. He argues that his was 'a call for more assets to be financed with equity and more people to own them.' But he goes on to say that he writes 'with deliberate naivety. I have ignored the powerful vested interests which see the world differently.' But, there's the rub.

Shareholding democracies, peoples' capitalism, stakeholder capitalism, co-operative societies, are not a new idea. They have been around for at least a couple of centuries, but the vested interests, and capitalism's powerful, immanent imperatives, have pushed and shaped the system according to their own logic.

Most shares for example (equity financing) are in any case held by institutional investors – mainly pension funds and insurance companies. These are highly mobile organizations whose principal objective is dividend maximisation or 'shareholder value' as it is fashionable to describe them. The absolute logic of capitalism is to increase market concentration, which means more and more power and finance into fewer and fewer hands, and away from the more dispersed and localised ownership, which MacNally advocates.

In themselves MacNally's ideas seem quite sensible, but with all of these types of reforms and reformers, the economic problems with capitalism are viewed as being 'technical' rather than political which is what they really are. It was the same with Keynes: get the macroeconomic variables right and bingo - 'economic bliss' was beckoning (*Economic Possibilities for our Grandchildren*, 1928). But we must never lose sight of that fact that systemic (paradigm) societal change is a function of political power.

Inspiration from the past

Duncan Bowie on earlier socialist struggle

BRITISH SOCIALISM IN THE EARLY 1900s
Frank Tanner
(Socialist History Society, £6.00)

First hand accounts of pre First World War socialism at the grass roots level are rare. We have numerous autobiographies of the first set of Labour MPs, with titles such as *From Workshop to War Cabinet* or *From Workman's Cottage to Windsor Castle*, all of which track journeys from humble origins to power, but Tanner's memoirs are of a very different nature.

Tanner was an active member of the pre-war Social Democrat

Party/British Socialist Party led by Henry Hyndman, who joined the Communist Party on its foundation in 1920. Written in 1956, Tanner sent the typescript to James Klugmann of the Communist Party education department, who was to write the first two volumes of the official history of the Communist Party. The typescript has been recovered and published as a 130 page pamphlet. They are a substantive volume.

Tanner presents a narrative of local socialist activity in South London, centred on Brixton and Camberwell, but also a commentary and analysis of party politics

at a national level. This is probably the most detailed study of the contemporary socialist politics by a participant, the only other pre-war memoir being Andrew Rothstein's short pamphlet on the Hackney branches of the BSP between 1903 and 1906 published by the Communist Party history group in 1960. Tanner's memoirs cover a longer time-span and provide a much more critical analysis than Rothstein's and are much more than a personal memoir. This personal study from an activist of socialist politics of a century ago is a reminder of what socialist politics is all about.

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Cat Smith MP charts Corbyn's journey from the steps of Portcullis House to front runner

A team of talent

Jeremy Corbyn's bid for the leadership of the Labour Party has brought the campaign to life in a way even his supporters, like me, didn't see coming. My first activity in his campaign was trying to find 35 MP colleagues to back him by nominating him. Looking back now it's clear that no one expected what happened next. That bid to get Jeremy on the ballot paper was successful but did include some colleagues who don't actually support Jeremy. Some MPs nominated him because they wanted to see the left beaten to prove that only a new-liberal version of Labour could be successful, but mostly I think that part of the Parliamentary Labour Party had lost touch with the rank and file membership.

In the minutes after the deadline for nominations I stood with Jeremy in Portcullis House feeling a little amazed that we had done it – we had him on the ballot paper! But I never suspected that this was just the beginning of the journey that we were to be going on in

the coming weeks. Jeremy has packed out venues several times over, people have queued round the block, down the street in various cities from London to Liverpool and Preston to Glasgow. Outside the Camden Centre there were photos of young people climbing onto window sills to peer inside trying to catch the rally that was packed inside. These are images which more closely resemble a celebrity, or a music gig, not a backbench politician speaking about the future of the Labour Party. His message has spoken to the concerns of a young generation who felt there is a huge unfairness in society and that the lie they were sold, 'work hard, study hard, get huge debts and a great job' isn't quite what it was meant

to be.

Suddenly, and I saw this in my constituency, the people who write into their MP about social justice or environmental issues, but who weren't members of the Labour Party, started signing up. Hundreds in my constituency and tens of thousands across the country. People who share our Labour values but had stopped identifying with the Party saw a reason to sign up. That reason was Jeremy. Of course this has panicked some. We talk about growing our party, about recruiting members and activists, but when it happens, questions are asked – who is this person and why do they want to join us? I think it's wonderful to see my local party membership growing. Many of whom, are young members finally inspired by party politics. I plan to welcome my new

members with open arms and I hope all MPs do too.

If Jeremy is to win, and that is by no means certain, we will have a stronger party membership with our new recruits and a new generation of activists. On the ground we will be far stronger than our Tory rivals. Things won't be as easy within the Parliamentary Labour Party (PLP), but I know that



Jez...we...can!

Jeremy's nature is one which means he has the personal skills to build bridges and forge reconciliation with those who will be shocked by a Jeremy Corbyn win.

Politically, this would be the Labour Party standing up and challenging the neo-liberal post-1979 consensus that the private sector is more efficient than the state, that greed is good, and there's no such thing as society. A Jeremy Corbyn-led Labour Party would include a team of talent – with a clear vision for a Britain that doesn't put private wealth ahead of our public services, a Britain where people come first, and Britain where the wealth is shared amongst the country, North and South and urban and rural. The measure of our success is how many children we can lift out of poverty, how we care for our most vulnerable citizens, and where a measure of happiness counts for more than how much money the richest citizens have.

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