Greek capitalism at a critical point

Stamatis Karayannopoulos 2 October 2013

Greek capitalism continues to be the weak link of the Eurozone as it is still under the “intensive care” of the EU support mechanisms for the fourth consecutive year and is in recession for the sixth consecutive year. Overall GDP decline since the crisis began will reach 25% by the end of 2013 and unemployment will reach 30%. According to the Institute of Labour (INE) of the Greek General Confederation of Labour (GSEE) it will take at least 20 years to return to the pre-crisis levels!

With growing rage, millions of workers, pensioners, small traders and young people who have been crushed by the austerity measures of the Memorandum are discovering what a big deception the so-called “rescue” of the country by the troika is. In reality it is a rescue of the speculators who hold the Greek debt and at the same time an attempt to avoid a domino effect of bankruptcies that could lead to the end of the Eurozone.

In 2009 the Greek debt had reached 298.5 billion Euros and 128.9% of GDP. By the end of 2013, after three and a half years of such “rescue”, the debt will be 330 billion Euros and 178.5% of GDP. Up to June of this year, Greece had received 219 billion Euros from the Troika. Only 7.6 billion of this money went towards alleviating the deficit, the rest was spent on recapitalising the banks and paying off part of the debt and the interest on the debt.

The shocking fact that the actual amount that went on interest is 48.171 billion Euros which represents two thirds of the amount that went to pay off debts, is sufficient to define this as “usurious”. Also indicative of the reactionary nature of this attempt to pay off this usurious debt is the fact that the amount that has been spent on interest is equivalent to the value of the losses in GDP. In other words, everything that has been lost in the production of wealth in the country during the memorandum era - which for the working class translates into job losses and salary reductions, which means sweat, blood and tears - has been pocketed by the loan sharks in the payment of interest.

Cancelling the debt requires a program to overthrow capitalism

Every attempt to pay off this unbearable usurious debt requires new cuts in wages, pensions, benefits and social spending, and new layoffs. Not a single progressive step is possible in Greek society and no kind of beneficial growth can come about if the debt is not cancelled altogether, if the benefits of the everyday people are not put above the benefits of the loan sharks.

However, it is not only the loan sharks that benefit from the paying off of the debt, but all sections of the Greek and foreign capitalists that are connected with this debt through their business ventures are also benefitting or they are simply benefitting in various ways from the attacks on the working class. Consequently, the cancellation of the debt means naturally a declaration of war on capitalism, and it can be won solely via the establishment of a centralised and democratically planned nationalised economy.

The fact that such a socialist programme is missing from the armoury of both of the leading factions within SYRIZA is a historic irresponsibility on
the part of these leaders. Instead they present either a right-wing or left-wing version of reformist populism, with one side talking about paying off a part of the debt while trying to reconstruct a “social state” within capitalism, and the other side talking about the cancellation of the debt without overthrowing capitalism. It really makes you wonder how the supporters of such utopian policies within the leadership of SYRIZA, instead of explaining to the workers how they intend to manage such a combination of the cancellation of the debt and the building of a “social state” within capitalism, dare to call unrealistic and ill-timed the revolutionary socialist programme that is supported by the Communist Tendency of SYRIZA. Clearly for these comrades, the “strategic” goal of socialism will be relevant only after the mass extermination of our class through hunger and misery...

The illusion of the German “haircut” and the myth of the primary surplus
This autumn started in a painful way for the government. The German government was clear that there is not going to be another “haircut” of the Greek debt. At the same time, the statement from a leading member of SPD that the funding gap of the country up to 2020 will be 77 billion Euros, together with the demand of the president of the German industrialists to place the assets of the Greek state under the control of its creditors, promises new harsher memoranda and even greater submission to the demands of the creditors.

In contrast with the hope of the Greek bourgeoisie that there would be a “political solution” for the Greek debt after the German elections, the troika confirms that until the spring of 2014 there will be no new developments. This tough stance has caused nervousness among the Greek bourgeoisie who understands that if a solution to the funding is not found quickly they will not be able to justify the new measures for which they have already made a commitment to the troika, especially at this moment when their government is so fragile and has to deal with a rising working class movement. It is not a coincidence that in the camp of the bourgeoisie there are some who have started raising the idea - as a bargaining tool - that a return to the drachma should also be put on the table (such as the articles of N. Chatzinikolaou on “Real News”).

At present, the government is trying to strengthen its position inside the country as well as abroad, by cooking the statistics as to present the desired primary surplus. It went so far as to announce for the first seven months of the year, a primary surplus of 2.6 billion Euros, not including, however, in the official calculations the amount of 9.35 billion Euros which constitutes all kinds of state debts after the given drastic cuts of the planned programme of public investment.

The primary surplus, according to government propaganda, is supposedly going to reduce the debt and lead the country back to the markets and growth. Nothing of all this is going to happen. The government, according to the statements of the finance minister on 2nd September, is anticipating a primary surplus of 1.1 billion Euros for 2013. What they have not said, however, is that this primary surplus should cover all the public spending and the paying off of the interest in such a way that this surplus helps in the reduction of the debt. For 2013 the paying off of the interest alone is 6.4 billion Euros, while the amount going towards amortization is 52.9 billion Euros.

Consequently, since the interest payments will be much more than the primary surplus, the debt will not decrease but will actually increase. In order for the primary surplus to progressively reduce the debt an average
annual growth rate of 5% would require for the next 20 years, such that through the tax revenues, the primary surplus will outweigh the interest payments. Such a development, however, can only exist in the dreams of the Greek bourgeoisie.

Consequently, the government in order to attend to the debt only has one road, that of new and tougher austerity measures. The very much advertised privatization programme, which had as an initial goal to bring in 50 billion Euros, later revised down to 15 billion Euros, has only brought in 850 million approximately, including everything that was gained by the scandalous sale of OPAP (the national lottery). Therefore the only thing left for this government, after the privatization-give away of public assets like OPAP and the reduction of salaries and pensions, is to start closing down businesses, organizations and services by making massive lay-offs. The first step in this direction was ERT (the public broadcaster), with the defence industry (LARKO, EAS, EAB, ELBO) to follow and of course through the closure of public schools, hospitals and city councils.

General political strike is only way to bring down the government

The Samaras-Venizelos coalition will not fall easily. The Greek bourgeoisie do not want to go to elections before they manage to find a solution to the funding gap. This means that the coalition government has to stay in power until the spring of 2014, when the discussions with the Troika will commence again. If during this period there is a parliamentary “accident” in the passing of a bill, then the ruling class will call on the help of DIMAR (the Democratic Left who have already shown their willingness to collaborate in the past), their very own “Independent Greeks” and, of course - as was revealed by the recent public statement of the “infamous” bourgeois journalist Babi Papadimitriou - the wild dogs of the system, the neo-Nazi Golden Dawn. Their primary concern will be to find a solution within the present parliament. This means that the militant working masses must bring down this government. [Note: this was written before Golden Dawn members were involved in the killing of Pavlos Fyssas, thus rendering this option unfeasible in the immediate period ahead].

The call for “subversion” that is often raised as an abstract formula by the labour and left leaders, for the working class constitutes the only way of survival. They have already realized that the fight needs to be political with the goal of overthrowing the government. This reflects the large pressure of the rank and file of the labour movement to move in this direction, and is confirmed by a series of trade unions since the beginning of the summer that have moved in favour of a political strike and moreover have moved towards joint coordination.

How can the overthrow of the government be successful? Certainly not via the method of sporadic 24-hour and 48-hour strikes or through the occupation of squares. These methods have been tried and have failed, leading to an increased feeling of hopelessness and scepticism about the possibility of achieving victories through mass, class struggle. For a long time now the Communist Tendency of SYRIZA has explained that the struggle must be aimed at paralysing and blocking the class enemy and its government. The only way for this to happen is for SYRIZA, the KKE and the trade unions to carry out a very well organized, unified all-out political general strike.

Unfortunately, the leadership of the KKE is stubbornly rejecting any kind of cooperation with SYRIZA, even on a more limited scope in the context of the ongoing class struggle. Even worse, contrary to the mood of a growing layer of workers that is clearly being expressed in the decisions taken by their trade unions, the KKE leadership even refuses to adopt the
goal of overthrowing the government and suggests – as it did during the
teachers’ strike – methods of struggle that are timid and insufficient to
lead the movement to victories. But what is the position of SYRIZA that has
officially adopted the slogan of bringing down the government and needs
to be done to realize it?

The general political strike, and the political tasks and responsibilities
of SYRIZA
The leaders of SYRIZA have adopted the aim of bringing down the current
coalition government. This, undoubtedly, is the most important and
immediate aim of the movement at present. It is impossible for this
government to make any concessions to any one sector, however heroically
the workers in that sector may fight. This is because we are in a period
where the ruling class and its creditors have reached a critical juncture in
their efforts to burden the masses with the costs of the crisis in order to
avoid the collapse of Greek capitalism. A single concession to even one
sector of workers would also encourage a fightback in the other sectors.

After three and a half years marked with 30 days of sporadic general
strikes and five rounds of mass popular and worker mobilisations against
the governments supporting the Memoranda (May 2010, May-June 2011,
October 2011, February 2012, November 2012) it is clear by now that only
a radical change of power can solve the needs of the struggling masses.
The only form of struggle that could pose the question of power, and
create the preconditions for such a scenario, is the general all-out political
strike.

Such a general political strike requires the coordinated suspension of
labour on the part of all workers (wage workers, waged peasants,
professionals and so on) focused on achieving one single aim: to take
control of political power out of the hands of the current ruling class in
order to apply a policy that would serve their own interests. This form of
struggle could lead to the political weakening and paralysis of the class
enemy and its government, thus elevating the workers, and their
organisations of struggle, to the position of dominating society.

The decisive, leading role in such a formidable battle can only be carried
out by the organised working class which, after all, exists, produces, and
acts collectively, that is to say, the proletariat. And within this class, that
section that is the most concentrated and on whose labour depends the
functioning of the centres of economic life, that is to say, the industrial
proletariat, will play the leading role.

Many SYRIZA leaders, particularly those with “experience in the
movements”, are most likely to counter what we have said here with a
retort along the lines of: “but what you are describing is a ‘proletariat
revolution’!” The only answer to that is “that is precisely the point!” It is a
revolution whose time has come, a revolution which can counter the
political illusions of those who defend the idea that a harmonious,
reformist “overcoming of capitalism” is possible... because, yes, these are
times of revolution! These are times during which nothing long-lasting can
be achieved, if the working class does not stand up to the ruling class, as
has been clearly stated in some “old texts” (see the ‘Communist
Manifesto’), which should be re-read by every militant on the Left.

Do the working people, however, want a revolution? Or does it shirk from
such an idea? A series of events and facts would indicate that the working
people would support such a revolution. We have the Greek world record
in general strikes in the recent period, the mass demonstrations, the
repeated mobilizations by all sections of the working class, including even
many typically petty-bourgeois social layers. We also have the latest opinion polls on social consciousness, which all confirm that the overwhelming majority of the population support fundamental, revolutionary changes in society (see recent research and polls conducted by “Public Issue”, December 2011, and 2012, respectively).

The broad masses of the working class and the poor are absolutely prepared to follow a revolutionary path to overthrow capitalism. These have mobilised jointly and separately, and spontaneously continue to move in that direction without any political leadership and programme, constantly learning from their experience, armed with their class instinct. The only element that renders the current period pre-revolutionary, and not openly “revolutionary”, is the absence of a movement that could envelop the broad masses of workers and that would raise the issue of which class rules.

However, we have to understand that when the working class moves, historically, it turns to the tools and weapons at its disposal, that is to say, to the traditional mass organisations, as they believe these could help organise the movement and provide it with political solutions (of course, they do not solely rely on these as it also depends on how far the revolutionary mood of the masses has reached and on the particular juncture in time we are in). In fact, during the last three and a half years the working class has turned again and again towards its trade unions. However, due to the role of the bureaucracy in these mass organisations, these did not unite the working class in an escalating movement and struggle until victory. Since 2012, the working class, which has been reaching radical political conclusions, has turned to SYRIZA.

The clear words that “SYRIZA must call on the people to take to the streets” that we hear more and more being uttered by the thousands of struggling people, condenses this important process. However, the so-called “leaders” and “experts in movements” who have not learnt to trust the political judgements of ordinary working people, and who consider them to be by definition “politically immature”, have rushed to interpret this call as an intention on the part of the working class to relinquish its responsibility to participate in this struggle and to assign the tasks of the struggle to SYRIZA. May these comrades of ours forgive us for saying this, but this reference to “delegating responsibility”, which seems to have become a mantra, is not only unsubstantiated but is also at fault.

According to this idea, the masses are delegating their tasks and responsibilities to SYRIZA. Within this example of profound bureaucratic thinking, SYRIZA presents itself, in the final analysis, as something alien from the working masses, as some electoral machine that will contest in the elections for the votes of the masses after which it will take up the responsibility of bringing to an end the “dirty work” of the much desired “overthrow”. And it is only then that the various, red, pink, or formerly green ministers, will all take up to their posts as some kind of saviours of the working class...

An opponent of the theory of “delegation” might rush to reply that: “well, is it not equally bureaucratic and practically impossible for SYRIZA to set as its aim that it alone can bring down the government”? Naturally, no one is suggesting such a thing. If we listen more clearly to ordinary folk what we hear is that they are looking to SYRIZA to get people out on the streets. What this means is that they understand the principal agent to be “the people”, that is to say, the workers, youth, and other victims of the Memoranda. SYRIZA has become for them the force who will coordinate, and organise, and offer political aims and perspectives. People are
approaching SYRIZA not as an electoral machine but as a pioneering, conscious, and militant sector of the movement, that is to say, as an agent that is to be true to its founding origins.

The fanatical opponents of the idea of “delegation”, however, have a very different opinion. And, unfortunately, we witness this being forced upon us everywhere as the official line of SYRIZA. Such comrades say to us, “SYRIZA is not going to tell the trade unions what to do” as if SYRIZA - as an organic part of the most conscious political sections of the working class - were not duty-bound to have an opinion on something so important as the means by which to achieve the much desired overthrow of capitalism. At the same time, the slogan of the overthrow of capitalism remains present in the official party rhetoric, and, what is more, it is complemented with the proposal for the creation of special organs for the struggle (Committees of Action, according to the last decision of the Central Committee), without, however, this being supported with any elementary reference to what form of struggle these organs are to support and so on. The comrades in the leadership are slipping towards total confusion and denial of their political duties.

This confusion and denial to accept the duty they owe to the struggling workers is very dangerous at a time when high school teachers and public sector workers are entering a period of protracted struggle. We must emphasise the following lest there be any misunderstanding. No, SYRIZA alone cannot achieve the overthrow of the government! In order to achieve this, what is necessary is a united front between SYRIZA, the KKE (i.e., Greece’s sectarian Stalinist Communist Party), and those trade union federations that are already mobilised, a united front that would declare its intention to organise a successful all-out political general strike, a front that would call for mass assemblies in every workplace and neighbourhood, and for the election of Action Committees, that would take all the necessary measures to prepare for this battle.

SYRIZA, however, is a mass organisation that, more than any other organisation at present, has the status, standing, and influence to win, patiently, persistently, and stably, the working masses and their trade union organisations to this necessary policy, even if, as it is becoming clear today, the leadership of the KKE is unlikely to follow.

Given that the high-school teachers are already carrying out a heroic battle and the simultaneous struggles of workers in the various welfare departments and at the OAED (i.e., the state unemployment office), and given the mood of the workers in other sectors that show they are willing to follow these examples of struggle, the SYRIZA leadership, if it genuinely wishes to see the bringing down of the government through popular mass struggle, should adopt the following:

• It should support an all-out political general strike (and, obviously, not limiting itself to declaring it) as a recommended form of struggle aimed at the overthrow of the government. SYRIZA members and supporters in the assemblies and other collective organisations in their workplaces, trade unions, various societies and so on, should call for a vote on the need for serious joint preparatory work of all the mass organisations of workers and youth;
• It should call for the creation of Action Committees in all workplaces and neighbourhoods, aimed at the preparation of the political general strike, which should be coordinated in each town and city across the country, together with the creation of a Nationwide Action Committee. These committees should ensure that they protect and guard the movement and the struggle through the creation of local teams of self-defence against
state and fascist violence. They should also set up central units to guard the various mobilisations, and also set up strike funds and organise daily meals;
• The political general strike must be accompanied by the transformation of schools, universities, and all public and municipal services, alongside with all mass workplaces, into centres for the struggle, with daily assemblies and events. The Nationwide Action Committee, must then manage the pooled resources and combined infrastructure in a manner that would secure the satisfaction of the basic means for the struggling masses during these struggles;
• Discussions should commence in all centres of the struggle on topics and issues such as the need to take political power, the election of a Left government with a socialist programme which would be controlled and accountable to the mass organisations of the working class and the poorer social layers;
• It should call on all soldiers and lower-ranking army officers to be vigilant and to thwart through their self-organisation any attempt to use the army against the popular mass movement. At the same time, it must call upon all members of the security forces with democratic leanings to expose and isolate all fascist cells, and to refuse to obey any order from their superiors that is aimed at terrorising and suppressing the struggle of the working class;

If the SYRIZA leaders were to move in this direction, the result would be twofold. On the one hand, it would embolden the militant strikers and encourage the remaining sections of the working masses. On the other hand, it would put fear into the hearts of the ruling class, which would realise that it has to contend with a movement which is increasingly taking on a more revolutionary character and that is threatening its rule. And, due to the fact that at present the ruling class finds itself increasingly politically isolated and is facing a strengthened labour movement which possesses mass trade union organisations, a KKE deeply rooted in the working class, and an impressively ascending SYRIZA, it (the ruling class) would not dare to enforce some sort of totalitarian regime, but would exhaust all “democratic” means at its disposal in an attempt to disorientate the movement.

If SYRIZA were to limit itself to simply calling for an all-out political general strike this could push the ruling class to call for early elections to buy some time for itself and to thwart the ongoing process whereby the working class is becoming aware of its revolutionary strength, and to also release some of its built-up anger. Even if this were the case, then SYRIZA would achieve an electoral triumph, with a clear mandate to apply a programme that would radically solve the problems of the working masses.

Should SYRIZA, however, remain in its current political position of confusion and lack of political courage, the striking high-school teachers that are likely to be tired out and isolated, and the other sections of workers that are currently striking alongside them, are likely to be disheartened. The actual dilemma is not between two forms of struggle - that is to say between a well-prepared political general strike and, on the other, sector-specific strikes coupled with a “let’s suck it and see” attitude. The actual dilemma is: either to fight for the sake of doing something merely to save face, which is likely to wear down the movement, or to fight successfully for the overthrow of the government - that is to say, for a revolutionary struggle. SYRIZA must take a very clear position on the latter by actively participating in every form of struggle that the mass movement adopts.

The initial drafts by the Central Committee of 31 July and 1 September were disappointing. All the other tendencies within SYRIZA (the Majority,
the Left Platform, and Project), apart from the Communist Tendency of SYRIZA, came out against the need for a revolutionary line. In fact, some, such as the leadership of DEA (i.e., the so-called “Trotskyists”), made every effort to stop the line that our Tendency proposed from being put to the vote on the Central Committee.

The SYRIZA leadership still has some time to change course. However, should it fail to do so, the main tendencies within it, in the long run will go down in the memory of the working masses as being jointly responsible for new and painful defeats.

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[Note: Shortly we will be publishing articles by the comrades of the Communist Tendency of SYRIZA on the recent developments involving the Golden Dawn]

The ANC-SACP-COSATU alliance has sold its soul

Raymond Suttner 1 October 2013

September 27, 2013 -- Weekly Mail & Guardian (South Africa) -- For some time political commentators have been proved wrong when predicting the collapse of the tripartite alliance (made up of the African National Congress, the South African Communist Party and the Congress of South African Trade Unions) and suggesting that splits in these organisations could lead to the formation of a new political party that might displace the ANC.

At this moment, for the first time one can say without any sense of exaggeration, the ANC, South African Communist Party, COSATU alliance, insofar as it exists, has no ideological coherence or significance and provides little political leadership and direction. It may exist as a name but it no longer captures the moral fervour that led millions to place their hopes in them.

The glue that binds survives at the leadership level, where the spoils of office have been spread to a significant number of members of the SACP leadership and a fair number of former COSATU leaders. With the absorption of the top COSATU leadership into the ANC’s national executive committee, the relationship is consolidated by the prospect of their being offered cabinet posts or other rewards, which are part of the largesse that the ANC in government can dispense.

At the time of writing, there is a brewing scandal about the allocation of shares by gold-mining company Gold Fields, which sought a licence to mine and appears to have believed that offering shares approved by the ANC leadership would ensure that this would happen, and that a failure to accommodate ANC demands would result in the licence not being granted.

One of the facilitators of the deal was Gayton McKenzie, a convicted bank robber - no longer surprising in these times. He appears to have been amply rewarded for his work.

The most significant beneficiary, from what we know, was ANC chairperson Baleka Mbete: she was granted R28 million in shares, as opposed to the previous R2 million's worth of shares she was initially offered.
There is no evidence of any value that Mbete (or for that matter most ANC leaders who go into business or are drawn into similar “empowerment” deals) brings to this deal. She brings her name and position, which supposedly signifies access to people who make decisions that benefit Gold Fields in ways that far exceed the shares she has been granted.

In this deal, which was supposed to be about empowering the formerly disempowered, there is no condition set by the ruling party that would relate to how the mine should operate; nothing about whether it should provide conditions for the accommodation of the miners that are fit for human habitation, say. There is nothing built into the agreement that would address the needs of surrounding communities - or the afterlife of the mines once they are depleted.

In short, the poorest of the poor are not of any concern. The deal only relates to rewarding the “players”, the people who are in the inner circle of the ANC leadership.

This is just one instance, but it is a most glaring instance that exemplifies the erosion of any semblance of moral integrity once attached to the ANC. It has nothing to do with the ANC that once pledged to make “a better life for all”.

**Inequality**

At the same time as powerful individuals are being enriched, communities are forced to drink and wash in polluted water, live in the streets or inhabit homes with sewerage running through them -- and they are shot at when they protest.

In voting ANC, which many of these communities may still do, they are represented by an alarming number of corrupt councillors. One of the features of our times is the indifference that the ANC and its allies show to their own constituency, the poorest of the poor.

The Marikana massacre is remembered most vividly by the ANC, the SACP and COSATU for the displacement of the National Union of Mineworkers (NUM) as the dominant union on the platinum belt. That is what they see as the real crime at Marikana, instead of recognising that there is a problem in the capacity of an allied union led by the SACP chairperson, Senzeni Zokwana.

Startlingly, there has been little attempt to commiserate with or care for the families of the dead and injured, a callousness that stands in sharp contrast with what one would previously have associated with this liberation movement.

Not only was it alleged that the police opened fire and killed people when there were other options available to them, it has now emerged that the evidence has been tampered with to ensure that the Farlam Commission of Inquiry cannot know what actually happened.

**Should we be surprised?**

That is not to say we should no longer be shocked, but we have seen the way in which the Guptas [a wealthy business family close to South African President Jacob Zuma] are allowed to operate as if they are above the law in South Africa.

We have seen, in only one case, how nearly R280 million has been used for the private benefit of the president. We have seen how numerous ministers have embezzled funds with impunity and how the president does
everything to avoid having his "day in court" to face corruption charges.

The ANC led a variety of forces because it previously offered a political direction that unified a broad range of people. This was because they believed they saw, through the ANC, a plan that could unfold in a way that benefited the people of South Africa as a whole.

The ANC can no longer offer such direction. Its leaders are too greedy. And they have shut down debate.

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**Militarized Mining in Wisconsin**

Al Gedicks  30 September 2013

Armed guards protecting extractive resource operations is not an uncommon sight in Central and South American countries where there is growing community resistance to ecologically destructive mining and oil projects. As early as 2008, the United Nations documented “an emerging trend in Latin America but also in other regions of the world indicates situations of private security companies protecting transnational extractive corporations whose employees are often involved in suppressing legitimate social protest of communities and human rights and environmental organizations where these corporations operate.” (Human Rights Council, Report of the Working Group on the use of mercenaries as a means of violating human rights and impeding the exercise of the right of people to self-determination.)

In a precedent-setting ruling in Canada, the Superior Court of Ontario ruled that the Canadian mining company, Hudbay Minerals, can potentially be held responsible in Canada for rapes and murder at a mining project formerly owned by Hudbay's subsidiary in Guatemala. The case is now proceeding in Canadian courts.

**Welcome to Wisconsin's Mining Colony**

Until quite recently, the deployment of private security companies was unheard of in the north woods of Wisconsin where Gogebic Taconite (GTac) has proposed a mountaintop removal operation that will create the largest open pit iron mine in the world. Mining pollution will threaten the largest remaining natural wild rice wetland in the entire Great Lakes Basin downstream on the Bad River Ojibwe Reservation. Wild rice is a sacred plant for the Ojibwe and an important food source (see “Resisting Resource Colonialism in the Lake Superior Region” Z Magazine, September 2011).

However, in July 2013, Wisconsin residents hiking in the Penokee Hills forest on land open for public recreation in the vicinity of GTac’s exploratory drilling operations, encountered masked security guards with automatic rifles and camouflage uniforms. The guards were employees of Bulletproof Security, an Arizona-based private security firm that uses former military and law enforcement personnel. The firm advertises their ability to “smoothly manage surrounding threats so our clients can go about their business even in the most hostile environments.”
When photos of the armed guards were posted online, local citizens were outraged. State Senator Bob Jauch and Representative Janet Bewley, representing the proposed mining area, issued an open letter to Bill Williams, the president of GTac, demanding the immediate withdrawal of “the heavily armed masked commando security forces” defending the company’s property in the Penokee Hills of Iron and Ashland Counties.

“We cannot begin to describe how upset the citizens of Northern Wisconsin are at the sight of our forests being patrolled by masked soldiers carrying assault weapons like mercenaries in a time of war,” said Jauch and Bewley. “The images are horrifying and the action by the company to hire this high security Arizona firm is appalling. These weapons are used to kill. Is the company really going to argue that these camouflaged masked men really need this show of force to protect themselves from innocent citizens armed with bug spray who are hiking the forest to view the drill site?”

Paul DeMain, editor of News from Indian Country in Hayward, Wisconsin, posted a video online of a semi-automatic rifle resting on the front seat of a truck that belongs to an armed guard at a drilling site. “It’s come to a sad situation,” he said, “when you’ve got to have a machine gun to protect a business that people around here don’t want.”

GTac spokesperson Bob Seitz told the Duluth News Tribune that the company hired the security firm after about 15 mining opponents “dressed in black and wearing masks violently attacked our drill site” on June 11, 2013. The protestors, with bandanas hiding their faces, raided the drill site, vandalized mining equipment and took a camera from a geologist working on site. There was no physical violence but one protestor was charged with robbery by force. GTac spokesperson Bob Seitz immediately labeled the protestors as eco-terrorists and compared them to al-Qaida.

While GTac justifies its hiring of armed guards in response to so-called “eco-terrorists,” Senator Jauch said the show of force was unnecessary since there has not been any trouble in the Penokee Hills since the June 11 protest. “There was no threat, there was no danger and, all of a sudden, GI Joe shows up in the north woods.”

GTac at first refused to remove the guards. Then they learned that Bulletproof Security was not licensed to operate in Wisconsin and withdrew the guards on July 10, replacing them with another security force licensed to operate in Wisconsin. “These actions demonstrate that GTac has no respect for the public and no regard for the law,” said Jauch. “Had GTac not been in such a hurry to hire a militia that’s armed more for war than defense of property, they could have hired a legally licensed Wisconsin firm.”

The John Muir chapter of the Wisconsin Sierra Club has filed a complaint about Bulletproof Security with the state’s Department of Safety and Professional Services, which has responsibility for licensing security firms. Anthony Stella, a former district attorney from nearby Hurley, Wisconsin, cited Wisconsin state law alleging that GTac committed a felony by hiring unlicensed out of state guards for its drilling site. The local district attorney has not yet decided whether to charge GTac with violating Wisconsin law.

**Racism and Violent Threats**

While Governor Walker and Republican legislators have condemned the June 11 raid on the drill site, they have been silent as racist and violent threats have appeared on a Facebook page entitled “Wisconsinites for Safe
Mining.” A photo that has since been removed shows a black and white portrait of a Native American man in traditional dress, reminiscent of Edward Sheriff Curtis, the turn-of-the-century ethnologist and photographer of Native American people, with the caption “Tries to Explain How Natives Are a Proud People, Too Drunk to Form Words.” The group later took down the photo and blamed it on anti-mine hackers who wanted to discredit the pro-mining interests.

The group provoked further outrage when it used Facebook to make death threats against four female anti-mining activists. WKOW-TV, the ABC affiliate in Madison, Wisconsin, reported that a Facebook user named Terry Dipper identified Lisa Wells and three other women as making threats against the mine as justification for the guards. In a comment following Dipper’s, Wisconsinites for Safe Mining wrote: “We have initiated a shoot on sight order for the malcontents that you have listed. Trespassing on a mining site=genocide.” Three of the women told WKOW-TV they are calling for a criminal investigation in response to the threat.

Someone from Wisconsinites for Safe Mining, who refused to identify themselves, told WKOW that the comment was obviously meant as satire. Lisa Wells doesn’t think so. “It’s not a joke when you’re threatening someone’s life and you’re putting a target on their head.”

No Social License to Operate for GTac

The real target of GTac’s armed guards is not 15 protestors, but the growing resistance to the project among all 11 Wisconsin tribes, environmental organizations and local officials. When Wisconsin tribal leaders met with Governor Scott Walker in September 2001, they said that the mine project “cannot be developed and operated using current mining technologies and practices, without destroying the environmental quality, including the waters, wetlands, streams, rivers, air, lands and forests of the Bad River watershed, the Bad River Indian Reservation and Lake Superior.” The proposed mine, said Bad River Band tribal chair Mike Wiggins, “would destroy the Band’s way of life.”

The mayors of all three communities downstream from the proposed mine in Bayfield, Washburn, and Ashland testified at a listening session prior to the passage of the Iron Mine bill that was written by GTac. They told legislators that they would not benefit from a mine. “The overriding thought on any economic development in the Bayfield area,” said Bayfield Mayor Larry MacDonald, “is do no harm to Lake Superior, which is 10 percent of the world’s fresh water. You put one drop of pollutant in there and it takes 192 years to get out of there. Collectively, we are afraid.” Some local support for the mine can be found in the Ironwood/Hurley area about 15 miles from the proposed mine. They would benefit from mining jobs but would not suffer the effects of downstream pollution.

Ashland Mayor Bill Whalen expressed solidarity between the Ojibwe and the local communities at a press conference. “This is not a Native Sovereign issue vs. the State of Wisconsin,” he said. “This is a water and legislative issue that affects us all.” Just before the Wisconsin Assembly passed the Iron Mine bill, the Milwaukee Journal Sentinel reported that the Cline Group, the parent company of GTac, had been cited 53 times over the past 3 years for violating water quality standards at several of its Illinois coal mines (“Mine firm owner under fire,” 3/7/2013).

Mining Industry Writes Its Own Regulations

Despite overwhelming public and tribal opposition, the GTac bill was passed by a close partisan vote and signed into law by Governor Walker in March 2013. While the law gave GTac everything it wanted in the way of
avoiding legal liability for any pollution the mine would cause, it did not provide GTac with what the mining industry has called a “Social License to Operate” where the mining company is seen as having won broad social support for its extractive activities. The failure to obtain such a social license raises the political and financial risks of a project and can often lead to the defeat of a mining project by widespread community opposition. This is exactly what happened when an Indian, environmental and sportfishing alliance led to the defeat of the Crandon, Wisconsin metallic sulfide mine project in 2003 (see “The Crandon Mine Saga, Z Magazine, February 2004).

Prior to passage of the bill, Republican legislators claimed that the bill would provide jobs without harming the headwaters of the Bad River watershed. After the GTac bill was passed, the bill’s chief sponsor, Senator Tom Tiffany, told the Madison Capital Times: “The bill reflects the reality of mining. There are going to be some impacts to the environment above the ore body. If the law is challenged and ends up in court, the judge needs to know it was the Legislature’s intent to allow adverse (environmental) impacts. That way, a judge can't find fault if the environment is impacted.” Mike Wiggins said his tribe would use lawsuits, its own water regulatory authority and grassroots resistance to fight the mine.

When mining companies fail to win local support for their mining projects, they frequently resort to a militaristic strategy of employing security forces and targeting anti-mining advocates for repression, as documented by the United Nations and numerous human rights and environmental advocacy groups. While Bulletproof Security did not harm anyone during the week it guarded the GTac drill site, it did exacerbate divisions within the community about the mine and fuelled a racist atmosphere directed against the Ojibwe and their non-Native allies.

The Lac Courte Oreilles Ojibwe Harvest
A central gathering place for the organized opposition to the proposed mine is the Lac Courte Oreilles Ojibwe’s harvest and educational camp on public forest land in the Penokee Hills of Iron County. Paul DeMain established the camp with the support of the Lac Courte Oreilles (LCO) Band of Lake Superior Ojibwe as a gesture of solidarity with the Bad River Ojibwe Tribe. The camp is within the ceded territory where the Ojibwe have treaty rights to hunt, fish and gather. LCO harvest camp elder Melvin Gasper says American Indian harvest camps date back centuries, when tribes lived off the land.

The camp’s mission is to make a presence in the Penokee Hills and host LCO tribal members and other guests who are doing an inventory of resources, trail blazing, archaeology work, and harvesting. The camp also lays the foundation for a possible legal case invoking their federal treaty rights. Professor Charles F. Wilkinson at the University of Colorado Law School, an expert on Indian treaties, said that “because Republicans have admitted they expect environmental damage in the very text of the [Iron Mine] bill, the mine likely will have to be revised or abandoned when challenged in light of Native American treaties... Earlier this year a federal judge in Washington State ruled, under similar circumstances, that the treaties require more than just allowing tribal members to hunt and fish—the treaties also require healthy habitat so that the species can thrive.”

The camp is on county land where DeMain has documented almost 200 Indian allotments in the late 1800s located directly on top of the ore deposit. Ancient mining artifacts in the region have been carbon dated to 260 AD. “Most of these land allotments were stolen outright, or
deceptively removed from Indian people,” said DeMain. Wisconsin has a long tradition of removing Indians from mineral rich lands, beginning with the seizure of lead mines in southwestern Wisconsin from the Sauk, Mesquakie and Winnebago people in the mid-1820s. The Winnebago Revolt of 1827 and the Black Hawk War in 1832 was a direct response to this resource theft.

The initial press reports on the June 11 protest suggested that the people who raided the drilling site had the support of the harvest camp. In fact, the protestors were thrown out of the harvest camp because their protest was counterproductive to the camp’s public outreach and peaceful opposition to the proposed mine. Camp director Mel Gasper said “This is a peaceful camp and we are going to keep it that way.” Mike Wiggins called for nonviolent opposition to the proposed mine and condemned “any planned or improvised act of violence against the mining company.”

Pete Rasmussen, vice president of the Penokee Hills Education Project, said the heavily armed guards in the area are meant to scare people out of the wilderness around the mine site. He told Mother Jones magazine: “We have been gathering more and more people who want to come up to the area. Once they see what’s at stake, it’s hard for them to fathom that they want to blow it up.” Over 2,000 people have visited the camp and taken walks through the proposed mine site since the camp opened in May, 2013.

These kinds of walks were a very effective way to build local opposition to the defeated Lynne mine site in Oneida County, Wisconsin in the early 1990s. Noranda Minerals of Toronto, Canada withdrew from the project in 1992 after strong local opposition from an Indian-environmental alliance led by the Lac du Flambeau band of Ojibwe and a local environmental group, Environmentally Concerned Citizens of Lakeland Area.

Racism and Restricting Public Access

GTac’s rhetoric about eco-terrorism prompted State Rep. Mark Honadel, a major recipient of mining industry campaign contributions, to insert a measure into the state budget bill that would bar protestors from getting close to any mining activity. The measure was withdrawn but Republican legislators plan to introduce a bill that would restrict public access to areas near sampling and drilling activity by the mining company. A less restrictive “safety zone” around work sites has been proposed by Senator Jauch and other legislators.

GTac has completed its core sample drilling and has applied for a permit to sample about 4,000 tons of rock from five locations on the site to assess the amount of ore. But the Wisconsin Department of Natural Resources (DNR) returned the company’s bulk sampling permit in July for lack of adequate assessment of numerous environmental risks, including potential acid rock drainage and the release of asbestos dust created by explosions.

The company denies that asbestiform minerals such as grunerite, that occur in iron ore bodies in Michigan and Minnesota, are present in the Gogebic Range of Wisconsin. However, the Wisconsin Geological Survey says grunerite is a widespread mineral in the Penokee iron formation and lists several outcrops within the proposed mine site.

According to the National Academy of Sciences, grunerite asbestos is one of the most toxic forms of asbestos and causes lung cancer, mesothelioma and pulmonary fibrosis. A University of Minnesota health study of taconite miners found that the rate of mesothelioma on Minnesota’s Iron Range is almost three times higher than that of the general population in
GTac now says they may be able to avoid blasting by using rock that was left behind by U.S. Steel when it blasted the rock in the 1960s. Over 70 citizens and tribal members testified at a public hearing on the proposed bulk sampling activity held by the Wisconsin DNR at the Hurley High School on August 15. The overwhelming majority of the testimony was against the project, citing concerns about treaty rights, pollution of critical watersheds and GTac’s coverup of the health hazard from asbestiform minerals in the rock to be blasted.

Meanwhile, GTac supporters intensified their criticism of the harvest and educational camp as Iron County forester Gary Glonek posted racist and misleading cartoons on Facebook attempting to portray the Ojibwe as “eco-terrorists.” Glonek is also part of the Iron County Forestry Committee that oversees public county forest lands, including the area where LCO has established a harvest camp.

One such post entitled “Welcome to the Penokee Hills Protest Camp,” features three monkeys covering their respective eyes, ears and mouth with the following caption: “After a busy day of vandalizing and destroying equipment, sabotaging bridges, and threatening workers, the weary eco terrorist can enjoy a well deserved rest in one of our ‘safe wigwams’ and will be provided with a hearty meal and a rousing ‘job well done’ by our discrete support staff. Our promise to you is that we never saw a thing.” At the bottom of the post there is “Special thanks to Iron County for supplying a permit for base of operations.”

**Iron County Forestry Committee**
Glonek recently persuaded the Iron County Forestry Committee to recommend that the Iron County Board file criminal and civil charges against the Lac Courte Oreilles Treaty Harvest and Education camp for violating county ordinances and state County Forest Law. He said that the state DNR would remove their certification for managing County Forest Law if they allowed the harvest camp to remain in place. The rest of the forestry committee believed this and felt they had no choice but to evict the tribe.

In fact, the DNR never made such a threat. But state Senator Tom Tiffany wrote a letter to Iron County saying the camp is illegal and that tribal members are “suppressing people from being able to utilize the county forests as they should be able to.” Iron County District Attorney Marty Lipske said he was not aware of any criminal activity at the camp. Iron County corporation counsel Michael Pope said the harvest camp has exceeded a two-week limit for such gatherings. Joe Vairus, forestry administrator for the county, said the site has grown to “20 to 25 wigwams—it’s a squatters village, that’s what it is really.”

Vairus denied that this action has anything to do with the proposed mine next to the camp. Yet two months earlier, in May 2013, this same committee voted unanimously to support a one-year permit for the harvest camp. After the permit was granted, Vairus said they sent a letter to LCO asking them to apply for a large-gathering permit instead. But Paul DeMain, a spokesperson for the camp, says he never received a letter from Iron County raising questions about the legality of the camp.

According to Lac Courte Oreilles tribal chair Mic Isham, the tribes have the right to establish harvest camps anywhere in the territory that was ceded to the United States in 19th century treaties. The only reason the tribe sought Iron County permission was to ensure that non-Native visitors would
also be allowed to camp there. Any attempt to remove the Ojibwe from their harvest camp would be challenged in federal court and would likely be resisted by the Ojibwe and their non-Native supporters. Mike Wiggins told reporters that a second camp will be established soon in the ceded territory of Wisconsin where the Ojibwe have treaty-protected harvest rights.

Over 100 supporters of the harvest camp attended the July 30 meeting of the Iron County Board where they considered the recommendation of the forestry committee to evict the Ojibwe from their camp. After public testimony about the peaceful nature of the camp and Ojibwe treaty rights, the board voted unanimously to table the motion to file criminal and civil charges against camp organizers and sent the issue back to the forestry committee so that a permit allowing the camp could be obtained through negotiations with the tribe.

The Assault on Treaty Rights
The attempt to remove the Ojibwe from their harvest camp is part of a longstanding hostility to Indian treaty rights, which are seen by the state of Wisconsin and the mining industry as obstacles to establish a mining district in the Lake Superior region. During the height of the Ojibwe treaty conflict from 1983-1992, pro-mining Wisconsin Governor Tommy Thompson sent his top advisor, James Klauser, a former chief lobbyist for Exxon’s proposed Crandon mine, to negotiate a buyout of Ojibwe treaty rights. Exxon, Noranda and other mining companies saw the treaties as obstacles to mining. Klauser was unable to persuade any of the six Ojibwe tribes to “lease” their treaty rights in exchange for money.

When the U.S. Environmental Protection Agency recognized the sovereign authority of the Mole Lake Sokaogon Ojibwe Tribe to regulate water quality on their reservation, just downstream from Exxon’s proposed Crandon mine, Wisconsin Attorney General James Doyle (before he was governor) sued the EPA and the tribe in federal court. The state, along with the Crandon Mining Company, tied up the issue in court from 1995-2002 until the U.S. Supreme Court let stand a lower court ruling affirming the tribe’s right to establish water quality standards to protect its wild rice beds. The Bad River Ojibwe now has the same authority under the Clean Water Act to enforce tribal water quality standards on its reservation. Any polluted waters flowing from the Penokee Hills open pit iron mine and waste piles into the Bad River watershed and tribe’s wild rice beds are subject to tribal regulatory authority enforced by the EPA.

The alliance between the tribes and the local communities is unnerving to pro-mining forces who won the fight over mining legislation but are losing the battle for the hearts and minds of the most directly affected mining communities. So far the presence of armed guards and state-sponsored assaults on treaty rights has increased support for those who want to preserve the sustainable jobs in forestry, tourism, fishing and subsistence harvesting that depend on clean water. Militarized mining is not a solution. It’s the problem.

www.zcommunications.org

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At least 72 were confirmed dead in Kenya, with the death toll expected to rise, after the deadly four-day-long attack on Nairobi's Westgate shopping mall. The Somali militant group Al-Shabaab has claimed responsibility and said the attack was in retaliation for Kenya deploying troops to Somalia. Kenya has declared three days of mourning for the dead, and the tragedy has grabbed international media attention.

Now joining us to discuss what happened in Kenya and give us some context behind the attack is Samar Al-Bulushi. She’s a doctoral student in anthropology at Yale. Her recent piece is “Kenya’s Westgate Mall Attack and the Politics of Spectacular Violence”.

Thank you so much for joining us, Samar.

SAMAR AL-BULUSHI, PHD STUDENT IN ANTHROPOLOGY, YALE UNIVERSITY: Thanks for having me.

NOOR: So, Samar, let's start off by getting your reaction to these horrific, tragic events that recently unfolded in Kenya.

AL-BULUSHI: Sure. Yeah. I was incredibly shocked when I first heard of the news, most immediately because I was one of those foreigners who would frequent Westgate Mall during the time that I've spent in Nairobi. So, you know, the images that I was seeing across the screen were images that were incredibly familiar to me, places that I would frequent. And I immediately--my mind immediately jumped to the friends that I have met and made in Kenya who may have been affected by that violence.

I think the second thought that crossed my mind was to a certain degree a lack of surprise, you might say, because there's so much talk about security and there's so much fear that is palpable among Kenyans, especially in a place like Nairobi, especially in places like this, where the presence of security actors is visible. So every time you walk into a space like that, you're kind of reminded of the possibility that something might happen to you.

NOOR: And so these tragic events have gripped the media's attention. International press has been all over it. But what hasn't been discussed in this case and what's often not discussed in incidents like this is kind of the context and the background and kind of asking some of the tough questions, as in why this might have happened and what are the events that led up to it. Can you give us a little background and context?

AL-BULUSHI: Sure. Sure. I think what the events of this past weekend really demonstrate is what has been a role that Kenya has played in the war on terror in a relatively invisible way. It's been an unseen front in the war on terror. And in the past--it's really been in the last ten or so years that the Kenyan government has arisen as a prominent partner of the U.S. government in its war on terror.

We can go as far back as 1998, when the embassy bombings took place in Dar es Salaam and Nairobi. And then in 2002 there was an attack on a hotel in Mombasa. Both those sets of attacks,
the 1998 and 2002, were attributed to al-Qaeda, and the U.S. immediately placed a huge amount of pressure on the Kenyan government to respond, to identify suspects. And within a year or two, Kenya was placed on the U.S. government's anti-terrorism assistance program. And that was really the beginning of a huge amount of foreign aid that started to flow into the Kenyan government, primarily to beef up its counterterrorism infrastructure.

And there was also a push to introduce anti-terrorism legislation. That was first done in 2003 under the Kibaki administration. And it was really thanks to the protest, widespread protest on behalf of civil society in Kenya that the legislation did not pass. In fact, it took almost ten years for that legislation to pass.

And I think it is worth reviewing the context in which last year in October the legislation finally went through. It contains language that is almost identical to the U.S. Patriot Act. It of course affords the police an incredible amount of sweeping powers to arrest, detain, question suspects under charges of terrorism that are not very well defined. And, of course, it's the Muslim population in Kenya that has been the most affected by these developments.

NOOR: And so there's fear among some advocates that the Muslim population in Kenya will be targeted even more in the aftermath of these attacks.

AL-BULUSHI: Absolutely. And to give just a little bit of context that might help us anticipate what we see going forward, even without the passing of that legislation, the Kenyan government set up an anti-terrorism police unit that began to go about sweeping neighborhoods, identifying suspects, often lacking much evidence at all, detaining people, and in some cases disappearing them. And in most recent years, we've seen, actually, a rise of extrajudicial killings.

But there are a couple very important years that I want to highlight here. The first is 2006, 2007, immediately following the Ethiopian invasion of Somalia. And at that time you had thousands of people flowing across the border from Somalia into Kenya in seek of refuge. And the Kenyan government, together with United States, the Ethiopian and Somali government and other allies swept up at least 100 people, who were renditioned first to Somalia and then to Ethiopia. Over time, some of them are released after months of questioning and torture by a number of authorities.

And I want to emphasize that this is really a transnational regime of counterterror that really came to the fore at that period, because it wasn't limited to the actors I've just mentioned. Some of the people were interrogated by Pakistanis, by Italians, by Libyans. So this truly is a transnational project. But that was really the first indication of the extent to which people were being affected by counterterrorism, by the discourse and by the practice of counterterrorism.

The next important year, I would say, was 2010 in the wake of the Kampala bombings, the World Cup bombings in Kampala. And after that happened, again you saw cooperation between the Kenyans, the Americans, and other governments to identify and rendition up to 20 suspects to Uganda. Twelve of them were Kenyan citizens, and seven of them remain in jail today in Uganda without charge and without a trial date set.

NOOR: And finally, Al-Shabaab, which is an al-Qaeda-linked militant group based in Somalia, they've said the attacks were in retaliation for Kenya's role in Somalia, which has been a focal point for the war on terror. In Jeremy Scahill's Dirty Wars, book and film, he traveled there and kind of documented the role of special forces and other U.S. involvement in Somalia. What has Kenya's role been?
AL-BULUSHI: So Kenya really emerged to assume a prominent role in Somalia, in particular two years ago when it invaded. It was in October 2011. And the government stated that its objective at the time was to quell Al-Shabaab and its operations, primarily in southern Somalia. The claim was that a number of foreigners had been abducted by Al-Shabaab in the northern parts of Kenya. And so to a certain degree one wonders whether this was purely in response to threats to foreigners and expatriates in Kenya itself.

But I think it's debatable what were the motivating interests of the Kenyan government. There are some who argue that they had been planning this attack for over one year. Now, a year ago, almost exactly a year ago today, the Kenyan government claimed victory in pushing Al-Shabaab outside of Kismayo, which was its last stronghold in Somalia. So in theory, if the Kenyan government had achieved what it claimed that it went in to achieve, it should have returned back into Kenya and should no longer have a role to play in Somalia. So that really becomes one of the questions that should be emerging in the wake of the attack this weekend: why is the Kenyan military still in Somalia? What is it going to do to reconsider its role there? What impact has it had on the region for a government that really projects itself as a leader in peace and stability? And we really need to ask ourselves whether that is in fact the case.

NOOR: And groups like Human Rights Watch have documented indiscriminate shelling carried out by forces backed by Kenyan troops.

AL-BULUSHI: Yes. So just to give a little bit of context, the Kenyans were incorporated into the African Union peacekeeping forces after they intervened. Now, that very fact is an interesting one, because technically their invasion was illegal according to international law. It was not declared as such. And, in fact, the UN Security Council effectively sanctioned that intervention by saying, we would now like to incorporate you into our peacekeeping force.

Now, Human Rights Watch is one among a few who have documented abuses by the African Union peacekeeping forces as a whole. Among them you have the Kenyans, you have the Ugandans. And there are, unfortunately, quite a few incidents of abuse against the Somali civilians by the peacekeeping forces.

NOOR: Samar Al-Bulushi, thank you so much for joining us.

AL-BULUSHI: Thanks for having me.

NOOR: And thank you for joining us on The Real News Network.

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Samar Al-Bulushi is a doctoral student in socio-cultural anthropology at Yale with research interests in militarism, transnational governance, and secular politics in Kenya. Prior to Yale, Samar worked with a number of human rights organizations, most recently with the International Center for Transitional Justice (ICTJ) in New York.

Merkel's victory - What does it mean?

Hans-Gerd Öfinger 24 September 2013

German chancellor Angela Merkel and her Christian Democratic alliance (CDU/CSU) celebrated a sweeping victory in the German federal elections held last Sunday. On the basis of an 7.8 percent swing the CDU/CSU scored over 18 million votes and a share of 41.5 percent - their best result in
national elections for 20 years. Yet due to the German system of proportional representation this massive swing was not big enough to secure an overall majority of seats for the CDU/CSU in the new Bundestag, the federal parliament based in the old Reichstag building in Berlin.

This lack of a clear majority of seats for the traditional bourgeois parties is mainly due to the fact that the FDP (Liberal Party) which had been in Merkel's coalition government for the last four years suffered a humiliating defeat as their support melted away from 14.6 to merely 4.8 percent of the votes cast. They lost their entire parliamentary basis. Since a party in Germany requires a minimum share of five percent in national and regional elections before any seats are allocated. The 4.8 percent score represents a historic defeat for the FDP, a bourgeois party which has served as the direct mouthpiece of big business and the top one percent of society over the last decades.

On the other hand, the SPD which a few months ago prided itself for its labour movement traditions and a history of 150 years did not really recover from its historic 23 percent defeat suffered in 2009. The SPD's share of 25.7 percent still represents the second worst score in any national election since World War II. On the electoral plane the party has been thrown back in fact by 100 years. This is above all the result of the reformism without reforms or rather reformism with counterreforms carried out by the coalition government of SPD and Greens led by (ex chancellor) Gerhard Schröder (SPD) from 1998 to 2005. With their “reforms” of the labour market they had ushered in a massive casualisation of labour in Germany and attacks on the unemployed. Now a quarter of the workforce have some sort of casual jobs, many of them with wages just about or below the poverty line. Many of them need more than one job to survive or need additional social security to pay their rents. This is - by the way - the main and principal explanation for the alleged German “job miracle”. There is a deepening split between workers and employees in relatively safe jobs and an increasing number of casual labourers. German variants of soup kitchens (“Tafeln”) where welfare institutions and volunteers hand out free food to the unemployed and working poor are springing up like mushrooms all over the country. At the same time the gap between the classes, between rich and poor, is wider than ever.

When Schröder lost his majority in 2005, the SPD leaders sought refuge in a coalition with the CDU/CSU which ushered in “reforms” such as the increase of the retirement age to 67 years and an increase of the VAT from 16 to 19 percent. It is true that the 2013 SPD election manifesto promised to “correct” some of the worst aspects of their past government records and anti working class legislation and campaigned for a minimum wage of 8.50 Euro and against the “abuse” of “labour leasing”. Yet Peer Steinbrück, the SPD candidate for chancellor, represented the old Schröderite/Blairite right wing of the SPD and thus did not appeal to millions of workers who used to support the SPD in past decades and have turned away in different directions since then. Whereas the SPD had re-conquered their leadership in government in 1998 with the backing of over 20 million voters primarily from the working classes and youth, they scored merely 11.2 million votes last Sunday. The Greens, too, who would have liked to return into a coalition with the SPD this time, suffered losses and remain miles away from the temporary hype they scored mainly in 2011 when environmetal issues became a decisive point of public interest after the nuclear disaster in Fukushima (Japan).

DIE LINKE emerged as third biggest party

If Merkel succeeds in forming a coalition with the SPD in the coming
weeks, DIE LINKE (Left Party) will become the biggest parliamentary opposition party nationally. With an 8.6 percent share DIE LINKE eclipsed the Greens. After a series of humiliating defeats in Western regional elections since 2011, the party has managed to stabilize its electoral position in the West last Sunday where they scored over five percent in all the federal states with the exception of the Southern states of Bavaria and Baden-Württemberg which turned out to be bastions of the CDU/CSU. Yet while party activists celebrated the 8.6 per cent result on Sunday night we must not forget that DIE LINKE has also suffered losses since 2009. Their electoral support has shrunk over the last four years from 5.2 million to merely 3.8 million voters last Sunday (see table below).

While there is a numerical combined majority of seats for the SPD, Greens and DIE LINKE in the new Bundestag, it is unlikely at this stage that such a “red-red-green” coalition would be formed. Leading representatives of the SPD and Greens have repeated again and again that DIE LINKE was “not ready for government responsibility” due to their “utopian” positions in the election manifesto mainly on issues of foreign and military policy.

DIE LINKE is demanding a withdrawal of all German troops from abroad, a ban on arms production and arms exports, a dissolution of NATO and a strict opposition to the neoliberal agenda pursued by the EU commission and a “No” to all of the “rescue programmes” that have thrown back Greece by generations. Yet representatives of the right wing in DIE LINKE such as Stefan Liebich, an MP from Berlin who has been returned to the Bundestag winning a majority in his constituency, would like to water down the party line on foreign policy and military issues (“humanitarian military interventions”) to make the party compatible for future federal governments. Yet Liebich still represents a minority in the party.

DIE LINKE parliamentary leader Gregor Gysi who is an eloquent man and was featured as the most important public face in the election campaign, keeps demanding that the SPD should “return to a social democratic policy” to lay the basis for a future cooperation nationally. Whereas there is growing uneasiness among the SPD rank and file about the perspectives for the party as a junior partner under Merkel, it seems likely that the new generation of SPD leaders such as party chairman Sigmar Gabriel and General Secretary Andrea Nahles will be hungry for ministerial portfolios in a cabinet led by Merkel and try to get some programmatic deals and cosmetic concessions from Merkel to justify what they are doing.

But the German economy is based on weak foundations, increasingly dependent on exports, threatened by the European crisis while the performance of the BRIC economies is slowing down. It is more likely that there will be a rude awakening of the German working class to the real situation facing German capitalism. Merkel will not be able to keep up indefinitely her motherly smile but will have to show her true face while proceeding to inflict deep attacks on the conditions of living of millions of Germans.

Thus, DIE LINKE is faced with an enormous challenge. The task for socialists is not to prepare for entering the government in 2017, or to appeal to the socialdemocratic leaders for a more human policy under capitalism, but to offer a clear left, socialist answer and to sink firm roots in the working class, preparing for the big conflicts and battles that lie ahead.

Why did Merkel win? Some on the left nationally and internationally view last Sunday’s election as a major “shift to the right”. Yet reality is more complicated than that.
Within the electoral base and camp of the classical bourgeois parties there has been a shift away from the FDP which has been seen as the pure version of big business representative and barefaced, more fanatic variant of bourgeois politics and neo-liberalism. Merkel has been presented as the nation’s “friendly and benign mum” who is on good terms with everybody, avoiding binding statements and polarisation and blinding less political sections of the working class and old age pensioners with her new-speak.

Whereas Merkel and her finance minister Wolfgang Schäuble, an old CDU warhorse, are the most hated politicians in countries such as Greece, Spain or Portugal, they have skillfully avoided the sort of attacks on the working class at home that they are imposing to Southern European governments. The major line of the German ruling class and their representatives in the Berlin administration is still to prevent an all-out confrontation with the unions.

Attacks on labour laws such as undermining job protection or the rights of unions and their workplace representatives in the works councils - which are the rule in all European countries - are not yet on the order of the day in Germany. At the recent big Frankfurt Motor Show (IAA) top industrialists of the mighty German car industry praised the engineering union IG Metall for its “moderation” on the wage front and highlighted the blessings of the German system of participation and co-management (“Mitbestimmung”). The majority line of the capitalist class is obvious: rather than confronting the top union leaders (as Thatcher, Murdoch and FIAT managers did) it is “wiser” to use and include them in the “club” to get concessions from them on the negotiating table.

This does not mean, however, that there is no class struggle taking place in Germany. Every week there are provocations by bosses, strikes and conflicts here and there. Shopworkers are fighting to defend collective bargaining and the levels of income and concessions in the old contract whereas the big supermarkets and department stores aim at lowering the wages considerably. Scandals about slave labour conditions of migrant workers from Southern and Eastern Europe and casual labourers in German slaughterhouses, mail-order businesses and even luxury car manufacturers such as BMW and Mercedes have found an enormous public echo in recent months. But there is still no generalised strike or protest movement that could have set the tone in the election campaign and Merkel so far has been clever enough to take up some of the social uneasiness and promise some amelioration. She did her utmost to present the “bright side of life” in Germany (especially when compared with the crisis crippling most of the other European countries) and to make sure that the bad news will be announced after the elections.

Since there is no real alternative posed other than accepting Merkel as a “shield” against an even worse crisis, and the careful attempt not to provoke confrontation with the German workers before the election, it is not surprising that Merkel's position has been strengthened, although there was no enthusiasm at the CDU/CSU rallies. Her election propaganda created the impression that Germany had done relatively well against the background of the crisis all over Europe and that the country should be kept in “good hands”, thus avoiding any “experiments”.

While the extreme right wing and openly neo-fascist party NPD did badly in the elections nationally and despite some strongholds in the East remains a one-percenter, it is an interesting fact that due to abstentions and an increased vote for smaller parties well over 40 percent of the population are not represented by the parliamentary parties. The biggest surprise, however, is the emergence of the new so-called “Alternative for Germany”
(AfD), a reactionary bourgeois party with an “Anti Euro” profile which was only set up half a year ago. The AfD is based on some conservative former CDU politicians and lead by arch neo-liberal think tanks and economists who favour the exit of Southern European countries from the Euro. Within a few months the party has managed to pick up over two million votes from disoriented workers and above all sections of the middle class who feel uneasy about the coming economic crisis and fear to loose their savings due to inflation and a possible crash of the financial system. Though the AfD failed to reach the five percent threshold, a result of 4,7 percent out of the blue is a remarkable score.

While decisive sections of the ruling class and industry still support Merkel’s mainstream line to keep the Euro zone together and thus save export markets for German industry, some serious bourgeois elements are thinking about alternatives beyond the present Euro zone. One of the most prominent AfD supporters is Hans-Olaf Henkel, former president of the German industrialists’ federation BDI. The AfD leaders could base themselves upon sections of the ruling class in the future and become a „second eleven“ to attract disenchanted voters. It is likely that they will now prepare for another battle in the coming election to the European Parliament next spring and aim at a far better result then.

**What next?**
The fact that the AfD seems to have attracted votes even from ex-supporters of DIE LINKE should serve as a warning. This underlines the need to highlight more than ever the party's programmatic call for the nationalisation of banks under democratic control. DIE LINKE is the only party that opposes cuts in the welfare state and privatisations. Yet the programme is basically of a left reformist character and far from presenting an alternative socialist society or a bold transitional programme. At the party conference last June there was a hell of a fight between the right and left wing even to get the demand for a renationalisation of the Post Office (Deutsche Post) and Deutsche Telekom passed with a narrow majority.

It is likely that the general crisis of European capitalism and the tendency towards over-production will affect German much more in the coming years and shake the foundations of any illusions in a good life under capitalism that exist at the present time. We must not be blinded by the temporary electoral success of the CDU/CSU as there is a general trend away from deep-rooted loyalty towards traditional political parties and moods can change very quickly. The FDP, the Greens and the Pirate Party have all had their temporary hypes and have seen their support soar and melt away within a short period of time. Instability will be the prevailing feature on the economic, social, and political plane. The class struggle is far from dead and will become a central issue in German everyday life in the years that lie ahead.

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**Durban’s Brutal Underside**

Rixcharl Pithouse 24 September 2013

Nkosinathi Mngomezulu was shot in the stomach on Saturday morning. He was shot at the Marikana land occupation at Stop 1, Cato Crest in the city of Durban, South Africa during an eviction. He’s currently in the Intensive Care Unit of the King Edward Hospital. His comrades fear that he may be
attacked in the hospital. They’ve not been allowed to post their own guard but they’re making sure that he’s always surrounded by a large group during visiting hours.

Mngomezulu’s comrades are not paranoid. He’s been threatened with death if he recovers and returns home to the occupation. On the 26th of June Nkululeko Gwala, like Mngomezulu a member of the shack dwellers’ movement Abahlali baseMjondolo, was assassinated in Cato Crest. Just over three months earlier another activist, Thembinkosi Qumbelo was gunned down in the same area in similar circumstances.

And hospital is not necessarily a safe place for someone who has crossed the African National Congress (ANC) in Durban. On the 30th of June last year Bhekimuzi Ndlovu was shot in the Zakheleleni shack settlement in Umlazi after a series of protests against the local councillor and for land and housing. The Unemployed People’s Movement reported that the next day he was visited in hospital by a delegation from the local ANC. They said that they wanted to pray for him. Shortly after they left he became violently ill. The doctor diagnosed poisoning.

Murder has been part of the repertoire of political containment in post-apartheid Durban since Michael Makhabane was shot in the chest at point blank range by a police officer on a university campus in May 2000. Political killings have been undertaken by shadowy assassins since at least April 2006 when two former South African Communist Party activists were assassinated in Umlazi after supporting an independent candidate against the ANC in the local government elections. And the armed mobilisation of ANC supporters against people organised outside of the party has been given de facto sanction from the police and senior politicians in the city and the province since at least September 2009 when Abahlali baseMjondolo were attacked in the Kennedy Road shack settlement in Clare Estate.

The attack on Abahlali baseMjondolo in 2009 was also the moment when the language of ethnicity began to be openly used by the local ANC, including senior figures in the Municipality like Nigel Gumede, to legitimate exclusion and violence. Abahlali baseMjondolo, an ethnically diverse organisation, was misrepresented as an Mpondo organisation and it was made clear that this designation rendered it illegitimate. Ethnic claims were mobilised in a similar way when people were burnt out of the kwaShembe shack settlement in Clermont in March 2010 and in the repression that followed sustained organisation by the Unemployed People’s Movement in the Zakheleleni settlement in Umlazi last year.

Death threats are now a routine feature of political discourse in Durban. They are not only part of the arsenal of increasingly heavily armed local councillors and their party committees. In September 2007 politically connected businessman Ricky Govender, a man who has often been described as a gangster, was reported to have threatened to have a journalist at the Mercury, a local paper, killed. He had previously been reported to have threatened to have local Abahlali baseMjondolo activist Shamitha Naidoo killed. Nigel Gumede, who chairs the housing committee in the eThekwini Municipality, has never denied the claim that he openly threatened S’bu Zikode from Abahlali baseMjondolo in a meeting in the City Hall in October 2011. On a number of occasions ANC members bused in to court appearances involving independently organised activists have openly issued death threats against activists.

Witnesses say that Mngomezulu was shot by a manager of the Land Invasions Unit, a municipal force used to crush land occupations. Cities
across the country have similar units and they routinely and often violently destroy shacks in brazen violation of the law. The police are claiming that Mngomezulu was shot after he stabbed one of the unit’s members. Witnesses emphatically deny this. The police in Durban have been so habitually dishonest for so long when it comes to giving accounts of their own violence, and to violence against people organised outside of the ANC, that nothing that they say should be taken seriously in the absence of credible evidence. But even if Mngomezulu did put up some resistance to the Land Invasions Unit he would have been within his right to do so. There is a clear right, in law, to defend one’s home against illegal attack.

The land at Stop 1 in Cato Crest was occupied, and the occupation named Marikana, in March this year after a large number of people were made homeless as their shacks were destroyed to make way for a housing development. As has been typical for years shack owners were given houses but tenants were (illegally) left homeless if they couldn’t pay a bribe to get a house or didn’t have solid connections to local party structures. In this case the eviction of the tenants was also given an overt ethnic inflection with politicians from the local councillor to Nigel Gumede and the mayor, James Nxumalo, openly mobilising a discourse that presents people from the Eastern Cape province as alien intruders in Durban.

Some of the people that were illegally rendered homeless earlier this year had lived in Cato Crest since as far back at 1995. They had work in the area, their children were in local schools and Durban was where they were making their lives. The local ANC had told them to ‘go back to Lusikisiki’ – a village in the Eastern Cape Province. They decided, instead, to occupy an adjacent piece of land. Their shacks have been demolished on eight separate occasions, often violently, and they have rebuilt them each time. As I write (on Tuesday 24 September) the ninth demolition is in progress. They have been to the High Court five times to request the Court’s intervention against these patently unlawful evictions. The Municipality has brazenly violated all of the assurances it has given the court, as well as three court orders.

People who have tried to defend their homes have been beaten and shot with rubber bullets. When they have gone to the streets they have been arrested and beaten in the local police station. When the court ordered lawyers from both sides to meet at the Marikana land occupation on Tuesday last week to identify which shacks were protected by its orders local ANC members were mobilised by the local councillor to disrupt the process. Intimidation, including death threats, made the process mandated by the court impossible.

This drama is not simply about the state using violence to try and sustain the duopoly that it shares with the market with regard to the allocation of land. It’s also about protecting the interests of the ruling party. Party supporters have built shacks in the same area without consequence. These are political evictions. And politics is being openly mediated through ethnicity. Mpondo people are being presented as having no right to this city and the Zulus amongst them as disloyal. S’bu Zikode from Abahlali baseMjondolo has concluded that “To the smug politicians in their suits in the City Hall, and their thugs hunting us in the shacks, you are not a proper human being if you are not Zulu and if you are a Zulu living and organising with Mpondo people then you are not a proper Zulu”.

For Zikode “The City Hall is red with blood”. But on Monday last week Abahlali baseMjondolo brought its own tide of red shirited resolve to the City Hall in an impressive march. The movement has 1 560 members in
good standing in Cato Crest and its members from across the city are holding meetings at the Marikana occupation, cooking together and rebuilding the shacks after each demolition.

Zuma’s increasingly violent and predatory state has its firmest urban base in Durban. But despite the authority that the ANC wields in this city its power is not exercised with patrician assurance. On the contrary the scale and intensity of political violence here, much of it carried out in power struggles within the party, far exceeds that of any of the other major cities. The law remains an important terrain of struggle in Durban but neither it nor the Constitution offer any guarantees. The local state and the local party are both willing to crush dissent, perfectly lawful dissent, with violence. The silence of higher authority has served to sanction this violence. Nonetheless it is here in Durban that the most sustained popular resistance to the brutality and venality that has metastasized through the ANC has been organised. There has been remarkably innovation, tenacity and courage from below. But although the future remains unwritten it seems certain that there will be blood.

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COSATU to hold Special National Congress as Right Wing retreats

Vernie Morken 20 September 2013

The Congress of South African Trade Unions (COSATU) will hold a special national congress to deal with divisions that have ravaged South Africa’s largest labour federation for the last period. The announcement came on August 19th after the three day meeting of the Central Executive Committee (CEC) meeting that was held in Johannesburg. This was after nine affiliated unions wrote to the CEC, requesting such a congress. This represents a step in the right direction for the federation. COSATU’s constitution states that for a special congress to be held, at least one third of affiliates (seven) must make such a request. The president of the federation then has 14 days to deal with the logistics of holding the congress, including setting a date.

Divisions
The immediate background to this was the suspension of the federation’s general secretary, Zwelinzima Vavi by the CEC on 14 August after he admitted to having an extramarital affair with a junior colleague. In a previous article we explained that the reason for Vavi’s suspension had nothing to do with his personal indiscretions, but rather with the politics and contradictory forces in the Tripartite Alliance (ANC, SACP and COSATU). The decision to suspend Vavi has plunged COSATU into the deepest crisis since its formation. Unions have now lined up against each other, representing right and left wings of the federation. At the time of Vavi’s suspension, the General Secretary of the Food and Allied Workers Union, Katishi Masemola warned: “COSATU won’t be the same. The first thing is that there is going to be two camps within the federation. Each and every affiliate will be affected by instability of sorts. Unity of each and every affiliate is not guaranteed.”

Since then events have proved him right. But the divisions run much deeper than just within COSATU. The origins of the federation’s troubles are rooted in the Tripartite Alliance, and reflect the conflict between those who are closer to the government and thus enjoy the “fruits of
office” and those who are closer to the shop floor and are much more in touch with workers. The whole campaign to oust Vavi is actually an attempt to silence him because of his outspokenness against corruption, anti-working class policies, and his criticism of the fact that SACP and COSATU leading members joined the ANC government where they implement these policies. The General Secretary of the Metalworkers Union, (NUMSA), Irvin Jim, directly accuses the secretary general of the ANC and the general secretary of the Communist Party of being behind the divisions. Addressing workers at a march in Randburg, Jim said: “Him [Mantashe] and Blade (Nzimande of the SACP) are doing everything to divide COSATU unions”.

For their part, Mantashe and Nzimande upped the ante by launching blistering attacks against the pro-Vavi faction. Addressing members of the police officers union (POPCRU), Nzimande even referred to them as the enemy: “If some union leaders think that they are going to take affiliates out of COSATU, then they will find the Communist Party first. Those who are threatening to walk out, they will first have to open this red door. Those who are planning to do so; they are part of the enemy that wants to destroy our revolution. There can be no problem that is bigger than the unity of COSATU.” This is quite typical of Nzimande - taking up a defensive position in public while dealing through intrigue behind the scenes. He also defended the fact that SACP leading members are part of the government, saying:“The liberal idea(!!) that the state was inherently bad and constantly had to be criticised had to be resisted. That is why in our universities and in the media, in order to prove that we are truly independent, we must attack the government and the ANC. Then you will get kudos. Most of us here campaigned for this government in 2009.So this is our government, no matter what problems it has. It is our government.”

What revolution is Nzimande talking about when the ANC government is firmly committed to capitalist policies, privatization, tendering, etc.? What revolution is he talking about when prominent ANC leaders sit on the administration boards of the same mining companies that ordinary mine-workers are fighting against and then when mine-workers go on strike, the ANC government responds by sending the police to massacre them? Where is the revolution? The real threat to the unity of the movement is posed by those who have high-jacked it in border to serve the interests of the capitalist class.

It is no surprise that Nzimande takes up such a position. After all he is the Minister of Higher Education. But what Comrade Nzimande fails to understand is that those leaders who criticize the government and its policies only reflect the views of ordinary working class people. These criticisms do not come from the media or the universities, but from the townships, the mines and the factory floor. According to the latest figures of the police, they “managed” more than 12,000 protests in the last 12 months. And according to figures from the Labour Department, the number of strikes taking place all over the country is at a 5-year high.

These protests and strikes are the reasons why some union leaders are criticising the government. It is a reflection of the growing anger that is building up in society and reflects the crushing failure of capitalism in South African society. The people that are protesting and striking are the very people that have voted in this government and also feel that it is “their government.” It is capitalism that is the source of these problems and by being in government while it is implementing these capitalist policies, the leaders of the Communist Party are complicit in the suffering of the working people. This is what conditions the criticisms of Ivan Jim and Zwelinzima Vavi, not the attempt to score political points, what
comrade Blade refers to as getting "kudos".

What is really at the bottom of this conflict is the accumulated anger of the masses of workers, peasants and the poor, those who carried the brunt of the struggle against apartheid but nearly twenty years later, after two decades of ANC governments accepting the capitalist system, see how their living conditions have not substantially changed. This anger has been expressed in regular general strikes and constant protests in the townships over lack of service delivery. It has expressed itself, albeit in a distorted form, in conflicts and clashes in all the organizations of the mass democratic movement. It led to the removal of Mbeki, identified with the most openly pro-capitalist wing of the ANC, and his replacement by Zuma, in the hope that he was to pursue different policies. Very soon workers realized that Zuma was continuing a capitalist policy.

The fact that Vavi and NUMSA refused to wage a battle against Zuma at the last congress of the ANC only served to encourage the right wing, which had already purged the Young Communist League (YCL) and the ANC Youth League (YL) of critical elements and decided to move against Vavi in an attempt to bring COSATU under control. A lesson must be learnt. It is not possible to fudge the struggle in the name of “maintaining unity” in the abstract.

Campaign for a special congress
Immediately after Vavi’s suspension, the left wing of COSATU came out fighting. At the front were the metalworkers of NUMSA. Irvin Jim of NUMSA revealed that over the nine regions its members were “up in arms” about the suspension of Vavi. The campaign had two fronts. The first was to take the labour federation to court alleging that Vavi’s suspension was procedurally and substantially flawed. On the other hand, a campaign was launched to call for a special congress of COSATU. The second one was the scenario that the anti-Vavi faction wanted to avoid at all costs because the general secretary is very popular amongst the workers. This campaign was led and supported by the municipal workers union (SAMWU), the Communications Workers Union (CWU), the retail workers (SACCAWU), the Food and Allied Workers Union (FAWU), the football workers union (SAFPU) and NUMSA.

When the constitutional requirements were met and a special congress became inevitable, the ANC formed a special task force led by its deputy president, the former mine workers leader turned billionaire businessman Cyril Ramaphosa, but also including Mantashe and ANC Chairperson Baleka Mbete, to “engage” the federation and find solutions for the divisions. Also, former trade union leaders Sydney Mufamadi, Alec Irvin and Enoch Godongwana, separately tried to fix a deal on behalf of the ruling party leaders. But these attempts immediately backfired. The deputy general secretary of NUMSA, Karl Cloete, told Mr. Mufamadi and Mr. Godongwana in no uncertain terms that they are “starting in the wrong place” and they should start to heal the rift by “turning to their own party”. Mr Cloete made it very clear that the intervention by the ANC was not welcome: “It is the ANC that wants a conveyor belt, a toy telephone, a labour desk, that is not critical of anything...they must go to the NEC (of the ANC), it all started there”, he told NUMSA’s political school in Benoni. Directly criticizing the ANC general secretary, Cloete said: “That is the office that is meant to build unity when there is disunity. That is an office that must give guidance... Unfortunately, we cannot say that today.”

It is clear that the right wing miscalculated in its attempts to oust Vavi and make COSATU a compliant lapdog of the ruling right wing capitalist bureaucratic clique. But even as it is forced to hold a special congress, it is
not at all attempting to go down without a fight. Already there are rumbles that Vavi might face additional charges for allegedly breaching the terms of his suspension because he addressed striking workers. This is quite in tune with the mindset of a bureaucrat - try to resolve issues behind closed doors in special meetings, behind the backs of workers. There are also fears that the president of COSATU, Dlamini, could come up with delaying tactics in holding the special congress which could lead to a costly court battle.

**Forward to the special congress!**
In our previous article we wrote: “As was shown by the removal of Mbeki at the Polokwane Congress of the ANC, the left wing is far stronger within all the organisations of the movement, as it represents more faithfully the interests of and views of the masses of workers and the poor who vote and support the ANC.” This was shown once again in this case. Within a short space of time the left wing has managed to turn the guns around and they are now facing the anti-Vavi faction. The holding of the special congress is very significant because the workers will now decide the future of the federation. This is the real meaning of “worker-led and worker-controlled” which is the motto on which COSATU was founded. The president of COSATU and other right wingers will now have to face the workers in a direct showdown.

But the mere staging of a congress is not enough. Nothing must be taken for granted, least of all the opinions of workers. A mass campaign must now be launched to win back the federation and bring it back to its revolutionary traditions, to bring back the COSATU that took on the combined might of the Apartheid state and the bourgeois class and forced them to make substantial concessions. A COSATU that will not be a conveyor belt of the ruling party, but an independent and fearless federation that is worker controlled.

The crisis that has now engulfed COSATU is much broader than the personalities that are involved. It is actually a crisis of reformism. It is the price that has to be paid for wanting to manoeuvre within the limits of capitalism and gradually wanting to reform society. But as is showed on a global scale, reforms are impossible. Capitalism is now facing its deepest crisis since the 1930's and probably the most severe crisis in its history in terms of its scope. Nowhere is this better shown than in South African society where poverty, inequality and unemployment have hit society particularly hard.

The only solution to these problems is to fight for socialism. Only by nationalising the commanding heights of the economy under workers control and implementing a wide ranging agrarian reform can we address the problems facing society. The prior condition for this is to fight for such a programme. The struggle for socialism must be put at the centre of the forthcoming COSATU congress. The issues have to be brought out clearly, so that every worker can understand what is at stake. The forces of the left are much stronger than those of the right wing because they represent the genuine interests of the working masses and the poor. There is no objective reason why the task of fighting for a socialist programme cannot be achieved.

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**Obama, bio-technology and the illusion of Africa’s food security**
It is not far-fetched to suggest that a significant part of Obama’s special assignment in Africa in 2013 was to clear the way for American bio-tech companies to move along the path of least resistance. Tanzania under Kikwete is an important foot soldier in that broad strategy.

In June-July 2013, US President Barack Obama embarked upon his first official trip to Africa. He made three regional stops: Senegal (West Africa), South Africa (Southern Africa) and Tanzania (straddled between East and Southern Africa.) But even before he departed, Obama’s itinerary had become contentious in that it excluded Kenya.

Kenya is by far East Africa’s power-house, economically and otherwise. The US president claimed to be coming to Africa to enhance US-Africa interactions and build business partnerships. By all accounts, Kenya was a more convincing nerve center of action than Tanzania. In addition, Kenyans were losing lives in neighboring Somalia in a war against Islamic terrorism, a deeply significant issue in US foreign policy. Why was Tanzania prioritized? Was there an inside-story that we were not being told? We backtrack to Obama’s initial run for the US presidency to read between the lines.

**OBAMA’S-GMO STIGMA**

When Baraka Obama first entered the American national scene in early 21st century, he stepped into a volatile public debate between genetically modified organisms (GMO) protagonists and GMO antagonists. To a politician, many critical votes were at stake here; Obama had to take a stand on what had become an agitated dialogue-of-the-deaf.

Candidate Obama confirmed early his campaign that he was mindful of the risks of vesting too much power in the hands of multi-national corporations (MNCs), especially in regulatory government agencies. Additionally, regarding the divide between consumers and the food giants, he was decidedly on the side of the former. His presidency would not allow the Department of Agriculture to be transformed into the department of agribusiness.

On assuming office, however, Obama made a surprising u-turn by suddenly becoming an ally of big agricultural businesses. Quickly, there were ‘loud whispers’ that the new US president had transformed into the most visible ‘convert’ of the biggest of the agri-businesses, the much-despised Monsanto Company.

The turnaround was accomplished by adopting the ‘revolving door policy’ of appointing Monsanto’s ex-employees for key positions in government regulatory agencies. The strategy was so effective that, shortly, Obama was branded ‘Monsanto’s man in Washington’ and ‘the most GMO-dedicated politician in America.’ Shockingly, Obama evolved this cozy relationship with Monsanto in blatant defiance to public objections. Indeed, critics wondered: Did Obama jump or was he pushed?

During the first presidential campaign, Obama had made a pledge that he would make it legally mandatory for genetically engineered foods to be labeled as such. As he put it, ‘...let folks know when their food is genetically modified, because Americans have a right to know what they’re buying.’ Organic consumers were deeply disillusioned when the next (2012) presidential elections came around and the president’s promise was still pending. Obama had not even bothered to explain to the American organic consumers why his position on GMOs had changed. They felt betrayed by a man that they deeply longed to trust.
WHAT IS THE GMO FUSS ALL ABOUT?
What is it that disturbs critics regarding genetically engineered foods? Simply put, experts argue that the ultimate impact of bio-technological genetic tinkering on human health and environment is still largely unknown. Accordingly, GMOs’ availability for human consumption is premature; they require further testing. After all, biotech foods have been around for a mere forty years and, to the critics, they are still unlabeled, untested and unsafe. In handling the GMO issues, therefore, society must subordinate corporate interests to public good. What is the hurry anyway?

To compound issues, GMOs are peddled by unethical and unscrupulous profit-driven MNCs. Indeed, it matters immensely that the most visible face of the GMOs is that of Monsanto, a company with horrific public image worldwide. Finally, antagonists reject the idea that GMO research is largely undertaken under the auspices of the same biotech companies that stand to benefit from deliberately distorted research findings. This practice is seen as analogous to an individual taking his case to the criminal.

Against this background, American organic consumers have lost patience with Obama. They are unprepared to compromise with their president over their right-to-know what is in the foods that they buy and their right to choose whether or not to ingest GMO-foods.

Deeply disappointed, GMO critics have now practically given up on official safety regulations; the most that they expect is simply to be informed when their foods contain GMOs. This is a state-based grass-root political strategy that they are calling the ‘label-it-campaign’ or ‘Right to Know Movement.’ To them, Obama has been pushing GMOs in America, albeit deviously.

OBAMA’S BID TO EXPORT GMOS TO AFRICA
Obama would go considerably further than betray American organic consumers about GMOs. Last year he raised the odds considerably by launching an elaborate plan that in effect would authorize and facilitate twenty-first century spread of American MNCs in Africa.

In May 2012, the US President ceremoniously launched the New Alliance for Food and Nutrition Security (NAFNS), ostensibly to eradicate hunger and poverty in sub-Sahara Africa within the next decade. The speedy African panacea would be realized by embracing ‘modern agricultural methods and technology’ undertaken in partnerships between African and Western governments and private interests.

During the NAFNS launch, Obama did not mention the buzz-words such as GMOs or bio-technology. He preferred innocuous code words like ‘modern agricultural methods and technology,’ words that concealed that he was indeed proposing to transplant a contentious and unresolved American food issue to Africa.

Naturally, fulfillment of the African food security miracle was to be spearheaded by the grand daddy of the GMOs companies, the world’s biggest agricultural and seed corporate monster, Monsanto. Here too Obama was cautious not to mention the notorious Monsanto by name. However, the company’s CEO was there singing praises for the president’s ‘wise’ initiative and the lucky blessings for Africa at long last.

But critics were not so sure. They quickly and violently questioned the NAFNS proposal primarily on the grounds that MNCs are historically known
as blood-suckers not inclined or equipped to be in the business of philanthropy, least of all for Africans. This has always been the case since the advent of the Dutch East India Company, the mother of all MNCs.

African activists objected to NAFNS’ nascent dishonesty and exploitative intent. “We strongly object that the image of the poor and hungry from our countries is being used by giant multinational corporations to push a technology that is neither safe, environmentally friendly nor economically beneficial to us.... we think that it will undermine our capacity to feed ourselves.” In short, African critics saw NAFNS for what it really was, a Trojan horse to ferry American agricultural bio-technology into the heart of Africa with or without Africans’ knowledge and consent. Was this a case of a grand modern-era scheme of deception?

ENTER TANZANIA
With ten offices fully established in South Africa alone, Monsanto in 2013 was poised to move north to implement its ‘GMO plan’ for Africa now doubly emboldened by a partnership offer of the most powerful government in history, thanks to Obama. Barely a year after the NAFNS launch, and while most of the world was still urging caution regarding bio-technology, Tanzania’s President Jakaya Kikwete started speaking openly in support of GMOs as the life-savior foods for Africa. Concurrently, he condemned GMO critics as under-informed and needed to be educated. Were the two phenomena a coincidence?

During his first official visit to Africa a couple of months ago, Obama surprised many by skipping Kenya as one of his US presidential stops. In East Africa, he chose Tanzania and then South Africa. Informed critics suggested that Obama was out to counter China’s economic impact in the two countries. But an equally compelling reasoning has emerged that Obama went to this part of Africa primarily to clear the way for GMOs to spread northwards unhindered.

Before discussing the inherent contributions of South Africa and Tanzania to the GMO logic, it is noteworthy that it was Obama who initially reached out for the friendship of Tanzania’s President. In 2009, Kikwete was the first African leader to be invited by newly elected Obama to the White House. Three years later, the same Kikwete was back in Washington for the NAFNS launch. Obama retuned the favor in 2013 by visiting Tanzania. There are over 50 African leaders in Africa. How did Kikwete earn such honors of closeness to the US president? One could be forgiven for suspecting that Kikwete has long been in the GMO plans, needing what Herbert Marcuse once called ‘capitalist massage.’ In a sense, the GMO convert in Kikwete was bigger than Tanzania; he was needed to serve a larger strategic goal.

Why is Tanzania’s friendship critical to the American GMO plan in Africa? South Africa is Monsanto’s center of operations in Africa; it has been so since the apartheid era. In the Monsanto-Push-North-Initiative, Tanzania is now the northernmost soft spot. This makes it strategically vital as Monsanto’s stepping stone for continental penetration.

What is more, in the Obama-GMO plan, Tanzania stands head and shoulder above Kenya. Unlike the vocal Kenyans, Tanzanians have been relatively less critical of GMOs. Conversely, Kenya has become more than an irritant adversary of the biotech industry; in November 2012 Kenya officially banned importation of GMOs into the country. In this sense, Kenya is a GMOs unfriendly frontier to be handled in the future. On the other hand, Tanzania is a member of the Southern African Development Community, thus politically more reachable by Monsanto via the dominant South Africa.
Finally, southern Tanzania is a vast arable farmland ideal for MNC monocrop agriculture. Quest to develop the region goes back to the Julius Nyerere era when it was an adjunct economic justification behind the push to build the Tanzam Railway in the late 1960 and early 1970s. Its presence is a made-in-heaven opportunity for both Monsanto and Tanzania.

CONCLUSION
By his own admission, Obama came to Africa in mid-2013 in the interest of greater US-African engagements and to promote business partnerships with Africans. Agriculture is a defendable centerpiece of his vision for Africa because the continent possesses the requisite ingredients for enormous growth. It is not far-fetched to suggest that a significant part of Obama’s special assignment in Africa in 2013 was to clear the way for American biotech companies to move north along the path of least resistance. Tanzania under Kikwete is an important foot soldier in that broad strategic plan.

When the US chose to assist in rebuilding War-ravaged Europe after World War II, it came up with an open public plan on how it intended to do so. The content of the Marshall Plan was publicly open and was visited by all, including the newly established world power, the Soviet Union. Many agreed to be part of the plan; others declined. But they all knew what the Marshall Plan entailed. Obama’s food security plan for Africa lacks that kind of openness; it is shrouded by hidden agendas and underhandedness. Why so?

Perhaps Africa’s iconoclasts can be forgiven for conjuring up images of modern day scramble for Africa.
http://www.pambazuka.org/en/category/features/88950

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What Greece and Mexico’s Teachers have in Common

Leonidas Oikonomakis 18 September 2013

I had the opportunity to pass by the Zócalo in Mexico City in the last days of August 2013 and see with my own eyes the occupation of the square and the surrounding streets by the public school teachers of CNTE, the National Coordinating Committee of Education Workers. It was impressive to see the — really huge — square of Mexico City having been transformed into a massive tent-city by the public teachers on strike, and it was even more impressive to sense how determined they were in their struggle.

The teachers were resisting Peña Nieto’s “neoliberalization of education” that would put the — already extremely unequal — Mexican public education system under the orders of the Organization for Economic Co-operation and Development (OECD), and make it “autonomous”: forced to look for funds from the private sector. At the same time, the President’s reforms promised to establish some kind of “performance controls” for the teachers.
Of course, this indirect privatization of public schools was downplayed by the state-controlled (or vice-versa?) Mexican media, which focused on the “quality controls” finally imposed on the “lazy and privileged” teachers. The teachers on their own turn mobilized, organized marches and bloqueos and — most importantly — occupied the main square of the capital in thousands since the 19th of August 2013. The teachers’ mobilization lasted for three weeks until his highness, the Butcher of Atenco — a.k.a. Enrique Peña Nieto — ordered the police to brutally evict the teachers from the Zócalo, on 14 September 2013.

At the same time, in austerity-stricken Greece, the Federation of Secondary Education State School Teachers (OLME) announced a national five-day rolling strike starting on the 16th of September 2013. The reasons? As OLME put it in a public announcement:

“The situation in public schools is dramatic:

There are 16,000 fewer teachers in secondary education, meaning a 20% reduction since June 2013. 
102 Vocational Education Schools are closing down. 
2,500 Vocational Education Teachers are being suspended — just a step before dismissals. 
In 2009, there was 33% reduction of spending on education which is expected to reach 47% in 2016. 
There is a compulsory transfer of 5,000 teachers to primary education and administration posts

The government has passed a new law on education without a dialogue establishing a harsh, examination-centered system in all forms/grades of upper secondary education forcing students to seek private tuition outside school and leading to school drop-outs. The government proceeds with:

The privatization of a part of Vocational Education
The introduction of apprenticeship as a form of minor/under-age employment replacing education process

If in Mexico it was the OECD and the country’s ruling elite, in Greece the Troika of foreign lenders (made up of the EU, ECB and IMF) and its servant government decided that — after the civil servants, the [profitable!] state owned enterprises, the national broadcaster etc. — free and public education is also a “luxury” and a “burden” for the state budget and thus has to be cut. Let’s not forget that Greece is one of the very few countries in the EU where education is — until now — free and public and where universities especially are protected from privatization by the country’s constitution itself.

For that reason, free and public education has been threatened by neoliberal reforms several times in the past, always being protected by the country’s strong student movement. What we are witnessing these days is yet another attack on Greece’s free and public education by the neoliberal servant coalition of Antonis Samaras and Evangelos Venizelos, who hoped not to be met with resistance by the already socially and economically exhausted Greek society. Yet, this time, it was the Greek teachers who picked up the baton from their Mexican counterparts to fight for free and public education and for their dignity, as they stated in one of the videos they put on YouTube. “I go on strike — and I think we should all do so — because it is the only thing left to do for our dignity...” said one of them.

The Greek teachers’ mobilization is equally impressive as the one of their Mexican counterparts: on the first day of the national strike participation
reached 90%, while the country’s students also stand on their teachers’ side, occupying their schools in solidarity and resistance. The Universities’ and Higher Technological Education Institutes’ administrative workers joined in and closed down their institutions as well, protesting for the forceful suspension of thousands of their administrative workers.

There are some seemingly single-issue social struggles that have become the frontline of greater issues at stake, where several social sectors unite to face the common threat. In the case of Greece, such struggles have in the past been included the strike of the steelworkers of Aspropyrgos for safeguarding labor rights in the private sector, the occupation and self-management of ERT for the right to public information, the struggle of the citizens of Halkidiki for the protection of the environment and the right of local communities to have a say in the management of their own resources, the struggle for the right of the squats to exist as “free spaces”, the struggle of the workers of Vio.Me for the workers’ self-management of working spaces, and now the struggle of the teachers for free an public quality education.

Similarly, in the case of Mexico — after Atenco, Chiapas and Oaxaca — this time it was the teachers’ struggle. Those struggles, like some kind of social Thermopylae, seem to constitute the epic battleground where the social and ideological struggles of our era are being fought out. If they are lost, social rights that up to date have been taken for granted will be lost as well, and the invaders move on to the next battleground, to abolish the next disturbing social rights. But if the battles are won? Then maybe we can finally start the counter-attack and take back what has been ours, and even more! There’s a war out there, don’t forget. And, so far at least, “their” class is winning.

P.S. OLME, the Federation of Secondary Education State School Teachers, knowing that the struggle will be long and in an effort to assist the teachers who have already seen their salaries cut by 30%-40% in their strike, has created a Solidarity Fund. Those willing to help can contribute whatever they can to the following bank account in Greece: 114-00-2002-005457, ALPHA BANK.
Between November 2012 and February 2013 thousands of farm workers went on strike in the fruit and wine producing areas of the Western Cape province of South Africa. It started in De Doorns, a town in the Hexriver Valley, and within a few days spread to sixteen - and later to twenty two - other towns in the province. It was sustained for at least three months, during the course of which it became clear that this was much more than a routine strike; it was a rebellion that pitted farm workers not only against their employers, but against the statutory labour relations framework and the criminal-justice system. This strike caught just about everybody (including agricultural trade unions) by surprise, at first simply by its occurrence, then by its rapid spread and the militancy and fortitude workers showed in the face of intense and lawless state repression. Courageous fortitude was what won an unprecedented near-doubling of the minimum wage from sixty nine to 105 Rand per day. It was the first time in the history of commercial farming in South Africa - an enterprise drenched in the odious practices of slavery and Apartheid, that is, not one but two systemic crimes against humanity - that a rebellion of such a nature had taken place.

The deeper historical significance of the strike lies arguably in the organising methods of the strikers and their relation to the official labour relations apparatus in the country. The people who initiated and led the strike were seasonal workers who were predominantly living off-farm in shack settlements and townships and who were often women, migrants, immigrants and employed through labour brokers. Few if any of them belonged to trade unions and the unions played no part in the initiation of the strike; some such as the Food and Allied Workers Union (FAWU) officially opposed it in the beginning. The organisations that became the home of the striking workers did not exist before the strike but grew out of the coordination efforts of the striking workers. They became known as the farm worker committees, which is somewhat of a misleading title as these organisations were not based on the farms but rather in the shack settlements, were led by farm workers but did not consist exclusively of them, and were not really constituted as committees but as mass assemblies. They operated more like residents associations mobilising the whole community to confront the farm owners rather than workplace based structures such as unions, and they more or less practised direct democracy rather than operating through the centrally elected leaders and bureaucracies typical of trade unions.

The strike therefore arose outside of recognised bargaining channels and gave rise to organisations diametrically opposed in their structure to the trade unions, which are the organisations specifically adapted to represent workers in such channels. This caused a veritable panic among government, farm owners and trade unions: whatever their differences, they were in agreement that the emergency was not constituted so much by the strike itself, but by the absence of ‘responsible’ leaders, recognised unions and the disregard of the strikers for the rules governing bargaining and managed protest in a modern neo-liberal democracy. Negotiations were immediately instituted over the heads of the striking workers and it soon became a three way bargaining process between government, farm owners and trade union leaders, despite the fact that a mere three per cent of farm workers are estimated to belong to trade unions, and that this puny figure included almost none of the seasonal workers in the lead of the strike, whose organisational home continued to be the farm worker committees. In the end the strikers - exhausted, confused and violently suppressed - heard about the settlement of R105 per day on the radio like the rest of South Africa. Their strike has been ended for them.

Immediately after the strike various state institutions launched no less than three initiatives aimed at establishing social dialogue and bargaining in Western Cape agriculture. Deputy President Kgalema Motlanthe convened talks involving farmers, unions, NGOs and some people who have been part of farm worker committees; the provincial premier instituted what she called the Future of Agriculture and the Rural Economy (FARE), a body of independent researchers and mediators whose purpose is to facilitate conversations in order to find common ground; and the statutory Commission for Conciliation, Mediation and Arbitration (CCMA) convened meetings between organised labour and organised agriculture aimed at regularising bargaining in
the sector[vi]. The three processes have in common that they are explicitly aimed at avoiding strikes such as the one we have seen, they are committed to protect the capacity of the Western Cape agriculture to compete in the export market, they by and large exclude seasonal workers and farm worker committees, and they depend on a layer of professional negotiators to represent the broader social groups and classes involved. In this approach there is no place for the militant commitment to the demands of the workers, the direct action and democracy, and the breakdown of the barriers between workplace and community based activism that was the epitome of the farm worker committees during the strike. It could therefore be said that the true historic significance of this farm worker strike lay in how it revealed both the organisational form most suitable to a mass rising of the workers and the institutional measures favoured by the state to demobilise such a rising.

**Neo-liberal restructuring in agriculture[vii]**

The social group that initiated and led the strike is relatively new. Seasonal work always played an important part in agriculture, but its specific nature and role have been completely transformed over the last twenty five years as part of a fundamental restructuring of agriculture along neo-liberal lines. From being an auxiliary labour force mainly drawn from the wives, children and other family members of male permanent farm workers, seasonal or temporary workers now do most of the work on the fruit and wine farms in the Western Cape.

This shift from permanent to temporary workers has been accompanied by a change in the social conditions of farm workers. More than two million farm dwellers were displaced from the farms over the last twenty five years of whom more than half were evicted illegally. Coupled with the persistence of the migrant labour system and the rise in undocumented immigration from the rest of Africa, this has resulted in the mushrooming of informal settlements on the edges of the rural towns. Most farm workers, apart from not having permanent jobs anymore, also do not live on the farms anymore, but in these shack settlements. Their insertion in employment relations has also changed dramatically. Few of these workers are employed directly by the farm owners, most instead work for labour brokers, which means that relations between farm owners and workers are not governed by labour relations but by market relations, with the farm owner being a customer that can do his shopping for labour elsewhere in the event of any trouble.

It is therefore not an accident that the attempts to institute social dialogue and collective bargaining with farm owners started with the exclusion of the exact layer of workers that were the heart and soul of the strike. The reasons for their exclusion are embedded within the very structure of the collective bargaining apparatus and the social dialogue approach. This layer of workers does not belong to trade unions, because the unions concentrate on permanent workers who can sign stop orders for their membership fees to be deducted from their wages. There is no centralised organisation of these workers that can deploy a group of professional negotiators to represent them in conversations and negotiations. A large portion of the workers migrate from place to place as the agricultural seasons shift and they cannot stay in place for dialogue and negotiations. Many of the workers are not even documented to be in the country and cannot engage in dialogue with the authorities. Lastly the structure of the bargaining process do not allow for direct bargaining with farm owners, because these owners are not the direct employers of the workers. Collective bargaining and social dialogue as presently structured by the neo-liberal context simply cannot include the seasonal and migrant workers that led the strike.

**Working class struggles in workplaces and communities**

The farm worker strike was just one of a number of struggles that presently marks an intensification of resistance against neo-liberal capitalism in South Africa. It is the tragedy of South Africa that neo-liberalism has been imposed not to roll back the gains of a post-independence ‘developmental state’ or ‘African socialism’, but to deepen the poverty and inequality produced by colonialism and Apartheid. It is the country’s scandal that this imposition has been done by the African National Congress (ANC), a
black nationalist movement supposedly dedicated to end racial oppression, and that they have been assisted in this by the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU), which both claim to be the sole authentic representatives of the working class. As a result, even in those cases where activists saw themselves as supporters of this tripartite alliance, anti-neoliberal protests with any level conviction faced as their immediate and most determined enemy not some time-warped remnants of the old regime, but the ANC-led alliance and the state managed by them.

This has been the experience of the so-called service delivery revolts, which are community based protests against mainly local corruption, political marginalisation and inferior social services imposed on the residents of townships and shack settlements. For a long time from about 1998 to at least 2009 these struggles were the main opposition to neo-liberalism, not by virtue of the number of people involved, but because they refused to confine their resistance within the channels of social dialogue and managed protests. They had found from the beginning that they had to set up organisations outside of the fold of the alliance if they were pursue their struggles for what were mostly modest improvements with any conviction. And they were often disconcerted by the response of the ANC and state, who clearly understood these struggles for better housing, electricity and water as seditious challenges to their power and authority. The ANC itself made it clear that a serious consideration of even the most modest demands of poor communities was not going to be entertained in the official institutions and channels for public participation and social dialogue.

In contrast workplace struggles during this time were, with very few exceptions, confined to the channels of social dialogue and managed protest. The transformation of collective bargaining from an arena of class confrontation to a forum that sets - with the state as final arbiter - the terms for class collaboration, were consolidated and institutionalised. The CCMA, the Labour Court and sectoral unions based on workers in permanent jobs under a highly centralised bureaucracy were the main institutional embodiments of this process whose underlying principle was an explicit commitment to developing South Africa’s economy, which of course by this time was increasingly neo-liberal. The vast majority of workers - especially the casual, outsourced and labour brokered sections that had become typical of a neo-liberal economy - were simply excluded. COSATU was one of the key agents of this process - its alliance with the ANC being a self-conscious institution of class collaboration on capitalist terms.

In the run up to the 2010 Soccer World Cup this arrangement began to break down. The initial form of the breakdown was a series of unprocedural or so-called wildcat strikes where workers confronted the employers and the state in defiance of the unions they belonged to without necessarily resigning from those unions and setting up alternative organisations. The Marikana massacre was at once the culmination of this breakdown and its taking to a higher plane. During this strike, workers at the Lonmin-owned platinum mine in Marikana went on strike for higher wages and the COSATU affiliated National Union of Mineworkers (NUM) condemned them and supported the company. The workers continued their struggle, which promptly spread to other mines in the region and beyond. They organised themselves into strike and worker committees very similar to the farm worker committees that followed later. The tripartite alliance responded with furious political attacks that made the workers out as nothing but criminals, while the state stepped up its violent repression that culminated in a merciless and deliberate massacre of thirty four workers near the Marikana settlement[viii]. This massacre will forever stand as the shocking symbol of the determination of the ANC-led alliance to guard the South African capitalist system with its dependence on cheap, humiliated black labour. It must also stand for the inspirational courage of the workers because not only did it fail to break the struggle of the mine workers, but it was immediately followed by the historic mass strike of the farm workers and the marked intensification of what otherwise would have been routine wage bargaining strikes.

Recent research has produced information that speaks volumes about the effectiveness
of these different struggles of the last fifteen years. The Labour Research Service has tracked the outcomes of collective bargaining and their data show that union participation in collective bargaining has not only failed to win improvements for workers but has led to agreements that are worse than the minimum prescribed by the Basic Conditions of Employment Act[ix]. At the same time growth in real wages have lagged far behind growth in productivity and the share of wage income as a percentage of national income has fallen dramatically during this period[x]. In contrast, while real wages stagnated and employment conditions declined, research shows that state service delivery to poor communities has improved[xi]. Of course these improvements have started from the horrendously low base bequeathed by Apartheid and early neo-liberalism and have therefore not come close to meeting the demand of quality services as part of a decent life of struggling communities. But it would not be feasible to deny that significant improvements have taken place. These improvements took place in a context of economic crisis and a fundamentalist commitment to a neo-liberal approach and the explanation is that it is concessions wrenched from the state-capitalist elite by the service delivery struggles. Finally the unprocedural strikes by mine and farm workers both won unprecedented wage increases respectively of 22%[xii] and 52%[xiii], also of course from scandalously low bases and therefore not nearly delivering a decent life. Certainly these outcomes mean, among other things, that institutionalised collective bargaining and social dialogue are losing propositions for the working class under neo-liberalism, while struggles that defy the legal and institutional framework put in place to manage protest are the only approach that stands a chance of winning improvements.

Sectoral bargaining or what?
It should be clear that a commitment on the part of the farm worker struggle to sectoral bargaining and dialogue would neutralise this struggle, which is the precise purpose of these processes. It would exclude the most combative sections of the workers, consolidate the isolation of this struggle from other working class struggles, and promote the development of a centralised organisation under the sway of professional negotiators and bureaucrats as the official spokesperson for farm workers. It would therefore facilitate the process of rolling back the gains of the strike. The remaining questions we have to consider are what an alternative approach would look like and what the prospects are for either to materialise.

The alternative approach to sectoral bargaining was of course already demonstrated by activists during the farm worker strike. This could be termed a class struggle approach. During the strike it consisted of a combination of mass mobilisation, direct action, direct democracy and the breaking down of sectoral barriers between different sections of working class people. With regards to the latter point the important role that community based activists, especially land hungry small scale farmers, played during the farm worker strike must not be forgotten, as well as the fact that at its height in early December 2012 the strike had become a general strike and community uprising in at least De Doorns and Citrusdal. However, the experience of the farm workers (and the mine workers) also demonstrates the difficulty in maintaining this approach in times when there are no big strikes and uprisings. Strikes of the size and nature of this one cannot simply be called at any time. It is no use saying the alternative to social dialogue and bargaining is to call for general strikes and community uprisings. The task now is to work out how to follow an approach that combines mass mobilisation, direct action, direct democracy and broad working class unity in times when big strikes and uprisings are absent. This is a very difficult task, but unavoidable given that it is the only viable alternative to social dialogue and bargaining, which can only lead to worse slavery for farm workers.

A section of the leading activists in the farm worker struggle has started to take up this task. At a recent two day gathering of worker activists both union and non-union members emphatically agreed on the futility of an approach that depend on centralised bargaining, the CCMA, the Labour Court and the labour laws. There was also agreement that the trade unions in the sector cannot be the organisational vehicles for this struggle as they are wholly adapted to this approach in their structure,
The gathering explored a proposal based on directly confronting government around the sectoral determination, relying on mass mobilisation to oppose dismissals and evictions, organising as networks of committees and building joint struggles with other sections of the working class[xiv].

This was only an exploration, and the work of implementing a class struggle approach still lies ahead. Numerous tactical questions remain unsolved. How, for example, to relate to the trade unions and the workers who are members, and how to use the labour relations and social dialogue institutions to perhaps start struggles within that framework that break out of it as soon as possible. These tactical questions can be resolved, but only if the activists leading the farm worker struggle are committed to maintaining the class struggle approach under the present conditions of lower levels of mobilisation and backlash that takes the form of seemingly targeting specific individuals and groups separately. The levels of awareness and determination among leading layers of the farm workers make it almost certain that this class struggle approach will be developed over the next period.

A revolutionary approach?
The success of a class struggle approach for farm workers depend to a significant degree on whether this struggle takes on the task of building a revolutionary movement of working class people. As with the mine workers, we saw that the state treated the farm worker strike as a seditious challenge. This in spite of the modest aims and demands. Clearly the state acts on the understanding that a class struggle that breaks out of the instituted framework for managing protests has revolutionary implications, even if it pursues modest demands in the beginning. Neo-liberal capitalism cannot offer a living income to farm workers, and a determined struggle to win it will raise the question of overthrowing this system. The struggle for decent living and working conditions therefore require of farm workers the courage, militancy, tactical awareness and organisational innovation of a revolutionary struggle. This means that a class struggle approach will have the best chance of success if it includes an open and uncompromising political-intellectual fight against liberalism and reformism.

This factor is very unfavourable at the moment. Most leftists find themselves either in ideology based party type of formations or in NGOs. The first group sees the solution to the organisational and political challenges of the working class as the building of an ideologically homogenous party that will lead the rest, because this ideology has the solutions. They stand aside from the struggles of the farm workers to develop political and organising approaches appropriate to current problems. For this group the task of the farm workers is to join: join the trade unions, the party or the front, especially join the trade unions, regardless (and this they say openly) of the fact that the unions are institutionally part of the neo-liberal system. The second group seem to have more members willing to join the workers in the search for an effective approach. However, this group is hamstrung by the nature of the NGOs, which are dependent on their alliance with social democratic funding institutions in Europe, Canada and the USA. However critical they are of neo-liberalism and the sectarian dogmatism of the first group, in their work they appear not as revolutionaries but as radical social democrats. The task of putting in place an open political-intellectual struggle against liberal-reformism and sectarian-dogmatism for a self-declared revolutionary approach is one for the future. An expanded class struggle approach to the current problems of the farm workers would be an opportunity to begin.

Reference
[i] The author works as an educator at the Surplus People Project, an NGO supporting community struggles for agrarian reform and food sovereignty in South Africa. www.spp.org.za
Neoliberalism, or the Catastrophic Management of Catastrophe

Jérôme Roos 16 September 2013

There is no doubt Warren Buffet was right when he said that his side is making and winning the global class war. The question is: for how much longer?

Neoliberalism is the chaotic theory of economic chaos, the stupid exultation of social stupidity, and the catastrophic political management of catastrophe.

Subcomandante Marcos of the EZLN

Last Wednesday marked the 40th anniversary of the CIA-supported military overthrow of Chile’s democratically-elected socialist President Salvador Allende. The shameless aerial bombardment of the Presidential palace, ordered by General Pinochet himself, and the self-inflicted gunshot wound that eventually took Allende’s life — fired from a rifle gifted to him by Fidel Castro — marked with a violent explosion the end of an era. Rivers of blood would follow. As thousands of dissenters were interned, tortured, killed and “disappeared”, it became painfully obvious that the short-lived marriage between capitalism and democracy was now really over.

Neoliberalism, that paragon of freedom, was born of the barrel of a gun — and it made it known to everyone that it would only ever go down again in a blaze of glory.

But 9/11 was not the only painful memory of the week. On Sunday, it will
be five years ago that the once mighty investment bank Lehman Brothers collapsed and nearly dragged down the entire world financial system with it. It was supposed to have been the catastrophe hailing the start of another new era. Neoliberalism was dead, we were told, at long last — finished for good! Center-left commentators in the media and academia proudly proclaimed the revival of Keynesianism as the ruling elite’s guiding ideology while governments the world over pumped trillions of dollars of taxpayer money into the global economy to prevent a wholesale collapse of the system. We will never know whether these fears were justified or even genuine, but apparently the financial community at the time feared that it was just a matter of hours until ATMs would stop spitting out cash, a matter of days before world trade would freeze up, a matter of weeks before food and fuel supplies would run out, and a matter of self-evidence that the masses would rise up in violent rebellion as a result.

Today, however, some forty years since its birth and five years after its alleged death, neoliberalism has reasserted itself anew. In spite of its self-destructive nature, it continues to stumble along as a kind of zombie ideology, doing what the undead do best: preying on humanity and sucking the very life out of everything living, eventually transforming the entire planet into a lifeless, joyless and meaningless shadow of its former self. Want to dump some cyanide into a river? Sure, no problem, as long as it brings much-needed investment! Want to destroy your only city park to make way for a shopping mall? But of course, as long as the people keep consuming! Want to slash health care and education budgets while raising taxes, tuition and public transportation fees? Sure, as long as the poor keep paying for the “mistakes” of the rich! Oh, and let’s not even get started about climate change. The whole topic was quite fancy for a few months, inspiring documentaries and lecture tours by former world leaders and movie stars, even bringing in millions in profits. But now no one even talks about it anymore: it is simply taken for granted that neoliberalism will run the global ecosystem into the ground long before it allows big oil or haute finance to even be properly taxed. As Frederic Jameson once put it, and as the endless spate of post-apocalyptic Hollywood blockbusters only seems to confirm, it is now easier to imagine the end of the world than to imagine the end of capitalism.

The scariest part of it all is that the post-apocalyptic depictions of the movies express not just a fear of some distant future, but a relatively realistic depiction of the present. The epic narrative film Beasts of the Southern Wild, for instance, which deservedly won the Caméra d’Or at Cannes last year, portrays not just the global apartheid that will come to fruition over the course of the next century if we fail to reign in the 1% and halt carbon emissions sometime soon, but fairly adequately displays the catastrophic reality for thousands of poor families who were left to die by the Bush administration after hurricane Katrina struck in New Orleans in 2005. Natural disasters like Katrina, of course, have always been around. But what marks out the neoliberal era — apart from irreversible man-made climate change, which will greatly increase the incidence and intensity of such disasters in the future — is once again the catastrophic management of catastrophe. Apparently, a neoliberal state that can afford to put itself into debt to the tune of trillions of dollars in order to feed the insatiable desires of Wall Street and the military-industrial complex can’t even find the requisite resources or manpower to adequately respond to a natural catastrophe in its own midst, let alone overhaul its hopelessly outdated carbon-fueled economy. Insofar as it does, it only makes matters worse by kick-starting a privatization drive where it should be taking care of reconstruction — a typical approach to disaster management that Naomi Klein so powerfully revealed in her book The Shock Doctrine: The Rise of Disaster Capitalism. But not to worry: the little bit of disaster response
and reconstruction that did materialize actually helped contribute to GDP growth, so all remains well in the fairytale land of neoliberal arithmetic.

The catastrophic management of catastrophe. If there is one line that describes the nature of neoliberal crisis management, that must be it. From Mexico and Latin America in 1982 to the South-East Asian crisis of 1997-'98, and from Turkey and Argentina in the early 2000s to the European debt crisis from 2010 onward — the most catastrophic thing about neoliberal crisis management is not only that it has a penchant to turn already catastrophic financial crises caused by runaway private speculation into an immense source of private gain for the same very financiers responsible for the catastrophe to begin with; but, even more nefariously, that it makes those catastrophes so much more catastrophic than they really need to be for almost everyone else. Notwithstanding all the propaganda and rhetoric about “free markets” promoting democracy and development, the massive bank bailouts of the neoliberal era have invariably shown that those so-called neoliberals in fact care very little even about free markets — let alone about democracy or development. As one particularly candid banker told the Wall Street Journal during the Latin American debt crisis in 1985, “we foreign bankers are for the free market system when we are out to make a buck and believe in the state when we’re about to lose a buck.” And so the neoliberal ethos can really be summarized in a straightforward principle: “privatize profits and socialize losses!” Or, perhaps more appropriately: “fuck everyone else!”

In this sense, the political response to the European debt crisis is only the latest regurgitation of this sickening mantra: it is obvious for everyone by now that it’s all about bailouts for the bankers and austerity for everyone else. In Athens, in scenes unheard of as little as three years ago, children now go to school hungry, while junkies sink needles into their veins in broad daylight and the armed Sturmabteiling of the explicitly neo-Nazi Golden Dawn party, which now comes third in the polls, runs racist pogroms and violent assaults on leftists in the heart of the city. In this developed European economy, a quarter of the population has been forced into poverty. Suicide, HIV and child death rates have skyrocketed. Even malaria is staging a comeback. As a recent epidemiological study puts it, the single-minded insistence on austerity and structural reform has transformed today’s debt crises into “veritable epidemics, ruining or extinguishing thousands of lives in a misguided attempt to balance budgets and shore up financial markets.” Faced with such a catastrophic reality, how can anyone still pretend that the neoliberal approach to crisis management is a “success” from the point of view of the economy, let alone general well-being? If a developed economy loses over 20% of its size in just four years, how can anyone still maintain his or her credibility while preaching the virtues of an “expansionary contraction”? The whole thing would be a bloody tragedy if it weren’t so goddamn farcical.

The bottomline is that they are lying to us — they are lying through their teeth, and they know it. Austerity was never meant to speed up the recovery, just like structural reform was never meant to make the economy more competitive. Why would German industry or German politicians want more competition from Southern European firms? Of course they don’t. They want cheap labor, and they know how to get it. Beyond these goals, the design of the neoliberal policy response to the European debt crisis hinges on the absurd proposition that the banks, by virtue of them being “too big to fail”, are simply incapable of taking any losses at all. And so, in Spain, as in the US and Ireland, the very banks that speculated so recklessly on real estate in the lead-up to the crisis were first bailed out with taxpayer money — which the average Spaniard then had to pay for in terms of tax rises and austerity measures — and then
continued to re-appropriate the same peoples’ homes! Over 400,000 families have lost their houses since the crisis began, many of them ending up on the street. If ever there was an example of accumulation by dispossession, this must be it. A maddening socialization of losses combined with a total privatization of profits. The houses now stand empty, uselessly wasting away in poor neighborhoods or eerie ghost cities, while more and more people sleep out in front of ATM machines at night. Homeless people and peopleless homes coexist in a bizarre social reality intermediated only by the bankers’ shortsighted idiocy and the utter irrationality of neoliberal finance more generally; a social reality that can only properly be defined as delusional – but perhaps the term “capitalism” captures this schizophrenic approach to resource allocation better.

As in Greece, unemployment in Spain now stands at over a quarter of the population, higher than in the US during the Great Depression. Over 60% of both countries’ youth is shut out of a job and education, destroying the dreams and aspirations of an entire generation and, in the case of Greece, leading 120,000 of the country’s most brilliant young minds to flee their homeland and leave their families behind in search of a better future elsewhere – anywhere. It is catastrophic enough that pensioners are going hungry because they haven’t received their pensions, but at least an ultra-neoliberal fascist could still justify this in terms of productivity and competitiveness: the elderly are simply not making any contribution to the economy, so fuck them! What makes no sense whatsoever even from the utterly inhumane point of view of capital is to systematically exclude the majority of the youth from the productive economy. After all, the labor of these people will be the very source of capitalist profits in the future. But then again, even for this utterly twisted reality we can find a cynical explanation that is candidly propagated by the EU-ECB-IMF Troika itself: as long as there is high youth unemployment, cutthroat competition for scarce jobs will drive down labor costs to the point where you can hire a PhD in law or medicine to wait tables at your shitty multinational coffee house or flip burgers in your crappy American fast food chain for 490 euros a month. Hurray! Yet another victory for neoliberal arithmetic.

Of course we all know by now that the European debt crisis is only one of the most visible manifestations of capital’s relentless assault on ordinary people all over the world. What you don’t read about in the newspapers are the myriad ways in which European and American insurance companies, or sovereign wealth funds from Saudi Arabia or China, are buying up vast swaths of the most fertile land all over Africa, pushing out poor farmers whose families have lived on that land for generations but who have no formal documentation to prove their “ownership”. As these people are forced into the labor force or the informal economy, the cycle of primitive accumulation continues in relentless fashion. Something else you don’t really hear about on TV are the mysterious speculators, who, from the comfortable anonymity of their computer screens in a London or New York investment bank, continue to speculate on commodity futures, driving up the price of food for everyone else on the planet just to land in a useless bonus and some meaningless profits, while almost 1 billion people continue to go hungry. This is an insane way to “solve” a food crisis; let alone deal with the endemic catastrophe of world hunger. But of course, neither of these objectives has ever really been on the agenda of world leaders or global finance, notwithstanding their vacuous liberal rhetoric to the contrary.

In this sense, all the bullshit moralism that Bono and Geldof bombarded us with ever since LiveAid and the ‘Make Poverty History’ campaign looks even more vacuous and laughably self-righteous today than it did back then. Even major philanthropists now seem to have come around to
realizing that the ruling elite's policy response to the global catastrophe of 2 billion people living in poverty (however that may be defined) is nothing more than shallow window-dressing at best, and a hegemonic strategy to preserve global inequalities at worst. As Peter Buffet, the son of America’s richest man, put it in a scathing opinion piece about the “charitable-industrial complex” for the New York Times: “All are searching for answers with their right hand to problems that others in the room have created with their left ... But this just keeps the existing structure of inequality in place. The rich sleep better at night, while others get just enough to keep the pot from boiling over. Nearly every time someone feels better by doing good, on the other side of the world (or street), someone else is further locked into a system that will not allow the true flourishing of his or her nature or the opportunity to live a joyful and fulfilled life.”

And, again, let’s not even get started about climate change, where the neoliberal policy response — at least in the EU — has been to turn carbon into a commodity that can be traded through the EU’s Emissions Trading Scheme. Rather than helping to reduce total carbon emissions, the scheme has added insult to injury: in the first three years of trading, carbon emissions actually increased while national authorities senselessly gave away public assets worth €14 billion to some of the most carbon-intensive industries, none of which took any corresponding action to reduce total emissions. The main problem is that governments did not even dare to put pressure on industry; rather, they doled out billions of euros worth in emissions permits for free, effectively subsidizing the most polluting companies and encouraging them to grow their emissions rather than reduce them. By 2008, the scheme had provided the steel and coal industries with so many excess allowances that it is reckoned that the companies with the worst carbon footprint in Europe can now afford to grow their total emissions by another 50 percent until 2020. Again, it would be a bloody tragedy if it weren’t so goddamn farcical.

But since you always have to end such raging diatribes on a positive note, it is worth pointing out a ray of light in this overwhelming darkness enveloping the world at present. The catastrophic political management of catastrophe may be global, but so is the resistance. The ranks of the indignant are swelling by the day as the crisis of global capitalism enters a dangerous new phase with the general slowdown of the so-called “emerging markets”. Turkey, Brazil, Bulgaria, Romania, Colombia, Chile, Mexico — each of these countries was thought to be immune from the crippling disease that struck the United States in 2008 and the European Union in 2010. Once again, the assumptions were wrong. Growth is slowing down in China (which is buckling under a major speculative housing bubble of its own), sending ripples through global commodity markets and causing a downturn across Latin America, Eastern Europe, Africa and Asia. It is no surprise, then, that the latest wave of mobilizations is taking place in some of the same very countries that just a few years ago where being hailed as “miracles” and “role models” for the sclerotic capitalist states of the developed world (this in itself is typical of neoliberalism: just like its motto of privatizing profits and socializing losses, the zombie ideology also has a tendency to hype up its “successes” while blatantly ignoring its countless failures).

In Chile, where the death of Allende marked with its bloody imprint the start of the neoliberal era, the youth continues to mobilize in massive numbers to erase the authoritarian neoliberal legacy of General Pinochet and to demand free and high quality public education. In Mexico, public school teachers are waging a major resistance campaign against the neoliberal school reforms that were pushed through by President Peña Nieto and his authoritarian neoliberal party, the PRI, which overlooked the
transformation of the Mexican state into a businessman’s wet dream during the crises of the 1980s and 1990s. In Colombia, farmers have been waging a violent battle with the state against free trade agreements that have sent the price of agricultural inputs soaring and the price of food imports skyrocketing, effectively pricing local smallholders out of the market. Five farmers died in the state crackdown. In Turkey, the resistance against the authoritarian neoliberalism of Erdogan’s AKP continues unabated as the country enters another week of riots following the police murder of 22-year-old Ahmet Atakan. In Romania, thousands are taking to the streets to resist the construction of Europe’s largest open-pit mine, which will see 200,000 tons of cyanide deployed and hundreds of families evicted from their homes to bring in some foreign investment.

Wherever you look nowadays, it is becoming increasingly clear that the self-serving hypocrisy of the ruling elite is not sustainable. Global capitalism is running everywhere into the social, financial and environmental limitations imposed by its own catastrophically shortsighted rush for endless accumulation. Still, it is important to recognize that zombies don’t just die, and there is no way neoliberalism will simply destroy itself — after all, further catastrophe can always be displaced by creating yet another catastrophe elsewhere; and further profits can be ensured by imposing the socialization of even more losses onto the general population. Capitalism won’t just voluntarily jump of a cliff, as David Harvey puts it. It will have to be pushed. But it is similarly obvious that there will eventually have to be a point where the irresistible force of market fundamentalism runs up against the unmovable object of popular resistance. The social collision course upon which the ruling elite has embarked is now playing out in front of our very eyes. A global class war is unfolding. There is no doubt that Warren Buffet was right when he said that it’s his class that’s making war and his class that’s winning. The only question is: for how much longer?

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Romania: Protests against mining

Resistance against corporate environmental destruction and politics-as-usual
Peter Storm (Libcom) 13 September 2013

This article, on insistent protests against an environmetallt destructive mining project in Romania, was written for ROARmag.org, where a slightly differently edited version can already be found, together with a very useful comment on the article.

For 8 consecutive days, people in Romania have been protesting a planned mining project in Rosia Montana, a mountain village. The protest is directed against threatened environmental destruction. But protests also express distrust of the government, of parties and the political establishment in general. There is already talk of a “Romanian Autumn”. The worldwide struggle against corporate domination and the political assistance it is getting has opened a new front.

The mining project plans are almost ancient, but have been entering an new phase. “Gabriel Resources, which owns 80 percent of the Rosia Montana Gold Corporatuion, acquired a mining licence in 1999 but has been waiting ever since for a crucial permit from the environmental ministry.” In the meantime, there have been lawsuits while the company -
a Canadian enterprise - tries to buy the property of people living there to make room for the project. However, “more than 100 villagers (...) are determined to stay. Supported by environmentalists, architects and lawyers, the villagers' NGO has been battling the corporation and state authorities in courts.” They triggered a movement.

There is much at stake. “Gabriel Resources Ltd plans to expand and modernize old gold mines to extract over 300 tons of yellow metal and 1,500 tons of silver. The quarries would destroy four mountain peaks and three villages out of 16 in the municipality. But the biggest scare of rights activists and environmentalists is the planned use of around 12,000 tons of toxic cyanide needed for the mining project each year.” The company claims that the project will bring 900 jobs, among other benefits. People are not at all convinced that these benefits are worth the destruction, and have started to protest.

Adding to the anger is the attitude of the government. The current government “proposed last week a law that would give Gabriel Resources extraordinary powers, including the right to conduct expropriations in Rosia Monta.” Apparently it was an new version of a law that has been suggested in 2011 - an initiative that already led to Occupy-style protests. The current law is being proposed by a Social Democratic government. But “while in opposition, Ponta's Social Democrats had declared themselves against the project.” This added a sense of disgust against the politicians and the establishment as such to the environmental anger. It is the familiar mix of anti-corporate sentiment and rejection of politics-as-usual that we have seen in country after country.

And there has been street protest. On 1 September, people demonstrated in several cities. On 2 September, there were at least a thousand protesters gathered in the capital Bucharest, “surrounded by riot police as they sat down on the street, tapping plastic bottles on the ground, chanting 'United we will save Rosia Monta'” On 3 September, similar numbers, similar scenes.

And so it went. On 8 September, there was a day of action, with 15,000 people protesting: 8,000 in Bucharest, 6,000 in Cluj, 900 in Brasov. One of the demands was the withdrawal of the law that gives the company room to proceed. “Corruption equals cyanide” was one of the slogans; “I love nature, not cyanide”, said another.

The movement appears as a breath of fresh air in Romanian society. Environmental activism on this scale is rather new in the country. “A whole generation of people who, for the past 20 years, have been living each inside their own bubble, minding their own business, studying, building careers and families, has come out on the streets to raise its collective voice for the future of the next generation.” That is Alis Anagnostakis describing the new movement against the mining project. The Occupy-like language, with its infectious enthusiasm, is striking. No, 15,000 demonstrators is not yet a “whole generation”. It is, however, a most encouraging sign of revolutionary times.

And the movement changes the participants themselves: “For the past five days, people have been protesting in the streets every day. Tonight I joined them. It was my first public protest (...) I used to believe that instead of protesting in the streets people would do better changing something in their immediate surroundings. I used to be convinced that we'd all be better off talking less and doing more and focussing more on that each of us can do to make things better. Tonight I understood that this is not enough. Sometimes in order to make the difference you need to
be joined by others who share your beliefs and are willing to stand by you in facing bigger things than either of you.” This exhilarating discovery of your own strength as part of collective struggle is a major result of the struggle, no matter what the outcome of the battle against the mining project will be.

Protests in Romania as such are not new. There have been strikes and demonstrations against austerity and corruption. In January and February 2012, protests against poverty and austerity, especially against a health service privatization plan preceded the fall of a government. This came after years of IMF-encouraged austerity, with drastic lowering of already very mediocre wages as component of this austerity. In this sense, the current protests are nothing new. What is relatively new is the environmental theme of the protest. And what is most encouraging is the sense in which in Romania, as in country after country, protests are breaking out and spreading. The Arab Spring may be in, hopefully temporary, retreat. The worldwide revolt, of which this Spring is only a part, is still spreading. To Romania, for instance.

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The Syrian Tragedy and the Imperialist Farce

Francesco Merli and John Peterson 12 September 2013

The spontaneous uprising of the Syrian masses, inspired by events in Tunisia and Egypt, has degenerated into a sectarian bloodbath. Deprived of a revolutionary leadership, the hopeful beginnings have been transformed into a tragedy. On the other hand, US imperialism’s hypocritical and bellicose zig-zags are a complete and utter farce, and graphically illustrate the limits of US power.

Long accustomed to getting its way with no questions asked, Obama’s handling of the Syria situation has exposed the new balance of forces on a world scale. While still the preeminent imperialist power, the dream of a “Pax Americana” under US auspices has been reduced to rubble, with far-reaching implications.
Twelve years of bloodshed and the ruinous draining of the national treasury has greatly reduced Americans’ appetite for war. After the humiliating adventures in Iraq and Afghanistan, US imperialism is seeking to extricate itself from the Middle East. In the last decade, it has largely neglected Asia, and must now make up for lost time as it seeks to counter China’s rise, not to mention Japan’s re-emergence as a regional military presence. But things will not be so simple for the strategists at the Pentagon, CIA, and Department of State.

**An epoch of crisis, war, revolution, and counter-revolution**

The entire Middle East has spun out of the imperialists’ control. Several regimes have fallen already, and revolution simmers just beneath the surface in one country after another. Britain and France, whose fleets, merchants, and armies once straddled the world, are pathetic shadows of their former selves—though their leaders seem not to have noticed. The eurozone is embroiled in intractable internal problems. Russia, bruised and humiliated after the ignominious collapse of the Soviet Union, seeks to reassert its regional influence, and is “punching above its weight.” Turkey’s “strong man” Erdogan has been shaken by a dramatic revolutionary upsurge. In Iran, years of revolutionary mobilizations and electoral surprises have changed the equation. Even Israel must walk a tightrope, as mass protests at home and raging instability on all sides force it to be more circumspect than its leaders are accustomed to. Add to this the ruthless calculations and billions of dollars the Chinese, Saudis, and Qataris have been pouring in, and you have a veritable powder keg waiting to explode.

In this volatile context, the US cannot afford to stand meekly aside. And yet, it has few options, none of which are particularly palatable. Forced to slink away from Iraq with its tail between its legs, and similarly defeated in Afghanistan, it must show the world that its overwhelming military might is not a paper tiger. Hence the bold words about “red lines” and chemical weapons, reminiscent of George H. Bush’s “line in the sand” message to Saddam Hussein. Despite his tough talk, Obama likely imagined that Assad would not cross the “red line,” thus allowing the US to posture and talk tough, while not being compelled to actually act. After all, Assad was doing quite a fine job slaughtering tens of thousands of his citizens and pulverizing entire cities with conventional weapons alone. Why would he risk drawing the imperialists into direct intervention? Assad is a ruthless bastard; but he is not an entirely stupid bastard.

That chemical weapons were used in Syria does not appear to be in doubt. But who ordered their use is another question. Was it a rogue Syrian army commander disregarding orders? Was it some faction of the rebels hoping to spark foreign intervention? Was it Assad himself? The truth may never be known; so far, no conclusive evidence has been presented. But world “public opinion” - i.e. the western bourgeois media - was quickly convinced that Assad had gassed his own people. The “red line” had been crossed. What to do about it?

**“High Noon”**

The positions of the traditional US allies ranged wildly from appealing for a UN mandate to strike, to advocating unilateral action, to a brief campaign of surgical bombing to degrade chemical weapons facilities, to decisively siding with the rebels through a prolonged air war, to protracted intervention with boots on the ground to overthrow Assad and his Alawite regime (as advocated by Turkey and Saudi Arabia). Britain and France, living on the fumes of the past, were first in line for military action. But Cameron suffered a humiliating defeat in Parliament on this question, and
France quickly invoked the United Nations. Germany initially expressed its openness to military action, and even little Denmark added its voice to those clamouring for war. But they soon backed off and said they would defer to the United Nations.

This left the “most powerful man in the world” with few friends and allies. Obama had “talked the talk” and now he had to “walk the walk”—alone. It’s not so easy being the world’s policeman in an epoch of capitalist crisis and decline! But the US could not give the impression of weakness. A show of strength was necessary. A message had to be sent to Iran, Russia, China, and the myriad smaller powers who can smell weakness and an opportunity to gain at US expense.

Under the withering fire of Secretary of State John Kerry’s morally enraged rhetoric, Obama had initially declared his intention to strike Syria as soon as possible, unilaterally and without UN approval if necessary. As opinion polls swung heavily against this course of action, the “red line” was apparently not so clear after all. Obama then shifted gears, this time calling on Congress to vote on the matter.

But stalwart right-wingers saw this as an opportunity to cripple the president less than a year into his second term, and were cynically and temporarily afflicted with pacifist inclinations. Under the pressure of overwhelming public opinion against US intervention (as high as 80% according to some polls), droves of Democrats opportunistically abandoned him. He was left in the lonely company of such pugnacious luminaries as his former presidential rival, the eternal hawk John McCain, of “Bomb-Bomb, Bomb-Bomb Iran” infamy (sung to the tune of the Beach Boys’ “Barbara Ann”).

**Sharp, sudden changes**

At the G-20 summit over the weekend, the main contenders in the cynical game being played over the bones and ashes of the Syrian people—the US and Russia—“agreed to disagree” on the US plan to strike Syria. The stalemate continued as Obama worked to build support for an attack. But in this epoch of turbulence and instability, dramatic twists and turns are on the order of the day. Events in the last few days have moved quickly and remain fluid. Many outcomes remain possible.

The latest twist in the “dramedy” was Monday’s declaration by the Russian and Syrian foreign ministers, Sergei Lavrov and Walid Muallem, that the Syrian government would be willing to accept a Russian proposal to put Syrian chemical weapons stockpiles under international control. As part of the proposal, the weapons would be destroyed and Syria would join the Chemical Weapons Convention. This proposal, seemingly hatched by Russia and Syria at the eleventh hour, has taken out what little steam remained in Obama’s belligerent drive to war. It would also appear to offer a “way out with honour” to all involved.

In response to the Russian proposal, which was eagerly accepted by the Syrian regime, Obama has yet again changed tack, and has now asked Congress to hold off on voting on military action while diplomacy runs its course (a vote he was not sure to win). While keeping up the tough guy façade, Obama has seized on a way out of a lose-lose situation.

**Kerry’s “rhetorical argument”**

Crocodile Tears for Syria (Latuff)The incident that opened way for the latest dramatic change in the situation came from a press conference by US Secretary of State Kerry, who was touring Europe to prop up the morale and resolve of the lukewarm US allies. As reported by the BBC on
September 9:

“US Secretary of State John Kerry, in Europe to garner support for the military action, inadvertently started the talk of Syria giving up its chemical weapons early on Monday.

“When asked at a news conference whether there was anything Syrian President Bashar al-Assad could do to avoid military action, Mr. Kerry replied that he could hand over his entire stockpile of chemical weapons within the next week.”

Was Kerry’s passing comment intended as an opening to a diplomatic resolution, or as yet another apparently unrealizable ultimatum? The New York Times reports that the genesis for this way out of the crisis can actually be traced to a conversation between Obama and Putin at the G-20 summit. Wherever the idea first came from, the Obama administration quickly backed off from Kerry’s comments. The BBC correspondent reported that “US officials subsequently clarified that Mr. Kerry was making a ‘rhetorical argument’ rather than a serious offer.”

But Kerry’s “rhetorical argument” was skilfully grabbed with two hands by the Russian government. Syrian officials immediately endorsed the Russian plan, thus undermining the already shaky basis of the US drive for military action.

Making the best out of a bad situation

Within a matter of hours, Obama had to concede that such a deal may in fact be “possible,” though he urged vigilance against any funny stuff on behalf of the Syrians. Nonetheless, he proclaimed that if properly executed, a plan of this sort would achieve the declared aims of the US’s planned attack on Syria: to stop the further use of chemical weapons. However, the reality is that any plan to monitor and destroy the Syrian arsenal of chemical weapons in a situation of bloody civil war will be extremely difficult to implement. According to the New York Times:

“The effort to police such a proposal, even if Syria agreed, would be a laborious and prolonged effort, especially since Mr. Assad’s government has shrouded its arsenal in secrecy for decades. As United Nations inspectors discovered in Iraq after the Persian Gulf war in 1991, even an invasive inspection program can take years to account for chemical stockpiles and never be certain of complete compliance, something that President George W. Bush used to justify the invasion of Iraq in 2003.”

But the same article also betrays the relief felt by those circles of the ruling class close to the US government by the sudden opening of an exit strategy:

“Mr. Obama’s statements about the haphazardly constructed plan [i.e. the Russian plan] appeared to offer him an exit strategy for a military strike he had been reluctant to order, and it came as support on Capitol Hill for a resolution authorizing force was slipping. Even some lawmakers who had announced support for it reversed course.”

In an interview by CNN, Obama called the Russian proposal “a potentially positive development,” but insisted that the threat of military pressure must continue. He claimed credit for the result by asserting that the Russian plan and the Syrian regime’s willingness to comply with it would have been impossible without the concrete threat of a US military intervention. In an attempt to spin this as a victory for US diplomacy—when it was in fact a feather in the cap of Putin and Assad—CNN’s headline
blazed “Syria Takes the Deal.” But those in the know are well aware of the reality.

**Divisions within the US ruling class**

Obama’s problems at home have grown from bad to worse over the last few weeks, in parallel with the increasingly complicated international situation. From Obamacare to the fiscal cliff, immigration reform to cuts in Social Security, all of Obama’s pet policies have been put on hold or yanked out of the spotlight as a result of the crisis over Syria. This is all an indication of the significant divisions developing within the US ruling class over how to approach the stormy future.

The crisis is further straining the already tense relationship between the White House and the Pentagon. Robert H. Scales, a retired Army major general and a former commander of the US Army War College, has bluntly expressed the mood of the upper echelons of the US military in the pages of the Washington Post:

“They are embarrassed to be associated with the amateurism of the Obama administration’s attempts to craft a plan that makes strategic sense. None of the White House staff has any experience in war or understands it. So far, at least, this path to war violates every principle of war, including the element of surprise, achieving mass and having a clearly defined and obtainable objective.”

And further on:

“They are outraged by the fact that what may happen is an act of war and a willingness to risk American lives to make up for a slip of the tongue about ‘red lines’. These acts would be for retribution and to restore the reputation of a president.”

The fact that some sections of the US military feel the need to publicly voice their opinions in these terms should send alarm bells throughout the US ruling class.

**What are the interests at stake?**

In order to understand the underlying contradictions we need to try and look beyond appearances. The real issue is not and has never been Syria’s stock of chemical weapons, or their use. It is all about the ability of the Syrian regime to defeat the rebels, which Assad and the Syrian army are perfectly capable of doing without using chemical weapons. By committing themselves to destroying their arsenal of chemical weapons the Syrian regime doesn’t substantially weaken its position on the ground. In fact, it may be even stronger, as it can claim it is complying with international demands, while having a free hand to grind down the rebels with conventional arms.

As we have explained already, the US government has been using the question of chemical weapons as an excuse to justify direct military intervention. But that is just an excuse. Obama, Cameron, Hollande, and even Putin are not at all interested in the suffering of the Syrian masses, which are just small change in their geopolitical machinations. The real aim of US intervention is to degrade the Syrian regime’s forces just enough to ensure a stalemate, in order that neither the rebels nor the government can gain the upper hand. They would then eventually steer the exhausted antagonists towards a negotiated settlement in which the strategic interests of the different imperialist powers could be better preserved.

For this strategy to work means prolonging the civil war further, with the
hope that both sides will be sufficiently weakened. So far, at least 100,000 people have been killed in this conflict. Further prolonging it will mean many more deaths, of thousands and possibly tens of thousands of Syrians. But that would be acceptable, because they wouldn’t have been killed by chemical weapons! The hypocrisy of Obama’s (and Hollande’s, and Cameron’s…) sabre-rattling here is sickening for all to see.

Their preferred outcome is the controlled fall or quiet exit of Assad, while keeping the bulk of his regime intact. They do not want to repeat the mistake they made in Iraq, where they not only toppled Saddam, but dismantled the entire military and bureaucratic apparatus, which led to a bloody conflagration that is still far from over. While backing the rebels against Assad, they have no confidence in their rebel “allies.” Many of them are al-Qaeda-linked jihadists who would unleash a sectarian bloodbath that would make Iraq and Lebanon look like a garden party if they were to fill the vacuum left by the collapse of Assad’s regime. But the opportunity to give an edge to the rebels may have been missed by Obama, whose hands are tied for the moment by mass opposition at home and the new diplomatic course proposed by the Russians.

In the end, a solution allowing everyone to “save face” may be reached. But everyone knows the truth: Obama and Kerry were outmanoeuvred by Putin and Assad. The fact that the colossus of capitalism has been stymied in its latest attempt to flex its imperialist might will not go unnoticed. What we are witnessing is not an incidental detail; it is the inevitable consequence of US imperialism’s decaying power on the world scene, a bitter fruit which Obama must now swallow.

As for the plight of the Syrian workers, peasants, and youth, it remains as desperate as ever. There is no solution on the basis of capitalism, just as there is no solution within the limits of Syria itself. The people of Syria, on both sides of the present divide, desperately want to see an end to the present carnage. Unfortunately, the only layer of society that could offer a way out, the Syrian working class, the peasants and the radicalised youth, have been left leaderless and confused. That is the real tragedy of the Syrian situation. Had there been a mass organisation that could have united all the working people behind a programme of radical social change, of socialist transformation, the situation would be very different today. But no such organisation exists, and therefore other, reactionary, forces have come to the fore diverting the movement against Assad down the road of sectarian religious/ethnic conflict.

The only way forward is to painstakingly build the subjective factor—a mass workers’ party based on the programme of genuine Marxism—necessary to channel the revolutionary aspirations of the Syrian masses to overthrow the hated Assad regime and replace it with a regime of workers’ democracy, as part of the socialist revolution throughout the Middle East and North Africa. It is an arduous task, but it is the only way out of the impasse.

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In re-building a socialist movement, lessons of coup need to be learnt
The terrorist attack on the Twin Towers in New York in 2001 was not the first ‘9/11’. In Chile, on 11 September 1973, a bloody coup, led by General Augusto Pinochet and backed by the US administration, overthrew the democratically-elected, Left government of President Salvador Allende. In its aftermath, thousands of trade unionists and socialists were slaughtered and thousands more imprisoned, tortured and exiled.

On the fortieth anniversary of the coup, Chile is embarking on a new presidential election scheduled for 17 November 2013. Following a massive student movement, which has continued to rock the country, the first possible important steps are being taken to rebuild an alternative for the working class.

The two main political blocks, the ‘New Majority’ and the ‘Alliance’, both represent the existing ruling elite. They have offered no alternative for the working class and poor of Chile. The parties of the “left”, like the Socialist Party and Communist Party, have long since abandoned the radical left ideas they adhered to during the Allende-era. Like their counterparts internationally, these parties have embraced capitalism and the market and offer no alternative to the working masses.

Former President Michelle Bachelet of the Socialist Party and New Majority coalition is standing again, as no other credible candidate emerged from the former governing coalition. Bachelet is the daughter of air force General Bachelet, who supported Allende and died under torture following the coup.

The right-wing Alliance is fielding Evelyn Metthei, daughter of former Pinochet junta member, General Matthei.

Neither candidate offers anything but a continuation of neo-liberal policies. Yet also running in this election is Marcel Claude, the candidate of the Humanist Party and Left Alliance. Defending the students’ movement, demanding free quality education for all, and re-nationalisation of the copper industry, banks and big monopolies, Claude’s campaign has drawn big crowds and won enthusiastic support from workers and young people. The campaign represents an important step forward
re-building the workers’ and socialist movement. To build on this and to take it forward following the November election, the lessons from the bloody coup 40 years ago need to be learnt by a new generation. The reasons for the defeat 40 years ago are relevant for the workers and youth of Chile and all countries.

To read about the background to the coup and the lessons workers and youth must draw from it, we are re-publishing, ‘The other 9/11 - 1973 bloody coup against Popular Unity government, lessons for today’, by Tony Saunois, written in 2011.

The other '9/11' - the 1973 bloody coup against the Popular Unity government and the lessons for today

The September 11th 1973 coup in Chile was planned and executed not from the tribal territories of Afghanistan or Pakistan but in the headquarters of the CIA and the White House, in collusion with the ruling elite in Chile and its armed forces. This 9/11 should be commemorated, and its lessons studied, by socialists and workers everywhere.

No US presidential apology, including by Obama, has ever been made for what was unleashed on the workers, students and ordinary people of Chile. The consequences of what followed still shape the lives of the mass of Chilean people. The aftermath of the attacks on the Twin Towers are felt by workers and the poor in Iraq, Afghanistan, and Pakistan and around the world. What followed the coup in Chile also had consequences for the international working class and all those exploited by capitalism.

Under the iron heel of Chile’s military dictatorship, a laboratory economic experiment was conducted. The neo-liberal policies of privatisation, open markets, de-regulation and private pension schemes were all first tested out in Chile following the coup. They were then applied in the 1980/90’s and continued in this new century, by the ruling classes internationally. The ‘Chicago Boys’, economic students of Milton Freidman, arrived in Chile in the aftermath of Pinochet’s coup. The military regime gave them a free hand to test out their theories. These were the policies later to be pursued by Thatcher, Reagan and other capitalist leaders.

The September 11th 1973 coup followed the election of Salvador Allende to the Chilean presidency on 4 September 1970, as head of the Popular Unity (UP) coalition. This was led by the Socialist Party (PSCh) and the Communist Party (PCCh), together with other left parties and some radical liberal capitalist parties. The election victory shook the ruling elite. It opened a revolutionary process that inspired the working class internationally. The revolutionary developments in Chile during this period probably went further than in most Latin American countries at the time - with the exception of Cuba. Moreover, the working class played the central role in the struggle. It terrified the ruling classes throughout Latin America, the US and Europe. Following Allende’s election, the US Ambassador cabled Washington: “Chile voted calmly to have a Marxist-Leninist state, the first country in the world to make this choice freely and knowingly.”

The socialist and communist parties
The PSCh in that period was a completely different animal to that which exists today. Formed in the early 1930’s, it was born in opposition to the Stalinised Communist Party, and was a larger party. It was far to the left of the PCCh. It included in its constitution adherence to Marx and Lenin and called for the establishment of a Socialist Federation of Latin America.
Allende, although in many speeches endorsing Marxism, was not the left candidate for the PSCh but was the party's 'compromise' candidate for the presidency elections. The victory of the UP followed a series of social upheavals which rocked Chile during the 1960's. The middle class was split with a section becoming increasingly radicalised. This affected the centre-right capitalist party, the Christian Democrats (DC). A section eventually split and formed the Christian Left (IU) and the MAPU, which ended up in the UP and even on its ‘left-wing’. Even Tomic, the DC’s candidate against Allende, reflected this process by endorsing the “relevance of Marxism”.

UP implements reforms
Within weeks of forming the government, the Popular Unity (UP) introduced important reforms. Free schools meals were decided straightaway, wages were raised and land reform began to be implemented. Under the impact of the revolution, the powerful copper mines, largely owned by US multinationals, were eventually nationalized, along with important sectors of the banks. Plans were announced for the nationalisation of nearly 100 companies. By the time of the 1973 coup, over 40% of the economy was in state hands.

From the beginning, the Chilean right wing and the military, together with US imperialism, began to plot the overthrow of the UP government. Initially, they hoped that a policy of de-stabilisation and economic sabotage would be sufficient to undermine the new government and trigger its down fall. American President Nixon’s orders were “to make the economy scream”. A trade embargo against Chile was established. These forces of reaction financed armed terrorist attacks by the fascist ‘Patria y Liberdad’, and a bosses’ lock-out led by truck owners. Allende won the election with 36.3% of the popular vote. The capitalist parties in the Congress allowed him to take the presidency, on a minority vote, because he fatally agreed to a constitutional pact that meant he was not to touch or interfere with the armed forces. This was to prove disastrous, as events unfolded.

The ruling class hoped that they could undermine Allende’s support and rally their supporters and those who were wavering. At first, they attempted to do this “constitutionally”. They used the Congress and Senate to block and disrupt the government. Eventually, they hoped to impeach Allende, for which they needed a two-thirds majority, but which they failed to obtain. The undemocratic nature of the parliamentary system meant that the UP did not have a majority in either Congress or Senate. However, this policy rapidly began to unravel as electoral support for the UP not only consolidated but increased. Every attempt to undermine the government radicalised the working class, pushed the revolutionary process forward and increased electoral support for the government.

During the 1971 mayoral elections, UP candidates took over 51% of the vote. Even at the Congressional elections, in March 1973, the pro-capitalist parties hope to win 66% of the vote and two-thirds of the seats, which would have been enough to impeach Allende. They failed and the UP won over 44% of the vote - more than when Allende was first elected!

Role of the working class
Unlike Venezuela today, the working class consciously saw itself as the leading force in the revolution in Chile. While Allende enjoyed enormous popularity, the personality cult and top-down administrative methods, present today in Venezuela, were not predominant under the Popular Unity (UP). In Chile, the working class had built a series of powerful political and social organisations with a long history and tradition. There
was intense debate between the different organisations and parties, and also within them, about programme and strategy. The leaders were challenged and, on occasions, opposed by workers. Where the old organisations proved inadequate, the workers built new ones that were more responsive to their demands and needs in the work places and the local communities to lead and defend the revolution.

The character of the revolutionary process under the UP had a massive effect internationally. This was far greater than the sympathy shown by layers of young people towards Chavez in Venezuela. The election of a “Marxist” President and government in Chile, and the leading role in the process of the working class, enthused the working class globally. It also opened a discussion on how to achieve socialism and the role of the state. In Britain, meetings of the trade unions and the Labour Party debated the Chilean experience and its lessons for the workers’ movement internationally. Supporters of Militant (the forerunner of the Socialist Party) moved resolutions for the Labour Party congress, drawing on the lessons of Chile and, amongst other things, demanded trade union rights for the Chilean armed forces.

Every attempt at counter-revolution in Chile provoked a further radicalisation and mass mobilisation by the working class and its allies. The bosses’ strike in 1972 led to the rapid growth of organisations in the industrial districts and the formation of the ‘cordones industriales’ (‘industrial belts’). These were elected committees in the work places, which began to link up on a district and even a city-wide basis. Delegates were elected and subject to recall. In the industrial city of Concepcion, in the south of Chile, they formed a city-wide Popular Assembly. Workers’ control was established in many workplaces throughout the country. Food shortages and speculation caused by the embargo and sabotage of the bosses resulted in the formation of the JAP’s - ‘peoples supply committees’ - which organised food distribution and tried to prevent speculation. The cordones increasingly assumed a political role to advance and defend the revolution. This was partly driven by the frustration of workers at the undemocratic parliamentary election system, which meant that the UP lacked a majority in the Congress and the Senate, despite forming the government. One of the most radical of the cordones was in the industrial district of Cerillos. It adopted a political programme that, amongst others things, declared “support for president Allende’s government, in so far, as it interprets the struggles and demands of the workers; expropriation of all monopoly firms with more than 14 million escudos in capital or are of strategic importance to the economy; workers’ control of all industries, farms, mines, through delegate councils, delegates being recallable by the base; a minimum and maximum wage; peasants’ and farmers’ control of agriculture and credit and to set up a Popular Assembly to replace the bourgeois parliament”.

The working class, were far to the left of the government and its leaders, both of which were dragged into taking more radical steps by the radicalized workers and youth. In response to the armed attacks being unleashed by the fascistic Patria y libertad, as the police and army stood by, workers’ defence squads were formed. These developments terrified the ruling class and imperialism.

The revolution spread to the countryside, where farm workers and peasants occupied land and carried out a programme of agricultural reform. Over 10 million acres of land were re-distributed.

**Plans for a military coup**
The ruling class, in conjunction with US imperialism, began to rapidly
develop plans for a military coup as the prospects of ousting the Allende government through parliament diminished and the revolutionary process continued to advance. Yet, at every stage, the leaders of the PCCh (Communist Party) and sections of the PSCh (Socialist Party) acted as a brake and tried to hold back the revolutionary process, arguing that the “democratic” bourgeoisie must not be alienated and defended the “constitutonality” of the armed forces. The left of the PSCh, including figures like Carlos Altamirano, the party’s General Secretary, argued for the creation of “Peoples Power” and the strengthening of the revolution. However, despite using very left-wing revolutionary and Marxist rhetoric, the left of the Socialist Party failed to propose specific demands or initiatives to take the revolution forward and to overthrow capitalism, while plans were being laid for a reactionary military coup.

These developments led to a polarisation within the Popular Unity (UP) coalition and splits within its component parties, between the left and right.

Yet the forces of reaction laid out very detailed and precise plans. Henry Kissinger, US Secretary of State in the Nixon administration, cabled the CIA chief in Santiago: “It is the firm and continuing policy that Allende be overthrown by a coup.” The preparations were laid. Reaction bided its time, waiting for the appropriate moment to strike. It was known throughout Chile that a coup was not only being discussed but planned for. At the time, it was joked that Allende spent 23 hours out of every 24 hours worrying about the army. In June, sections of the military, from the tank regiments, moved prematurely and organised a rebellion against the government – the so-called ‘Tancazo’. It was too early and was put down by the military, under orders from Allende. General Pratts, a supporter of Allende, who quelled the attempted uprising, was later murdered after the successful coup in September 1973.

The ‘Tancazo’, in June, acted as the whip of counter-revolution and provoked the working class to take further revolutionary measures. It had the same effect as Spinola’s failed putsch, a few years later, in March 1975 during the Portuguese revolution.

In Chile, the failed June coup was followed by the announcement of a plan for massive nationalisations and by an increasing demand by the working class for arms to fight the threat of reaction.

Yet despite the ‘Tancazo’, neither Allende nor the other leaders took steps to strike against the military or to mobilise and arm the workers. Trade union rights were not given to the ranks of the army, no attempt was made to try and organise or to build support amongst the ranks of the armed forces, many of whom supported the revolutionary process. The conditions existed to split the armed forces but decisive action was necessary. Yet the leaders of the UP were imprisoned by the idea, especially emphasized by the Communist Party, that a “progressive wing” existed amongst a section of the ruling class. Allende proclaimed his determination to avoid a civil war. They had a policy of respecting “the constitutionality of the armed forces” and of a gradual measured step by step programme of reform that, eventually, would establish socialism. In practice, this ‘stages theory’ allowed the ruling class time to prepare its forces to strike, when the moment was most opportune. It resulted not in the avoidance of a civil war but in the drowning of the revolutionary movement in blood.

Constitutional pact
From the beginning, Allende laid the ground for his own defeat when agreeing not to touch the army in the fatal ‘constitution pact’. The state
machine was left in the hands of the generals and reaction, without any challenge. Allende adopted a policy of appeasement - even of appointing three generals - including Augusto Pinochet to the Cabinet, in a doomed attempt to reassure the military and ruling class. Allende had the support of four out of twenty two generals but his policy rendered him impotent, as his supporters were systematically removed and eventually executed. The Republicans in Spain, in the 1930’s, playing ‘musical chairs’, at least moved Franco around the country, to try and prevent the organization of the fascist military revolt. But Allende made Pinochet a Cabinet minister and even Chief-of-Staff, following the forced resignation General Pratts by pro-coup conspirators.

Moreover, when sections of the rank and file tried to come to the aid of the revolution and oppose a coup, the policy of “constitutionality” meant Allende scandalously supported the pro-coup reactionary hierarchy. In August, in the naval port of Valpariso, 100 sailors were arrested for “dereliction of military duty”. In fact, they had discovered plans for the coup and declared they would oppose it. In what was referred to as his darkest hour, Allende, supported the hierarchy in the navy as it arrested and tortured this group of naval ratings!

Up to one million people demonstrated in front of the balcony of the Presidential Palace, where Allende stood, two days before the Pinochet coup. These workers, youth and students, knowing of the impending coup, demanded arms to defend the revolution. They also demanded the closure of the bourgeois parliament.

The left-leaders of the PSCh and others promised arms were being stashed and would be distributed when necessary. In reality, nothing was done to arm the working class against bloody counter-revolution.

The coup
Two days later, the plotters struck, as the Chilean and US navies conducted joint exercises off the Chilean coast. On the day of the coup, the trade union federation, the CUT, called on workers to go to the factories and await instructions. This wrong policy was justified by misquoting Lenin’s reference to the factories as the fortresses of the revolution. It was in marked contrast to the heroic workers in Barcelona, in Spain 1936, who when hearing of the fascist revolt immediately went onto the offensive and stormed the military barracks and defeated the fascists. In Chile in September 1973, a mass armed protest and clear appeal for the soldiers to join the revolution was the only prospect at this late stage to save the revolution and defeat the coup.

Instead, as the coup unfolded, workers were left isolated in their factories, waiting to be picked off by armed detachments of the army.

Once in power, the military unleashed a bloody era of repression and slaughter.

More discriminate in its execution than the coup in Argentina and other Latin American countries, it was a ruthless clinical operation which targeted the most politically conscious and active workers and youth. While more were killed in Argentina’s “dirty war” the conscious picking out of political activists and local workers’ leaders beheaded the workers’ movement. Amongst those slaughtered during the early days of the coup was the revolutionary Chilean folk singer, Victor Jara, who was rounded up along with thousands and taken to the Estado de Santiago in Santiago.

The Chicago Boys in town
The coup was accompanied by the arrival of the ‘Chicago boys’ - a team of right wing economists - and the unleashing of neo-liberal policies which have had a devastating effect of the Chilean working class. The military regime lasted until 1990.

Unfortunately, the leaders of the Socialist Party and the Communist Party did not learn from the lessons of this bloody defeat. With the collapse of the former Stalinist regimes and planned economies, they abandoned any defence of socialist ideas and formed yet more alliances with what they regard as ‘progressive’ sections of the Chilean ruling class. For twenty years, since the end of the military rule and ‘transition’, the PSCh has been in an alliance with the Christian Democracy and ruled in the governing coalition, Concertacion. In government, the PSCh continued with the policies of privatisation and neo-liberalism. The Communist Party has tried to act as a ‘left’ adviser to the Concertacion coalition, hanging onto its coat tails, desperate to try and secure a few parliamentary seats, as a reward. At the last election, the Communist Party finally succeeded in being granted three seats!

**Chilean model**
The Chilean economy has been held up as a model throughout Latin America and globally. The economic growth, which has averaged more than 5.5% per annum, has been used to justify the extreme neo-liberal policies begun under the military regime and continued since. It has been based on a high and rising price of copper, which accounts for 15% of GDP, and export of timber, wine and agricultural produce. However, despite the growth, Chile has also become one of the most unequal societies in Latin America - one of the three most unequal throughout the continent. This has resulted in an increasingly explosive social situation, reflected in the tremendous struggle of the hundreds of thousands of youth in recent months. At the same time, the victory of successive Concertacion governments during the last twenty years, which have only acted to defend the interests of the rich, has resulted in growing political alienation from all the political institutions bequeathed by the dictatorship. All of the main political parties have defended the same or similar policies. The electoral system, set in train by Pinochet, is designed to maintain the two main political blocks, in almost a deadlocked parliamentary system. The so-called ‘binominal’ system - designed by Jarulselski in Poland- makes it impossible for any party to get elected, if it is outside the two main blocks - the “centre-left” of the Concertacion or the far right.

The alienation from the political parties that have all defended the economic and political system is reflected in a low level of electoral registration by young people. Around 75% of youth voters do not even register to vote. The absence of any alternative, and dissatisfaction with the Concertacion, resulted in the victory of the right-wing coalition headed by Sabastian Pinera. Like most of the leading political caste in Chile, he hails from a family dynasty. His elder brother was a minister under Pinochet and his father was the Chilean Ambassador to the UN between 1964-70.

The Pinera election victory acted as a whip of counter revolution and unleashed all of the frustration and alienation which has been accumulating for the last twenty years. A new generation has exploded into struggle, marking the end of the so-called “stability” boasted of by the Chilean ruling class since the end of the military dictatorship.

**Youth in revolt**
For months, the university and secondary school students have occupied universities and schools, held massive demonstrations of hundreds of
thousands, ‘kiss-ins’ and other forms of protest to demand a free and decent education system. They have confronted vicious state repression not seen since the days of the dictatorship, resulting in the killing on one 16 year old youth. This youth movement enjoyed massive support amongst the population - according to one opinion poll, 85% supported the students.

During the movement, the copper workers called a one day strike with the support of the students. Significantly, this strike was called on 11 July - the same day Allende nationalised the copper industry. Dockers and other sectors of the workers declared their support. The students also took up the demands of the copper workers and called for nationalisation of this sector of the economy. There were similarities to France 1968, when students in revolt were joined by the working class. However, there were also important obstacles and difficulties to overcome in Chile, some resulting from the legacy of the dictatorship, others reflecting difficulties facing the working class today and the effects of a bankrupt trade union leadership, as well as the application of neo-liberal policies.

The students looked towards the workers and organised rallies and protests in support of the copper workers. Yet the union leadership dissuaded workers from attending such rallies. Reflecting this massive pressure, the CUT union federation was compelled to call a two day general strike on 24 and 25 August. However, this opportunity was squandered by the leadership of the CUT. For twenty years, the CUT leadership has acted as an appendage of the Concertacion. The youth perceive the CUT as just another institution of the system. To simply call a strike from above is not sufficient. With no campaign in the work places or local communities to prepare the workers and boost their confidence and without a clear plan to defend victimised workers, many workers felt intimidated to take action.

The consequences of neo-liberal policies mean that the preparation of a strike is even more important. In the private sector, many workers do not even have a contract and work on a daily or hourly basis, fearing they could easily loose their jobs. Even in the public sector, an estimated 50% of workers have no contract. This makes the job of building effective trade unions even more difficult. Teachers, for example, are dubbed “professores taxistas” - ‘taxi teachers’. They teach for a few hours in one school and then rush off to another for a few hours and have no contract, at all. As a result of these weaknesses, and a union leadership that is not prepared to fight, the strike had a limited impact despite enjoying massive sympathy from the mass of the population.

The building of committees of struggle in the work places and assemblies in the local communities is a crucial task and part of the rebuilding of the workers’ movement, which is now urgently posed in Chile, as in other countries.

The role of the political parties, including the Communist Party, was another feature of this movement. The alienation of young people towards the system and institutions was reflected in a very pronounced reaction against the idea of political parties. The Communist Party, which has acted as an appendage of the Concertacion, and which even runs its own private university, is viewed in a similar light! The role of the Communist Party reinforced the anti-party mood, which was also present in the recent youth movements which erupted in Spain and Greece.

This has not meant that the movement is “apolitical”. The youth in Chile demanded nationalisation of the copper industry, free and decent
education, as opposed to the idea of education as a “commodity”.
However, they reacted against the idea of a political party because they
have had no experience of a party which is different and which they regard
as representing their own interests.

While this was a complication in the movement, it represents the first
reaction of a new generation which has just moved into struggle for the
first time. It is a temporary reaction to the political parties and system
which already exist.

An organised force, a new political party, which can channel the
determination of the new generation to fight for a change and which has
learnt the lessons of the previous struggles, is posed objectively in the
struggle and in the crisis which is developing. Through the experience of
further struggles and battles, significant layers of those entering struggle
for the first time can begin to draw the conclusion that they need to build
a new force and party which represents their interests. Marxists need to
assist this process by drawing on the experience of previous struggles and
explaining what a genuine party of the workers and youth would fight for
and how it would be different to the existing parties that defend the
system.

New class battles loom in Chile. Remembering the first 9/11 and drawing
the lessons from this bloody defeat, can assist the new generation to
prepare for class struggles to be fought and also prepare the way to
overthrow the capitalist system and usher in a genuine democratic socialist
alternative.

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Nigeria’s electricity privatization

The ominous signs and the case for working people’s opposition
Kola Ibrahim First Published in Pambazuka 10 September 2013

The power sector should be taken out of the hands of private profiteers
and corrupt, pro-big business public officers. The sector must be put under
democratic public ownership.

Like every house built on fraud, the attempt by the Nigerian ruling class to
privatize Power Holding Company of Nigeria (PHCN) and the electricity
sector is already falling flat. Of course, without principled opposition by
the working masses, led by their unions and other pro-masses
organizations, the current privatization of electricity utility company is
bound to worsen the living conditions of the working and poor people. As
we said in an earlier write-up on this privatization:

“...The privatization of the electricity sub-sector has nothing to do with
solving the horrifying experience Nigerians have been made to go through
with the virtual collapse of electricity infrastructures; itself caused by the
deliberate plundering and sabotaging of the corporation by the capitalist
class in both big business and politics. It is, on the contrary, a means by
which big businesses across the board, both local and foreign, plan to
profit from the misery and frustration...of Nigerians.”

The labour unions, especially Nigeria Labour Congress and Trade Union
Congress, must build a mass movement to reverse electricity privatization.
Against the mismanagement and cronyism associated with the publicly-
owned but bureaucratically- and corruptly-run PHCN, which has meant virtually looting of all monies budgeted for the corporation and the sector by the corrupt political elites and big business, labour movement leadership must advocate democratic public ownership and management under the elected representatives of workers, communities, consumers and relevant professionals. Against the impending astronomical hike in tariff and cut-off of communities from supply, which will accompany this privatization, labour movement must build a mass movement against the massive fraud called electricity privatization.

The drama that accompanied this process of payment has further underscored the fact that power privatization is already a failure from the standpoint of national development. This is aside the fact that privatization, by its design and philosophy, is robbery of the poor in the interest of the rich few. The fundamental objective of private business is profit maximization which can be made through exploitation of workers and general consumers. This is made worse by the primitive accumulative character of Nigeria’s capitalist class, which relies on state handouts.

According to the Guardian of August 19-22, 2013, in the run up to the deadline for completion payment, the bidders for the ten distribution companies, under the Disco Roundtable, had wanted among other terms: a 5-10 years tax holiday from government and remittance of MYTO subsidy fund to them even when they have not started operation, and a government guarantee of bank loans to them. The bidders for the distribution companies at the end of the process are expected to have paid $1.55 billion (about N250 billion). By giving them just a five-year tax holiday, the government will in effect be giving them more than they paid for the privatized companies. With government clearing the debts of PHCN and retrenching thousands of workers, coupled with the hike in tariffs by around 100 percent, the coast is clear for the private buyers to make unhindered big bucks. This is aside over N360 billion given to the Nigerian Bulk Electricity Trader (NBET), to help pay for electricity supplied to privatized distribution companies, in case they default. Yet, these buyers still wanted more.

If you feel that this fraud is about the distribution companies alone, they are in for a shocker. Three of the newly built generating plants - Geregu 1, Ughelli and Sapele - costing about N300 billion were sold for less than N100 billion. Furthermore, the governments at all levels have concluded plans to sell off the ten new power plants built under Niger Delta Power Holding Company (NDPHC). These plants were built with a total cost of over $8 billion, but as previous sales and analysis above have shown, they will merely be Christmas gifts to the so-called private investors. The private license holders, most of whom have not generated any megawatt, are lobbying to participate in the purchase of the new plants. Meanwhile one of the excuses of government for the mindless privatization is that public corporations have become drains on government, and are not profitable. Yet the same government is committing public resources to ensure private profit making.

But, it could not have been different. The so-called private investors are gangs of politicians, their big business collaborators and international finance backers. This is reflected in the manner in which public officers and big business people change roles. For instance, the spokesperson for the Disco Roundtable is a former chairman of Nigerian Electricity Regulatory Commission (NERC) - the agency that is meant to regulate electricity sale process - Ransome Owan, while the head of the IPPAN, the lobby group for so-called independent power producers, is the former minister and strategist in various governments, Prof. Jerry Gana. In fact,
previous privatizations featured many private companies owned or partly owned by past and present government officers, including generals, ministers, president, vice president, etc. Therefore, the privatization process has been nothing more than Christmas gifts actually to the same people selling.

More than this is the fact that these private buyers only rely on expected loans to run these privatized companies. Meanwhile, banks and financial houses were only ready to grant loans for these private buyers to pay for the privatized companies, on the basis of government insuring their loans, and securing profits. As expected, this will mean high interest rates which can only be covered by massive hikes in electricity tariffs. It will mean cutting operation costs which can only be achieved by reduction in workforce and concentrating operations on the most profitable areas of the privatized companies. This will imply that the current erratic power supply will worsen for most areas, especially where revenues are low. This is already on stream with the introduction of pre-paid meters, whose cost is priced out of the reach of most Nigerians. Unlike under publicly owned PHCN, the current arrangement will mean more problems for consumers than ever, especially in terms of customer services. The question of repair and replacement of facilities, for example transformers, will depend on whether the affected area can generate enough profit or not. Surely, the privatization, rather than resolving the erratic nature of and inaccessibility to electricity, will worsen the problems.

It will indeed create more problems. As said earlier, the buyers are weak economically to commit huge resources for long term investment or future profit making. In fact, global capitalism, on the basis of current neo-liberal arrangement, is not interested in long term investment; at least not in the third world economies with their fragility and political instability. Therefore, electricity privatization, rather than expanding electricity infrastructure, will actually shrink access to electricity, presently put at about 40 percent of the population. According to International Energy Association (IEA) 2010 World Energy Outlook Report, around one trillion naira is needed yearly in investment for the next ten years to provide universal access to all households in Nigeria. How will private buyers who could hardly mobilise less than N400 billion in a year to pay for the bought companies, provide this amount? Can Nigerian banks and financial houses provide this amount without collapsing? Which foreign investors will be ready to commit such a huge amount to Nigeria’s fragile economy? Where will the 70 percent poor Nigerians get the income to pay the bill of such investments?

Meanwhile, within the last 12 years, over $20 billion (N3 trillion) has been wasted on power generation and supply by successive governments. This estimated N1 trillion yearly investment is less than the N1.3 trillion cornered yearly by just 17, 474 political office holders as salaries and official perks. Just less than 20 percent of the over $500 billion earned from oil and gas will provide stable electricity to all Nigerians. Yet Nigerians are told government does not have the resources to provide electricity. Even if these resources are committed to the sector, Nigerian ruling elites will surely loot them, the same way they have directly looted over $400 billion. Surely, the Nigerian capitalist class, on the basis of their backward, primitive accumulative character and neo-liberal outlook cannot move the country forward, economically, socially, technologically and politically; neither can global imperialism take Nigeria out of backwardness. The power privatization has shown this clearly.

In order to solve the problems facing power sector, there is a fundamental need to take the sector out of the hands of both private profiteers and
corrupt, pro-big business public officers. The power sector, including the PHCN, must be put under democratic public ownership. This will mean that while the sector is made public property, it will be managed, supervised and controlled democratically by elected representatives of in-house workers’ unions, communities, consumers, and central labour unions. It is with this approach that money allocated and revenues made will be democratically used for the collective improvement of the sector from local to national level. It is on this basis that there can be well laid out plans to expand infrastructures and maintain existing ones. It is on this basis that electricity sector can be made to be an instrument of development of the country. However, this in itself will mean putting the mainstay of the economy under the democratic control and management of the working people and communities. By taking the economy away from the hands of the few big businesses and their multinational backers, Nigerians can plan how to deploy the enormous but inexhaustible wealth of the country to provide for all, and the future yet unborn.

However, this cannot be achieved without firstly dethroning the current neo-colonial capitalist class in Nigeria, and establishing a genuine working people’s government based on socialist programmes and agenda. This underscores the need to build a pan-Nigerian working people’s political party with a clear internationalist and socialist outlook. Such a party based on working people, youth, students, and the poor, and opposed to anti-poor policies of privatization, commercialization, etc. can mobilise people to the political arena to change the course of history.

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Kola Ibrahim is Secretary, Socialist Party of Nigeria, Osun State

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Big Oil Gets Green Light to Explore Ecuadorian Amazon

Patrick Bond: Ecuador President Rafael Correa is a petro-Kenysian who failed to sell Yasuni National Park in carbon markets and to international donors, and now he’s turned a blind eye to what’s really needed

Patrick Bond interviewed by Jessica Desvarieux
on the Real News Network 9 September 2013

JESSICA DESVARIEUX, TRNN PRODUCER: Welcome to The Real News Network. I’m Jessica Desvarieux in Baltimore.

On August 15, the Ecuadorian president, Rafael Correa, announced that he is abandoning plans for an internationally funded conservation program for the Yasuni National Park. The park, which is located in the Ecuadorian Amazonian rain forest, is recognized as a UNESCO biosphere reserve and is said to contain more species in just one hectare than all the combined biodiversity of North
America. The Yasuni international fundraising initiative was launched in 2007 after explorations revealed 796 million barrels of crude under an area known as the ITT Block.

With us to discuss all this is Patrick Bond. Patrick is the director of the Center for Civil Society and a professor at the University of KwaZulu-Natal in South Africa. Bond is also the author and editor of the recently released books Politics of Climate Justice and Durbin’s Climate Gamble.

Thank you for joining us, Patrick.

PATRICK BOND, DIRECTOR, CENTRE FOR CIVIL SOCIETY: Great to be back with you. Thanks, Jessica.

DESVARIEUX: So, Patrick, just for our viewers, can you give us a bit of the back story of what happened here, with the president of Ecuador calling that the world has failed us, after they were unable to raise enough funds to, quote-unquote, save this territory in the Amazon?

BOND: Well, he's certainly correct that the money that should have come in to keep the Yasuni from being drilled for roughly $10 billion worth of oil that geologists think is underneath the beautiful Amazonian rain forest, the northern governments that were approached, especially Germany and Norway, certainly failed Correa. But his critics in Ecuador, such as Acción Ecológica, an eco-feminist group, or the [k@naI] indigenous peoples network, say that partly because it is such extraordinarily rich biodiverse territory and two indigenous peoples who have had virtually no contact with the outside world live there and are threatened, Correa shouldn't go ahead, and he should wait and develop the proposal in a way that more directly demands social solidarity from the North, not just the elite government officials who have rejected it.

DESVARIEUX: And also with drilling being proposed now all across the United States and also the Virunga National Park in the Congo, are we going to see more of these types of legislations and things of that nature where oil companies are now going to be chomping at the bit, really, to get some of these protected areas to explore?

BOND: Well, certainly the coal gas, the fracking, the shale and oil have been the targets of oil companies no matter where these fossil fuels are located.

I think what was critical about the Yasuni project which really gave it such extraordinary appeal was a national movement within Ecuador to consider it part of the patrimony, the natural resource base never to be touched, in a sense to give nature rights. And the Constitution was even changed to give nature rights. And it is going to be quite a task for Correa to push through a congress that certainly supports him in a way that the prior era, when Texaco (and now it's called Chevron) had drilled ruthlessly, along with the Ecuadoran state government, to the tune of about $18 billion of damage, according to some reports--that process now can be much better contested.

So although there's great despair at a pilot project which really would have been a down payment on a climate debt that the North owes the South--the Germans, for example, really opposed it. Dirk Niebel, the development aid minister, reversed his predecessor's support for the project because he instead wanted to see a market-based mechanism--and it's called REDD, the reducing emissions through deforestation and forest degradation. That strategy, which came from the World Bank, and supported by the more conservative wing in the United Nations and some NGOs, that's going to take off, probably because Rafael Correa himself has hoped that carbon markets would be a site for selling the right to keep the Yasuni park from being drilled. And the big tragedy for everyone is that those markets have been completely useless. They have collapsed. They have no money.
And so Correa’s first strategy, being trained in the United States as an economist, to basically sell nature, to sell what are called payment for ecosystem services, that strategy having failed, then the strategy of asking politely for funding from the North having failed, what really needs to be done, it seems to me, having been out there for a week working with Oilwatch as a network around the world looking for similar sites, say, the Niger Delta, is that solidarity between northern civil society and those in the South struggling to keep the oil under the soil, or the tar sand in the land, the fracking shale gas under the grass, and the coal in a hole, they really need more of the citizens movements to insist that the governments of the North do the right thing. And that simply wasn’t there, because Correa never really did appeal to the northern citizenries. He played the game inside the circuits of the United Nations and in bilateral negotiations. And given the, frankly, anti-ecological posture of some of these governments, that wasn’t going to work.

DESVARIEUX: But the Yasuni National Park is a UNESCO biosphere reserve, Patrick. Is there any sort of legislation or international law that could protect a park like this?

BOND: Not as such. In fact, Correa has run roughshod over a great many local traditions, customs, parks, regulations by allowing his own company, and now, increasingly, Brazilian and especially Chinese companies, to come in and prospect and even start construction. So I think there’s a sense that although these are pink governments (they’re left of center), they tend to be more petro Keynesian in the case of Correa (they’d be petro socialist in the case of the late Hugo Chávez or petro indigenous in the case of Evo Morales in Bolivia), and therefore not as tightly connected to the more eco-socialist, the rights of nature, and the other Earth-centered strategies that have respect for indigenous people that we’d all hoped for.

We really need a major breakthrough in consciousness, as well as in the financing, to keep the oil companies at bay, to make sure that governments like Ecuador’s have resources for development, but that they don’t take oil and other fossil fuels out of the soil, but instead the North pays the down payment owed on the climate debt so that there is less pressure to do the kinds of things Correa now seems set to do, drill paradise.

DESVARIEUX: Really interesting perspective. Thanks so much for joining us, Patrick.

BOND: Thank you.

DESVARIEUX: And thank you for joining us on The Real News Network.

Patrick Bond is the Director of the Center for Civil Society and Professor at the University of KwaZulu-Natal in South Africa. Bond is the author and editor of the recently released books, Politics of Climate Justice and Durban’s Climate Gamble.

Enjoying The Spectacle

While Syria Descends Into Suicide, Israel And The Us Are Enjoying The Spectacle
Noam Chomsky and Frank Barat 8 September 2013

Ceasefire (Frank Barat): What is the definition of negotiations in Israel-US language and why is the Palestinian Authority playing along?

Noam Chomsky: From the U.S. point of view, negotiations are, in effect, a way for Israel to continue its policies of systematically taking over whatever it wants in the West Bank, maintaining the brutal siege on Gaza, separating Gaza from the West Bank and, of course, occupying the Syrian
Golan heights, all with full US support. And the framework of negotiations, as in the past twenty years of the Oslo experience, has simply provided a cover for this.

**CF:** In your opinion, why is the PA playing along with this and going to negotiations time after time?

**NC:** It’s probably partly out of desperation. You can ask whether it’s the right choice or not but they don’t have many alternatives.

**CF:** So it’s pretty much to survive that they indeed accept the framework?

**NC:** If they were refuse to join the US-run negotiations, their basis for support would collapse. They survive on donations essentially. Israel has made sure that it’s not a productive economy. They’re a kind of what would be called in Yiddish a “Schnorrer Society”: you just borrow and live on what you can get.

Whether they have an alternative to that is not so clear, but if they were to refuse the US demand for negotiations on completely unacceptable terms, their basis for support would erode. And they do have support - external support - enough so that the Palestinian elite can live in a fairly decent - often lavish - lifestyle, while the society around them collapses.

**CF:** So would the crumbling and disappearance of the PA be a bad thing after all?

**NC:** It depends on what would replace it. If, say, Marwan Barghouti were permitted to join the society the way, say, Nelson Mandela was finally, that could have a revitalising effect in organising a Palestinian society that might press for more substantial demands. But remember: they don’t have a lot of choices.

In fact, go back to the beginning of the Oslo Agreements, now twenty years old. There were negotiations under way, the Madrid negotiations, at which the Palestinian delegation was led by Haider Abdel-Shafi, a highly respected, Left-Nationalist figure in Palestine. He was refusing to agree to the US-Israel terms, which required crucially that settlement expansion was allowed to continue. He refused, and therefore the negotiations stalled and got nowhere.

Meanwhile Arafat and the external Palestinians went on the side-track through Oslo, gained control and Haider Abdel-Shafi was so opposed to this he didn’t even show up to the dramatic and meaningless ceremony where Clinton beamed while Arafat and Rabin shook hands. He didn’t show up because he realised it was a total sell-out. But he was principled and therefore could get nowhere, and we’ll get nowhere unless there’s substantial support from the European Union, the Gulf States and ultimately, from the United States.

**CF:** In your opinion what is really at stake in what’s unravelling in Syria at the moment, and what does it mean for the broader region?

**NC:** Well, Syria is descending into suicide. It’s a horror story and getting worse and worse. There’s no bright spot on the horizon. What will probably happen, if this continues, is that Syria will be partitioned into probably three regions; a Kurdish region - which is already forming - that could pull out and join in some fashion the semi-autonomous Iraqi Kurdistan, maybe with some kind of deal with Turkey.
The rest of the country will be divided between a region dominated by the Assad regime - a brutal horrifying regime - and another section dominated by the various militias, which range from the extremely malicious and violent to the secular and democratic. Meanwhile, Israel is looking by and enjoying the spectacle. If you look at the New York Times this morning there’s a quote by an Israeli official essentially expressing their joy at watching Arabs slaughter each other.

CF: Yes, I read that

NC: For the United States, that’s fine, they don’t want an outcome either. If the US and Israel wanted to assist the rebels - which they do not - they can do it, even without military intervention. For example, if Israel were to mobilise forces on the Golan Heights (of course, it’s the Syrian Golan heights, but by now the world more or less tolerates or accepts Israel’s illegal occupation,) if they would just do that, It would compel Assad to move forces to the South which would relieve pressure against the rebels. But there’s no hint even of that. They’re also not giving humanitarian aid to the huge number of suffering refugees, not doing all kinds of simple things that they could do.

All of which suggests that both Israel and the United States prefer exactly what is happening today, just as reported in that NYT story this morning. Meanwhile, Israel can celebrate, and its status as what they call a “Villa in the Jungle”. There was an interesting article by the editor of Haaretz, Aluf Benn, who wrote about how Israelis are going to the beach and enjoying themselves, and congratulating themselves as being a “Villa in the jungle” while the wild beasts out there tear each other to shreds. And, of course, Israel under this picture is doing nothing except defending itself. They like that picture and the US doesn’t seem too dissatisfied with it either. The rest is shadowboxing.

CF: What about talk of a US strike then, do you think it's going to happen?

NC: A bombing?

CF: Yes

NC: Well, it’s kind of an interesting debate in the United States. The Ultra-Right, the Right wing extremists who are kind of off the international spectrum, they’re opposing it, though not for reasons I like. They’re opposing it because “Why should we dedicate ourselves to solving other people’s problems and waste our own resources?” They’re literally asking “Who’s going to defend us when we’re attacked, because we’re devoting ourselves to helping people overseas?” That’s the Ultra-Right. If you look at the ‘moderate’ Right, people like, say, David brooks of the New York Times, considered an intellectual commentator on the right. His view is that the US effort to withdraw its forces from the region is not having a “moderating effect”. According to Brooks, when US forces are in the region, that has a moderating effect; it improves the situation, as you can see in Iraq, for example. But if we’re withdrawing our forces then we’re no longer able to moderate the situation and make it better.

That’s the Standard view from the intellectual right over to the mainstream, the liberal democrats and so on. So there’s a lot of talk about “Should we exercise our ‘Responsibility to Protect’?” Well, just take a look at the US record on ‘Responsibility to Protect’. The fact that these words can even be spoken reveals something quite extraordinary about the US - and, in fact, Western - moral and intellectual culture.
This is quite apart from the fact that it’s a gross violation of international law. Obama’s latest line is that he didn’t establish a “red line” but the world did through its conventions on chemical warfare. Well, actually, the world does have a treaty, which Israel didn’t sign and which the US has totally neglected, for example when it supported Saddam Hussein’s really horrifying use of chemical weapons. Today, this is used to denounce Saddam Hussein, overlooking the fact that it was not only tolerated but basically supported by the Reagan administration. And, of course, the convention has no enforcement mechanisms.

There’s also no such thing as “Responsibility to Protect”, that’s a fraud perpetrated in Western intellectual culture. There is a notion, in fact two notions: there’s one passed by the UN General Assembly, which does talk about “Responsibility to Protect,” but it offers no authorisation for any kind of intervention except under conditions of the United Nations charter. There is another version, which is adopted only by the West, the US and its allies, which is unilateral and says R2P permits “military intervention by regional organisations in the region of their authority without Security Council authorisation”.

Well, translating that into English, this means that it provides authorisation for the US and NATO to use violence wherever they choose without Security Council authorisation. That’s what’s called “Responsibility to Protect” in Western discourse. If it weren’t so tragic it would be farcical.

CF: Thank you, Professor Chomsky.
www.zcommunications.org


Noam Chomsky is emeritus professor of linguistics and philosophy at the Massachusetts Institute of Technology in Cambridge, Massachusetts.

Drowning in tidal wave of climate-change denialism

Patrick Bond Eye on Civil Society (The Mercury)
6 September 2013

The northern hemisphere summer just peaked. Though torrid heat is now ebbing, even worse is coming, for a giant Arctic Ocean “belch” of 50 billion tons of methane is inexorably escaping from seabed permafrost, according to scientists writing in the journal Nature last month. North Pole ice is now, at maximum summer heat, only 40 percent as thick as it was just 40 years ago.

The damage, according to Cambridge and Erasmus University researchers, could cost R600 trillion. Global warming will speed up by 1535 years.

Extreme weather just hit China, whose world-record CO2 emissions - mainly a result of producing junk purchased by wealthier countries which have outsourced their industrial emissions to East Asia - generate as a byproduct, not only thick layers of smog in the main cities.
There were also scores of heat-related deaths last month.

Shanghai suffered 10 straight days above 38 °C, with temperatures in some places high enough to fry eggs and prawns on the pavement.

Also facing blowback, the US western drought is so severe that 86 percent of New Mexico’s water supply evaporated, extreme bushfires broke out – for example, scorching Yosemite Park’s famed redwoods and threatening San Francisco’s water supply - while California’s Death Valley temperatures soared to 50 °C.

In Alaska, a source of enormous oil extraction, record temperatures in the 30s left thousands of fish dead. One result of global warming is to push marine life towards the poles by 7km each year, as numerous species attempt to find cooler waters.

Durban’s fishing industry was traumatised, as billions of sardines which annually swim close to shore stayed away owing to the warmer sea temperatures.

And in the Indian Ocean, more climate damage comes from - and is also visited upon - the shipping industry.

In the world’s largest coal export site, Richards Bay, the China-bound MV Smart tried to exit the port in 10m swells on August 19, with a load of nearly 150 000 tons of coal and 1 800 tons of oil. The huge ship split in half when it grounded on a sandbank.

Our shipping industry is ill-prepared for the rise of both overall sea levels and the “monster waves” which accompany climate change. Columbia University’s Earth Institute now projects “sea-level rise of as much as six feet (1.83m) globally instead of two to three feet” by 2100, with higher amounts (3m) possible if more giant ice sheets crack.

Meanwhile, vessels can now carry more than 10 000 containers.

Known as “super post-Panamax”, they are so named because the Panama Canal’s limits allow only half that load. A R52.5 billion dig will deepen and widen the canal by 2015, with a R400bn Chinese-funded competitor being considered in nearby Nicaragua.

Most harbours are following suit, including in Durban where R250bn is promised from national, provincial and municipal subsidies and loans for the port/petrochemical complex - the origin of South Durban’s status as the most polluted African suburb south of Nigeria.

The project is managed by Transnet, and is the second main priority in the National Development Plan. The plan claims that from handling 2.5 million containers last year, Durban’s port productivity will soar to 20 million containers annually by 2040 - although these figures don’t jell with the industry’s conservative projections.

State planning hubris is already costly, in the form of Transnet’s R23bn Durban-Johannesburg oil pipeline. Although behind schedule, already corruption is suspected in the collusion-suffused construction industry, for early pipeline costings were half that price.

Notwithstanding “aerotropolis” fantasies, Durban’s King Shaka International and the speedy Johannesburg-Pretoria-airport Gautrain are operating at a tiny fraction of the capacity that had been anticipated by state planners. The 2010 sports stadiums are such blatant white elephants that even soccer boss Danny Jordaan felt compelled to apologise.
One reason they breed is that climate is not being factored into any of these carbon-intensive white elephants, as I learned by offering a formal Environmental Impact Analysis objections to the port’s expansion. As a result of my critique last November, Transnet’s consultants finally considered prospects that sea-level rise and intense storms might disrupt the Durban port’s new berth expansion.

But their study on sea level rise - by Christopher Everatt and John Zietsman of ZAA Engineering Projects in Cape Town - is as climatodenialist as the Transnet consultancy report last year by the SA Council on Scientific and Industrial Research’s Roy van Ballegooyen.

**Abuse**

To be sure, like the dreaded Aidsdenialism of a decade ago, the allegation of climate-denialism is a very strong term of abuse. But what else would you call a November 2012 report (mainly by Everatt) that cites five studies to claim we will suffer only a maximum 0.6m maximum sea level rise this century, based on data from 1997, 2004, 2006 and 2008 reports. Five-year-old information is, in this field, ridiculously outdated.

In Pretoria, de facto climate denialists are now led by an SA Communist Party leader: Minister of Trade and Industry Rob Davies.

Last week, he pushed through cabinet approval to build yet another coal-fired power plant, plus permission to frack the extremely water-sensitive Karoo.

The awful precedents that Davies avoided mentioning include environmental damage and the corruption, labour-relations and socioecological crises at the main powerplant construction site, Eskom’s R100bn Medupi generator which at 4 800MW will be the world’s third largest coal-fired generator.

Medupi was meant to be providing power in 2011, but may finally be finished in mid-2014.

Eskom’s main beneficiary, also unmentioned by Davies, is the world’s largest mining house, BHP Billiton, a firm at the centre of South Africa’s cronv-capitalist nexus, dating to apartheid days.

Eskom subsidises this Australian giant with R11.5bn annually by giving it the world’s cheapest electricity.

South Africa has not been particularly climate-conscious, and thousands of recent social protests are mainly directed against a state and corporates which deny immediate needs, from municipal services to wages. Still, in Joburg, 1 000 community and environmental activists protested at the Anglo American Corporation and Vedanta coal-fired power plant last month.

A Pew Research Centre poll, released two months ago, found that 48 percent of South Africans call “global climate change” the most important “major threat”, followed by “China’s power and influence” (40 percent) and “international financial instability” (34 percent). Across the world, 54 percent of people Pew asked, cited climate change as a major threat, also the highest of any answer.

A century ago next month, Mahatma Gandhi prepared a nonviolent mass assault on a white-owned coal mine in Newcastle, supporting Indian women’s right to cross the Transvaal border and workers’ wage demands. The motivating idea, satyagraha (truth force), went from theory to
practice, as militant passive defiance gained concessions that, 80 years later, helped free us from apartheid.

This time, there is no 80-year window; we all have to rise to the challenge as fast as do the mercury on the thermometer and the greenhouse gas emissions.

Why Unions Need to Join the Climate Fight

Naomi Klein 5 September 2013

Naomi delivered the following speech on September 1, 2013 at the founding convention of UNIFOR, a new mega union created by the Canadian Autoworkers and the Canadian Energy and Paper Workers Union.

I’m so very happy and honoured to be able to share this historic day with you.

The energy in this room - and the hope the founding of this new union has inspired across the country - is contagious.

It feels like this could be the beginning of the fight back we have all been waiting for, the one that will chase Harper from power and restore the power of working people in Canada.

So welcome to the world UNIFOR.

A lot of your media coverage so far has focused on how big UNIFOR is - the biggest private sector union in Canada. And when you are facing as many attacks as workers are in this country, being big can be very helpful. But big is not a victory in itself.

The victory comes when this giant platform you have just created becomes a place to think big, to dream big, to make big demands and take big actions. The kind of actions that will shift the public imagination and change our sense of what is possible.

And it’s that kind of “big” that I want to talk to you about today.

Some of you are familiar with a book I wrote called The Shock Doctrine. It argues that over the past 35 years, corporate interests have systematically exploited various forms of mass crises - economic shocks, natural disasters, wars - in order to ram through policies that enrich a small elite, by shredding regulations, cutting social spending and forcing large-scale privatizations.

As Jim Stanford and Fred Wilson argue in their paper laying out UNIFOR’s vision, the attacks working people in Canada and around the world are facing right now are a classic case of The Shock Doctrine.

There’s no shortage of examples, from the mass slashing of salaries and layoffs of public sector workers in Greece, to the attacks on pension funds in Detroit in the midst of a cooked up bankruptcy, to the Harper government’s scapegoating of unions for its own policy failures right here in Canada.

I don’t want to spend my time with you proving that this ugly tactic of
exploiting public fear for private gain is alive and well. You know it is; you are living it.

I want to talk about how we fight it.

And I’ll be honest with you: when I wrote the book, I thought that just understanding how the tactic worked, and mobilizing to resist it, would be enough to stop it. We even had a slogan: “Information is shock resistance. Arm yourself.”

But I have to admit something to you: I was wrong. Just knowing what is happening - just rejecting their story, saying to the politicians and bankers: “No, you created this crisis, not us” or “No, we’re not broke, it’s just that you are hording all the money” may be true but it’s not enough.

It’s not even enough when you can mobilize millions of people in the streets to shout “We won’t pay for your crisis.” Because let’s face it - we’ve seen massive mobilizations against austerity in Greece, Spain, Italy, France, Britain. We’ve occupied Wall Street and Bay Street and countless other streets. And yet the attacks keep coming.

Some of the new movements that have emerged in recent years have staying power, but too many of them arrive, raise huge hopes, and then seem to disappear or fizzle out.

The reason is simple. We are trying to organize in the rubble of a 30 year war that has been waged on the collective sphere and workers rights. The young people in the streets are the children of that war.

And the war has been so complete, so successful, that too often these social movements don’t have anywhere to stand. They have to occupy a park or a square to have a meeting. Or they are able to build a power base in their schools, but that base is transient by its nature, they are out in a few years.

This transience makes these movements far too easy to evict simply by waiting them out, or by applying brute state force, which is what has happened in far too many cases.

And this is one of the many reasons why the creation of UNIFOR, and your promise of reviving Social Unionism - building not just a big union but a vast and muscular network of social movements - has raised so much hope.

Because our movements need each other.

The new social movements bring a lot to the table - the ability to mobilize huge numbers of people, real diversity, a willingness to take big risks, as well as new methods of organizing including a commitment to deep democracy.

But these movements also need you - they need your institutional strength, your radical history, and perhaps most of all, your ability to act as an anchor so that we don’t keep rising up and floating away.

We need you to be our fixed address, our base, so that next time we are impossible to evict.

And we also need your organizing skills. We need to figure out together how to build sturdy new collective structures in the rubble of neoliberalism. Your innovative idea of community chapters is a terrific
It’s also important to remember that you are not starting from scratch. A remarkable group of people gathered a little less than a year ago for the Port Elgin Assembly and produced what they called the Making Waves agenda.

The most important message to come out of that process is that our coalitions cannot just be about top-down agreements between leaders; the change has to come from the bottom up, with full engagement from members.

And that means investing in education. Education about the ideological and structural reasons why we have ended up where we are. If we are going to build a new world, our foundation must be solid.

It also means getting out there and talking to people face to face. Not just the public, not just the media, but re-invigorating your own members with the analysis we share.

But there’s something else too. Another reason why we can’t seem to win big victories against the Shock Doctrine.

Even when there is mass resistance to an austerity agenda, and even when we understand how we got here, something is stopping us - collectively - from fully rejecting the neoliberal agenda.

And I think what it is, is that we don’t fully believe that it’s possible to build something in its place. For my generation, and younger, deregulation, privatization and cutbacks is all we’ve ever known.

We have little experience building or dreaming. Only defending. And this is what I’ve come to understand as the key to fighting the Shock Doctrine.

We can’t just reject the dominant story about how the world works. We need our own story about what it could be.

We can’t just reject their lies. We need truths so powerful that their lies dissolve on contact with them. We can’t just reject their project. We need our own project.

Now, we know Stephen Harper’s project - he has only one idea for how to build our economy.

**HARPER’S ONE IDEA**

Dig lots of holes, lay lots of pipe. Stick the stuff from the pipes onto ships - or trucks, or railway cars - and take it to places where it will be refined and burned. Repeat, but more and faster. Before anyone figures out that this is his one idea, and what has allowed him to maintain the illusion that he is some kind of responsible economic manager, while the rest of the economy falls apart.

It’s why it’s so important to this government to accelerate oil and gas production at an outrageous pace, and why it has declared war on everyone standing in the way, whether environmentalists or First Nations or other communities.

It’s also why the Harper government is willing to sacrifice the manufacturing base of this country, waging war on workers, attacking your most basic collective rights.
This is not just about extracting specific resources - Harper represents an extreme version of a particular worldview. One that I sometimes call “extractivism”. And others times simply call capitalism.

**EXTRACTIVISM**

It’s an approach to the world based on taking and taking without giving back. Taking as if there are no limits to what can be taken - no limits to what workers’ bodies can take, no limits to what a functioning society can take, no limits to what the planet can take.

In the extractivist mindset, labour is a commodity just like the bitumen. And maximum value must be extracted from that resource - ie you and your members - regardless of the collateral damage. To health, families, social fabric, human rights.

When crisis hits, there is only ever one solution: take some more, faster. On all fronts.

So that is their story - the one we’re trapped in. The one they use as a weapon against all of us.

And if we are going to defeat it, we need our own story.

**CLIMATE CHANGE - DON’T LOOK AWAY**

So I want to offer you what I believe to be the most powerful counter-narrative to that brutal logic that we have ever had.

Here it is: our current economic model is not only waging war on workers, on communities, on public services and social safety nets. It’s waging war on the life support systems of the planet itself. The conditions for life on earth.

Climate change. It’s not an “issue” for you to add to the list of things to worry about it. It is a civilizational wake up call. A powerful message - spoken in the language of fires, floods, storms and droughts - telling us that we need an entirely new economic model, one based on justice and sustainability.

It’s telling us that when you take you must also give, that there are limits past which we cannot push, that our future health lies not in digging ever deeper holes but in digging deeper inside ourselves - to understand how ALL our fates are interconnected.

Oh, and one last thing. We need to make this transition, like, yesterday. Because our emissions are going in exactly the wrong direction and there’s very little time left.

Now I know talking about climate change can be a little uncomfortable for those of you working in the extractive industries, or in manufacturing sectors producing carbon-intensive products like cars and planes.

I also know that despite your personal fears, you haven’t joined the deniers like some of your counterparts in the U.S. - both of your former unions have all kinds of great climate policies on the books.

And this isn’t some recent conversion either: the CEP courageously fought for Kyoto all the way back in the 90s. The CAW has been fighting against the environmental destruction of free trade deals even longer. [Former CEP President] Dave Coles even got arrested protesting the Keystone XL
pipeline. That was heroic.

But...how to say this politely?...I think it’s fair to say that climate change hasn’t traditionally been your members greatest passion.

And I can relate: I’m not an environmentalist. I’ve spent my adult life fighting for economic justice, inside our country and between countries. I opposed the WTO not because of its effects on dolphins but because of its effects on people, and on our democracy.

The case I want to make to you is that climate change – when its full economic and moral implications are understood - is the most powerful weapon progressives have ever had in the fight for equality and social justice.

But first, we have to stop running away from the climate crisis, stop leaving it to the environmentalist, and look at it. Let ourselves absorb the fact that the industrial revolution that led to our society’s prosperity is now destabilizing the natural systems on which all of life depends.

I’m not going to bore you with a whole bunch of numbers. Though I could remind you that the World Bank says we’re on track for a four degrees warmer world. That the International Energy Agency - not exactly a protest camp of green radicals - says the Bank is being too optimistic and we’re actually in for 6 degrees of warming this century, with “catastrophic implications for all of us”. That’s an understatement: we haven’t even reached a full degree of warming yet and look at what is already happening.

**CLIMATE CHANGE – IS HAPPENING NOW**

97% of the Greenland ice-sheet’s surface was melting last summer - as Bill McKibben says, we’ve taken one of the great features of the planet and broken it.

And then there are the extreme weather events. Hell, I was in Fort McMurray this summer and the contents of the town’s museum - literally, its history - was floating around in the water.

I was trying to get interviews with the big oil companies but their headquarters in Calgary were all empty as the downtown was dark and the city was frantically bailing out from the worst flood it has ever seen.

And not even the provincial NDP had the courage to say: this is what climate change looks like and we are going to have a lot more of it if those oil companies get their way.

We know that this climate emergency is only getting more dire. And our excuses about why we can’t do anything about it - why it’s somebody else’s issue - are melting away.

But engaging on climate does not mean dropping everything else you are doing and turning into a raving environmentalist.

Because I know that the fights you are already waging against austerity, against new free trade deals, against attacks on unions have never been more important.

Which is why I’m not calling you to drop anything.

**CLIMATE CHANGE - IS AT THE HEART OF ALL OUR EXISTING DEMANDS**
My argument is that the climate threat makes the need to fight austerity all the more pressing, since we need public services and public infrastructure to both bring down our emissions and prepare for the coming storms.

Far from trumping other issues, climate change vindicates much of what the left has been demanding for decades.

In fact, climate change turbo-charges our existing demands and gives them a basis in hard science. It calls on us to be bold, to get ambitious, to win this time because we really cannot afford any more losses. It enflames our vision of a better world with existential urgency.

What I’m going to show you is that confronting the climate crisis requires that we break every rule in the free-market playbook - and that we do so with great urgency.

**CLIMATE ACTION = THE LEFT AGENDA**

So I’m going to quickly lay out what I believe a genuine climate action plan would look like. And it’s not the market-driven non-sense we hear from some of the big green groups in the U.S. - changing your light bulbs, or carbon trading and offsetting. This is the real deal, getting at the heart of why our emissions are soaring.

And you will notice that a lot this will sound familiar. That’s because much of this agenda is already embraced in the vision of your new union, not to mention everything you have been fighting for in the past.

First of all, we need to revive and reinvent the public sphere. If we want to lower our emissions, we need subways, streetcars and clean-rail systems that are not only everywhere but affordable to everyone.

We need energy-efficient affordable housing along those transit lines. We need smart electrical grids carrying renewable energy. We need garbage collection that has, as its goal, the elimination of garbage.

And we don’t just need new infrastructure. We need major investments in the old infrastructure to cope with the coming storms. For decades we have fought against the steady starving of the public sphere.

Again and again we’ve seen how those decades of cuts have left us more vulnerable to climate disasters: superstorms bursting through decaying levees, heavy rain washing sewage into lakes, wildfires raging as fire crews are underpaid and understaffed. Bridges and tunnels buckling under the new reality of heavy weather.

Far from taking us away from the fight for a robust public sphere, climate change puts us right in the middle of it - but this time armed with arguments that raise the stakes significantly. It is not hyperbole to say that our future depends on our ability to do what we have so long been told we can no longer do: act collectively. And who better than unions to carry that message?

The renewal of the public sphere will create millions of new, high paying union jobs - jobs in fields that don’t hasten the warming of the planet.

But it’s not just boilermakers, pipefitters, construction workers and assembly line workers who get new jobs and purpose in this great transition.
There are big parts of our economy that are already low-carbon.

They’re the parts facing the most disrespect, demeaning attacks and cuts. They happen to be jobs dominated by women, new Canadians, and people of colour.

And they’re also the sectors we need to expand massively: the care-givers, educators, sanitation workers, and other service sector workers. The very ones that your new union has pledged to organize. The low-carbon workers who are already here, demanding living wages and respect. Turning low-paying low-carbon jobs into higher-paying jobs is itself a climate solution and should be recognized as such.

Here I think we should take inspiration from the fast-food workers in the United States and their historic strikes this past week. They are showing how this organizing can be done. Maybe it will turn out to be the first uprising in a sustained rebellion fighting for both real wages and real food! One in which the health of the workers and the health of society are inextricably linked.

It should be clear by now that I am not suggesting some half-assed token “green jobs” program. This is a green labour revolution I’m talking about. An epic vision of healing our country from the ravages of the last 30 years of neoliberalism and healing the planet in the process.

Environmentalists can’t lead that kind of revolution on their own. No political party is rising to the challenge. We need you to lead.

**HOW TO PAY FOR IT**

So the big question is: how are we going to pay for all this?

I mean, we’re broke, right? Or so our government is always telling us.

But with stakes this high, crying broke isn’t going to cut it. We know that it’s always possible to find money to bail out banks and start new wars. So that means we have to go to where the money is, and the money is with the fossil fuel companies and the banks that finance them. We have to get our hands on some of their super profits to help clean up the mess they made. It’s a simple concept, well established in law: the polluter pays.

We know we can’t get the money by continuing to extract more. So as we wind down our dependence on fossil fuels, as we extract LESS, we have to keep MORE of the profits.

There’s lots of ways to do that. A national carbon tax and higher royalties are the most obvious. A financial transaction tax would be a big help. Raising corporate taxes across the board would too.

When you do that, suddenly, digging holes and laying pipe isn’t the only option on the table.

Quick example. A recent study from the CCPA compared the public value from a five billion dollar pipeline - Enbridge Gateway for instance - and the value from the same amount of money invested in green economic development.

Spend that money on a pipeline, you get mostly short-term construction jobs, big private sector profits, and heavy public costs for future environmental damage.
Spend that money on public transit, building retrofits and renewable energy, and you get, at the very least, three times as many jobs...not to mention a safer future. The actual number of jobs could be many times more than that, according to their modeling. At the highest end, green investment could create 34 times more jobs than just building another pipeline.

And how do you raise five billion dollars for public investments like that? A minimal national carbon tax of ten dollars a tonne would do the trick. And there would be five billion new dollars every year. Unlike the one-off Enbridge put on the table.

Environmentalists, and I include myself here, have to do a much better job of not just saying no to projects like Northern Gateway but also forcefully saying yes to our solutions about how to build and finance green infrastructure.

Now: these alternatives makes perfect sense on paper, but in the real world, they slam headlong into the dominant ideology that tells us that we can’t increase taxes on corporations, that we can’t say no to new investment, and moreover, that we can’t actively decide what kind of economy we want - that we are supposed to leaving it all to the magic of the market.

Well – we’ve seen how the private sector manages this crisis. It’s time to get back in there. This transition needs to be publicly managed. And that will mean everything from new crown corporations in energy, to a huge redistribution of power, infrastructure and investment.

A democratically-controlled, de-centralized energy system operated in the public interest. This agenda is increasingly being described as “energy democracy” and it’s not a new idea in the union world - Sean Sweeney of the Global Labor Institute at Cornell University is here today, and many fine trade unions - including CEP - have been working on this agenda for years. It’s time to turn energy democracy into a reality here in Canada. “Power to the people” is a terrific slogan to start with.

As you all know, there have been some modest attempts by provincial governments to play a more activist role in bringing about a green transition, while resisting the pressure to double down on dirty energy.

But in those cases, we’re starting to see something very disturbing. In the provinces where governments have taken the most positive, bold action, they’re getting dragged into trade court.

And that brings me to the last piece of a real progressive climate agenda.

TRADE
It’s time to rip up so-called Free Trade deals once and for all. And we sure as hell can’t be signing new ones.

You’ve fought them for decades now, since the CAW played such a pivotal role in the battle against the first Free Trade deal with the US. You’ve fought them because they undermine workers rights both here and abroad, because they drive a race to the bottom, because they hyper-empower corporations.

And you were right - even more right than you knew. Because not only is corporate globalization largely responsible for soaring emissions, but now the logic of free trade is directly blocking us from making the specific
changes needed to reduce climate chaos in response.

**A couple of quick examples.**

Ontario’s Green Energy plan is far from perfect. But it has a very sensible “buy local” provision so that wind and solar projects in Ontario actually deliver jobs and economic benefits to local communities. It’s the core principle of a just transition.

Well, the World Trade Organization has decided that this measure is illegal.

The CAW is already in a coalition fighting back - but more green policies will face the same corporate challenges.

Here’s another example. Quebec banned fracking - a courageous move that has been taken up by two consecutive governments.

But a US drilling company is planning to sue Canada for $250- million dollars under NAFTA’s Chapter 11, claiming the ban interferes with its “valuable right to mine for oil and gas under the St. Lawrence river.”

We should have seen this coming. A WTO official was quoted almost a decade ago, saying that the WTO enables challenges against “almost any measure to reduce greenhouse gas emissions.”

In other words, these maniacs think trade should trump everything, including the planet itself. If there has ever been an argument to stop this madness, climate change is it.

The battle lines have never been clearer. Climate change is the argument that must trump all others in the battle against corporate free trade. I mean, sorry guys, but the health of our communities and our planet is just a little more important than your god-given right to obscene profits.

These are moral arguments we can win.

And we don’t have to wait for governments to give us permission. Next time they close a factory making fossil-fuel machinery - whether cars, tractors, or airplanes - don’t let them do it.

Do what workers are doing from Argentina to Greece to Chicago: occupy the factory. Turn it into a green worker co-op. Go beyond negotiating a last, sad severance. Demand the resources - from companies and governments - to start building the new economy right now.

Whether that’s electric trains or windmills. Watch that factory turn into a beacon for students, anti-poverty activists, environmentalists, First Nations. All fighting together for that vision.

Climate change is a tool. Pick it up and use it. Use it to demand the supposedly impossible.

It’s not a threat to your jobs, it’s the key to liberation from a logic that is already waging a war on the entire concept of dignified work.

So all we need is the political power to make this vision a reality. And that power can be built on the urgency and science of the climate crisis.

If we stay true to a clear vision that these changes are what is required to
stave off an ecological collapse, then we will change the conversation.

We'll escape from the clutches of narrow free-market economics, where we are constantly told to ask for less and expect less and we will find ourselves in a conversation about morality - about what kind of people we want to be, about what kind of world we want for ourselves and our kids.

If we set the terms of that conversation, we back Stephen Harper up against the wall.

We finally hold him accountable for the lethal ideology he serves - the one that he has been hiding behind that bland and boring mask of his.

That’s how you shift the balance of forces in this country.

If UNIFOR becomes the voice for a boldly different economic model, one that provides solutions to the attacks on working people, on poor people, and the attacks on the Earth itself, then you can stop worrying about your continued relevance.

You will be on the front lines of the fight for the future, and everyone else - including the opposition parties - will have to follow or be left behind.

FIRST NATIONS
I believe that a key to this shift is deepening your alliance with First Nations, whose constitutionally guaranteed title to land and resources is the biggest legal barrier Harper faces to his vision of Canada as an extraction and export machine - a country-sized sacrifice zone.

As my friend Clayton Thomas Mueller says, imagine if the workers and First Nations actually joined forces in a meaningful coalition - the rightful owners of the land, side by side with the people working the mines and pipelines, coming together to demand another economic model?

People and the earth itself on one side, predatory capitalism on the other.

The Harper Tories wouldn’t know what hit them.

But this is about more than strategic alliances. As we tell our own story of a different Canada to stand up to Harper’s story about endless extraction, we will need to learn from the Indigenous worldview. The one that understands that you can’t just take and take, but also care-take, and give back whenever you harvest. That five-year-plans are for kids, and grownups think about seven generations. A worldview that reminds us that there are always unforeseen consequences because everything is connected.

Because building the kinds of deep coalitions that we need begins with identifying the threads that connect all of our struggles. And indeed that recognize they are the SAME struggle.

I want to leave you with a word that might help. Overburden.

OVERBURDEN
When I was in the tar sands earlier this summer, I kept thinking about it. Overburden is the word used by mining companies to describe the “waste earth covering a mineral deposit.”

But mining companies have a strange definition of waste. It includes forests, fertile soil, rocks, clay - basically anything that stands between
them and the gold, copper, or bitumen they are after.

Overburden is the life that gets in the way of money. Life treated as garbage.

As we passed pile after pile of masticated earth by the side of the road, it occurred to me that it wasn’t just the dense and beautiful Boreal forest that was “overburden” to these companies.

We are all overburden. That’s certainly the way the Harper government sees us.

- Unions are overburden since the rights you have won are a barrier to unfettered greed.

- Environmentalists are overburden, because they are always going on about climate change and oil spills.

- Indigenous people are overburden, since their rights and court challenges get in the way.

- Scientists are overburden, since their research proves what I’ve been telling you.

- Democracy itself is overburden to our government - whether it’s the right of citizens to participate in an environmental assessment hearing, or the right of Parliament to meet and debate the future of the country.

This is the world deregulated capitalism has created, one in which anyone and anything can find themselves discarded, chewed up, tossed on the slag heap.

But “overburden” has another meaning. It also means, simply, “to load with too great a burden”; to push something or someone beyond their limits.

And that’s a very good description of what we’re experiencing too.

Our crumbling infrastructure is overburdened by new demands and old neglect.

Our workers are overburdened by employers who treat their bodies like machines.

Our streets and shelters are overburdened by those whose labour has been deemed disposable.

The atmosphere is overburdened with the gasses we are spewing into it.

And it is in this context that we are hearing shouts of “enough!” from all quarters. This much and NO further.

We heard it from the fast food worker in Milwaukee, who went on strike this week holding a sign saying, “I am worth more” and helped set off a national debate about inequality.

We heard it from the Quebec Students last summer, who said “No” to a tuition increase and ended up unseating a government and sparking a national debate about the right to free education.
We heard it from the four women who said “No” to Harper’s attacks on environmental protections and indigenous rights, pledging to be Idle No More, and ended up setting off an indigenous rights uprising across North America.

And we are hearing “Enough” from the planet itself as it fights back in the only ways it can.

Everywhere, life is reasserting itself. Insisting that it is not overburden.

We are starting to realize that not only have we had enough - but that there is enough.

To quote Evo Morales, there is enough for all of us to live well. There just isn’t enough for some of us to live better and better.

To close off, I want to read an excerpt from Article 2 of your brand new constitution.

Words that many of us have been waiting a very long time to hear. Words that you may have already heard today, but they bear repeating. Here goes…

“Our goal is transformative. To reassert common interest over private interest.

Our goal is to change our workplaces and our world. Our vision is compelling.

It is to fundamentally change the economy, with equality and social justice, restore and strengthen our democracy and achieve an environmentally sustainable future.

This is the basis of social unionism - a strong and progressive union culture and a commitment to work in common cause with other progressives in Canada and around the world.”

Brothers and Sisters, all I would add is: don’t say it if you don’t mean it.

Because we really, really need you to mean it.

www.zcommunications.org

The Broken “New Normal” and the G20 Mirage

Dorothy-Grace Guerrero 5 September 2013

That is a mirage, cheap mirage, revolting, romantic and fantastical -- that’s another ball on Lake Como.
Fyodor Dostoyevsky Notes from the Underground

The Group of Twenty (G20), informally recognized as “the other UN”, is an unofficial, unaccountable, yet very powerful platform for international cooperation on the most important issues of the global economic and financial agenda. It was originally set up to deal with the global implications of the Asian financial crisis in 1998 with goals ‘to provide a new mechanism for informal dialogue in the framework of the Bretton Woods institutional system, to broaden the discussions on key economic
and financial policy issues among systemically significant economies and promote cooperation to achieve stable and sustainable world economic growth that benefits all’[i].

Although the idea to broaden the international architecture beyond the G-7 or G-10 developed during the early 1990s in the U.S. Treasury, Paul Martin, Canada’s finance minister, championed the idea that emerging economies must be part of the solution to the Asian crisis within the G-7. Germany supported the idea of a new forum, and shepherded it through the G-7 summit process[ii]. The G20 brings together leaders, finance ministers and central bank governors from 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States of America plus the European Union, which is represented by the President of the European Council and by Head of the European Central Bank.

The geo-political reconfiguration of the international system due to the relative weakening of the US, the still unresolved crisis in the Eurozone and the rise of new powers such as the BRICS countries (China, Russia, Brazil, India and South Africa), brought about a changed global power rivalry. US president George W. Bush elevated the grouping into a Summit of Leaders in 2008 to enable it to deal with the financial crisis that started from the US and the EU economies, which they could not fix themselves. Since then this self-selected clique of big and emerging powers designated themselves as the new steering group for the global economy.

Non-G20 governments, intellectuals, and activists (antiglobalists, alterglobalists, etc.) have questioned its legitimacy and reason for existence. G20 Summits also became a focus for protests. Although it does not have the power to create policies and arrive at legally binding agreements, it undermines the UN process and insufficiently represents poor countries. Its track record of failures (for example, in resolving the Asian crisis in 1998 and the 2008 crisis originating in the US and EU) and unwillingness to veer away from neoliberalism has condemned the global economy into a vicious cycle of recurring economic crises. The Financial Times refer to the cycle as “an endless cycle of bubble, financial crisis and currency collapse”[iii].

It is not comforting to the poor in developing countries that new actors are joining the big league. The rise of new powers like the BRICS countries and their actions, so far, have yet to prove that they are offering a new and better leadership in global governance. If we look in the recent World Bank and UNCTAD experiences of selecting leaders and making decisions on how the financial crisis should be managed, we could see that rich countries will not easily give up their control of the global institutions.

It is still a big question if the BRICS countries are offering a positive alternative of economic and social progress to other developing countries. However, what is becoming increasing clear is that these new powers are merely continuing the same or more intense practices of exploitation and extraction of resources from poorer countries to further enrich themselves. The G20, instead of providing an alternative is merely resuscitating a flagging and failing capitalist system. It is giving new energy to the same unsustainable and unjust paradigm that facilitates the accumulation of wealth by a few while resulting in dispossession and pauperization of the already marginalized and disempowered.

Russia’s Leadership of G20 Summit in 2013
The global economic crisis is far from being resolved and at the same time
Climate change is happening faster than predicted, which would need vast amount of resources and political will from governments and big business to address. The intensity of economic, social and ecological crisis demands ambitious and bold ideas.

Over the years, there have been an increasing number of issues that were added to the original G20 focus on finance. Among these is “development” during the South Korean presidency and “green growth and fight against climate change” by the Mexican presidency. Apart from the Leaders’ Summit, there is now a Business Summit and a Labour Summit for the dialogue with trade unions. Mexico also added Think20 (academia, think tanks and specialised research centres), as well as G20 YES (Young Entrepreneurs Summit), Civil Society dialogue and a T20 (on tourism).

Russia took over the G20 presidency for the first time in December 2012. Since 1999 when it was first set up, the global financial system became increasingly lacking in transparency and accountability. The official G20 2013 website states that the core objective of the Russian Presidency is to concentrate the efforts of G20 forum on developing a set of measures aimed at boosting sustainable, inclusive and balanced growth and jobs creation around the world. The three overarching priorities, aimed at starting the new cycle of economic growth are: growth through quality jobs and investment; growth through trust and transparency; and growth through effective regulation and these will be further discussed in eight areas.

It is not surprising that the G20 drivers still insist on growth as the fundamental lens by which the G20 sees the path towards solving the world’s problem. We could not expect neoliberals to easily step out of their neoliberal roads despite the hype of new new actors in the table and steering the world economy. We can expect more of the same ecologically destructive, anti-people, consumer-centred, climate change inducing mal-development model that these governments, as adjunct of neoliberal international financial institutions, promoted. Despite the critique against previous Summits, growth is still deemed as the magic bullet that will magically end poverty in the Summit documents.

The Russian presidency of the G20 presents the forthcoming Summit as a reorientation and a start of a new development agenda. Two policy shifts are being mentioned: Firstly, the narrowing of agenda from a long catalogue of development-related work streams adopted at the 2010 Seoul summit into a seemingly more manageable shortlist of priorities. Secondly, “Financing for investment” has been identified as promising lever for growth and employment in the developing world. This is supposed to be a common intent of rich and emerging economies. Upon closer look, however, focus on infrastructure seems to have more weight than the systemic reforms needed for inclusive sustainable development. At the same time, the understanding of development cooperation is still imprisoned to the notion of foreign aid.

**The Lingering Priority on Growth**

The Rio+20 process introduced the Green Economy as an alternative development concept to the growth model of development. In essence it is not hard to imagine that green growth is actually Green Washington Consensus and the Green Economy an almost cunning manipulation of the economic and ecological crisis. Both insist on growth despite experience and historical proof that it is incompatible with the demand for a sustainable planet and social relations based in justice.

Social movements and climate justice groups argued against the green
growth and the green economy concepts in various events and workshops at the Rio+20 Summit and the Cupola dos Povos/People’s Summit on Rio+20 in Brazil last year. They pointed out that the green economy aims to increase and intensify the commodification and financialization of nature through market mechanisms such as carbon markets and various forms of clean development mechanisms and REDD (Reduced Emissions from Deforestation and Degradation), some of which was first introduced a decade ago through the Kyoto Protocol and have proven to be ineffective in actually doing what is needed - to reduce greenhouse emissions that causes climate change.

There are proposals that if treated seriously can bring about positive changes. In July, European Commission President José Manuel Barroso and European Council President Herman Van Rompuy urged the G20 leaders to prioritize the phasing out of fossil fuel subsidies and strengthen efforts to reinvigorate the economy through investment in clean technologies[v]. This however would have to win against increasing subsidies to fossil fuels. According to the IEA, global fossil fuel subsidies continue to increase and reached $523 B in 2011, up from $412 billion in 2010[vi]. Huge subsidies and tax breaks are undermining efforts to replace fossil fuels with cleaner forms of energy.

Russia placed energy sustainability among the top priorities of the Leader’s Summit. It would be interesting to see the progress of this discussion and if plans to phase out fossil fuel subsidies in the near future will be realized. The G20 Energy Sustainability Working Group will present its recommendations on this process by the end of 2013.

The Counter-Summit
The Counter-Summit organized by Russian social movements and various organisations and networks will discuss why people inside and outside Russia are organizing and finding ways to stop the exploitative and poverty inducing trade and investment regime that neoliberal institutions and actors are pushing. Apart from the WTO, more aggressive, comprehensive and ambitious free trade agreements (FTAs) and bilateral investment treaties (BITs) are being fast-tracked despite the massive expression of opposition by the population of the concerned countries. The economic reforms that are being introduced in poor countries and recently opened economies like Cambodia, Laos and Myanmar in Southeast Asia are giving more powers to the already too powerful TNCs.

Movements and communities that are seeking and pushing for alternatives are developing fresh ideas and strategies to ensure that the trade and investment regime that the G20 maintains and promotes will fail. The powers of the WTO, international financial institutions like the World Bank, International Monetary Bank, regional development banks and finance corporations, as well as transnational corporations and other agents of exploitative capital must be confronted and their schemes must be continually exposed. Collective demands for social transformation and people’s empowerment must be creatively shaped through organizing, political and development education and solidarity strengthened by campaigns in order to build an alternative world.

Counter-summits like the one organized in St. Petersburg on the occasion of Russia’s hosting of the G20 Summit, are part of the continuing globalization of resistance and efforts to reclaim power from structures and institutions of neoliberal capitalism that have perfected the art of sustaining the status quo and global governance. The elite not only control the policy process, more importantly they present themselves as knowledge-bearers and experts on what are the needs of the time, be it in
solving the economic crisis, poverty, climate change or upholding social and economic rights.

The G20 counter-summit exposes the mirage created by the elite that the neoliberal system, now wrapped in a new shiny covering of green economy, offers a green path away from the deepening poverty, inequality, climate-change induced catastrophes, and other social ills created by the very same system. The old powers, now happily joined by new and aspiring actors, are still playing their old game of opportunistic manipulation of crises and the concept of development. This time, they are bringing capitalism to a new level by bringing nature under the control of markets by putting a price to the services of nature.

Can Russia offer a new brand of leadership as a re-emerging power in the new global stage? It will be the 100th anniversary of the Russian Revolution in 2017. The distant history of 1917 is by now largely forgotten or misunderstood, it could be broadly irrelevant even to the younger generations. It is important to establish the almost forgotten connection between that historic emancipation and the current need to see what could be done against the global hegemony of neoliberalism. It is important that once again, the revolutionary spirit in Russia be rekindled and its progressives join the growing global movements for an alternative world that are constructively promoting emancipatory struggles for social, economic, gender and environmental justice.

Reference
[ii] ibid
[iv] Leader’s Summit 2013: Russia G20 http://www.g20.org/docs/summit/summit_2013.html

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Diary
Rebecca Solnit 3 september 2013

In or around June 1995 human character changed again. Or rather, it began to undergo a metamorphosis that is still not complete, but is
profound - and troubling, not least because it is hardly noted. When I think about, say, 1995, or whenever the last moment was before most of us were on the internet and had mobile phones, it seems like a hundred years ago. Letters came once a day, predictably, in the hands of the postal carrier. News came in three flavours – radio, television, print - and at appointed hours. Some of us even had a newspaper delivered every morning.

Those mail and newspaper deliveries punctuated the day like church bells. You read the paper over breakfast. If there were developments you heard about them on the evening news or in the next day’s paper. You listened to the news when it was broadcast, since there was no other way to hear it. A great many people relied on the same sources of news, so when they discussed current events they did it under the overarching sky of the same general reality. Time passed in fairly large units, or at least not in milliseconds and constant updates. A few hours wasn’t such a long time to go between moments of contact with your work, your people or your trivia.

You opened the mail when you came home from work, or when it arrived if you worked from home. Some of the mail was important and personal, not just bills. It was exciting to get a letter: the paper and handwriting told you something, as well as the words. Going back a little further, movies were seen in movie theatres, and a whole gorgeous ritual went along with seeing them. The subsidiary pleasures - dressing up, standing in line with strangers and friends, the smell of popcorn, holding hands in the dark - still exist, but more and more often movies are seen on smaller and smaller and more private screens. It used to be the case that when you were at a movie, you were 100 per cent there, in the velvety darkness watching lives unfold in flickering light (unless you were making out). But televisions, DVD players, the rest: you were never totally committed to what they showed; you were always cheating on them, chatting and wandering away, fast-forwarding and rewinding, even when commercials didn’t shatter their continuity.

That bygone time had rhythm, and it had room for you to do one thing at a time; it had different parts; mornings included this, and evenings that, and a great many of us had these schedules in common. I would read the paper while listening to the radio, but I wouldn’t check my email while updating my status while checking the news sites while talking on the phone. Phones were wired to the wall, or if they were cordless, they were still housebound. The sound quality was usually good. On them people had long, deep conversations of a sort almost unknown today, now that phones are used while driving, while shopping, while walking in front of cars against the light and into fountains. The general assumption was that when you were on the phone that’s all you were.

Letters morphed into emails, and for a long time emails had all the depth and complexity of letters. They were a beautiful new form that spliced together the intimacy of what you might write from the heart with the speed of telegraphs. Then emails deteriorated into something more like text messages (the first text message was sent in 1992, but phones capable of texting spread later in the 1990s). Text messages were bound by the limits of telegrams – the state of the art technology of the 1840s - and were almost as awkward to punch out. Soon phone calls were made mostly on mobile phones, whose sound quality is mediocre and prone to failure altogether (‘you’re breaking up’ is the cry of our time) even when one or both speakers aren’t multitasking. Communication began to dwindle into peremptory practical phrases and fragments, while the niceties of spelling, grammar and punctuation were put aside, along with the more lyrical and
profound possibilities. Communication between two people often turned into group chatter: you told all your Facebook friends or Twitter followers how you felt, and followed the popularity of your post or tweet. Your life had ratings.

Good things came about with the new technologies. Many people now have voices without censorship; many of us can get in touch with other ordinary citizens directly, through every new medium, from blogs to tweets to texts to posts on FB and Instagram. In 1989, Tiananmen Square was the fax revolution. Email helped organise the Seattle WTO shutdown in 1999; Facebook was instrumental in the Arab Spring’s initial phase in 2011; Occupy Wall Street was originally a Twitter hashtag. WikiLeaks uploaded Bradley Manning’s leaked data to a place where its subjects could read it, which is said to have played a role in the Arab Spring too. But the old, irreplaceable dance of democracy, which those digital media helped make happen, still took place between bodies in public. Indeed, the vitality of Occupy for its long season seemed in part to come from the rapture of the American young at the unfamiliar emotional and political power of coexisting in public together, body and soul.

I have reconnected via Facebook to old friends who might otherwise never have resurfaced, and followed grassroots politics and movements. And I’ve wasted countless hours on it that I could’ve spent going deeper, with a book, a film, a conversation, or even a walk or a task. Meanwhile the quality of my emails deteriorated; after many years of marvellous correspondences it became hard to find anyone who still wrote anything resembling a letter. Everyone just dashed off notes about practical things, with maybe a little personal stuff in the mix, and you can’t get epistolatory with someone who won’t receive it with enthusiasm, or at least I can’t. A gratuitous clutter of bureaucratic and soliciting emails filled all our inboxes, and wading through that clutter consumed a great deal of everyone’s time.

Previous technologies have expanded communication. But the last round may be contracting it. The eloquence of letters has turned into the unnuanced spareness of texts; the intimacy of phone conversations has turned into the missed signals of mobile phone chat. I think of that lost world, the way we lived before these new networking technologies, as having two poles: solitude and communion. The new chatter puts us somewhere in between, assuaging fears of being alone without risking real connection. It is a shallow between two deep zones, a safe spot between the dangers of contact with ourselves, with others.

I live in the heart of it, and it’s normal to walk through a crowd - on a train, or a group of young people waiting to eat in a restaurant - in which everyone is staring at the tiny screens in their hands. It seems less likely that each of the kids waiting for the table for eight has an urgent matter at hand than that this is the habitual orientation of their consciousness. At times I feel as though I’m in a bad science fiction movie where everyone takes orders from tiny boxes that link them to alien overlords. Which is what corporations are anyway, and mobile phones decoupled from corporations are not exactly common.

Our lives are a constant swirl of information, of emails that can be checked on phones, and phones that are checked in theatres and bedrooms, for texts and news that stream in constantly. There is so much information that our ability to focus on any piece of it is interrupted by other information, so that we bathe in information but hardly absorb or analyse it. Data are interrupted by other data before we’ve thought about the first round, and contemplating three streams of data at once may be a
way to think about none of them.

‘When Carnegie Mellon researchers interrupted college students with text messages while they were taking a test,’ the Boston Globe recently reported, ‘the students had average test scores that were 20 per cent lower than the scores of those who took the exam with their phones turned off. Another study found that students, when left to their own devices, are unable to focus on homework for more than two minutes without turning to web surfing or email. Adults in the workforce can make it to about 11 minutes.’

Nearly everyone I know feels that some quality of concentration they once possessed has been destroyed. Reading books has become hard; the mind keeps wanting to shift from whatever it is paying attention to to pay attention to something else. A restlessness has seized hold of many of us, a sense that we should be doing something else, no matter what we are doing, or doing at least two things at once, or going to check some other medium. It’s an anxiety about keeping up, about not being left out or getting behind. (Maybe it was a landmark when Paris Hilton answered her mobile phone while having sex while being videotaped a decade ago.)

The older people I know are less affected because they don’t partake so much of new media, or because their habits of mind and time are entrenched. The really young swim like fish through the new media and hardly seem to know that life was ever different. But those of us in the middle feel a sense of loss. I think it is for a quality of time we no longer have, and that is hard to name and harder to imagine reclaiming. My time does not come in large, focused blocks, but in fragments and shards. The fault is my own, arguably, but it’s yours too - it’s the fault of everyone I know who rarely finds herself or himself with uninterrupted hours. We’re shattered. We’re breaking up.

It’s hard, now, to be with someone else wholly, uninterruptedly, and it’s hard to be truly alone. The fine art of doing nothing in particular, also known as thinking, or musing, or introspection, or simply moments of being, was part of what happened when you walked from here to there alone, or stared out the train window, or contemplated the road, but the new technologies have flooded those open spaces. Space for free thought is routinely regarded as a void, and filled up with sounds and distractions.

I now feel under-equipped if I walk out of my apartment without my mobile phone, but I used to travel across the world with almost no contact with the people who loved me, and there was a dizzying freedom, a cool draught of solitude, in that. We were not so monitored, because no one read our letters the way they read our emails to sell us stuff, as Gmail does, or track our communications as the NSA does. We are moving into a world of unaccountable and secretive corporations that manage all our communications and work hand in hand with governments to make us visible to them. Our privacy is being strip-mined and hoarded.

It will not be easy to go back, though I did see a poster recently (on Facebook) that made the case for buying books from independent bookstores in cash. And librarians fought a fierce battle in the Bush era when they refused to hand over our library records; but they are part of the old world. The new one has other priorities, and didn’t put up much fight to protect our information from the NSA (though squealed a little about it afterwards, plus Yahoo did win a lawsuit post-Edward Snowden allowing it to declassify documents that prove it resisted the NSA’s snooping, and two data encryption companies have since folded rather than be corrupted).
A short story that comes back to me over and over again is Kurt Vonnegut’s ‘Harrison Bergeron’, or one small bit of it. Since all men and women aren’t exactly created equal, in this dystopian bit of science fiction a future America makes them equal by force: ballerinas wear weights so they won’t be more graceful than anyone else, and really smart people wear earpieces that produce bursts of noise every few minutes to interrupt their thought processes. They are ‘required by law to wear it at all times. It was tuned to a government transmitter. Every twenty seconds or so, the transmitter would send out some sharp noise to keep people like George from taking unfair advantage of their brains.’ For the smartest person in Vonnegut’s story, the radio transmitter isn’t enough: ‘Instead of a little ear radio for a mental handicap, he wore a tremendous pair of earphones, and spectacles with thick wavy lenses. The spectacles were intended to make him not only half blind, but to give him whanging headaches besides.’

We have all signed up to wear those earpieces, a future form of new media that will chop our consciousnesses into small dice. Google has made real the interruptors that Vonnegut thought of as a fantasy evil for his dystopian 2081. Google thinks that glasses that interrupt you constantly would be awesome, at least for Google, and they are now in development. I tried on a pair that a skinny Asian guy was wearing in the line at the post office (curious that someone with state of the art technology also needs postal services). A tiny screen above my field of vision had clear white type on it. I could have asked it to do something but I didn’t need data at that juncture, and I’m not in the habit of talking to my glasses. Also, the glasses make any wearer look like, yes, a geek. Google may soon be trying to convince you that life without them is impossible.

A year or so ago I watched in horror a promotional video for these glasses that showed how your whole field of vision of the real world could become a screen on which reminder messages spring up. The video portrayed the lifestyle of a hip female Brooklynite whose Google glasses toss Hello Kitty-style pastel data bubbles at her from the moment she gets up. None of the information the glasses thrust into her field of vision is crucial. It’s all optional, based on the assumptions that our lives require lots of management, and that being managerial is our highest goal. Is it?

I forget practical stuff all the time, but I also forget to look at the distance and contemplate the essential mysteries of the universe and the oneness of all things. A pair of glasses on which the temperature and chance of rain pops up, or someone tries to schedule me for a project or a drink, is not going to help with reveries about justice, meaning and the beautiful deep marine blue of nearly every dusk.

Furthermore, Google glasses probably aren’t going to spring pastel-coloured bubbles on you that say ‘It’s May Day! Overthrow tyranny,’ let alone ‘Don’t let corporations dictate your thoughts,’ or ‘It would be really meaningful to review the personal events of August 1997 in the light of what you know now.’ That between you and me stands a corporation every time we make contact - not just the post office or the phone company, but a titan that shares information with the National Security Administration - is dismaying. But that’s another subject: mine today is time.

I wonder sometimes if there will be a revolt against the quality of time the new technologies have brought us, as well as the corporations in charge of those technologies. Or perhaps there already has been, in a small, quiet way. The real point about the slow food movement was often missed. It wasn’t food. It was about doing something from scratch, with pleasure, all
the way through, in the old methodical way we used to do things. That
didn’t merely produce better food; it produced a better relationship to
materials, processes and labour, notably your own, before the spoon
reached your mouth. It produced pleasure in production as well as
consumption. It made whole what is broken.

Some of the young have taken up gardening and knitting and a host of
other things that involve working with their hands, making things from
scratch, and often doing things the old way. It is a slow everything
movement in need of a manifesto that would explain what vinyl records
and homemade bread have in common. We won’t overthrow corporations
by knitting - but understanding the pleasures of knitting or weeding or
making pickles might articulate the value of that world outside electronic
chatter and distraction, and inside a more stately sense of time. (Of
course, for a lot of people this impulse has been sublimated by cooking
shows: watching the preparation of food that you will never taste by
celebrities you will never meet, a fate that makes Tantalus’ seem rich.)

There are also places where human contact and continuity of experience
hasn’t been so ruined. I visit New Orleans regularly, where the old
leisurely enjoyment of mingling with strangers in the street and public
venues - where music is often live and people dance to it, not just listen to
it sitting down, where people sit by preference out front and greet
strangers with endearments - forms a dramatic contrast with the Bay Area
where contact with strangers is likely to be met (at least among the white
middle class) with a puzzled and slightly pained expression that seems to
say you’ve made a mistake. If you’re even heard, since earphones - they
still look to me like some sort of medical equipment, an IV drip for noise -
are ubiquitous, so that on college campuses, say, finding someone who can
lend you an ear isn’t easy. The young are disappearing down the rabbit
hole of total immersion in the networked world, and struggling to get out
of it.

Getting out of it is about slowness, and about finding alternatives to the
alienation that accompanies a sweater knitted by a machine in a
sweatshop in a country you know nothing about, or jam made by a giant
corporation that has terrible environmental and labour practices and might
be tied to the death of honeybees or the poisoning of farmworkers. It’s an
attempt to put the world back together again, in its materials but also its
time and labour. It’s both laughably small and heroically ambitious.

Perhaps the young will go further and establish rebel camps where they
will lead the lives of 1957, if not 1857, when it comes to quality of time
and technology. Perhaps. Right now we need to articulate these subtle
things, this richer, more expansive quality of time and attention and
connection, to hold onto it. Can we? The alternative is grim, with a
grimness that would be hard to explain to someone who’s distracted.
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Possible Consequences of a U.S. military attack on Syria

Remembering the Marine Barracks destruction in Beirut, 1983
Ann Wright 2 September 2013

It’s 4 a.m. and I can’t sleep, just like 10 years ago when President Bush was
telling the world that Saddam Hussein had weapons of mass destruction in
Iraq and the United States must invade and occupy Iraq to rid humanity of
these weapons. I didn’t believe President Bush ten years ago and I resigned as a U.S. diplomat.

Now a decade later, President Obama is telling the world that the use of chemical weapons in Syria by the Assad government must be answered by other weapons, even though the results of the UN inspection team have not been compiled—just as the Bush administration refused to wait for the UN report by the inspectors who had been looking for WMD in Iraq.

Secretary of State John Kerry pronounced that the UN inspectors “can’t tell us anything that we don’t already know.” President Obama says that any U.S. attack on the Assad government will be as punishment, not regime change. The strike will be “limited”—but tell that to the civilians who inevitably die when military attacks take place.

President Bush and his advisors either didn’t know or didn’t care about the probable consequences of their decision to invade and occupy Iraq:

- Hundreds of thousands of Iraqis and over 4,000 Americans dead
- Millions of Iraqis and Americans wounded physically and psychologically.
- Legions of young men of the region now experienced in warfare and for hire moving from Iraq to Libya to Syria.
- And the Iraqi “democratic” government unable to control the whirlwind of sectarian violence that now is killing hundreds each week.

(Although the U.S. invaded and occupied Afghanistan under a different rationale, I also want to acknowledge the Afghan citizens who have been killed or wounded in the U.S. war in Afghanistan.)

President Obama has not spelled out the possible consequences of a military attack on Syria, but U.S. military leaders are warning about the risks. In a letter to the Senate Armed Services committee, the chairman of the Joint Chiefs of Staff General Martin Dempsey wrote last month said, “As we weigh our options, we should be able to conclude with some confidence that use of force will move us toward the intended outcome.” “Once we take action, we should be prepared for what comes next. Deeper involvement is hard to avoid.”

General James Mattis, who retired recently as head of the U.S. Central Command, said last month at a security conference that the United States has “no moral obligation to do the impossible” in Syria. “If Americans take ownership of this, this is going to be a full-throated, very, very serious war.”

Possible Consequences of A U.S. Military Attack on Syria

As U.S. warships gather off the shores of Lebanon to launch Tomahawk Cruise missiles at targets in Syria, we can make some educated guesses of what the “unintended consequences” could be.

Syrian anti-aircraft batteries will fire their rockets at incoming U.S. missiles.

Many Syrians on the ground will die and both the U.S. and Syrian governments will say the deaths are the fault of the other.

The U.S. Embassy in Damascus will be attacked and burned, as may other U.S. Embassies and businesses in the Middle East.
Syria might also launch rockets toward the U.S. ally in the region—Israel.

Israel would launch bombing missions on Syria as it has three times in the past two years and perhaps take the opportunity to launch an attack on Syria’s strongest ally in the region Iran.

Iran, a country with a population of 80 million and has the largest military in the region untouched by war in the past 25 years, might retaliate with missiles aimed toward Israel and toward nearby U.S. military bases in Afghanistan, Turkey, Bahrain and Qatar.

Iran could block the Straits of Hormuz and impede the transport of oil out of the Persian Gulf.

30 Years Ago, U.S. Warships Bombed Lebanon and the U.S. Marine Barracks in Beirut Was Blown Up in Retaliation

At this time of crisis, it is worth remembering another time, 30 years ago in October, 1983 when U.S. warships bombarded Lebanon, the country located next to Syria. Within weeks, the U.S. Marine barracks in Beirut was blown up by a massive truck bomb that killed 241 American servicemen: 220 Marines, 18 sailors and three soldiers. The truck driver—suicide bomber was an Iranian national named Ismail Ascari whose truck contained explosives that were the equivalent of 21,000 pounds of TNT. Two minutes later a second suicide bomber drove a truck filled with explosives into the French military compound in Beirut killing 58 French paratroopers. France is the only country standing with the Obama administration on a military strike on Syria.

Earlier in the year, on April 18, 1983, the U.S. Embassy in Beirut had been blown up by another suicide driver with 900 pounds of explosives that killed 63 people, 17 Americans, mostly embassy and CIA staff members, several soldiers and one Marine, 34 Lebanese employees of the US Embassy and 12 Embassy visitors. It was the deadliest attack on a U.S. diplomatic mission up to that time, and marked the beginning of anti-U.S. attacks by Islamist groups.

The U.S. and French military were in Lebanon as a part of a Multi-National force after the PLO left Lebanon following the 1982 Israeli invasion of Lebanon. ostensibly to create a 40 km buffer zone between the PLO and Syrian forces in Lebanon and Israel. The Israeli invasion was tacitly approved by the U.S., and the U.S. provided overt military support to Israel in the form of arms and material.

Colonel Timothy J. Geraghty, the commander of the U.S. 24th Marine Amphibious Unit (MAU) deployed as peacekeepers in Beirut, said that the American and the French headquarters were targeted primarily because of "who we were and what we represented...It is noteworthy that the United States provided direct naval gunfire support [which fired a total of 360 5-inch rounds between 10:04 A.M. and 3:00 PM.] -- which I strongly opposed for a week -- to the Lebanese Army at a mountain village called Suq-al-Garb on September 19 and that the French conducted an air strike on September 23 in the Bekaa Valley. American support removed any lingering doubts of our neutrality, and I stated to my staff at the time that we were going to pay in blood for this decision."

Some of the circumstances around the incidents in Lebanon in 1983 and now thirty years later in Syria are familiar. U.S. intelligence agencies were aware of potential trouble but did not report the problems in sufficient time for actions to be taken. President Obama said that the U.S. had
intercepted signals indicating the Syrian government was moving equipment into place for an attack, but the U.S. did not warn the Syrian government that the U.S. knew what was happening and did not warn civilians that a chemical attack was imminent.

Thirty years before, on September 26, 1983, "the National Security Agency (NSA) intercepted an Iranian diplomatic communications message from the Iranian intelligence agency, the Ministry of Information and Security (MOIS)," to its ambassador, Ali Akbar Mohtashemi, in Damascus. The message directed the ambassador to "take spectacular action against the American Marines." The intercepted message, dated September 26, was not passed to the Marines until a month later on October 26: three days after the bombing.

Geraghty wrote 20 years later, “The coordinated dual suicide attacks, supported, planned, organized, and financed by Iran and Syria using Shiite proxies, achieved their strategic goal: the withdrawal of the multinational force from Lebanon and a dramatic change in U.S. national policy. The synchronized attacks that morning killed 299 U.S. and French peacekeepers and wounded scores more. The cost to the Iranian/Syrian-supported operation was two suicide bombers dead.”

“What is the political end state we’re trying to achieve?” said a retired senior officer involved in Middle East operational planning who said his concerns are widely shared by active-duty military leaders. “I don’t know what it is. We say it’s not regime change. If it’s punishment, there are other ways to punish.” The former senior officer said that those who are expressing alarm at the risks inherent in the plan “are not being heard other than in a pro-forma manner.”

Letter from former U.S. government officials appealing to Chairman of the Joint Chiefs General Dempsey not to obey an illegal order to attack Syria

As Obama administration lawyers in the Justice and State Departments frantically write classified legal opinions to provide legal protection for whatever action the President decides on, others are calling for military officers to look to their constitutional responsibilities.

On August 31, 2013, 13 former officials of the U.S. government, including Pentagon Papers whistleblower Dan Ellsberg, retired CIA analyst Ray McGovern and retired US Army Colonel Larry Wilkerson, former Chief of Staff for Secretary of State Colin Powell, wrote an open letter to General Martin Dempsey, Chairman of the Joint Chiefs, asking him to resign rather than follow an illegal order to attack Syria.

“We refer to your acknowledgment, in your letter of July 19 to Sen. Carl Levin on Syria, that a “decision to use force is not one that any of us takes lightly. It is no less than an act of war.” It appears that the President may order such an act of war without proper Congressional authorization.

As seasoned intelligence and military professionals solemnly sworn to support and defend the Constitution of the United States, we have long been aware that - from private to general - it is one’s duty not to obey an illegal order. If such were given, the honorable thing would be to resign, rather than be complicit.”

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As your flight begins its descent into Chhatrapati Shivaji international airport, Mumbai, you fly over endless homes with endless squares of blue, little swimming pools attached to each house. These are some of Mumbai’s slums, Jamblipada and Kuchi Kurve Nagar, and these blue pools are actually blue strips of recycled polypropylene tarpaulin, the cheapest shelter on the market. There are more than eight million slum dwellers in Mumbai alone, but everyone recognises that this is a convenient - not accurate - number.

In these slums, the residents are not idle. These areas are a hive of activity oscillating between the very difficult work of managing everyday life (cooking, cleaning, washing, sleeping) and the equally hard work of earning a daily living. Here you will find a group of people, including children, in a small shop that spills onto the street breaking down various electronic goods for their constituent parts (e-recycling) and there you will find women on the way to work as cleaners and cooks in the nearby middle-class colonies, and men on the way to work as day labourers. A few elderly people are at rest, but among them too there is activity - the women prepare meals and the men tell stories. There are no swimming pools nearby.

No one in India ignores the slums. They are a fact of life. The Committee on Unorganised Sector Statistics (Government of India, 2012) acknowledges that more than 90 per cent of the workforce is in the informal sector - defined now not based on the regulation of the workplace but much more progressively to exclude ‘regular workers with social security benefits provided by employers’. If a worker gets no such benefit, then that worker is in the informal sector.

Yet when the writer Katherine Boo studied one slum near the airport, Annawadi, she found that ‘almost no one in this slum was considered poor by official Indian benchmarks’ (Behind the Beautiful Forevers: life, death and hope in a Mumbai undercity, 2012). The government has been playing around with poverty statistics. Last year it reported that 29.8 per cent of the population – 360 million of the 1.21 billion – lives under the poverty line. That’s a drop from 37.2 per cent in 2004/05 - a result of its policies, the government suggests, while others note that it might have a great deal to do with the benchmarks chosen. In 2012, the government’s Planning Commission fixed the urban poverty line at Rs28.65 (about 34p) per day, Rs22.42 (27p) in rural areas, even lower than the Rs32 (38p) and Rs28 (33p) it had originally proposed. Other indices contained in the United Nations Development Programme’s Human Development Report 2010, The Real Wealth of Nations, suggest that 55 per cent of the Indian population lives in poverty, while an official government commission has claimed that a more accurate figure would be 77 per cent living below the poverty line.

The UNDP study offered a new measurement to study poverty. It developed a new ‘multidimensional poverty index’, which took into consideration not just earning power but ‘poor health and nutrition, low education and skills, inadequate livelihoods, bad housing conditions, social exclusion and lack of participation’.

Based on this much more accurate assessment of deprivation, the UNDP found that eight of India’s 28 states house 421 million multi-dimensionally poor people, more than the 410 million equally poor people who live in the
26 poorest countries in Africa.

Books by Katherine Boo, Aman Sethi (A Free Man: a true story of life and death in Delhi, 2012) and Sonia Falerio (Beautiful Thing: inside the secret world of Bombay’s dance bars, 2012) introduce us to the people who live on that side of the barrier of multidimensional poverty. Resilient certainly, but they are also buffeted by the insecurity of their lives - caught in the fragile membrane between legality and illegality, security and insecurity. Work is contingent and sometimes dangerous. Their neighbourhoods are often illegal settlements that rely upon political patronage and so welcome the kind of political mafia that mimics the other mafia whose purpose is to traffic in illicit commodities such as drugs, sex and weapons.

Katherine Boo finds that for those she encountered ‘the crucial thing was the act of casting a ballot’. Aman Sethi’s lead character would scoff at such elementary civics. Mohammed Ashraf tells him: ‘Today I can be in Delhi. Tomorrow I could well be in a train halfway across the country; the day after, I can return. This is a freedom that comes only from solitude.’

Romance does not govern Ashraf’s life: ‘When you first come here, there is a lot of hope, abhilasha. You think anything is possible, but slowly you realise, nothing will happen, and you can live the next five years just like the last three years, and everything will be the same. Wake up, work, eat, drink, sleep, and tomorrow it’s the same thing again.’

The anomie that seems to have settled into Ashraf’s difficult life is unsettling. His is the consciousness of the vagabond. It must have been conversations with people such as him that led Boo to her equally unsettling conclusion about the ethics and politics of the poor: ‘Powerless individuals blamed other powerless individuals for what they lacked. Sometimes they tried to destroy one another.’ But this is only one part of the story.

Street corners
I am sitting on the street in Delhi, talking to a group of men and women; they are drivers, guards and household servants. We wait each day for the school bus - my children ride it and so do the children of their employers. Each day, as one of the women puts it, our ‘parliament’ goes into session. This day I report that I had just found out that Adi Godrej, the head of the Godrej Group, is worth $9 billion. I ask what each of them would do with $1 billion – let alone nine of them. Everyone laughs.

One man, Chaman Lal, a guard who has just had a son and beams with the confidence of new fatherhood, says that he would use the money to ‘remove’ the prime minister. All the implications of an execution are on his face and in his biting tone. The others rush in. Rubbish, they say. Anyway, if you get rid of one person, there will be others in the wings. The point is conceded, but he insists that something must be done.

Another, a household servant, Geeta, smiles and says that she would use her money to erase the slum areas of Chirag Delhi, where she lives. Once the old houses are bulldozed, Geeta would build a new neighbourhood with more rational streets, better sewers, good electricity networks and - she nods as she says it - free wi-fi. Everyone applauds. Hers is the best idea.

On another day we are talking politics. One of the drivers, Dadu, is the very well-read intellectual of the group. He goes for a morning walk for an hour each day before he makes his half-hour bicycle ride to his employers’ house. The walk, he often says, allows him to meditate on the news of the day. We all agree that the current government, led by the Congress Party,
is corrupt and feckless. Each day's paper brings news of a new corruption scandal, and recently The Hindu, I tell them, is reporting news of corrupt tendencies from the 1970s. ‘Is corruption the destiny of India?’ one man asks.

What he refers to is the prevalence of small bribes. One of the women, Premlata, laughs and says that the bribes she has to pay do not seem to be much compared to the kind of stories Dadu has been feeding us with. No one can disagree with her. They all live in slums of one kind or another, and all of them see their small bribes as forms of non-municipal taxation to settle matters of energy, water, security of tenure and education. They see their local politicians come and mingle with the gangsters who collect the small bribes. This is a parallel economy - the small bribes do not go through the state but the state's elected officials pocket them.

At the other end of the city is a slum where I have come to meet friends who had worked with me during my dissertation research more than 20 years ago (Untouchable Freedom: a social history of the Balmiki community, 2000). It is as you would imagine a slum except for one thing. As you go through the congested lanes, threatened at all times by the sewage brimming in open drains, you will pass onto an open field - a park that anchors the slums and has not been encroached upon as a result of the vigilance of the residents themselves. It is where the boys and girls play, where there is a small temple dating from the 1930s, and where the elders absorb the sunlight and the fresh air. It is where there is some respite from the struggles of everyday life, and so this is where I often like to go.

Nothing has changed over these two decades. Our same group is in place, and we are talking politics once more. Previously, in the early 1990s, two threats convulsed India - the breaking down of the dirigiste economy in the name of liberalisation and the rise of Hindutva fascism. The colony where I worked was threatened on both counts. The people here worked as sweepers and sewage workers in the municipality, and there was fear that their jobs might be outsourced to the private sector, something that had already happened to their colleagues in the airports. The people here had also begun a long march from the 1930s into the political wing of the fascist ensemble, the Bharatiya Janata Party, the BJP.

Today, things are different. The lure of commodities determines the horizon of the young people - they are not talking about the Hindutva and the threat of Muslims or about the security of their sweeping and sewage jobs. Many of them want a new destiny - something that allows them to roam the malls as more than mere tourists in the world of commodities. I meet some young people who no longer want to pursue the professions of their families - at least of the past two generations - to work as municipal workers. Some want to rise up the government ladder, others want to be politicians; some want to migrate to another country, others want to be teachers; some want to be musicians, others want to be scientists.

Such dreams were also there 20 years ago. Mahesh wanted to go to Russia but he found that the upfront fees to the labour contractors were forbidding, so he remained behind. Now the dreams are thrust upon the youth by the commodities that enfold their lives - on television, on billboards and of course in the shops. But I don’t see too many of these commodities in their homes, which bear the marks of an earlier era. It is on their bodies that one sees the change - jeans and t-shirts, not purchased from the Ambience Mall but at the street markets instead.

Not long after I finished my dissertation, Om Prakash Valmiki published his
remarkable memoir (Jhootan, 1997) where he reflected on the intolerance of the Savarna caste Hindu who worships ‘trees and plants, beasts and birds’ but hates Dalits, oppressed castes. All is well if your caste is unknown but ‘the moment they find out your caste, everything changes,’ wrote Valmiki. ‘The whispers slash your veins like knives. Poverty, illiteracy, broken lives, the pain of standing outside the door, how would the civilised Savarna Hindus know it?’

The young people in the Balmiki colony have a wide range of caste consciousness. Some are militantly aware that they will get nothing unless they organise around their caste oppression and perhaps join forces with the Dalit political organisations, while others want to go into the world as Indian citizens and claim their rights on that basis.

Valmiki’s negative prognosis is close to the facts. Dalits in the city of Delhi are much more confident about what they want of the world, and yet the world around them is a shadow of their desires. A government survey found that 90 per cent of Delhi’s Dalits live in slums. When the Commonwealth Games construction began in the city, the government provided funds for rehabilitation through the special component plans (SCPs). Delhi’s Dalits were to receive almost 17 per cent of the SCP funding but between 2008-9 and 2010-11, where data is available, the government only spent 1.6 per cent of the SCP on Dalit areas (about £1 million over three years).

I ask the young people what they think of this. They shrug. The nonchalance reflects a long history of being confronted with oppression and corruption. But then, in the interstices, come these outbursts: ‘What were those numbers again?’ ‘Who can we go and see?’ ‘What was that money for?’

Politics
On 2 April 2013, the student unions of West Bengal came out on the streets to protest against the withholding of elections for student government in their colleges. A tsunami of neoliberal reforms in higher education had made the students restive. It was not just a matter of higher fees that exercised them. They were also furious at changes in the character of the education - with a tendency to yoke education to careers and to measure learning with fealty to rules developed in the North Atlantic.

Thousands of students chanted their way down the storied College Street in Kolkata and assembled in Rani Rashmoni Road. They faced a police line, which advanced with unpleasant motives. The police arrested hundreds of students and threw them into private buses to be transported to Alipore Jail. On the buses, the police beat the students affiliated with the Communists’ Student Federation of India (SFI). One SFI leader, Sudipta Gupta, age 23 and a recent political science MA from Rabindra Bharati University, was beaten, thrown from the bus, retrieved and beaten again. He died within hours of being admitted to hospital.

The chief minister of West Bengal, Mamata Banerjee, said that Gupta’s death was ‘an accident’. She was at that point opening the new season of the Indian Premier League cricket tournament. Despite hearing of his death, she remained at the celebrations.

Anger on the left has been growing steadily. Gupta is the 93rd left cadre killed by the state forces or supporters of the chief minister’s party over the past few years. It is in this context that the Communist leader Mohammed Salim asked, ‘What kind of fascism is this?’ The SFI held demonstrations across the country and on 9 April, when Banerjee was in
Delhi, the left militantly confronted her – including tearing the shirt off her finance minister. In retaliation her supporters went on a rampage, attacking the offices of the SFI and the Communists in West Bengal.

The Communists remain a weak force in India. The two main political formations are the Congress-led government and the BJP bloc. Congress speaks from both sides of its mouth – the language of social democracy helps to draw in sections of its electoral base and the language of neoliberalism allows it to please the financial sector and the ratings agencies. The BJP is keen to promote its own ‘honesty’ against Congress’s corruption, and to hide its commitment to the same neoliberal ideas along with a harsh, even fascistic, hatred of social minorities.

But neither of these parties is capable of governing on its own. In a country the size of a continent, regional political parties are essential, which is what opens the most modest space for some kind of democratic intrusion into the system. Parties asserting regional or caste interests, with a specific programmatic commitment or pragmatic populism offer themselves up to the main blocs to form a majority in the 543-seat Indian parliament.

Apart from the Communists, whose space in the parliamentary sphere is not what it was even a decade ago, the rest of the political forces are committed in different degrees to the general policy posture of ‘neoliberalism with Southern characteristics’ – government expenditure to build infrastructure, private development of real estate and entertainment, publicly-financed but privately-owned extraction of raw materials and of heavy industry. A few holdouts still believe in a robust public higher education system with students allowed full democratic rights and participation; others approve of the private sector dominance and believe that the only place for politics should be the anaemic ballot box. Anything else might be a threat to the system.

Vijay Prashad’s new book, The Poorer Nations: a possible history of the global South, is published by Verso

On the path to a service economy made In post-China

Ashok Kumar and Alex Gawenda 31 August 2013

Article on the diminishing growth both in the East and the West and the running out of spatial fixes.

“Those jobs are gone and they’re not coming back” snapped Apple Ceo Steve Jobs. The scene was a 2011 dinner held at the home of venture capitalist John Doerr in Woodside, California, a short drive south of San Francisco. Those on the guest list—the aforementioned Jobs, as well as Facebook’s Mark Zuckerberg, Oracle’s Larry Ellison, Yahoo’s Carol Bartz—presented a veritable murderer’s row of the billionaire geeks who, in recent decades, had prescribed the American Dream its glasses; and all were gathered to discuss, over champagne and snorting laughter, the future of their industry and its relationship to the domestic economy. The question—innocent enough, carefully phrased—of whether the iPhone might someday be manufactured in the U.S., where it was conceived and developed—and indeed where many earlier titans of tech, like Thomas Edison and Henry Ford, had flourished and employed millions of workers—
was put by perhaps the only non-CEO at the table: President Obama.

“They’re not coming back.”
And they needn’t. For as today’s ever-more-enlightened corporate officers, such as those of the Silicon Valley coterie described above, are concerned—and they’re in agreement with virtually every ‘guru’ of Wall Street and swami in The City you want to name—economic nationalism—entailing as it does notions of regional financial security and job rootedness—is just one more material attachment; and international capital—she is a rolling stone. Local politicians, meanwhile, with their sepia-toned rhetoric of “reshoring” and “bringing back” these industries, which had anchored and maintained so many of their constituents, are simply playing the part left to them, and invoking nostalgia to assuage present pain, while avoiding the acknowledgement that it’s largely out of their hands now. There are of course numbers out there, factual and positive, to trumpet, of low-yield, capital-intensive jobs, conjured up out of youthful—and yes, high tech—industries since 2010, and these have certainly furnished real employment to real Americans, but they are, on balance, paltry, and no rejoinder to Mr. Jobs’ bald-faced observation. The era of ‘Made in America’ remains an all but closed chapter in American history—and, interestingly, its Chinese analogue now appears, in all aspects, on the same path.

Made in China
Foreign Direct Investment (FDI) in China began shortly after the industrialized nations underwent a crisis of accumulation that extended from 1965 to 1982. What ascended out of the crisis was the period of “neoliberalism” which saw profitability rise between 1982 and 1997. The emergence, movement, and on-going reconstitution of global capital was prefigured and circumscribed by the antagonisms of labor, a pattern consistent with 150 years of industrial history.

When out of the mass of productive powers thrown together for the war effort there emerged a much invigorated and enlarged labor movement, unwilling, in the decades following, to retire of itself—after defeating Hitler and winning welfare—into passivity, capital—well, capital became understandably anxious. Capital reacted to the labor strife, and falling profit rates, through the creation of labor-saving technological innovations, “technological fixes” but with a spike in union density, wildcat strikes and wages, (and consequently) higher labor costs resulted in a “profit squeeze” in the US, and a reorganization towards lean production of deregulation of capital and labor markets, concessionary union contracts, and mergers and acquisitions.

The postwar boom had not been slowing in the 1960s, exactly, but the working and middle classes continued to demand a larger share of it. In reaction, the proprietors of capital decided, in short order, to take their dollars and pounds, marks, francs, and lira, elsewhere; to void trade barriers, wherever protective of labor, and inaugurate a bonanza of deregulation that would cast all of Western labor into direct competition with its as-yet unorganized counterparts. But a good deal had already been achieved, in the way of: solidarity, wage increases, labor laws, a social safety net, inflation in the political costs of smashing up peaceful protests. To counter these remaining victories: a tremendous algal bloom in consumerism, reabsorbing wages through the tranquilizing allure of tchotchkes, purchasable on credit; a spiritual blight facilitated by a parallel increase in the ubiquity of advertisements—on TV, in the subways, on the buses, in the stadiums, by the highways, in the neighborhoods and eventually on the internet, where they now blot out the sun. Globalization is a phase in a historical process, and can be reversed no more than could
the industrial revolution.

So while the famous diplomatic mission of 1972—when all of contemporary Western media descended onto Beijing to witness America’s grand gesture of good faith—has since passed into official record with Richard Nixon’s jowly charm being the thing what done the trick and made sociable a hardnosed nation, the stakes were much higher than simply bringing another party in to foot conference lunch bills; capital needed new frontiers. With a few concessions on the Taiwan question, it got them. Let it be known, then: before Ronald Reagan’s stiff upper lip could overthrow the U.S.S.R.’s Evil Empire, and raise the Iron Curtain, Nixon’s canny ability to withhold racial epithets for a few days had itself reduced the Bamboo Curtain to toothpicks, packaged for export. “Rang yi bu fen ren xian fu qu lai,” announced Deng Xiaoping in 1978, “Let some people get rich first.” (And “some” did.) Billions of dollars of Foreign Direct Investment (FDI) inundated the countryside, summoning out of China’s vast reserves of unorganized labor and raw materials a great dread empire of toilers and smokestack-afforestation; a real life Mordor, forging acid-washed jeans by the ton. And within a scant few decades China had come out atop the world economic standings—at the number 2 position; a scoreboard-don’t-lie moment of apparently objective triumph for Chinese leaders and their neoliberal bedfellows.

But the Chinese working class, so often caricatured in the West as either globalization’s passive victims or its active vectors—as its stoic assemblers of sneakers or its eager army of blacklegs—have, in recent years been exploding this mythology, and asserting themselves in ever-higher numbers. Younger workers, who moved from their villages in the interior to the industrial metropolises then rising in the southeast, during the 80s and early 90s, are proving rather uppity. As Duan Yi, a Chinese labor activist, attests, “The new generation of workers born in the 80s and 90s are not like their parents. They want to make a life in the cities. So they are becoming better organized and more rebellious than ever before.” Chinese government figures paint a picture of burgeoning upheaval: the incidence of mass protests between 1993 and 2003 grew six fold, from 10,000 protests to 60,000; from some 730,000 protestors to over 3 million. Tellingly, the labor costs for big firms during this same period tripled—encroaching upon and often flattening profit margins. Indeed a 2012 survey conducted by the American Chamber of Commerce found only 73% of U.S. based firms in Shanghai to be profitable—down from 78% in 2011 and 79% in 2010: an ongoing slide the firms attributed to rising labor and logistical costs, a shrinking labor supply, and the development of domestic competition. Almost half of manufacturers and importers in another survey of the same year said they would, in light of the same reasons, consider moving out of the country altogether—of which 26% did. China is in the throes of a major shift in the balance of power between labor and capital, transforming producers into consumers, a deficit-West with a surplus-East.

And this bumper crop of wildcat strikes and work stoppages, which has only accelerated since 2004, is all the more significant for its illicitness in the nominally socialist state—where independent unions and strikes are in fact illegal, and all grievances—concerning workplace conditions, wages, the appointment rather than election of factory representatives—must be mediated through the All-China Federation of Trade Unions, or ACFTU. But the usefulness of that particular legal channel is demonstrated by the recourse en masse to extralegal means.

Whereas previous policy dictated that the nail that stands up get the billystick, recent events have shown government goons being, most
ominously, called off. But this goon-leashing would be in line, apparently, with what a 2012 IMF report concluded was a large-scale return-accompanying not only rising labor cost but rising raw material costs as well—of the Chinese economy to services and away from investment and export-led growth; a transition in which the Chinese working classes figure also as consumers, whom must be cultivated, and not as just so much brute labor. And accordingly, 2012 marked the first time that China’s working population shrank (by 3.5m). At this rate many economists, even in the IMF, predict that China will reach a point of labor scarcity soon, the so-called “Lewis turning point”, an inevitable developmental phase when wages surge sharply, industrial profits are squeezed, with a steep fall in investment. The current process in China is similar to the crisis of the 1960s and 70s. A workers’ struggle leads to higher wages and broader social reforms, resulting in diminished labor output and higher costs of maintaining workers in production as well as an increased “social wage”, squeezing profits further. In the final phase: capital innovates by automating and/or leaving for a more profitable terrain. The transition may deepen the crisis of accumulation in the “real economy”, at least in the short term, for international capital. Capital depends on the Chinese State to continue its role as comprador; a shift away from this configuration undermines industrial capital’s bottom-line.

Post-China
And the oxen-cum-cash cows have been fattening. While consumer debt in the U.S. has itself grown a none-too-reassuring 10% in the last half decade, in China—which now has more active credit card accounts than the U.S. has citizens—it has ballooned an astonishing 67%. Concurrently, GDP output from services—transport, retail, real estate, etc.—is reaching new heights, and in the past 3 quarters has outperformed industrial sectors for the first time since 1961.

Such is the speed of this transition—from the world’s supply-side workshop to its next great marketplace—that manufacturing balance sheets in China and the U.S. may soon converge, and the twain to meet as early as 2015—at least below the Mason-Dixon, according to the Boston Consulting Group (BCG). In evidence: the relative momentum of Chinese workers, who have been winning real medium wage increases of 17% per annum since 2009 taking home nearly five times what they were in 2000, while their American counterparts have annually coughed up 1.5% and the real value of UK workers fell to 2003 levels in 2012. And since wages, which account for 20-30% of manufacturing costs, were in 2011 only 30% lower in China than in the lowest-paying American states, that leaves for bridging a mere 10-15% gap. Once warehousing and logistical considerations are factored in, says BCG, respective profits, too, approach—and will by 2015 achieve-parity.

But this isn’t to suggest that a downturn in Chinese domestic industry will mean a consequent uptick in America’s, and—to their own amazement—the realization of politicians’ promises—because, as former U.S. Labor Secretary Robert Reich has recently written, “if we didn’t have to compete with lower-wage workers overseas, we’d still have fewer factory jobs because the old assembly line has been replaced by numerically-controlled machine tools and robotics. Manufacturing is going high-tech.” Some of these increasingly automated capital-intensive production that have already returned to the US have concentrated jobs in a narrow “highly skilled” class, reflecting the West’s intensifying economic inequality, and a rapidly drying-up consumer base. Labor economists predict that this accelerated ‘technological fix’ of laborsaving automation is, and will continue to, “hollow out” the job market in the US, replacing living with dead labor, further substituting the material for the
immaterial. Even Chrysler’s much-ballyhooed “Imported from Detroit” campaign, with its promise of rejuvenation if the Heartland just toughs it out, is, by the company’s own admission, “[not] intended to be literal.” What’s left then for the Joe Schmoes, whose jobs, if they aren’t being exported, are being increasingly colonized by machines?

Manufacturers in the east and west will no doubt be following Apple supplier Foxconn’s example to replace a million workers with a million robots within 3 years to “cope with rising labor costs.” In recent years the world’s largest contract manufacturer of electronics and China’s largest private-sector employer, Foxconn, has made global headlines after a series of suicides and labor protests. In February 2013, Apple stocks tumbled by 2.4% after Foxconn’s announcement of a hiring freeze, announcing that they will be opening a 10,000-worker facility in Brazil whilst at the same time committing $10 billion to open factories in Indonesia. This dwarfs Apple’s high-profile announcement of $100 million of investment in high-tech capital-intensive with a skeletal labor force operating to operate the machines in the US.

The rostrum set has their answer: learn to program, says David Cameron; “take a shot, go for it. Take a risk. Get the education. Borrow money, if you have to, from your parents. Start a business,” says Mitt Romney—just take on additional debt pursuing additional training, which you may have to do again many times before you retire, if you can retire. Or become a CEO. Easy peasy.

But skilled labor (which includes programmers and other degree grunts, but also the “immaterial” sectors, comprising the creative departments of advertising, research and development, and so on) isn’t immune either. Their white collar domains—which were enlarged during industry’s decline to accommodate the new service economy, and cultivate its markets while managing a new and growing bottom floor of McJobs—are contracting as overseas markets mature and local workers move up the chain. And if the younger, high-tech elements have been insulated from this reshuffling, it is not owing to any especial significance in their work, but to a saturation point that has yet to be reached—and the lingering necessity for grey matter in the computer world.

And as the public sector—the West’s last redoubt of union power—suddenly finds itself besieged by state and local-level politicians, eager to turn economic crisis into opportunity and please big donors while marginalizing opposition blocs, the Keynesians—right on cue—come running over the hills, repair kits in tow. No, no, no: re-invest in the public sector! Rehire those laid off cops! Build bullet trains! It’s the only way to staunch job outflow and breathe life again into a moribund economy—and isn’t that what we all want? Sorry, but this ain’t your father’s welfare state, Paul Krugman. Deregulation has gradually rendered Keynesianism a lost cause. With little to no red tape holding it to a social contract or national allegiance, capital is free now to get its profits wherever it finds them. Thus, the present crisis differs not in degree but in kind, and—here comes Michael Spence with the cold water—“[a] structural problem demands a structural answer.” Government packages only restore pre-crisis demand temporarily, and are, “unlikely to generate the escape velocity needed to get out of the jobs hole,” because, “non-tradable job growth can’t mask the declines in the tradable sector anymore.” Steve Jobs wasn’t making it up.

Further cementing this redistribution of jobs and industry, from the U.S. (and Europe) to capitalism’s suburbs, is a shift in purchasing power: not only has the dollar been depreciating for a decade, but a full fifth of U.S.
household annual income today goes to servicing debt—instead of, y’know, buying more things. Emerging markets, however, are entering consumer society’s first bloom; and strike-won wages there just beginning to disappear into iPhones and cineplexes. Years of wage suppression in the West predicated on a neoliberal ‘social contract’ of cut-rate Chinese goods are in a process of mutation. As Bruce Rockowitz, CEO of Li & Fung which handles 4% of China’s exports to the US, claims “It is the end of cheap goods,” and that none of the alternatives will come close to curbing costs and inflation like China. “There is no next” after China, says Rochowitz, predicting that the price of goods will rise by 5% per annum, optimistically, and that Li & Fung’s sourcing operation has already seen annual price increases of 15%.

The Twilight of the Spatial Fix
Though, the question of ‘where next?’ persists, if these territories—Indonesia, Peru, Mexico, Eastern Europe—mature into service economies, will capital nest its factories and convert raw materials and labor into finished product? Africa, populous as it is, lacks the readymade infrastructure to support the logistics of large-scale manufacture. And though Vietnam and India, have variously beentouted as the “next China,” the real truth in these prophecies, it turns out, has less to do with their inexorable transformation into tomorrow’s workshops for the developed world, churning out new products by the tanker loads, than with their active resistance to such a future.

While China undergoes a labor shortfall, the UK and US have a burgeoning surplus population of unemployed or underemployed contract workers, aptly captured in the title of a 2012 Forbes article “Careers Are Dead. Welcome to Your Low-Wage, Temp Work Future” with 40% more people holding temp jobs since 2009 and the Bureau of Labor Statistics stating that three out of five new jobs created are part-time and low-wage with no possibility of progression. A new generation of workers can look forward to lives marked by uncertainty and precariousness.

As a consequence of increasing labor costs the price of consumer goods in the industrialized economies will rise, coupled with mushrooming debt levels, falling real wages, a downward resetting of asset prices, accelerated automation of both the service and industrial sector and a reduction of debt-financed purchases, with the net effect of plummeting consumer-buying power. Even with the continued offensive by the state to attract investment and profitability, there is no policy that will benefit both the proprietors of capital at the top and the laborers at the bottom. Any plan that expands the workers’ share will undermine profitability, but without consumer spending the crisis will remain. The system weighs heavy by the contradictions embedded within it.

While China is on a path to a service economy other emerging markets are turning export-oriented production inward towards domestic consumption. In the US evolving ‘technological fixes’ exacerbate the crises of overproduction with dwindling options to divert it within the “real economy”. The post-industrialized West should take heed: ‘those jobs are gone and they’re not coming back.’ In the 1970s neoliberalism’s raison d’etre was the overtake of labor by capital, a process of annexation that continues with today’s crisis.

David Harvey says that “capital never solves its crisis tendencies, it merely moves them around” but that “if the spatial fix is negated... global crisis in inevitable.” As capital continues down the path of least wages into ever- obscurer corners of the globe, following ever smaller returns, while leaving mobilized whatever labor it presses into service, it’s bound to run out of
easily exploitable room; the spatial fix is a vanishing frontier, accelerating toward obsolescence.

What then? Evolution or revolution: history.

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Poverty amidst plenty

Inequality, imbalances, and the worldwide crisis of capitalism
Adam Booth 29 August 2013

The global economy is now in its fifth year of crisis. Living standards for the vast majority have been steadily getting worse, with falling real wages and a complete dearth of jobs. Despite this, profits for the biggest companies continue to rise.

This gaping and growing inequality has, of course, not gone unnoticed by the capitalists and their mouthpieces in the media. A recent online article by The Economist entitled “The Mismatch”, highlighting the continued rise in profits for big business, begins by saying:

“What went up has not come down. Although the economy has been weak, American corporate profits are high relative to GDP [Gross Domestic Product - i.e. national wealth/output]. Indeed the collapse in 2008 and 2009 was a brief blip in what looks like a long-term upward trend.”

Put simply, an increasing share of the wealth produced within the USA - the biggest and richest economy in the world - is falling into the hands of the capitalists in the shape of profits.

In another recent article, The Economist (10th August 2013) outlines a similar picture for the UK, stating:

“By some measures, the economy is moving from ‘rescue to recovery’...Yet the wallets of many, particularly those on lower and middle incomes, bear little evidence of it. Inflation is relatively modest, but wages lag far behind. A recent government funded study found that 52% of Britons are struggling to keep up with the bills...

“...Their predicament dates to the early 2000s, when GDP and earnings peeled apart. Living costs have since left median wages far behind...real earnings will have shrunk by £6,660 ($10,250) over the 2010-15 parliament.”

The originally cited article goes on to say:

“The popular explanation is that the economic background has shifted firmly in favour of capital and away from labour. In the pre-1980 economy, strong trade unions would claim back the profit share for their members. The arrival of billions of workers in China and Eastern Europe into the labour market has kept downward pressure on wages (except for financiers, of course) and allowed capital to increase its share.” (our
In other words, the growing inequality that we have seen in society in the past few years is not the result of the current crisis, but is part of a long term process of decades, in which the capitalist class has increased their profits at the expense of workers - both in the advanced capitalist countries and in emerging economies - who have faced increasing levels of exploitation.

This article from The Economist also conveniently fails to mention that these “strong trade unions” in the pre-1980 economy were forcibly attacked and broken up by the capitalist state - e.g. by politicians such as Thatcher - who took on the trade unions and introduced laws limiting their ability to organise and take action to defend conditions.

An inherent contradiction
But the same article goes further still, referencing Marx and pointing out that it is not the crisis that has caused this rising inequality between capital and labour, but the rising inequality that has caused the crisis:

“Karl Marx thought this would eventually cause capitalism’s collapse - industry would become concentrated in a few hands with monopoly power and workers would be unable to afford to buy the goods they made.” (our emphasis)

And here we come to the crux of the issue with the capitalist system - an issue that the reformists consistently miss. The inequality we see today - with declining living standards for workers and youth alongside increasing corporate profits - is not simply the product of the crisis, but is the logic of capitalism itself. The gap between capital and labour is not a mere symptom of the crisis, but is also its cause - and the disease is the capitalist system itself.

Capitalism is a system with an unquenchable thirst for profits. Each capitalist must continually accumulate, invest, and expand or face losing their share of the market. Yet in this chase for ever increasing profits, competition forces each capitalist to invest in labour saving machinery, attack workers, and cut wage costs. And by all doing so at the same time, the capitalist class as a whole are cutting away at the wages of the working class as a whole - that is to say, cutting away at the very demand for the goods that capitalism produces; cutting away at the branch that they, the capitalists, are sitting on.

This process, as Marx explained, is not a crisis of underconsumption - i.e. a crisis due to workers not consuming enough that can be easily resolved by taxing the rich and paying workers more, or by stimulating the economy through government investment, as the reformists and Keynesians idealistically imagine - but a crisis of overproduction: the result of an inherent contradiction arising from a system in which the means of production are privately owned and where production is only for profit. It is not that workers are merely paid too little; in a system where production is for profit, the working class - as a whole - will never be able to afford to buy back the commodities that they produce.

It is not simply that there is inequality - i.e. a gap between capital and labour - that crises occur; this inequality is a necessary part of the capitalist system: the exploitation of the many is the prerequisite for the wealth of the few; the mere simultaneous existence of these opposites - of the capitalist and the worker - necessarily implies an inequality. And it is the logic of this system that each side will try to increase their share of
the wealth - the capitalist to increase profits and widen this inequality; the worker to increase wages and reduce inequality - and this is precisely the meaning of class struggle: the struggle between the capitalist and the worker for the surplus produced in society. Thus, as the reformists continually fail to comprehend, to eliminate inequality is to eliminate the capitalist system itself.

**Cash hoards and excess capacity**

The same article in The Economist then asks an important question:

“But one doesn't need to be a Marxist to perceive that the share of capital might be cyclical; surely high returns should be competed away? A high return on capital [i.e. high profits] should attract more entrepreneurs or should encourage existing business to invest more, bringing the return on capital back down. So why isn't that happening?”

The article then goes on to present statistics demonstrating that corporate profits in the USA (as a share of GDP) are at an over 30 year high (of over 12%), whilst business investment (also as a share of GDP) is at a record low over the same period (at around 10%). Figures elsewhere demonstrate the same phenomena - that big businesses are not investing. For example, Gillian Tett in the Financial Times (17th January 2013) comments that:

“In recent years, commentators and politicians have often bewailed the fact that American companies are sitting on oodles of spare cash. Some studies calculate this to be about $2tn. Others put it even higher...Either way, what is crystal clear is that this cash hoard has been rising...

“...Logic might suggest this is not an ideal development. After all, if companies are hanging on to cash, rather than investing it in machinery or hiring workers, that will not create growth.”

Meanwhile, Tony Jackson, also writing in the Financial Times (11th March 2012), provides similar figures for European and British companies, who have cash hoards of €2tn and £750bn respectively. Jackson bluntly states that, “It is a notorious truth that western companies are hoarding cash. They are not hiring or investing as they should”. Statistics for Canadian firms talk of a cash hoard of over $500bn, up by 43% since 2009. Apple - the giant multinational consumer electronics firm - alone are sitting on a cash pile of $100bn.

To put these figures into context: the UK GDP is approximately £1,570bn and its total accumulated government debt currently stands at around £1,200bn. Big businesses in the UK, therefore, are sitting on cash piles (of £750bn) - idle money that could be spent straight away - equivalent to about half of everything the British economy produces each year; also equivalent to over 60% of the national government (public) debt. This £750bn of idle cash in the banks of big business is greater than the annual UK public spending, which stands at around £700bn per year.

Meanwhile, the $2tn ($2,000bn) worth of money that US corporations are sitting on is double the value of the US Federal budget deficit (i.e. the shortfall between government spending and government income from taxes), which currently stands at around $1tn. This $2tn in the pockets of US big business is also equivalent to about 12% of US Federal debt (around $17tn), whilst the €2tn in the hands of European corporations is equivalent to around 18% of total eurozone debt (which stands at around €11.1tn).

Just imagine what a tremendous boost to the economy it would mean to invest all this idle money! The UK economy could be given a one-off annual
boost of almost 50%, with annual public spending – on education, healthcare, transport, etc. – more than doubling.

So why aren’t businesses across the world investing? Why sit on piles of cash when profit rates are high and there is money to be made? The Economist tries to answer their own question:

“But China must play an important part in the puzzle. As we know it has been investing like crazy, with almost 50% of GDP devoted to capital spending at some points. To go back to Apple, this was a great boost to its profits; since the cost of producing the hardware fell, while the company’s design skills enabled it to continue to charge premium prices.

“Michael Howell of CrossBorder Capital suggests that the world economy has faced a problem of too many producers.

‘In short, it is a capacity glut, not a savings glut. Excess capacity financed by abundant Chinese credit pushed down the marginal rate of profits on new capex [capital expenditure] and this drove down real bond yields.’”

In other words, the lack of investment on a world scale is due to the enormous existing excess capacity - i.e. overproduction - in the system. Why would any capitalist invest more - in new production; in jobs, machinery, factories, infrastructure, etc. - when businesses cannot sell what they already produce?

The role of China
As The Economist suggests, the Chinese economy is playing an important role in this situation of global excess capacity. As the above article points out, and as we have noted in our own previous analysis, the Chinese government has - over the past few years - re-orientated their economy away from export-led growth and towards investment. The reasons for this are straightforward: with a collapse in demand in the USA and Europe - China’s main export markets - as a result of the crisis, the Chinese economy needed to find a new source of growth or face a crisis and collapse of its own.

In order to maintain their blistering pace of economic growth, China effectively enacted one of the world’s largest ever Keynesian experiments, with credit expanded massively to fund an enormous surge in investment; lending in China rose from 122% of GDP in 2008 to 171% in 2010 - a larger increase of credit than that seen in the USA in the run up to the financial crisis of 2007 - and, as a result, the total debt-to-GDP ratio (including household, corporate, and government debt) now stands at around 200%.

As we noted previously, and as the more far-sighted bourgeoisie are now also noting, this investment binge, which began in 2008-09, has created enormous contradictions, both within China and on a world scale. The expansion of credit has led to a huge build up of local government debt in China and the central government are under pressure to try to deflate this credit bubble without bursting it in the process. Meanwhile, the massive amount of investment in China - accounting for up to 50% of Chinese GDP, as mentioned previously by The Economist - has further increased the productive forces in China, and thus globally also, which in turn only exacerbates the existing excess capacity and crisis of overproduction. As The Economist explains in another recent article, in reference to the views of Paul Krugman - Nobel prize-winning economist - on the Chinese economy:

"Investment should expand an economy’s capacity to meet the needs of its
consumers or its export markets. But in China, Mr Krugman argues, much investment spending is Sisyphean: it is simply adding to the economy’s capacity to expand its capacity...[our emphasis]

"...It is clear that China should lower its investment rate. But Mr Krugman and others say that a lower investment rate could precipitate a crash. Their concern echoes a 70-year-old model of growth devised by Roy Harrod and Evsey Domar, in which the economy is balanced on a knife-edge between boom and bust. [our emphasis]

"The model recognises that investment plays a dual role in an economy. It is, as Martin Wolf of the Financial Times puts it, both “a source of extra capacity” and a “source of demand”. Sometimes these two roles work at cross purposes. If growth slows, then the economy will not need to add as much capacity. That implies less investment. But because investment spending is a source of demand, less of it also implies less demand, lowering growth still further. In avoiding excess capacity, the economy ends up creating more of it...

"Critics of China’s high investment worry not just about the redundant capacity it creates, but also about the debts it leaves behind. China as a whole is thrifty: its saving rate is even higher than its investment rate. But savers and investors are not usually the same. Standing between them is China’s financial system, which transfers vast resources from the first to the second. The debts of China’s firms amounted to 142% of GDP last year, according to Goldman Sachs, and investment vehicles sponsored by local governments had debts worth another 22.5%. Though impossible to calculate accurately, bad debts might amount to the equivalent of a quarter of the country’s GDP” (The Economist, 17th August 2013)

Rather than resolving the crisis, therefore, the enormous amount of investment in China has merely sown the seeds for an even larger crisis in the future - both in China and on a world scale.

As The Economist states:

“Since a cash crunch in June, when its central bank withheld liquidity from the banking system to punish reckless lenders, China has become a big source of worry for the world economy...

“...The IMF this week argued that China’s growth has become ‘too reliant on investment and an unsustainable surge in credit’. Investment again contributed the majority of China’s growth in the first half of the year.” (The Economist, 20th July 2013)

And comments further elsewhere:

“China is in the midst of a precarious shift from investment-led growth to a more balanced, consumption-based model. Its investment surge has prompted plenty of bad debt...

“...The bad news is that the days of record-breaking speed are over. China’s turbocharged investment and export model has run out of puff.” (The Economist, 27th July 2013)

The slowdown in China, in turn, threatens the economies in Brazil, Australia, Africa, etc., who have become reliant on exporting raw materials to fuel China’s economic growth.

Global imbalances and tensions
The Western capitalists hope for a “rebalancing of the economy” in China, away from investment and exports, and towards more internal consumption and imports. In other words, the capitalists in the USA, Europe, etc. would like for capitalists operating in China to pay Chinese workers more, so that they can buy goods from businesses in the USA and Europe. This, in turn, would allow US and European companies to spend their vast cash piles, investing in production to create new jobs, and thus exporting the crisis away from the West and into China.

The other possibility, and the worry for the capitalists in the USA and Europe, is that the huge excess capacity in China - with its accompanying excess of commodities - will find its way onto Western shores, acting to drive down the (record high) profits of US and European businesses mentioned above.

As the originally quoted article from The Economist concludes:

“All this may suggest one way in which profits may return to "normal" levels. With the Chinese economy not growing as fast as it once was, surplus Chinese capacity may flood world markets, driving down profit margins...The more benign possibility [for the US and European capitalists!] is that the Chinese switch their economy from production to consumption and that US companies boost their capex [capital expenditure - i.e. investment] to try to exploit this new market.”

In either case, the outlook is for increased tensions between nations - each seeking to protect the profits of the capitalists in their own countries - as the crisis of capitalism continues, grows, and spreads across an interconnected world economy. Once again we see the tremendous barriers that capitalism erects to the development of the productive forces: the private ownership of the means of production; and the nation state.

Capitalism is an inherently anarchic, chaotic, and unstable system; as long as such a system exists, inequalities and imbalances will exist also. These barriers to the development of the productive forces - the result of this irrational and anarchic system - must be smashed and replaced with a rational and democratic plan of production; an international socialist system of production in the interests of the vast majority. Only in this way can we live in a truly equal society, with harmony both between different people and between people and the environment upon which we rely.

www.marxist.com
Even worse is coming, for a giant Arctic Ocean ‘belch’ of 50 billion tonnes of methane is inexorably escaping from seabed permafrost, according to scientists writing in the journal Nature. North Pole ice is now, at maximum summer heat, only 40 percent as thick as it was just forty years ago, a crisis only partially represented in the vivid image of a temporary ‘lake’ that submerged the pole area last month.

The damage that will unfold after the burp, according to leading researchers from Cambridge and Erasmus Universities, could cost $60 trillion, about a year’s world economic output. Global warming will speed up by 15-35 years as a result.

With these revelations, it is impossible to mask the self-destructive greed of fossil fuel firms and their carbon-addicted customers. The ruling crew in the United States, Russia and Canada will enthusiastically let oil companies exploit the soon-to-be ice-free Arctic summers with intensified drilling, joined by unprecedented bunker-fuel-burning in the newly-opening shipping lanes.

**Heat blowback in the US, China and Durban**

But the extreme weather that necessarily results has just hit China, whose world-record CO2 emissions - mainly a result of producing junk purchased by wealthier countries which have outsourced their industrial emissions to East Asia - generate as a byproduct not only thick layers of smog in the main cities. There were also scores of heat-related deaths earlier this month. Shanghai suffered ten straight days above 38C, with temperatures in some places high enough to use a sidewalk to fry eggs and prawns.

In the second biggest greenhouse gas emitter (and biggest historically), the western United States is suffering a brutal drought, so severe that 86 percent of New Mexico’s water supply evaporated, extreme wildfires broke out - this week, for example, scorching Yosemite Park’s legendary redwoods and threatening San Francisco’s water supply - while California’s Death Valley temperatures soared to 50C.

The effects are highly uneven, with environmental-justice research now proving that as climate change hits US cities, the wealthy turn up the air conditioner while the poor - and especially black and Latino people - suffer in ‘heat islands.’ Likewise, poor people in the Himalayan mountains died in their thousands as a result of last month’s floods.

In Alaska, a source of enormous oil extraction, record temperatures in the 30s left thousands of fish dead. The effect of global warming on the oceans is to push marine life towards the poles by 7 kilometers each year, as numerous species attempt to find cooler waters.

The impact here in South Africa, from East London to Durban, was a disaster for the local fishing industry last month, as billions of sardines which annually swim to shore stayed away due to warmer waters.

**Can shipping survive the climate chaos it causes?**

And here along the Indian Ocean, more local climate damage comes from - and is also visited upon - the shipping industry. In the world’s largest coal export site, South Africa’s Richards Bay harbor, an idiot captain of the China-bound MV Smart (sic) tried to exit the port in 10 meter swells on August 20 with a load of nearly 150 000 tonnes of coal and 1700 tonnes of oil. He promptly split the huge ship in half on a sandbank.

This followed by hours the strategic offshore sinking of a Nigeria-bound
cargo ship, Kiani Satu, which had run aground a week earlier, further down the coast, close to a nature reserve and marine protected area. As plans were made to extract 300 hundred tonnes of oil from the boat, more than 15 tonnes spilled, requiring the cleaning of more than 200 oil-coated seabirds.

The maniacs whose ships now rest at the bottom of the Indian Ocean can identify with the fly-by-night owners of the MT Phoenix, after that ship’s willful self-destruction off the Durban North Coast holiday resorts exactly two years ago. Taxpayers spent $4 million pumping out 400 tonnes of oil and then towing the Phoenix out deeper to sink. A few weeks ago, that salvage operation’s contested audit resulted in the implosion of the SA Maritime Safety Authority.

These are just some surface-level indications that our shipping industry is utterly ill-prepared for the rise of both overall sea levels and the ‘monster waves’ which accompany climate change. The Columbia University Earth Institute now projects “sea-level rise of as much as six feet globally instead of two to three feet” by 2100, with higher amounts (three meters) possible if further ice sheets crack from their foundations.

As one of Oprah’s producers, Susan Casey, wrote in her book, The Wave: In Pursuit of the Rogues, Freaks, and Giants of the Ocean, “Given that 60 per cent of the world’s population lives within 30 miles of a coastline, wave science is suddenly vital science, and the experts are keenly aware that there are levees, oil rigs, shorelines, ships and millions of lives at stake.”

Her experts need to visit South Africa, because ours are apparently asleep at the wheel, as they now plan an extreme makeover of Durban’s harbour. The shipping mania that made China such a successful exporter - and wiped out so much of South Africa’s manufacturing industry - has generated vessels that can carry more than 10 000 containers (which in turn require 5800 trucks to unload), known as ‘super post-Panamax’. They are so named because the Panama Canal’s current limits allow only half that load, hence a $5.25 billion dig will deepen and widen the canal by 2015, with a $40 billion Chinese-funded competitor canal being considered in nearby Nicaragua.

Most ports around the world are following suit, including here where $25 billion is anticipated from national, provincial and municipal subsidies and loans for South Durban’s port/petrochemical complex - the origin of our status as the most polluted African suburb south of Nigeria. The project is mainly managed by Transnet, a huge (but hot-to-privatize) transport parastatal agency, and is the second main priority in the country’s National Development Plan which claims that from handling 2.5 million containers in 2012, Durban’s productivity will soar to 20 million containers annually by 2040 - though these figures certainly don’t jell with the industry’s much more conservative projections of demand.

**More examples of state planning hubris:**
Transnet’s $2.3 billion doubling of the Durban-Johannesburg oil pipeline is still not complete, but already massive corruption is suspected in the collusion-suffused construction industry, given that early costings were half the price. And notwithstanding their ‘aerotropolis’ fantasies, Durban’s King Shaka International Airport and the speedy Johannesburg-Pretoria-airport Gautrain are both operating at a tiny fraction of the capacity that had been anticipated by state planners. The 2010 sports stadiums are such blatant white elephants that even arrogant local soccer boss Danny Jordaan felt compelled to apologise.
Climate denialists from Durban to Deutschland

One reason they breed is that climate is not being factored into any of these carbon-intensive white elephants, as I have learned by fruitlessly offering formal Environmental Impact Analysis objections. As a result of a critique I offered last November, Transnet’s consultants finally considered prospects that sea-level rise and intense storms might disrupt the Durban port’s new berth expansion.

But Transnet’s study on sea level rise by Christopher Everatt and John Zietsman of ZAA Engineering Projects in Cape Town is as climate-denialist as the consultancy report last year by the SA Council on Scientific and Industrial Research’s Roy Van Ballegooeyen. Look, I do understand that – like the dreaded AIDS-denialism of a decade ago – the allegation of climate-denialism is a strong insult these days. But what else would you call a November 2012 report (mainly by Everatt) that cites five studies to claim we will suffer only a maximum 0.6 meter maximum sea level rise this century, but based on data from 1997, 2004, 2006 and 2008 reports. Five years old information is, in this field, ridiculously outdated.

In South Africa, de facto climate denialists are now led by a Communist Party leader: Minister of Trade and Industry, Rob Davies. Last week, Davies pushed through Cabinet approval to build yet another coal-fired power plant plus permission to frack the extremely water-sensitive Karoo, “Land of the Great Thirst” in the original inhabitants’ San language.

Awful precedents Davies tactfully avoided mentioning include the massive environmental damage and the corruption, labour-relations and socio-ecological crises at South Africa’s main coal-fired powerplant construction site, Eskom’s $10 billion Medupi generator which at 4800 MegaWatts will be the world’s third largest. Medupi was meant to be generating power in 2011, but due to ongoing conflict, may finally be finished only in mid-2014.

Eskom’s main beneficiary, also unmentioned by Davies, is BHP Billiton, the world’s largest mining house, a firm at the centre of South Africa’s crony-capitalist nexus dating to apartheid days. Eskom now subsidises this Australian company with $1.1 billion annually by gifting it the world’s cheapest electricity.

Another de facto climate denialist is the German development aid minister, Dirk Niebel, an opponent of Ecuadoran civil society’s plan to save the Yasuni National Park from oil exploitation. According to Niebel, “Refraining from oil drilling alone is not going to help in forest preservation.” Of course not, but it could have been a vital step for Germany to make a downpayment on its huge climate debt to the victims of extreme weather.

The Yasuni campaign to “leave the oil under the soil” is excellent, and while there, deep in the Amazon on the Peruvian border two years ago, I witnessed the Oilwatch network mobilizing to expand the idea (even to Durban where oil prospecting recently began offshore). Oilwatch generated a ‘Yasunization’ strategy for other fossil fuels, also promoted by the Environmental Justice Organisations, Liabilities and Trade scholar-activist network based in Barcelona. Network leaders Joan Martinez-Aller and Nnimmo Bassey are also heartbroken at Yasuni’s apparent demise.

But stupidly, the government of Rafael Correa - trained in the US as an economist, sigh -always had the intention to sell Yasuni into the global carbon markets, a self-defeating strategy given the markets’ tendency to both fraud and regular crashing; carbon prices today only about a quarter of what they were two years ago.
So now, because the erratic Correa doesn’t have his hands on the cash yet, in part because he failed to address world civil society to put pressure on governments, Ecuador’s PetroAmazonas and China’s PetroOriental will go ahead and drill. A fresh campaign has been launched to halt the extraction, starting with one letter after another from Accion Ecologica, the eco-feminist lobby that initiated the project, joined by the eloquent leader of the Confederación de Nacionalidades Indígenas del Ecuador, Carlos Perez Quartambel.

**Climate activist counter-power gathers**
Yasuni is a critical place to draw the line, for it is probably the world’s most biodiverse site. But there are other vulnerable points of counter-power, too, as across the world, many more defenders of nature come forward against rapacious fossil-fuel industry attacks.

South Africa has not been particularly climate-conscious, because the thousands of recent social protests are mainly directed against a state and capitalists which deny immediate needs, from municipal services to wages. Still, in Johannesburg, the Anglo American Corporation and Vedanta coal-fired power plant witnessed a protest of 1000 community and environmental activists last month.

Surprisingly, a Pew Research Centre poll found that 48 percent of South Africans worry ‘global climate change’ is a ‘major threat’, followed by ‘China’s power and influence’ (40 percent) and ‘international financial instability’ (34 percent). Across the world, 54 percent of people Pew asked cited climate change as a major threat, the highest of any answer (in second place, 52 percent said ‘international financial stability). Only 40 percent of the US populace agreed, putting it at seventh place.

Yet even in the belly of the beast, more people seem to be mobilizing, and there are growing connectivities in the spirit that what happens in Yasuni is terribly important to the First Nations activists of western Canada (one of the finest blog sites to make these links is [http://climate-connections.org/](http://climate-connections.org/))

For example, fossil fuel projects have been fought hard in recent weeks by forces as diverse as Idaho’s Nez Perce Native Americans, Idle No More, and Wild Idaho Rising Tide; by Nebraska farmers; by activists from the filthy oil city of Houston who are contesting a new coal terminal; and in Utah where not only have conservationists sued to halt drilling of an 800 000 acre tar sands field stretching into Colorado and Wyoming, but 50 activists physically blocked tar sand mining and construction at two sites last month.

350.org’s Bill McKibben recently mentioned the ‘Summerheat’ rebirth of US climate activism, “from the shores of Lake Huron and Lake Michigan, where a tar-sands pipeline is proposed, to the Columbia River at Vancouver, Washington, where a big oil port is planned, from Utah’s Colorado Plateau, where the first US tar-sands mine has been proposed, to the coal-fired power plant at Brayton Point on the Massachusetts coast and the fracking wells of rural Ohio.”

The growing movement has had results, says McKibben, in part through civil disobedience: “In the last few years, it has blocked the construction of dozens of coal-fired power plants, fought the oil industry to a draw on the Keystone pipeline, convinced a wide swath of American institutions to divest themselves of their fossil fuel stocks, and challenged practices like mountaintop-removal coal mining and fracking for natural gas.”
This is encouraging partly because summertime is a lull when it comes to challenging power in many parts of the world. Meanwhile, our political winter was mostly spent wondering whether the crucial Congress of SA Trade Unions would remain aligned to the government or split in half. The more enlightened wing would logically move towards environmental, community and social struggles, leaving behind the likes of Rob Davies, just as US progressives (should) have shed any last illusions about slick Barack Obama.

But not far from Durban, 100 years ago next month, Mahatma Gandhi began preparing a non-violent mass assault on a white-owned coal mine in support of both Indian women’s right to cross a regional border and workers' wage demands. The idea known as satyagraha (truth force) went from theory to practice, as militant passive defiance gained concessions that, 80 years later, helped free South Africa from apartheid. This time, there’s no 80-year window; we all have to rise to the challenge as fast as do the thermometer and the greenhouse gas emissions.

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Kodwa-ke isifundo saseTransnet mayelana nokunyuka kwamazinga olwandle okwenziwe nguChristopher Everatt noJohn Zietsman beZAA Engineering Projects ekapa baphikisana nesimo sezulu njengombo wababonisi bangonyaka odlule owenziwa nguRoy Van Ballegooyen weSA Council on Scientific and Industrial Research, ovele wayiziba lenkitlayitheka.


ENingizimu Afrika, abaphikisi besimo sezulu bamanga manje sebeholwa yikhomanisi lomlungu: uNgqongqoshe weZokuhweba kanye neZimboni, uRob Davies. Ngesonto eledlule, uDavies wafaka isicelo epalamende ukuthi kuvunywe ukuthi kwakhiwe esinye isukho samalale kuze kumbe endaweni enenkinga yamanzi eKaroo, “eZweni lokoma Okuhulu” laphe kusuka khona abantu bolimi lwamaSan.

Okubi okwenzeke ngaphambilini uDavies azama angafuni ukukusho kuhlanganisa ukumoshake kakhu kwemvelo kanye nenkohlakalo, ezemisebenzi kanye nezenhla lakale eNingizimu Afrika zokwakhiwa kwezindawo zamalale, indawo yokukhiqiza ugesi kaEskom ebiza u$10 billion eMedup zika 4800 kaMegaWatts eyoba enkulukazi kakhu yesithathu emihlabeni wonke. IMedupi yayidalelwe ukukhiqiza amandla kagesi ngo2011, kodwa ngenxa yezinxushunxushu ezingapheli, iyogcina isicelo eyemhlabeni wonke.

Imboni ezuzo kakhu kaEskom, engazange ishiwo nguDavies, yiBHP Billiton, imboni enkulu yezombili phansi emihlabeni wonke, imboni ehlamba phambili kohbhuwo bongxiwankulu baseNingizimu Afrika kusukela eminyakeni yobandlululo, uEskom manje uXhosa imboni yaseAustralia eyenza inzuze yezigidigidi zika$1.1 billion ngonyaka ngesiphono sikhatesi emhlabeni wonke.


Umkhankaso we Yasuni ‘wokugcina amafutha emihlabathini’muhle kakhu, futhi ngenkathi ngiseAmazon eminyakeni emibili edlule, ngaba ngufakazi
Colombian farmers are dumping tons of oranges onto highways. Roadways have been blocked throughout the country. Hundreds of thousands of Colombian protestors are risking rubber bullets and even live ammunition to take to the streets.

Is this what “free trade” looks like?
Unfair trade is one of the rallying cries of the underreported protests currently wracking Colombia. Protesting groups are asking the Colombian government (among other things) to suspend and renegotiate the U.S.-Colombia “Free Trade” Agreement (FTA). Thanks largely to the FTA, which took effect in May 2012, highly-subsidized U.S. agricultural products have started to swamp Colombia’s small-scale farmers, contributing to their displacement, the deterioration of livelihoods across Colombia, and the loss of the country’s food security.
Before the FTA was passed, Colombia’s own Minister of Agriculture predicted a miserable outcome for the country’s farmers. He warned that if the asymmetric deal took effect, Colombian farmers “would have no more than three options: migration to the cities or other countries (especially the United States or bordering countries), leaving to work in drug cultivation zones, or affiliating with illegal armed groups.” Not content to accept any of those three fates, Colombia’s farmers are now making their voices heard.

For an on-the-ground perspective on the FTA-fed tumult in Colombia, Julia Duranti of Witness for Peace’s team in Colombia offers this guest post:

**A Struggle for Survival in Colombia’s Countryside**
Julia Duranti, Witness for Peace Colombia International Team 28 August 2013

Though you wouldn’t know it from most English-language media or from heads of state, last week tensions in Colombia’s countryside came to a head. But not between the military and armed groups like the FARC, the usual suspects in foreign reporting on Colombia. The source of this uprising lies in policies not up for discussion in the country’s current peace talks: the impact of the U.S.-Colombia FTA - implemented in May 2012 - and policies that have similarly afflicted Colombian campesinos (small-scale farmers).

Colombia’s campesinos launched the protests - which have overtaken the nation - because they perceive the FTA, and policies like it, to be a threat not just to their production, but their very existence.

The National Grassroots and Agrarian Strike began on August 19 when over 200,000 potato, rice, fruit, coffee, dairy and livestock farmers; miners; truck-drivers; teachers; healthcare workers; and students left their work activities and blocked roadways in 30 key corridors around the country, with the provinces of Boyacá, Valle del Cauca and Nariño being most affected.

The diverse protesters’ list of demands includes suspension and renegotiation of the U.S.-Colombia FTA, financial and political support for agricultural production, access to land, recognition of campesino, indigenous and Afro-descendant territories, the ability to practice small-scale mining, the guarantees of political rights of rural communities, and social investment in rural areas, including in education, healthcare, housing and infrastructure.

Along with roadblocks and marches, in symbolic acts intended to express their inability to earn a living and their frustration at government inertia, dairy farmers in Boyacá poured out over 6,000 liters of milk while citrus farmers in Valle del Cauca dumped 5,000 tons of oranges onto the highway.

What could possibly bring farmers to willingly destroy their own products? Campesino livelihoods have been devastated, a process that began with economic liberalization under President Cesár Gaviria in the early 1990’s and continued with a host of Colombian laws that cleared the way for the U.S-Colombia FTA. Then came the FTA itself. Just over a year old, the deal is already taking its predicted toll on Colombia’s countryside. An FTA-enabled influx of heavily-subsidized U.S. products has contributed to the breakdown of Colombia’s local economies and the displacement of its farmers, fueling the urgency of the current protests.

Despite promises of more jobs and increased exports, the balance after
year one of the U.S.-Colombia FTA is dismal for Colombia. According to Colombian paper El Espectador, Colombia’s exports to the U.S. actually fell 4.5% between May 2012 and March 2013, while Colombia’s imports from the U.S. rose 19.7%. In the agroindustrial sector on which many Colombians depend for their livelihood, U.S. imports from Colombia rose 11.5%, but Colombian imports from the U.S. skyrocketed 70%. An economic study conducted prior to the FTA’s passage predicted that just such a scenario would lead to income losses of up to 70% for the vast majority of Colombia’s farmers, contributing to their displacement.

It is not only that strikers feel they cannot compete with heavily-subsidized U.S. production: they are actually prohibited from doing so. The FTA prohibits the Colombian government from subsidizing agriculture for export or domestic consumption, even as the U.S. government subsidizes U.S. agribusinesses to the tune of $15 billion each year.

Along with the FTA came Colombian laws that cleared the way for the deal’s implementation and that similarly plagued campesinos. These include:

• Prohibition of the production, marketing and consumption of panela, a semi-refined sugar that is a Colombian staple (Resolutions 002546 of 2004 and 0779 of 2006)
• Prohibition of the sale of raw milk (Decree 2838 of 2006)
• Limits on the ability of small-scale farmers to raise and slaughter cattle (Decree 1500 of 2007)
• Prohibition of the production and marketing of heritage-breed chickens (Resolution 000957 of 2008)
• Controls on the production, use and marketing of all seeds in the country (Resolution 970 of 2010)
• Expansion of intellectual property rights to include seeds (Law 1518 of 2012).

All of these laws favor large-scale industrial production over small-scale producers that do not have the resources to comply with such regulations. Campesinos are incredulous: “When we produce things like milk or chickens for our communities, of course we ensure that those products are safe because our families are the ones consuming them. It is an economy based on trust. But these new laws destroy that,” expressed one community member in Cauca to a recent Witness for Peace delegation.

Whereas Colombia used to meet its food production needs internally, it is now importing food, including the coffee for which it is so famous. The “mining engine” promoted by the Santos administration as a mechanism for economic growth focuses entirely on resource extraction to generate wealth, using the profits to import almost everything else. This includes replacing land that was previously used for food cultivation with palm oil and sugarcane monoculture for biofuel production. Left landless and without their livelihoods, rural communities are forced to migrate to cities, where they face urban poverty and social breakdown.

Protestors and their allies recognize that the effects of such policies are not confined to rural areas and that they are already spreading to Colombia’s working class and urban dwellers as well. In a march of solidarity through the capital of Bogotá on Sunday, protestors carried signs defending food security, small-scale producers, and Colombia’s national sovereignty, chanting, “Amigo mirón, únase al montón. Su abuelo es campesino y usted trabajador.” “Bystander, join the struggle! Your grandfather was a farmer and you are a worker,” and, “Queremos papa. Queremos maiz. Multinacionales fuera del país.” “We want potatoes, we
want corn—multinationals, get out of our country.” They made their way peacefully to the central Plaza de Bolívar to share their message with their government, a government that wants to pretend that they don’t exist.

In spite of President Juan Manuel Santos’s claim on August 25 that “the supposed agricultural strike doesn’t exist,” since day one of the protest his administration has met peaceful protestors with extreme repression by the Army, police and anti-riot police (ESMAD). Reports indicate that clashes between protestors and public security forces have claimed five lives, wounded hundreds on both sides and led to over 175 arrests, including four human rights workers and six journalists, who had their equipment confiscated.

Protestors have been fired upon by public security forces using rubber bullets and even, in some cases, live ammunition. Police forces have also fired tear gas at protestors, including from helicopters. Protestors have been threatened, intimidated and had their food supplies stolen by police, who have used broad interpretations of anti-terrorism legislation passed two years ago to detain demonstrators on public roadways on the basis of anything from disrupting public order to terrorism. Predictably, Defense Minister Juan Carlos Pinzón claimed the strike has been infiltrated by the FARC.

The government’s response has been incoherent - attempting to paint the strike as simultaneously nonexistent yet infiltrated by terrorists, as insignificant yet necessitating 16,000 troops in full riot gear using brutal repression tactics. Meanwhile, the government has so far ignored the calls of coordinators for national-level negotiations related to economic and agricultural policy. The government has extended some offers of negotiation at the local level, as in the provinces of Cauca and Boyacá, only under the condition that protestors remove their roadblocks. But protestors, weary of similar offers made in the past that were not followed through, refuse. As potato farmer Cesár Pachón said, “We’re not asking for more money. We’re asking for conditions and agricultural policies that allow us to survive.”

The current strike, therefore, represents more than a demand for agricultural subsidies or protections for certain industries. It is a response to a neoliberal model whose relentless crusade for natural resources and whose stark social inequalities are at the heart of Colombia’s conflict; a response to a model that has no room for the small-scale production that defines the livelihoods of campesinos.

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**Egyptian Workers After June 30**

Joel Beinin 27 August 2013

The independent labor movement that has flourished in Egypt since the ouster of former president Husni Mubarak enthusiastically supported the Tamarrud (Rebel) campaign for the huge June 30 demonstrations asserting a popular vote of no confidence in President Muhammad Mursi. The Center for Trade Union and Workers Services (CTUWS), Egypt’s most experienced (and during the 1990s only) labor-oriented NGO, claims to have gathered 200,000 signatures for the Tamarrud petition through its six regional offices. Three independent trade union organizations — the Egyptian Federation of Independent Trade Unions (EFITU), the Egyptian Democratic
Labor Congress (EDLC) and the Permanent Congress of Alexandria Workers (PCAW) -- also collected signatures and monitored workers’ participation in the demonstrations.

These independent federations and hundreds of their constituent local unions have been established since the ejection of Mubarak because the Egyptian Trade Union Federation (ETUF) created in 1957 has always functioned as an arm of the state.

The Tamarrud campaign demanded early presidential elections, but the Egyptian army seized the opportunity of the mass gathering to depose Mursi on July 3, claiming, with some justification, that its coup was the will of the people. The army has invoked this supposed popular mandate for all of its actions since, including the killings of some 1,000 pro-Mursi demonstrators since the Muslim Brother’s removal. Most of these people died in the army’s violent dispersal of two sit-ins on August 14.

The number of anti-Mursi protesters on June 30 was at least 2 million. Some estimates are much higher. Hence, a large number of workers must have participated. After the military issued its July 1 ultimatum to Mursi to resolve the crisis, the EFITU and EDLC called for a nationwide general strike on July 2. The strike never materialized. The reason is that the independent trade union movement is primarily a local, not a national force.

Despite the limited capacity of the EFITU and EDLC to mobilize at the national level, for the last two and a half years, workers have escalated the protest movement that began in the late 1990s. In the decade before Mubarak’s ouster well over 2 million workers participated in some 3,400 strikes and other collective actions. The total number of workers collective actions in 2011 was 1,400; in 2012 it reached 1,969. According to the Egyptian Center for Social Rights (ECESR), in the first quarter of 2013 there were 2,400 social and economic protests. At least half involved workers and publicly employed professionals -- doctors, engineers and teachers.

This unprecedented social movement contributed substantially to delegitimizing the regimes of both Mursi and Mubarak. Mursi’s Muslim Brothers have historically had little support among industrial or service workers. Moreover, the Brothers are just as committed to the free-market fundamentalism promoted by the international financial institutions as the Mubarak regime was. When workers continued to strike and protest, Mursi’s administration, like the Mubarak regime, often granted their economic demands but ignored their political demands and undermined their organizational autonomy. Its repressive measures were often more severe than those of the late Mubarak era.

Workers clearly hoped for better treatment with Mursi gone, particularly since one of their own, veteran trade unionist Kamal Abu Eita, accepted a post in the interim cabinet. One month later, those hopes are dashed. Abu Eita stood by while security forces crushed a militant strike at the Suez Steel Company, located in the Canal Zone city that, not coincidentally, was in the vanguard of the revolutionary forces that compelled Mubarak to step down.

“Champions of Production”

After Mubarak’s demise, Ahmad Hasan al-Bur‘i, a specialist in labor law at Cairo University’s Faculty of Law and a proponent of independent trade unionism, served as minister of manpower and migration for nine months. With input from independent trade unionists and labor-oriented NGOs, his
ministry drafted a Trade Union Freedoms Law. It would have fully legalized independent trade unions. Al-Bur’i had already directed the ministry to register such unions on the grounds that Egypt’s international treaty commitments, including ratified conventions of the International Labor Organization, overrode national legislation granting a trade union monopoly to the ETUF. The military, the Muslim Brother-dominated parliament, which met from January to June 2012, and the Mursi administration all refused to enact the legislation.

Interim prime minister Hazim al-Biblawi, who was installed after the army deposed Mursi on July 3, named al-Bur’i as his minister of social solidarity. Al-Bur’i announced that his first priority was enacting the Trade Union Freedoms Law. But his ministry does not have direct responsibility for the matter. Nonetheless, the appointment was an olive branch extended to independent trade unionists to win their support for the transitional government.

Abu Eita, the founding president of the EFITU, accepted the military’s embrace. He warmly welcomed its July 1 ultimatum to Mursi. After Mursi’s removal, Abu Eita proclaimed, “Workers who were champions of the strike under the previous regime should now become champions of production.” The EFITU later issued a “clarification” saying that it did not intend to forgo the strike weapon.

Abu Eita has long been involved in national politics and has been criticized for playing that game according to norms that have changed little since the toppling of Mubarak. He was a founding member of the Nasserist Karama (Dignity) Party (unrecognized by the Mubarak regime). Karama participated in the 2011-2012 parliamentary elections as part of the Democratic Alliance led by the Muslim Brothers’ Freedom and Justice Party. Abu Eita won a seat in the parliament -- the only worker to do so.

Interim premier al-Biblawi named Abu Eita minister of manpower and migration. In order to accept the post, Abu Eita resigned as EFITU president. He now has direct responsibility for the future of the Trade Union Freedoms Law. But neither a majority of the business-friendly cabinet, which includes some Mubarak-era figures, nor the military, the ultimate source of power, are likely to support the legislation drafted by al-Bur’i.

Coup or Cooptation

Even before the Suez steel strike, there was sharp debate over Abu Eita’s acceptance of the ministry and the army’s transitional “road map.” Some believed that his presence in the cabinet represented a victory for the workers’ movement and that Abu Eita would ensure that workers’ main demands were met. This was the position of a majority of the EFITU leadership. Its executive board issued a statement supporting the “road map.” Others worried that Abu Eita’s appointment was an effort to coopt the movement.

Both claims contain elements of truth. Abu Eita would never have been appointed were it not for the mass social movement in which he has been a prominent leader. Yet neither the government nor the army can countenance the decentralized direct democracy from below that is the strength of the workers’ movement.

EFITU executive board member Fatma Ramadan sees Abu Eita’s appointment as cooptation. According to her, he did not consult with other EFITU leaders before suggesting that workers would abandon the strike
weapon. On July 10 she stated, “As a union federation our role must be to uphold all workers’ rights, including the right to strike. We cannot possibly call on workers to protect the interests of businessmen by forfeiting labor rights under the pretext of bolstering the national economy.” Ramadan believes that “the military and the fuloul (old regime remnants) kidnapped [the June 30 movement].”

The Permanent Congress of Alexandria Workers, an independent regional federation not affiliated with the EFITU or EDLC, also issued a statement rejecting Abu Eita’s apparent support for a hiatus in the strike movement.

Ramadan, the PCAW and the ECESR supported the June 30 demonstrations. But they also openly opposed interim president ‘Adli Mansour’s July 8 constitutional declaration and the military’s “road map.” The Alexandria trade unionists expressed their distrust of al-Biblawi because he had been a minister in the first post-Mubarak transitional government appointed by the military chiefs and is known as a proponent of neoliberalism.

The Egyptian Center for Economic and Social Rights posted a detailed critique on its website entitled “A Constitutional Coup Against the Principles of the Revolution.” It protests that there was no consultation with the political forces that spearheaded the June 30 demonstrations over the contents of the constitutional declaration. Moreover, it says, the charter “ignored...economic and social rights, such as the right to housing, health, medical treatment, food, drink, clothes, insurance, pensions, social security and the minimum and maximum wage. It failed to link wages to prices or to specify the right to worker representation on corporate boards and in profit sharing.”

The Center for Trade Union and Workers Services also supported the June 30 demonstrations. Since then, it has refrained from open expressions of support or criticism of the military regime while issuing research papers documenting the Muslim Brothers’ anti-worker policies.

The CTUWS has historically prioritized building a broad-based workers movement over participating in national politics. Partly for this reason, unions aligned with the CTUWS withdrew from the EFITU in the summer of 2011. After a year and a half of grassroots organizing, on April 24, 2013, they established the Egyptian Democratic Labor Congress with 186 affiliated unions.

Yusri Ma’rouf was elected president of the EDLC, a signal highlighting its commitment to defend the right to strike. He had been sentenced to three years in prison for leading a strike of 1,500 workers at the Alexandria Container and Cargo Handling Company in October 2011. On June 17, 2013, an appeals court overturned his conviction, ruling that “sit-ins and strikes are guaranteed by the constitution, and the defendants simply exercised this right.” The judiciary first articulated that principle in 1986. The Mubarak regime, the military and the Mursi government all ignored it.

Criticism of Abu Eita has become sharper as the new government’s intentions become more obvious. Fatma Ramadan issued a statement in early August referring sarcastically to the “present” the new minister had given the strikers in Suez: After pledging repeatedly to back them in the cabinet, he did nothing of the kind, going so far as to lend rhetorical support to the strikebreaking “thugs” by invoking the “champions of production” line. The statement lamented that the working families of Suez would spend a “gloomy feast” at the close of Islam’s holy month of Ramadan.
The interim vice president for international affairs, Mohamed ElBaradei, resigned in protest over the August 14 massacre. He was the interim government’s most credible liberal figure despite his political ineptitude. His departure underscored that Egypt’s army and internal security forces are the linchpins of the present regime, as they were under Mubarak. No matter how popular the army may be at the moment, workers now face an emboldened authoritarian state that is openly hostile to their rights and aspirations.

Too Close for Comfort

The minister of defense and commander of the armed forces, Gen. ‘Abd al-Fattah al-Sisi, called for nationwide demonstrations on July 26 to give him a mandate to confront “violence and terrorism” -- a thinly veiled reference to the Muslim Brothers. Several human rights NGOs, including the ECESR, issued a declaration expressing concern about al-Sisi’s intentions. The EFITU released a statement affirming workers’ rights to freedom of expression, to demonstrate peacefully and to strike, while simultaneously supporting “the right of all the apparatuses of the Egyptian state to confront terror and violence.” Those same apparatuses were breaking strikes and attacking demonstrators during the Mursi administration. They have continued to do so since its dissolution.

The July 26 demonstrations (and counter-demonstrations by supporters of ousted president Mursi) were massive. Among those who answered al-Sisi’s call was the Egyptian Trade Union Federation, which pledged to muster all of its 5 million members. In fact, the ETUF has no more than 3.8 million members, and most of them cannot be mobilized because the ETUF’s structure is thoroughly undemocratic and unrepresentative. The ETUF opposed all but one of the strikes that occurred during the last 15 years. Independent trade unionists who expressed support for military intervention in ousting Mursi now find themselves uncomfortably close to a key institution of the Mubarak regime.

In December 2012 Mursi installed al-Gibali al-Maraghi, a Mubarak-era union apparatchik, as ETUF president and appointed him a member of the upper house of Parliament (the Shura Council). This move was widely viewed as an offer by the Muslim Brothers to share control of the ETUF with former Mubarak supporters. That bargain is now defunct. Although the ETUF’s future is uncertain, its leadership has indicated willingness to line up behind the government and the army.

That government, however, now includes Kamal Abu Eita, whose appointment those same ETUF leaders strenuously opposed. They previously accused him of criminal behavior for establishing an illegal union federation in contravention of the existing trade union law, which technically remains in force. Meanwhile, Abu Eita’s first public promise -- that a new minimum wage law would be issued by July 21 -- was not fulfilled.

The main victories of the workers’ movement since Mubarak’s ouster are the establishment of independent trade unions and federations and the enactment of a monthly minimum wage of 700 pounds (about $100), although enforcement of the latter is uncertain. These gains were won by direct action on the street. Since Mubarak’s demise, thousands of workers have been jailed, fired or disciplined for engaging in strikes, sit-ins and demonstrations, many more than in the last decade of the Mubarak era. Nearly all of these actions were local. As was the case under Mubarak and Mursi, the priorities of the independent trade union movement and its supporters are: reinstatement of fired workers; permanent status for many
others who have worked for years on “temporary” contracts without benefits; a raise in the monthly minimum basic wage to 1,500 pounds; establishment of a maximum wage; protection of the right to strike; and adoption of the Trade Union Freedoms Law. These priorities are more likely to be achieved by continued popular mobilization than by reliance on a government installed by the military.

How is Privatization Failing America?

From healthcare to education, research shows an increase in privatization leaves the public with the losses and corporations with the gains

Paul Bucheitt interviewed by Jessica Desvarieux on the Real News Network 26 August 2013

DESVARIEUX, TRNN PRODUCER: Welcome to The Real News Network. I'm Jessica Desvarieux in Baltimore.

Here at The Real News, we want to expand our coverage of privatization and ways that it works and ways that it doesn't work. As we detailed in our recent coverage of the American Legislative Exchange Council, or ALEC, there's a greater and greater push for corporate interests to privatize areas of society that have been under the public sector banner, as well as a continued effort to further deregulate already private sector areas.

With us to dig deeper into the issue of privatization and its effects is Paul Buchheit. He's a college teacher at DePaul University in Chicago, a writer for progressive publications, and the founder and developer of social justice and educational websites like UsAgainstGreed.org.

Thanks for joining us, Paul.

PAUL BUCHHEIT, FOUNDER, USAGAINSTGREED.ORG: Thank you, Jessica.

DESVARIEUX: So, Paul, welcome back to The Real News.

Let's talk about your piece called “Eight Ways Privatization Has Failed America”. As Ted Koppel recently said, privatizing ourselves into one disaster after another, that's what we've been doing.

So let's look at your article and breakdown and see if there are any merits to this argument. So first and foremost let's look at health care. In your opinion, is free-market health care taking care of the CEOs more than it's taking care of the general public?

BUCHHEIT: Well, yes, that's a good way to put it.

Yes. I think I'd like to preface my comments about health care with a general statement that it's remarkable how the mainstream media is finally starting to realize that the myth of the free market is exactly that. It just hasn't really worked. If you look at all the major areas of society, not just health care, but education and water and other basic human needs and prisons, and even banking, public institutions have been working better than private industry.

So you asked about health care to begin with. That's a clear-cut example of--to me and I think to anybody who studies the issues, that it's much more expensive. Our health-care system--and the
right-wingers will blame Medicare, but it's the cost of--it's too many hands of the pot. You have
doctors and hospitals and insurance companies and drug companies, and they've worked the system
to the point where basic surgeries, you know, kidney stones or something, cost three times more in
America than in countries with a single payer. And it's not just the cost of care. Administrative
costs are about three times higher for private medicine than for Medicare. And these are reputable
studies or reports that have shown us that our private health care system is clearly out of control.
And I think everybody realizes that, but there's too much money being made by those CEOs you
mentioned to change the system.

And one more point on that about CEOs. Think about this. The Medicare administrator last year
made about $200,000. The CEO of MD Anderson Cancer Center made ten times as much, $2 million,
and the CEO of UnitedHealthcare made 300 times as much, $50 million. I mean, you know, when
you think about the importance of providing care, health care to everybody in our country, children
and old people especially, and millions of dollars are going to just a few individuals, it's really
rather obscene.

DESVARIEUX: Okay. Paul, you mention that the care is a lot cheaper in other countries, but let's
talk about also just the quality of care, 'cause some might argue, oh, because of these high prices
we have, the quality of care in the United States is better than those countries that might have
single-payer. Is there any merit to that sort of argument?

BUCHHEIT: Well, not really. There's been--if you look at OECD, Organization of Economic
Cooperation and Development, which compiles statistics comparing countries, over the last 30
years it shows that United States, which used to be a leader in health statistics like life expectancy
and infant mortality, we've dropped down. We were near the top in the 1980s, and now we're near
the bottom of developed countries. So it's been a dramatic swing from one extreme to the other.
And it's interesting that the only group in America that's really increased their life expectancy is the
group of Medicare patients.

DESVARIEUX: Okay. Let's move on to your second point. You talk about the privatization of water.
And there was actually a Citigroup economist that said, quote, "Water as an asset class will, in my
view, become eventually the single most important physical-commodity based asset class, dwarfing
oil, copper, agricultural commodities and precious metals." What has the effect of water
privatization been?

BUCHHEIT: Well, it's sort of a cruel joke among financial people, I think, that water is the next big
market. You know, taking something that's so essential to life as, you know, food, air, and water
and taking part of that and just making a commodity of it, it's shameful, in my opinion. And it
doesn't work. You know, these companies, the examples in the past--Food & Water Watch did a
lengthy analysis of this and found that private companies charge about 80 percent more for water
services than public utilities. And that's conservative estimate.

And then companies like Nestlé, for example, they're big in the water business. Well, you know, it's
just that whole concept of putting water into bottles, you know, water that probably is no better
than tap water. But companies like Nestlé, it's an incredible figure. I've never been able to get over
it. But they buy water for, like, a fraction of a penny a gallon and sell it back for 100,000 times as
much. That's the kind of profit they're making on our water.

DESVARIEUX: Wow.

Okay. Let's move on to your third point, internet TV and phone. This is not the case that people are
trying to privatize internet and phone and TV. They've already been privatized. But it's more about
regulation. Is the issue right now that deregulation has become so rampant that consumers aren't being protected? For example, could you talk about--could you actually give us specific examples of this?

**BUCHHEIT:** Well, back in the '90s, there was--when companies like AT&T and Comcast and Verizon were pushing for deregulation, they said it would promote competition and bring down costs. But just the opposite has happened. Now there's only, like, four big media companies or telephone and cable and internet companies, and they--it's more of an oligopoly. You know, they--I'm not going to accuse them of conspiring or colluding, you know, but their costs have continued to go up. We--almost all of us can relate to this, you know, what we pay for our phones and internet service and TV. We pay--again, comparing to other countries like Korea and Hong Kong and European countries, we pay about three times more, and we get, like, one-tenth of the speed. Now, if there were true competition and if there were regulations that were limiting these companies from gouging consumers, then this wouldn't happen. We should be getting much better service. And most Americans don't realize that. We just take what we can get. But we don't realize how the companies are really taking advantage. And deregulation is--in the '90s is really what started it.

**DESVARIEUX:** Okay. Lastly, let's switch gears and talk about transportation. How much of the United States' transportation has been privatized thus far?

**BUCHHEIT:** Well, this is really a sore spot for me and my family, because living here in Chicago, when Mayor Daley left office, he sold out our parking facilities, parking meters to some company for, like, $1 billion. So he went out in style. You know, like, here I'm on paying off all these debts, you know, and all I had to do was make this deal. But now it's coming back to haunt us, a 75-year deal where the company immediately doubled the rates. And we're all paying--I don't go downtown and park anymore because it costs so much more. And it's not just in Chicago. Around the country, any time attempts have been made to privatize parking or roads, you know, like in California and Georgia, the prices immediately went up.

And then another aspect of transportation is public trains and, you know, rail service. And this always gets me, too, how the right-wingers, the libertarians will actually refer to public rail systems as socialist or Soviet style systems, you know, as if there's something evil know about trying to provide cheap transportation for people. But, again, that's an example of capitalism favoring the few people in power with the--that are taking all the money from these deals. But the vast majority of us are paying higher tolls and getting less in service.

**DESVARIEUX:** Okay. In our next segment, we're going to talk about your last four points.

Thanks so much for joining us, Paul.

**BUCHHEIT:** Thank you, Jessica.

**DESVARIEUX:** And thank you for joining us on The Real News Network.

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**Ways Privatization Failed America - Part 2**

Paul Buchheit is a college teacher, an active member of US Uncut Chicago, founder and developer of social justice and educational websites (UsAgainstGreed.org, PayUpNow.org, RappingHistory.org), and the editor and main author of “American Wars: Illusions and Realities” (Clarity Press). He can be reached at paul@UsAgainstGreed.org.
In the middle of preparations to celebrate the Eid festival, Malaysia’s share and currency values were badly hit by news that Fitch’s had downgraded Malaysia’s credit status - from ‘stable’ to ‘negative’. The news immediately affected the Kuala Lumpur Composite Index (KLCI) which covers Malaysia’s 30 largest companies; it sank 1.3%, to the lowest point in seven weeks. The Malaysian currency dropped to RM 3.25 to 1 USD - a three year low and a 15 year low against the Singapore dollar.

Earlier, the Malaysian Institute of Economic Research (Mier) had revised downwards Malaysia’s economic growth forecast to 4.8% for this year from the 5.6% estimated earlier. It said, “The lower growth projection was due to external factors such as a weak global recovery, China’s economic slowdown, moderate expansion in ASEAN (Association of Southeast Asian Nations), financial market volatility and the tightening of financial conditions...somehow, our engine of growth in the external sector is slowing down. Our exports are declining quite substantially, especially in April and May, while the trade balance is very small”.

Fitch Ratings gave the main reason for the credit ratings downgrade as the further deterioration of Malaysia’s public financial health. The federal debt had risen steadily from 39.8% of GDP at the end of 2008 to the current 53.3%. The public debt is significantly higher compared to neighbouring Indonesia with only 25% and even Thailand with 41%.

Prime Minister Najib Razak has promised to keep the debt level below 55% in the coming year but the hidden guaranteed debt that Malaysia will receive in the future is already totaling 68% of GDP. Fitch’s revision reflects the drop in confidence of the international capitalists with Malaysian economic growth. Other South East Asian countries such as Vietnam and Indonesia would be a more attractive venue for foreign investment as indicated by the positive credit outlook of Fitch.

Neo-liberalism
The alarming state of Malaysian federal debt is directly connected to the implementation of neo-liberal policies such as privatisation in recent years.

Many public companies were privatised and billions borrowed to fund infrastructure and ‘mega’ construction projects. The federal government has been borrowing exponentially since the 1997 Asian Financial Crisis. At the end of 1996, Malaysian public debt was only RM 91 billion. Currently it is at RM 502 billion.

Given an increase of RM 228 billion in the last 5 years, the IMF has projected the Malaysian public debt to be at RM 779 billion by the year 2017. This projection shows Malaysia heading in the direction of Greece and Northern Ireland in terms of public debt if the trend continues.

A significant increase of debt since 2008 comes from the effects of the global financial crisis and increased government expenditure in the run-up to the recent general election. The Najib administration has been downplaying the real effects of the global financial crisis on Malaysia and has continued to borrow enormous amounts to patch up the problems temporarily.
The slowdown in trade and exports over the past few years accelerated the deficit and the government was approaching an economic crisis as the election year was nearing. As a counter-measure, last year it announced plans to ‘liberalise’ seventeen service sub-sectors, including health and education services, in phases throughout 2013. Some of the Government Linked Companies (GLCs), which had a majority public share were fully privatised. However, the worsening of the Chinese economy has not favoured Malaysia. Last April, Malaysian exports to China unexpectedly fell and pushed the country’s trade surplus to a 16 year low.

Najib Razak, who is finance minister as well as prime minister, is under pressure from the markets to maintain the plan of a 3% yearly reduction of the deficit by reducing subsidies and broadening the tax base. The details of his plans might not be announced until the 2014 Budget Planning on October 25th.

The government has also planned to implement its long awaited Goods and Service Tax (GST) which is similar to Value Added Tax (VAT) in Europe. Experience has shown the inability of such taxes to solve debt crises; Greece, Spain, Northern Ireland and Portugal have a high rate of VAT - at around 23% over the years - without being able to reduce their deficit. Evidence shows that such short term solutions would eventually worsen the conditions and increase the economic burden on the working people especially the poorest 40% of the population.

The government is also attempting to attract more investments especially from the USA, through the TPPA (Trans-Pacific Partnership Agreement) which could further liberalise the markets to the advantage of multinational capitalist companies. This would undermine the rights and welfare of ordinary people.

Cost of living
The implications of the Fitch downgrade are even bigger on the life of millions of ordinary Malaysians. Recently inflation has steadily risen and the situation is forcing more and more Malaysians into borrowing. Household debt is currently at 82.9% of GDP and growing at 11.5% a year - among the highest in Asia. Further reduction of subsidies and the implementation of GST will result in an unbearable burden for the people. Prices increased by as much as 1.6% in the one month of March due to the higher cost of food. It resulted in a higher number of people finding themselves bankrupt.

Housing prices have been soaring, especially in the city areas. The average cost of a house in Kuala Lumpur is RM 498,000 while the average income in Malaysia is a mere RM 2,000 a month, with a recently set government minimum wage of only RM 900. House prices are affecting young people who are facing difficulties in buying a house for themselves and are further suffering in the competitive, low-paying jobs market.

Although the official unemployment rate is 3.5%, in reality, most of the jobs are on a contractual and temporary basis. Many youth fill in doing cheap part time jobs for outsourcing agencies who exploit them without meeting even basic labour rights requirements. This shows that the Malaysian economy, which is now dependent on domestic demand as Malaysia’s key source of growth, would be further undermined by the growing household debt.

The Fitch Ratings, like other rating agencies, are not always accurate but they have an effect on the capital in-flow and out-flow of a certain
amount of the market. Malaysia, being an export-dependent economy, has to succumb to the will of the international capitalists due to the nature of its market arrangements. The negative outlook of capitalist Malaysia will result in a flight of capital out of Malaysia at the same time as providing reasons for the government to further liberalise the market.

As the basic needs of workers and young people will be continuously worsened, the struggle for their rights and welfare is inevitable. More struggles of workers and young people can be foreseen in the near future. That would open up more avenues for the formation and expansion of independent worker-based organisations, and socialist ideas would be sought as the only real alternative to vulture, market capitalist ideas and practice.

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Namibia and the Economic Partnership Agreement

Henning Melber First published in Pambazuka 21 August 2013

Namibia’s principled refusal to get bullied into an agreement against what it considered its own best interests has served as an example for other countries originally more willing to give in to the pressure exerted by EU. The Economic Partnership Agreements (EPAs) have been negotiated for just over a decade between the EU and the ACP countries without satisfactory results. Most of the ACP countries have refused to enter or implement the agreements. Among those on the African continent at the forefront of resistance has been Namibia. Despite considerable economic risks the Namibian government has argued that the current format of the EPAs is not in the country’s interest. This paper presents in more detail the negotiations between Brussels and Windhoek and the Namibian position.

EPAs have been negotiated inconclusively for more than a decade. Initiated in September 2002 they were originally scheduled to come into force by 1st January 2008. Article 36(5) in the Cotonou Agreement set out the approach as follows:

“Negotiations of the economic partnership agreements will be undertaken with ACP countries which consider themselves in a position to do so, at the level they consider appropriate and in accordance with the procedures agreed by the ACP Group, taking into account the regional integration process within the ACP.” (1)

What sounds like a sensible strategy soon turned into one of the most contentious issues negatively affecting European-African relations since the end of the colonial era. Europe’s reputation and image has undoubtedly suffered major damage in the eyes of most African states. Europe’s EPA offensive clearly eroded the claims for occupying a moral high ground as a soft power, since the EU is seeking to use the EPA negotiations to push through agreements on a number of sensitive matters (such as investment, procurement and competition policy) that were rejected by developing countries at the WTO negotiations during 2003. According to its own understanding:

“The EU approach is based on the Cotonou Agreement and the negotiation directives of 12 June 2002. These foresee comprehensive, regional arrangements that include trade in goods, trade in services and investment as well as a range of trade related rules such as competition policies, trade facilitation, sanitary and phyto-sanitary standards, protection of
intellectual property rights, trade and environment and labour standards.”(2)

This confirms that EPAs are about more than the reciprocity within a narrowly defined WTO compliance. The EU negotiated separate accords with different regions, and countries had to join one of the newly created entities. This weakened the ACP countries, which thereby were denied a collective bargaining power. It even divided hitherto established regional economic configurations. It is not far-fetched to see that there is an inbuilt conflict between regionalism as it exists and the negotiations of new multilateral processes. Countries might differ over the advantages between benefits from the continued protection of regional arrangements or the creation of individual preferential access within other trade agreements.

The negotiations on future EPAs introduced serious implementation problems and a negative impact on regionalism within the ACP group and its African member states. A further complication is the fact that all these regional configurations present a mix of Least Developed Countries (LDCs) and non-LDCs. A likely result is the further fragmentation of the process of regional integration and a division of ACP states into regional groups.

THE SITUATION FOR SADC AND SACU
Within the current EPA negotiations, the 15 SADC member states are denied being partners in one entity but are represented in four different regional configurations: Central Africa encompasses the Democratic Republic of the Congo (DRC); the East African Community (EAC) has Tanzania as its member; the Eastern and Southern Africa (ESA) group includes Malawi, Mauritius, Madagascar, the Seychelles, Zambia and Zimbabwe; while the group – misleadingly so - operating under the label SADC EPA comprises Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland (7 out of 15 SADC member states). Given that SADC’s own timetable for a free trade zone envisaged the complete abolition of taxes by 2012, the dispersed membership in the various EPA configurations was anything but an act of strengthening regional integration. Summing up the problems, a recent study concluded that, “complicated regional integration processes as well as further differentiations due to the EPA negotiations have likely created tremendous difficulties for these countries to simultaneously sort out the best regional integration roadmap and the most beneficial EPA grouping strategy”.(3)

In mid-2010 (one-and-half years after the EPAs were originally scheduled to be fully implemented), the situation reflected the strong differences in opinion, which in several cases ultimately blocked the negotiations. When the timetable became obsolete, the EU introduced the signing of Interim EPAs (IEPAs) as an attempt to save the planned schedule with the argument that this would ensure WTO compatibility. In early June 2010 the EAC indicated that it was not ready to sign such an IEPA. Negotiations with the Central Africa group have also been on hold and have not produced any concrete results. Madagascar, Mauritius, the Seychelles and Zimbabwe signed the IEPA in the ESA group on 29 August 2009 (with the Seychelles having ratified the agreement) while Malawi and Zambia had not signed. In the SADC group Botswana, Lesotho and Swaziland signed an IEPA on 4 June 2009, Mozambique on 15 June 2009. However, they did not initiate any significant degree of implementation. Angola, Namibia and South Africa refused to sign. Added up, almost half of all SADC member countries have not endorsed an IEPA even on paper.

The Southern Africa Customs Union (SACU) is the oldest union of its kind.
Established in 1910, it includes Botswana, Lesotho, Namibia, Swaziland (the so-called BLNS states) and South Africa. The BLNS countries had previously initialled the SADC IEPA, though Namibia later insisted that it had withdrawn its compliance for unsolved differences. In a letter dated 11 February 2010 the SACU trade ministers informed the EU Trade Commissioner Karel de Gucht that they did not intend to sign or did they intend to provisionally apply the IEPA. Instead, they asked for negotiating and agreeing on an inclusive and comprehensive agreement with the whole group “without any country being worse off, or being forced to sign an agreement that does not serve their best interests”. They expressed trust “that there will shortly be an opportunity to meet and jointly guide the successful finalization of the EPA negotiations”. (4)

In his response of 31 March 2010, Karel de Gucht expressed the understanding that the previous signature of the four members of the SADC EPA group of the IEPA “was done in good faith, by Ministers absolutely mindful of the legal and practical consequences and obligations accompanying such an action”. He further stressed that as a “key principle of law … agreements must be respected” and reminded the ministers that “failure to sign, notify and apply has fostered great uncertainty over the legality both under EU law and in terms of WTO compatibility of the Market Access Regulation preferences”. Ignoring the SACU ministers’ concern over their regional integration priority and their trust expressed in an opportunity to meet, he invited the concerned SADC EPA countries “to swiftly complete signature, notification and implementation of the interim EPA”. (5)

Given the spirit and tone of this response, it is difficult to dismiss any accusations of a patronizing and bullying attitude on behalf of the EC’s approach to further efforts to sort out differences in opinion. It testifies to the closed mindset guiding the EPA negotiations by the EC Trade Department since the days of the British Commissioner Peter Mandelson. As a result the EC Trade Directorate had to conclude in mid-June 2010 that the IEPA’s with the SADC countries “cannot be implemented before they have been signed by all partners”. (6) Meaning, that they were currently not effective. The biggest stumbling block towards such a common basis has emerged in Namibia’s firm refusal to sign an IEPA.

**THE CASE OF NAMIBIA**

Angola and South Africa took a similar route and joined Namibia in its principled stance. However Namibia, while bordering both countries, was the smallest and most vulnerable of the three economies and took the only big risk: Its average annual per capita income classifies it as a Higher Middle Income country and hence disqualifies it from a LDC-status. This entirely fictional aggregate contrasts with one of the world’s highest Gini-coefficients, which means that the country has among the biggest discrepancies in the distribution of wealth and as a result faces a massive poverty problem among the majority of its population.

Angola, in contrast, with excessive revenue income from its crude oil reserves (mainly for the sole benefit of a small “oligarchy”) qualifies as a LDC. This allows, under the Everything-But-Arms (EBA) initiative, preferential access to the EU market. It also has a precious good to offer, for which the EU is willing to show quite some degree of flexibility when it comes to accommodating deviating behaviour. After all, oil reserves are an internationally attractive asset, which provides bargaining power. Hence the autocratic family rule of the dos Santos clan has never really been a source of concern among Western governments or stood in their way of making or seeking business with Angola.
South Africa has already a Trade, Development and Cooperation Agreement (TDCA) with the EU. This is a fully WTO compatible Free Trade Agreement (FTA), which was negotiated during the second half of the 1990s in blatant violation of the SACU provisions, which would have required prior consent and involvement of the other members of the customs union. As a result, the last stage of the current TDCA implementation allows the EU to export subsidized goods duty free into the markets of the other SACU member states (including Namibia). This prevents any protection to local producers with regard to such competition. De facto, the EU already benefits from the open markets of the SACU members through its TDCA with South Africa and does not need any IEPA provisions for this penetration as long as SACU is intact. Because of the TDCA and being no ACP country, South Africa was originally not part of the EPA negotiations. Only the obvious lack of logic to this exclusion, given the country’s central role in the sub-region and its integrated economy by means of SACU and SADC membership, led to a late correction. But South Africa had reasons to find some of the clauses coming into effect under the TDCA dubious and detrimental enough to take a sceptical position vis-à-vis the current deal in the making. Thanks to the TDCA, it can afford this reluctance.

Namibia, in contrast, dared to refuse a signing of the IEPA after it had originally initialled the draft agreement at the end of 2007. At a meeting in Swakopmund in mid-March 2009 certain clearly specified objections were taken to protocol, which dealt with substantial queries Namibia expressed. These were afterwards not incorporated into the IEPA document to be signed, but according to the EC considered as matters to be dealt with ‘in good faith’. Namibia’s Minister of Trade and Industry Hage Geingob begged to differ: he subsequently charged that the EU had failed to put the given assurances to paper. His refusal to sign a document which had not incorporated the agreed changes provoked hardly concealed threats that Namibia might as a result lose its preferential (duty and quota free) access for beef, fish and table grapes to the EU market, estimated to be worth N$ 3 billion (the Namibian dollar is as a non-convertible currency pegged to the South African rand), which is a substantial if not decisive share of the annual income for the local meat, fish and grape producers.

In a spectacular speech delivered in Namibia’s Parliament in mid-May 2010, trade minister Geingob qualified his refusal to give in to the pressure and comply by signing the IEPA. Among the serious economic and policy consequences for Namibia he listed the need “to forfeit the policy option of using export taxes on raw materials as an important incentive for value addition”, to abandon the current system of infant industry protection (“We may have to wave goodbye to our dairy and pasta industries”) and the loss of “all our investments in the Green Scheme, horticultural marketing, grain storage, agricultural extension and value addition to food products”, which “would seriously disrupt rural economies and the livelihoods of thousands of small farmers”. Another bone of contention remained the Most Favoured Nations (MFN) clause, which stipulates that all trade agreements entered with parties holding above 1.5% of the global trade would automatically entitle the EU for the same preferences. In the light of a trade agreement negotiated in parallel between SADC and India this was considered an obstruction to the desired strengthening of South-South trade relations.

During June and July 2010 the hardened positions, which had suggested a continued stalemate over the contentious issues, seemed to have suddenly softened. Following a high level technical negotiating session in Brussels in early May 2010, the Southern African trade ministers noted in the minutes of their meeting in Gaborone on 17 June the intention to conclude an
inclusive EPA by the end of the year. This more optimistic assessment was motivated by the expected concession of the EC trade department to include the demanded changes agreed in Swakopmund into the IEPA text. While EU trade commissioner de Gucht had earlier declined even to meet the SADC EPA group to discuss their grievances, he indicated by July 2010 “that issues on food security, infant industry protection, free flow of goods and export taxes will be included in the final EPA”.(8) He further shared the opinion that by the end of 2010 a modified, comprehensive EPA with the SADC EPA region could be in place. There remained however some more contentious issues such as the alignment of market access, tariffs and rules of origin, all of essential interest from a SACU and SADC perspective. Not surprisingly, therefore, negotiations have stalled.

On 30 September 2011 the EC adopted a recommendation to the EU Council of Ministers for the termination of the Duty Free Quota Free (DFQF) access by 1 January 2014 to all those ACP countries that “have neither taken the necessary steps towards ratification of an EPA nor concluded comprehensive regional negotiations”.(9) An assessment of the likely implications for Namibia estimates that more than half (51%) of total exports to the EU would be subject to additional duties.(10) While the additional tariffs would be on average moderate, it would considerably affect duties levied on beef exports and “would probably result in the de facto commercial closure of the EU market to Namibian beef exports”. Fisheries were likely to be less severely affected. Negative effects could also limit the exports of seedless table grapes to the EU market, which emerged in recent years as a viable export commodity. Research results by the Overseas Development Institute predicted that taxes imposed on beef imports from Namibia would exceed the annual EU aid fund contributions by more than four times.(11)

For obvious reasons, this did not go down well in Namibia. Trade minister Geingob responded furiously, given that the EU Commissioner de Gucht had met Namibian government officials in Windhoek earlier in September 2011 without mentioning anything concerning the looming deadline, perceived as bordering on blackmail. The Namibian Chamber of Commerce and Industry also criticized the unilateral action. A member of parliament of the governing party Swapo refused in a statement at the ACP-EU Joint Parliamentary Assembly to accept the blame of delaying negotiations, given that EU officials take six months to a year in responding to Namibia’s concerns.(12)

In April 2012 the British MEP David Martin tabled a report in response to the EC proposal on behalf of the European Parliament Committee on International Trade, which among others suggested an extension of the deadline until 1 January 2016.(13) President Pohamba reiterated the appeal to waive the ultimatum on occasion of a state visit by Swaziland’s King Mswati III in July 2012, while the Namibian embassy in Brussels and the Namibian parliamentarian representing the country in the ACP Committee on Economics initiated lobbying for an extension of the deadline.(14) On 13 September 2012 the MEPs voted for the adoption of the extended deadline, which was greeted with enthusiasm both by the ACP secretariat and Namibian officials in Brussels, who all mistook this as a victory assuming that the endorsement by the EC would be a mere formality.(15) Much to their disappointment, however, the EU Parliament’s International Trade Committee accepted on 21 March 2013 (which ironically happens to be Namibia’s Independence Day) the adjusted deadline of 1 October 2014. The EP officially endorsed the date on 16 April 2013 against opposing votes by left and green MEPs.

Meanwhile a new internal dynamic had emerged in Namibia with the re-
confirmation of minister Geingob as the governing Swapo’s vice-president at the party congress in late November 2012. Following an intensive inner-party campaign between three candidates, this re-election was at the same time his nomination as the candidate for Namibia’s next presidential elections to take place with parliamentary elections, most likely in November 2014. This makes Geingob the designated successor to president Pohamba as from March 2015. The current head of state subsequently appointed him in a cabinet reshuffle days later as Namibia’s prime minister (a position he held already between 1990 and 2002) with immediate effect. His successor as trade minister was Calle Schlettwein, the deputy minister of finance and previous long-time state secretary in the finance ministry. Appearing side by side at the 7th Summit of Heads of State and the ACP countries in Malabo, Equatorial Guinea in mid-December 2012, they reaffirmed Namibia’s position that the EPAs should not be about trade only but also development and that they will continue to maintain a principled position.

As minister for trade and industry, Schlettwein re-emphasized the need to consider the country’s industrialization as an integral part of economic development strategies. In a keynote address in early February 2013 he stressed the need to transform the colonial economy by adding value to the primary resources before being exported, pursuing an infant industry protection and taxing exports of raw materials.(16) Schlettwein was not amused when the new deadline for the termination of the DFQF was shifted to 1 October 2014 to enforce compliance with the EPA. He remained adamant that this is not sufficient time to solve the outstanding issues.(17) Announcing a national consultation on the EPA for end of April in the Namibian parliament, he observed that this unilateral imposition was simply not in the spirit of partnership, fair play or equity. He was also adamant that by accepting the TDCA concluded between the EU and South Africa without consultation or endorsement of the other SACU member states Namibia had de facto offered EU products already preferential access into its market:

... to avoid the collapse of SACU, a treaty which provides real benefits to us. The main beneficiary of this condonation of the TDCA has nevertheless been the EU. More than 90 percent of EU goods enter our market duty free under the TDCA and via our SACU borders.(18)

When opening the two-day national consultation on the SADC-EPA negotiations in Windhoek he declared:

“This approach taken by the EU goes against the letter and spirit of what is supposed to be a partnership and is regrettable. It also has the potential of placing undue pressure on the negotiating processes. I therefore reiterate my concern over this unilateral step by a negotiation partner ... We as developing countries stated that ‘we want trade not aid’ from Europe amongst others and the EPA was meant to make that possible under the predictable and secure conditions required to make the necessary investment in industrialisation in order to create goods for export. We also stated that we do not want to be exporters of raw materials, but of final finished goods to consumer end markets.”(19)

The national consultations were examining the pros and cons of signing or not signing an EPA in three working groups chaired by the minister of agriculture, the minister of fisheries and Schlettwein. It became obvious that the fear of being punished for taking a principled position and facing severe economic losses and risks to the employment of workers (especially in the lucrative export of grapes to the EU) if refusing compliance led to a cautious approach, recommending continued engagement.(20) Both the commercial farmers producing high quality beef mainly for export to South
Africa and the lucrative EU market, who are organized in the Meat Corporation of Namibia Ltd (Meatco) as well as the grape farmers along the southern border of the Orange River, signalled despair over the looming punishment, which for them would incur major losses.

The beef producing lobby always welcomed the EPA as an opportunity to secure a safe market for the export of prime beef and had since the initial threat in 2010 increasingly campaigned for a more accommodating policy by the government. Grape farmers in a submission to the two-day consultation warned that their business would in the absence of any viable alternatives for marketing their product under similar favourable conditions “die a sudden death” if they would be forced to pay the customs tariffs for EU exports, putting at risk the employment of 3,000 permanent and 4,500 seasonal workers, currently providing a livelihood for an estimated 45,000 people in the region. (21) Government will have no easy task to justify its legitimate concerns that under the current conditions the EPA will be not beneficial for the country’s overall economic policy and obstructive to its efforts to move from a supplier of raw materials towards some domestic value adding industry.

Given the country’s comparatively vulnerable situation, the courage to stand up against Brussels has been remarkable but might not last forever. This does not diminish the impact the position has had for other countries negotiating the EPAs. It can be assumed that Namibia’s principled refusal to get bullied into an agreement against what it considered its own best interests served as an example for other countries originally more willing to adhere to the pressure exerted. That the EPAs remain a contested notion and require from the EU more wheeling and dealing than was probably anticipated at the beginning shows that even relatively small economies with comparatively little weight can make a meaningful impact during negotiations. During June 2013 the Head of Division for Southern Africa in the European External Service made a five-day visit to Namibia to strengthen relations. This was followed by a one-day visit of EU Commissioner de Gucht in mid-July. It seems, as if the Goliath in Brussels is eager to find a way to end the fight with David without getting too bruised.

CONCLUSION
While some believe that ACP countries have nothing to gain in EPA negotiations, the EU also has more to lose than to gain - at least in terms of reputation and acceptance concerning its Africa policy. In the absence of sufficient capacity among the ACP countries to meaningfully negotiate the EU proposals, many among those at the receiving end felt being coerced into a process they actually resisted. The EPA negotiations were neither convincing evidence to claims that the EU would not ignore the interests of the ACP countries, nor were they meeting the criteria for coherence with other fundamental principles of development policies by EU member countries, such as support to regional integration. The EU’s EPA policy and implementation strategy has clearly contributed to a loss of credibility among the ACP countries and in particular on the African continent.

South Africa, however, is facing a similar risk in the context of Southern Africa. As regional economic giant, it remains confronted with the options to act as a benign hegemonic leader or a sub-imperialist power guided exclusively by its own narrow interests. Such selfishness would be detrimental to any efforts seeking to strengthen regional integration. South Africa considers its financial contributions through the SACU revenue formula to the other member countries of the customs union as unrealistically high and seeks a drastic adjustment. This would massively
affect the annual budgets and economies of the four economically junior BLNS partners, who are exposed to the exports from and through South Africa and have already had to accept the unilateral TDCA entered into by South Africa with the EU. The result might be an end of SACU and further divisions in SADC. Above all this is not an issue of economical arithmetic but primarily a political question:

Can South Africa afford to push the SACU countries into the laps of the European Union? Can South Africa afford to allow Europe to divide Africa once again? What is needed is an understanding leadership from all sides, and skillful negotiations that are not based on reprisals or retribution but on a long-term pursuit of objectives that benefit the entire population of the region. (22)

Reference
4. Letter by the SACU Secretariat, 11 February 2010, Ref: 15/2/2, pages 2 and 3.
18. Quoted in Edgar Brandt, Call for national consultation on EPA. New Era, 8 April 2013.

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**Abracadabra: You’re a Part-Timer**

_How Corporate America Used the Great Recession to Turn Good Jobs Into Bad Ones_

Barbara Garson 21 August 2013

Watch closely: I’m about to demystify the sleight-of-hand by which good jobs were transformed into bad jobs, full-time workers with benefits into freelancers with nothing, during the dark days of the Great Recession.

First, be aware of what a weird economic downturn and recovery this has been. From the end of an “average” American recession, it ordinarily takes slightly less than a year to reach or surpass the previous employment peak. But in June 2013 -- four full years after the official end of the Great Recession -- we had recovered only 6.6 million jobs, or just three-quarters of the 8.7 million jobs we lost.

Here’s the truly mysterious aspect of this “recovery”: 21% of the jobs lost during the Great Recession were low wage, meaning they paid $13.83 an hour or less. But 58% of the jobs regained fall into that category. A common explanation for that startling statistic is that the bad jobs are coming back first and the good jobs will follow.

But let me suggest another explanation: the good jobs are here among us right now -- it’s just their wages, their benefits, and the long-term security that have vanished.

Consider the experiences of two workers I initially interviewed for my book Down the Up Escalator: How the 99% Live in the Great Recession and you’ll see just how some companies used the recession to accomplish this magician’s disappearing trick.
Freelance Nation

Ina Bromberg genuinely likes to outfit people. Trim and well dressed herself, Ina sells petites at the Madison Avenue flagship store of a designer brand boutique with several hundred outlets. Even I had heard of the label. I had to ask what its exact place in the fashion hierarchy was, though. “We fall into a niche below Barney’s-Bergdorf-Chanel,” she explained.

In the course of a 20-year career, Ina, now in her sixties, had been the company’s top-earning national sales associate more than once. Her loyal clients return each season saying, “You know what I like. What have you got for me?”

When I first met her during the Great Recession, however, her hours had been cut back. “They’ve moved the entire sales staff onto flexible schedules,” she explained. “On Thursday, we are told what our schedule will be for the following week. When they told me my new hours that first week, it was down to ten. I said, ‘Why don’t you just lay me off? I can collect unemployment.’ And [my boss] said, ‘No, no, it won’t be this way every week.’”

“Maybe this is their way of sharing the work in order to keep the experienced people till the recession is over,” I suggested. That used to be standard practice during a downturn.

Ina didn’t think so. She referred me to an article about her firm on a fashion website. “Read the responses,” she said. “These are by people who worked in the office -- probably not anymore. They say that in some of the stores they’ve taken all the full time people and made them part-time. And with that, there’s no more sick days, no more vacation days, no more commissions for anyone. They say they’re going to do that to all the stores, even New York.”

“Do your managers claim that the short hours are just for the recession?” I asked. “Do they thank you for making sacrifices till business picks up?”

“Not that I ever heard,” Ina answered. “I think -- and I’ve been saying this for a year and a half -- their ultimate goal is to have all part-time sales people working shifts of four-and-a-half hours. That way they’re not responsible for lunch, they have a lot of bodies, they pay no commissions, no benefits, and it’s a constant turnover. This is what I think they want even after the recession because,” here she leaned in as though to reveal a secret, “they haven’t stopped hiring people.” She checked to see if I grasped the significance of that.

I did and so did her fellow saleswomen, but it’s hard to go job-hunting during a recession. While a few of the old professionals had already left, most were holding on, chewing over any bits of information they could pick up that might indicate management’s intentions. “In our store we know they’ve continued the health benefits until March,” Ina said. “What will happen after is what we’re trying to find out.”

Eventually, the company broke the suspense. Managers called the remaining full-timers into the office and gave them two choices. They could take a small severance package and collect unemployment or they could stay at truncated versions of their old jobs if they wished, but as part-timers with no benefits and no commissions. In a way, the company had made government unemployment benefits a part of its buyout package. They were saying, in effect: you go voluntarily and we’ll agree that we laid you off.
Four years after the official end of the recession I interviewed Ina again. She was the only one of the former sales staff still working there. Her earnings were less than a quarter of what they’d been a few years earlier.

“I can afford to retire,” she assured me. “In a way, I already am. I just like coming out of the house and seeing my regular customers. But everyone who had to support themselves left. All the new people are young,” Ina complained. “They have no commitment to the job. They skip days whenever they feel like it.

“But why shouldn’t they?” she said suddenly, reversing her judgmental tone. “It used to be if you missed a day, you missed a chance to earn commissions. It mattered. But at nine or ten dollars an hour, if they have something else to do they skip it.

“The job is only worth it if you’re a college student and the hours are a perfect fit for your schedule. If that changes the next term, they leave. And it doesn’t seem to make a difference to the company. They treat employees like nothing now. I don’t mean it has to be a family, but it isn’t even a team.”

I recently checked her company’s website under “careers” and it was true; they were advertising for more than 70 sales assistants for their various North American stores. All but one of the positions was listed as part-time. The sole full time job happened to be in Canada.

In other words, under the shadow of the recession, the company hadn’t sent jobs offshore or eliminated them. It had simply replaced decently paying full-time employment, including benefits, with low-wage, contingent employment without benefits. It had, that is, pulled the old switcheroo, turning good jobs into bad ones on premises.

Entering the Freelance Life
Here’s how the same magic trick works a little higher up the food chain.

Greg Feldman was a full-time professional doing computer graphics for an educational publisher which produces test preparation materials for school districts. One day during the recession, his company laid off some 20 staffers including him. As far as I can tell, its business wasn’t declining. (Standardized test prep must be one of the last things desperate school districts cut.)

“When I got home I went into panic mode,” Feldman remembered. “I said I better redo my resume before the weekend. And I did. But there were a couple of openings I could have applied for that day -- one full time, one long-term temp. But I waited till after the weekend to send it in. That was in November [2008] and this is February [2009]. I’m on the websites every day and I haven’t come across any other regular staff positions since those two.”

Four years later Feldman was piecing together his living by combining a steady but low-paying part-time job with freelance gigs. He still considers himself unemployed. Whenever we speak he enumerates the new computer graphics programs he’s mastered and asks me about job leads.

But is Feldman really unemployed by post-recession standards? He may not have a full-time job with his old company, but neither does just about anyone else who did the work he used to do for them. It’s by no means impossible, I once suggested to Feldman, that he himself might wind up
working for his old firm through a subcontractor.

“Possible but not likely,” he answered. “What I heard is that they send that work overseas now.”

**The Good Old Switcheroo**

When America’s industrial workers were hit hard in the 1970s and 1980s, the excuse for breaking their unions, lowering their wages, and outsourcing their work was that we had to compete with foreign manufacturers. But not to worry, it was then suggested, there might be tough times ahead for a few blue-collar troglodytes who couldn’t be retrained, but the rest of us would soon be data manipulators in a booming postindustrial society.

Feldman is as postindustrial as you can get and his former company doesn’t even compete with foreign firms. It seems, though, that corporate headquarters no longer needs excuses or explanations to make workers cheaper and more replaceable.

The recession itself certainly doesn’t explain such job transformations. Traditionally, during recessions employers reduced hours or laid people off in a way that would enable them to reconstitute an experienced work force when business picked up. In the meantime, they competed on price and took less profit. As a result, the share of national income that went to owners and investors used to decline during such periods, while the share that went to workers actually rose.

No longer. Ina’s and Greg’s employers used the downturn to dump entire departments and reorganize themselves so that the same work, the same jobs, requiring the same skills, would henceforth, in good times and bad, be done by contingent workers. Many other companies seem to be doing the same thing. One sign of that: during the course of the Great Recession corporate profits went up by 25%-30%, while wages as a share of national income fell to their lowest point since that number began to be recorded after World War II.

According to the latest Labor Department figures, 65% of the jobs added to the economy in July 2013 were part-time. The average hourly wage fell slightly. Interpreters of those statistics will make it sound as though it’s simply a matter of factories firing and burger joints hiring. That, at least, would be a situation that could be reversed over time. If, however, golden jobs are being transmuted into lead by the reverse alchemy described in this piece, then they’re not coming back gradually, certainly not without a growing labor movement and a fight.

I checked back recently with Ina Bromberg to see if anything had changed for the saleswomen in her store as the nation crawled into what’s now called “recovery.”

“The hours are creeping back up,” she said, and pointed to an irony. “When they started all this they told us that short shifts make us more efficient. Now, they’re letting a few people work, six, seven, even eight hours some days.”

I asked if benefits and commission were also creeping back.

“Of course not!” she answered.

“It’s sad in a way,” Ina mused. “If one of these young women gets eight hours for a while, she’ll think she has a regular job. None of them can
remember what a regular job was like.”

Ina is describing a perfect sleight of hand. Good jobs disappeared into bad jobs so deftly that hardly anyone has noticed the switcheroo. Soon enough the zombie jobs that replace the real ones will move among us as if they were normal. If you sense that there’s something missing, there must be something wrong with you. Get with the program. We’re becoming a freelance nation.


[Note: “Ina Bromberg” and “Greg Feldman” are not the actual names of the two workers quoted in this piece.]

This article first appeared on TomDispatch.com, a weblog of the Nation Institute, which offers a steady flow of alternate sources, news, and opinion from Tom Engelhardt, long time editor in publishing, co-founder of the American Empire Project, author of The End of Victory Culture, as of a novel, The Last Days of Publishing. His latest book is The American Way of War: How Bush's Wars Became Obama's (Haymarket Books).

Egypt: Hundreds dead as military tries to consolidate power in blood

Increasing sectarianism threatens revolution's future - Workers’ independent action urgently needed

Robert Bechert, CWI 20 August 2013

Millions across the world, and especially in the Middle East, have been shocked by the killing of hundreds of mainly unarmed people in the Egyptian military’s brutal clearance of the two pro-Morsi camps in Cairo. In the days since then the military has continued its offensive.

While sizeable, the recent demonstrations of support for deposed President Morsi have not been as large as the vast anti-Morsi protests a few months ago. In fact the two pro-Morsi camps, while an annoyance to the new, military-led regime posed no direct, immediate threat. The timing and the brutality of their clearance was fundamentally a show of force by the generals to serve as a warning to intimidate any current or future opponents to the military.

This is why already there is questioning and opposition, including from those who have little or no sympathy for the Muslim Brotherhood’s aims, to this assault organised by corrupt generals who have no “democratic” credentials whatsoever. There are justified fears that this is an attempt to begin the re-establishment of Mubarak’s ‘security state’ under a new leadership. This assault has enormously deepened the polarisation in society, but a polarisation not on class lines, but increasingly on pro- or anti- the military tops’ actions.

Many have been shocked by the violence. There are reports of self-defence
groups, both pro- and anti-Morsi, developing in different parts of Cairo. Such groupings need to be democratically based and link up as part of a wider, non-sectarian movement of working people aiming to taking control of their lives and future. But, if there is no independent movement organised by the working class, and if the developing battle over Egypt’s future is simply waged between the generals and conservative religious forces, these events threaten to seriously derail the revolution that began in 2011. Genuine trade union and workers’ organisations are the only force capable of uniting all sections of society in a battle against dictatorship and capitalist exploitation.

Immediately after Morsi’s removal as President the CWI warned that the Egyptian generals’ hi-jacking of June and July’s huge, up to 17 million strong, anti-Morsi mobilisation was a basis for them to take power themselves. It “opened the doors to the dangers of sectarianism, different varieties of counter-revolution and the possible ultimate defeat of the revolution.” (Polarisation grows - No trust in the generals. July 10, 2013)

The brutality of the camps’ dispersal and the bloody repression of the subsequent protests, following on from the killing of many pro-Morsi demonstrators, both at the beginning and end of July, has given a taste of how the generals would like to deal with all opposition.

**Attacks on workers**

Now it is pro-Morsi protestors who are being crushed, but just two days before the bloody August 14 attack on the pro-Morsi camps, the regime moved against a workers’ sit-in at Suez Steel, arresting two of the occupation’s leaders. While the attack at Suez Steel showed the generals’ class character, it was not a new experience for workers in post-Mubarak Egypt. Previously Morsi’s government had also shown its capitalist character when, last February, security forces attacked a Portland Cement workers’ sit-in in Alexandria.

Since the July 3 ousting of Morsi, the military tops under General al-Sisi have worked to consolidate power in their own hands. Old Mubarak era security units have been re-activated. Two-thirds of the new provincial governors announced on August 13 were either army or police generals, some with “glaring records of hostility to the 2011 revolution” (Economist, London, August 17, 2013).

One commenter said that “What Egypt has experienced since the coup has been the systematic return of the military and police state through arbitrary arrests, media clampdown and the shooting of protesters ... The security apparatus is taking revenge for the last two years when it felt threatened by the possibility of any new order that would eventually hold it accountable. Since the coup began it feels it has taken control again and is ready to strike hard at anyone who challenges it, whatever their ideology.” (Guardian, London, August 16)

But the military did not simply stage a coup, they falsely claimed they were acting on behalf of the mighty movement against the Morsi-led government that unfolded in June. The generals were able to take over because, unfortunately, this magnificent protest of millions did not have its own representative and independent leadership able and willing to show how that movement could take power itself. So the generals took the initiative and seized power while pretending to be acting on behalf of the protestors.

The fact that the military took over enabled the Muslim Brotherhood leaders to present themselves as defenders of democracy, even though
Increasingly authoritarian methods were being used during Morsi’s brief presidency. At the same time, there can be no doubt that amongst those who supported the downfall of Morsi the ruthlessness of the camps’ closure and the brutal suppression of protest, plus the increasingly clear way in which the generals are consolidating their power, will all serve to raise questions, doubts and opposition. However this will not automatically develop in a straight line.

The mounting sectarianism, shown in the attacks on the Christian minority’s churches because the Christian leaders are perceived to be supporting the military, can mean that the military will be seen by some as a protection against religious conflict and the development of jihadist violence. But this is not the case. Actually the military’s removal of Morsi, and the support it has got from many foreign governments, will itself fuel Islamic guerrilla and terrorist activity if supporters of right wing Islamist parties draw the conclusion that the Muslim Brotherhood’s strategy of gaining power through elections has failed. The impact of these events will be felt throughout the Middle East and beyond.

This danger in the present situation is, as the CWI previously wrote, because currently there only “appears to be a battle led on the one side by the reactionary, conservative Muslim Brotherhood and other sectarian leaders and, on the other side, by the military tops.

“In this situation it is absolutely essential that efforts are redoubled to build an independent workers’ movement, not just trade unions, which can offer a real alternative and appeal to those workers and poor, backing Morsi because of their own opposition to the military and the old elite. This is the only way the workers’ movement can try to limit the ability of reactionary fundamentalist religious groupings presenting themselves as the main opponents to military rule.” (Polarisation grows - No trust in the generals. July 10)

Since the start of the revolution in 2011 there has been a massive growth of the workers’ movement in Egypt. Workers’ struggles, already important before Mubarak’s overthrow, have enormously developed. There has been a huge movement into independent unions from a membership of less than 50,000 when Mubarak fell to over 2.5 million, and there are also 4 million in the formerly state controlled official unions. Recently strikes have been running at the rate of 800 a month, not just on pay and conditions but also against Mubarak-era management, victimisations and privatisation.

However, an independent voice from the workers’ movement has been hardly heard since Morsi’s overthrow. Indeed Kamal Abu-Eita, the president of the independent trade union federation, EFITU, has become minister of labour and begun calling for an end to strikes. Not for the first time in history, a trade union leader has been brought into a capitalist government with the express purpose of holding back struggles and trying to make workers accept a fundamentally military government. Officially three trade union federations supported General al-Sisi’s call for a mass demonstration on July 26 to show support for the new government, although significantly in the EFITU executive this was only after a 9 to 5 vote.

This policy of supporting the military tops is a road to disaster for the trade unions. Workers’ organisations need to have their own, independent and class-based programme, to offer a way to prevent both the consolidation of a military regime and the threat of increasing sectarian division and violence.
Immediately the key question is organising democratically-run, non-sectarian defence of communities and workplaces from state and sectarian attack across the country. The workers’ organisations have the potential to begin this task, combined with offering a political alternative to military, Muslim Brotherhood and capitalist rule. With such a programme it would be possible for the workers’ movement to begin to undermine both the generals and the Muslim Brotherhood leaderships.

The trade unions, especially the EFITU, should demand that Abu-Eita leaves the government and should launch their own campaign against repression, sectarianism and military rule, in defence of democratic rights and for immediate free elections to a revolutionary constituent assembly so that the Egyptian people can decide their own future.

General al-Sisi and his fellow military rulers will not find it easy to firmly re-establish a ‘security state’. The revolution is not yet over. The rapid disillusionment and subsequent outburst of opposition to Morsi’s rule showed how quickly opposition can develop. While the bloody events of the last few days may understandably produce hesitation due to fears of repression and the growth of sectarianism, this will not last forever. The combination of Egypt’s deep economic and social crisis plus the emerging strength of the workers’ movement will lead to renewed struggles.

Workers’ experiences, such as the clash at Suez Steel, under this new version of military rule, as well as the horrifically bloody crushing of protests, will undermine much of the support which was initially given to the military’s ousting of Morsi. This can create opportunities to win support for socialist policies. But this is not automatic, religious forces will also be competing for support from those in opposition, or coming into opposition, to the new regime.

Left or workers’ organisations should have no thought of supporting this military regime in anyway; it has never had a progressive character. The military moved against Morsi not simply in order to defend its own privileges and interests but also to cut across the developing anti-Morsi mass movement that could have led to a deepening of the revolution, a weakening of the capitalist state and moves against capitalism. This is why the regime has been supported by the western powers which, like Obama, have now only been very gently criticising the brutal suppression of opposition.

Mistakes
Unfortunately much of the left in Egypt has been floundering since the revolution started. One of the larger groupings, the Revolutionary Socialists (RS - co-thinkers of the British SWP and the ISO in the US) have repeatedly zig-zagged. Initially the RS did not make any direct criticism of, or opposition to, the military take-over in their July 6 statement. Unlike the CWI, the RS at that time did not warn about military rule or explain that the real alternative would be building support for the idea of a government of representatives of workers, small farmers and the poor. Now, after the latest bloodbath, the RS issued on August 14 a statement entitled: “Down with military rule! Down with al-Sisi, the leader of the counter-revolution!” This statement said that the RS “did not defend the regime of Mohamed Morsi and the Muslim Brotherhood for a single day. We were always in the front ranks of the opposition to that criminal, failed regime”. However the fact is that the RS supported Morsi in the second round of the 2012 presidential election. Such huge inconsistencies, both towards the military and Morsi, can only cause confusion amongst the people they reach.
In tumultuous events like these, the workers’ movement, and the revolution, needs clarity more than ever. From the moment of February 2011’s euphoric overthrow of Mubarak, the CWI has been arguing that the revolution could only be successfully concluded in the interests of working people when:

“the mass of the Egyptian people ... assert their right to decide the country’s future. No trust should be put in figures from the regime or their imperialist masters to run the country or run elections. There must be immediate, fully free elections, safeguarded by mass committees of the workers and poor, to a revolutionary constituent assembly that can decide the country’s future.

“Now the steps already taken to form local committees and genuine independent workers’ organisations should be speeded up, spread wider and linked up. A clear call for the formation of democratically elected and run committees in all workplaces, communities and amongst the military rank and file would get a wide response.

“These bodies should co-ordinate the removal of the old regime, and maintain order and supplies and, most importantly, be the basis for a government of workers’ and poor representatives that would crush the remnants of the dictatorship, defend democratic rights and start to meet the economic and social needs of the mass of Egyptians.” (Mubarak goes - clear out the entire regime! February 11, 2011)

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South Africa’s Largest Union on the Verge of Major Split

South Africa trade unions become magnets for capital as an ideological conflict masked as a sex scandal threatens to fracture union behind the one-year-old massacre

Patrick Bond interviewed by Jessica Desvarieux on the Real News Network 18 August 2013

JESSICA DESVARIEUX, TRNN PRODUCER: Welcome to The Real News Network. I'm Jessica Desvarieux in Baltimore. And welcome to this edition of The Patrick Bond Report.

There is a labor battle raging in South Africa. The Congress of South African Trade Unions, or COSATU, is the largest of the country's three main trade union federations, with 21 affiliated trade unions altogether organizing 1.8 million workers.

The Congress of South African Trade Unions' chief, Vavi, was suspended on Wednesday following a vote by the central executive committee. Vavi had recently admitted to having an affair with a subordinate.

With us to discuss all this is Patrick Bond. Patrick is the director of the Center for Civil Society and professor at the University of KwaZulu-Natal in South Africa. Bond is the author of the book Politics of Climate Justice and the editor of the book Zuma's Own Goal.

Thank you so much for joining us, Patrick.
PATRICK BOND, DIRECTOR, CENTRE FOR CIVIL SOCIETY: Thanks, Jessica. Good to be back.

DESVARIEUX: So, Patrick, let's give our viewers a bit of background here. Will you please explain what has been going on in South Africa related to the labor unions, and specifically talk about chief Vavi and this scandal?

BOND: Yes. The general secretary of COSATU, the Congress of South African Trade Unions, since 1999 has been Zwelinzima Vavi. And Vavi's been an extremely powerful force in a society pulling to the left, initially to try to get rid of President Thabo Mbeki. And viewers may recall in 2008 he was forced out of power by a revolt within his party, unusual in the African continent, a sort of palace coup, a peaceful revolt that represented him even before finishing his final term in office, just simply being evicted, and replaced, after an interim presidency of Kgalema Motlanthe, replaced by Jacob Zuma.

And Zuma had been supported by the trade unions and the Communists, as well as the Zulu nationalists here in Durban, the largest ethnic group. And this has been the coalition that held quite strongly, with a variety of others who were dissenters from Thabo Mbeki's government.

Viewers will recall that Mbeki had 350,000 deaths during his period because he refused to give HIV/AIDS treatment, the medicines that can prolong life. He simply denied them. And so he was very unpopular by the end.

And when Zuma came in, Vavi initially gave tremendous support. But very quickly, since Zuma didn't really change Mbeki's economic policies, and in some ways amplified them, Vavi turned away and also was very concerned about the high levels of corruption in society. So he single-handedly brought the trade unions into a variety of conflicts above ground.

Now, these conflicts were burning below ground, as the anniversary of the Marikana massacre shows.

We really have the most extraordinary levels of class struggle in the world. In fact, the World Economic Forum not long ago surveyed 144 countries and showed that the disharmony between employers and employees in South Africa was the highest of all the countries surveyed. So this is very intense society, Vavi representing a very clear and eloquent left stance.

And that is in part why the sex scandal broke out and was immediately politicized. He certainly did admit his guilt and apologized for abuse of the office. And the woman in question initially demanded about $200,000 as a going-away fee. And upon rejecting that and upon seeing the issue politicized, Vavi was then the lightning rod for a great deal of the political dissent within COSATU, splitting more or less, I think, halfway down, the largest union supporting Vavi, but most of the other bigger unions opposed to him.

DESVARIEUX: Okay. And there is a growing concern that this could lead to a split amongst these different unions. What will happen if there is a split?

BOND: Well, the context, again, of extreme militancy, especially as the wage bargaining session gets underway, with, in the mining sector especially, a rival union to the main COSATU union. And that union is called AMCU, the Association of Mineworkers and Construction Union. It came up about ten years ago. There was a very small breakaway from the National Union of Mineworkers, NUM, but in the last year has overtaken NUM in many of the major sites, like the platinum fields of Marikana, about two hours to the northwest of Johannesburg, where 34 people were killed a year ago. And that site is one of the most important places, the platinum belt, as well as gold, where...
AMCU has come up.

And I suspect this is happening under the cover, and in some cases above, in a variety of other sectors--rival unions, dissent splits. In one case, the South African Democratic Teachers Union, just this week the president was thrown out for being too pro-Vavi. And so the Vavi issue is one of the superficial reasons for the split, but underneath it the trade union movement is really fragmenting very badly.

DESVARIEUX: Okay. Let's take a look at a comment that one of the trade union presidents had to say, Cedric Gina. He said that those who want Comrade Vavi out of COSATU want a COSATU which will be a toy telephone, a labor desk, a pro-capitalist COSATU, and those who are defending him want a revolutionary socialist, anti-colonialist, and anti-imperialist COSATU. Is this indeed the case? Is this a matter of pro-capitalist versus anti-capitalist in the battle? And is there capital at work behind the scenes in all of this?

BOND: Well, yes indeed. And I think Cedric Gina, who's the president of the National Union of Metalworkers of South Africa, NUMSA--that's the largest union and the most of left-leaning union--along with the secretary-general, Irvin Jim, they have certainly been at the forefront of demanding COSATU intensify the class struggle and promote socialist objectives, including nationalization of the mines, the big metalworks, as well as other strategic industries, as well as imposing exchange controls and promoting a transition to a green economy. That's the most important development, I think, in trade unionism is that the metalworkers have really brought environmental questions to the forefront.

And so we have a very interesting situation where a more socialist-oriented bloc within the trade unions, especially NUMSA, have worked very closely with Vavi to raise the questions of inequality, poverty, unemployment, and environment, as well as gender equity and corruption, all of the major problems of the day. This is the trade union NUMSA that has pushed forward.

On the other side have been the mineworkers and a variety of other unions that have been allied with Jacob Zuma. And yes, capital has been with them, in the sense that many of their--especially mineworker leaders have become major magnets. One of them, James Motlasi, was on the board of Anglo American. Another, Cyril Ramaphosa, the deputy president of the African National Congress, former mineworker leader, was actually a 9 percent owner of Lonmin, and exactly a year ago, on 15 August 2012, wrote some emails that are seen to have been instrumental in bringing in the police to quell the uprising that in turn became the tragic Marikana massacre, 34 of the mineworkers at the platinum fields there at Lonmin massacred in the course of 20 minutes, another 78 wounded, 270 arrested.

And that part of the world has not calmed down at all. A year afterwards, still many cases of violence, several murders in the last couple of weeks. And it's a really dangerous situation as the AMCU, the rival union, has demanded a 100 percent wage increase. The NUM union, for the areas it still controls, demands 60 percent, some of the big mining houses only offering about five and a half percent.

So we're going to see in the coming weeks yet more conflict there on the mines. And I do think it will include the ideological conflict Cedric Gina spoke of, in other words, whether the unions move in a more socialist direction, independent left, and put pressure on Jacob Zuma, and potentially even break away from the alliance with the African National Congress to start a workers party moving to the left, or, on the other hand, consolidate corporatist pro-Zuma rule in the trade unions and become, as Cedric Gina puts it, simply a toy telephone for the ruling party.
DESVARIEUX: Thank you so much for joining us, Patrick.

BOND: Thank you very much.

South Africa: One year after the Marikana massacre

Liv Shange, DSM (CWI South Africa) 19 August 2013

On August 16, 2012, at Marikana, a bloody line was drawn in South Africa’s political sand when police in cold blood shot dead 34 workers and wounded 78. The few seconds of the massacre that were shown on TV tore down decades of carefully nurtured illusions about the ANC government and the capitalist state. The state’s resort to the most brutal form of reaction against the striking Lonmin workers set in motion a new period of revolution and counterrevolution in South Africa. A year later, a mining bosses’ offensive against jobs and worker rights is gathering pace. With the lessons of Marikana imprinted on the consciousness of millions of workers and youth, the scene is set for further mighty upheavals centred on the mining industry.

Remembering Marikana

The massacre on August 16, 2012, was a carefully orchestrated operation calculated to crush the Lonmin workers’ deadly challenge to the government and the capitalist order. Provoked by days (and years) of repression, the thousands of workers gathered on the hill, ‘the mountain, outside Marikana were fenced in with razor wire, attacked from behind and from the air with water bombs, and automatic gunfire. Chased towards the five-meter opening in the fence, in front of TV cameras, a first group was shot down. The majority of those killed and wounded were hunted down, out of sight of the cameras, among the rocks and bushes at another small hill. Many were shot at close range, in the back or with their arms stretched up to surrender. Police deliberately destroyed the faces of the dead by running over their skulls with armoured vehicles. Less well-planned, perhaps, was the police ‘investigation’ of the scene which has been revealed as a clumsy cover-up attempt.

The true story of Marikana was forced out in the open by the Lonmin workers’ defiant continuation of the struggle after the massacre and the industry-wide strike that followed. In the days immediately before and after the massacre, the public was washed over by a virtual flood of vicious propaganda against the Lonmin workers and their struggle. The workers who had been left, by the National Union of Mineworkers’ (NUM’s) betrayal, with no choice but to take the fight for a decent wage into their own hands and for this crime were subjected to brutal repression were painted out variously as bloodthirsty criminals and murderers, muthi-possessed savages or hapless victims of manipulation by a ‘third force’. Jeremy Cronin of the South African ‘Communist’ Party (SACP) took the prize by publicly condemning the strikers a ‘Pondoloand vigilante mafia’. While the state and its appendices continue to hammer the refrain of police ‘self-defence’ at the Farlam Commission, this just shows how detached from reality this farcical show trial is since in the rest of society, these initial ‘truths’ were long overturned by the workers’ struggle.
Bloody repression of working class struggles in general, and mineworkers’ struggles in particular, of course did not begin at Marikana. Just two weeks earlier, on August 1, 2012, for example, five protesting workers were shot dead by police at the Aquarius K5 shaft outside Rustenburg. Their murders warranted no more than a paragraph on the business pages. The scale and publicity of the violence meted out on the Lonmin workers, which shook SA and the world, were no accidents. This was the calculated response to the, up until then, most serious challenge to the foundations of the African National Congress’ (ANC’s) rule - a mineworkers’ uprising against the NUM, which throughout the democratic era has been the key to control the mineworkers and thereby the mining industry, the backbone of the SA economy; by so doing also becoming a bearing pillar of the Congress of South African Trade Unions (Cosatu) and the ANC-led Alliance. The threat was not just to NUM’s authority but to the ANC’s ability to maintain the capitalist ruling class’ confidence in its ability to ‘control the black working class’ (as a recent Business Day editorial so helpfully defined the ANC’s reason for being). ‘Concomitant action’, the expression used by ANC leader and Lonmin shareholder Cyril Ramaphosa to urge the crack-down, therefore had to mean asserting the state’s power through the barrels of automatic rifles.

‘This is not our government’
The attempt to drown the worker-led strike in blood, instead of shoring up these relationships, exposed them to millions with blinding and instant clarity. One of the key lessons of Marxism - that any state at its core consists of ‘armed bodies of men and women’ defending the ruling class, while also relying on ‘softer’ institutions (such as parliament as a means to reinforce illusions in the system on regular basis) and extended arms such as the trade unions, political parties and the media to justify the oppression of the many by the few - was suddenly understood way beyond the reach of committed socialists. Marikana spelled out that the ANC government is a party that exists to defend the interests of the capitalist bosses, that the NUM is the main tool to carry out this task, and that the supposedly neutral police, courts and media are in fact little more than the private securities and praise singers of big business.

Flowing immediately from these conclusions is the search for a working class alternative. Mineworkers, first in the Rustenburg platinum belt and then throughout the country’s mines, immediately followed the Lonmin workers’ example of setting up independent strike committees. The NUM fulltime shop stewards, often earning ten times the wage of ordinary workers, were chased out of the union offices. Through the spreading, unification and coordination of the strikes the mining houses and the government were forced to instead recognise the workers’ committees. In the minds of the striking workers this was right from the start linked to the need to also take the government bosses out of their Union Building offices, and put in place a workers’ government. As workers regained the confidence in the ability to organise, fight and win, the idea of building a new party, a working class alternative to the ANC and all the established parties, took root as an urgent necessity. The development of the strike committees into the National Strike Committee by October 2012 and the formation of the Workers and Socialist Party (WASP) by December 2012 came out of these realisations.

New battles on the mining front
Marikana registered a new level of class consciousness within the SA working class, which is forced to fight on several fronts - in the workplace, in the community - on daily basis. When battles are now escalating again this is against the backdrop of the recognition that things cannot continue
as before - both within the working class and the capitalist class. Again, SA's political and economic contradictions come to their most concentrated expression in the mining industry. While the R15bn in lost sales as a result of the strike wave August-December 2012 is certainly an irritant to the bosses, this is not the cause of the looming onslaught on jobs. It is the relentless downturn in the world economy which have seen prices of e.g. platinum and gold plummet and eaten into the profits and room to manoeuvre of the mining multinationals. Their major objectives are to cut the 'over-supply' of minerals such as platinum and gold to restore profitability and to shoot down the workers' newfound confidence in struggle.

Already before Marikana, the mining houses were testing the waters for reducing over-production by attempting the closure of some shafts around Rustenburg. Having been forced to retreat by the strike movement, they resumed the offensive immediately after the strikes were over, starting with the lock-out and eviction of 6000 workers at Harmony Gold's Kusasalethu shaft in Carletonville on New Year's Day 2013. Amplats, the world's biggest platinum producer, followed two weeks later announcing the so-called moth-balling (closure with the possibility of re-opening later) of four shafts in Rustenburg, the closure of one mine and the retrenchment of 14 000 workers. Under pressure from government and the continued combativitiy of the mineworkers, the numbers have been reduced to three shafts and 6000 workers, for now. While the AMCU (Association of Mineworkers and Construction Union) is still busy with the company’s 'consultation on this 'strategic review’, the bosses are already acting on the plan and count on its finalisation within the second half of 2013. Anglo Gold Ashanti has announced a 300 000oz cut out of its total 920 000oz global production - in just one year, most likely concentrated to SA.

Like Amplats, Glencore Xstrata is a pilot case for the ruling class. They too understand the working class truth that an injury to one is an injury to all. Throughout 2013, brief spontaneous worker-led strikes have continued to break out throughout the mining industry. At Glencore-Xstrata's Eastern Chrome mine in Tubatse, Limpopo, 2000 workers struck in May in protest against the company’s protection of a white supervisor who had racially assaulted a black worker. The company acted immediately by having the strike declared illegal and dismissed the 2000 workers. Backed by SA mining bosses and international speculators united, the Glencore Xstrata bosses are hell-bent on consolidating a defeat for the workers, who are fighting for their reinstatement supported by the Workers and Socialist Party and the Democratic Socialist Movement. Bourgeois analysts speak of a possible cut of 200 000 mining jobs in the next five years (or three?). At the same time, the falling Rand, falling GDP growth rate, falling tax revenue and rising inflation, unemployment and government debt has the SA economy overall balancing close to a ‘tipping point’ which pro-capitalist commentators fear may trigger an all-out social crisis.

Peace without justice?
In addition to the attacks on mining jobs, the ruling class is responding by pushing for the rolling back of the collective bargaining system and for the cementation of the repression to which they resorted in Marikana. A series of 'peace accords', under various labels, have been branded about in the aftermath of the massacre. The latest is the ‘Framework Agreement for a Sustainable Mining Industry’, developed in talks government-industry-union talks led by deputy president Kgalema Motlanthe (a former NUM GS). Just previous, completely ineffectual agreements, it contains vague promises to improve the standard of living in mining communities and more concrete undertakings to enforce law and order, e.g. through the permanent stationing of police and ‘other security forces’ at all mining operations.
Workers and unions are made to take responsibility for maintaining ‘peace’ while the bosses are preparing for war. Meanwhile, threats and assassinations against worker leaders associated with AMCU have continued, often provoking bloody retaliation.

The ‘Framework’ is part of the ANC government attempts to assure the mining capitalists and the ruling class as a whole that it can re-establish the grip on the situation after Marikana. It is of course no accident that it was drafted just at the start of wage negotiations in gold and platinum which are the most polarised in decades - e.g. a 120% increase demand versus a 5% offer in the gold industry - and the onset of the possible mass retrenchments. The attack on the Democratic Socialist Movement, attempting to scapegoat DSM EC member Liv Shange for so-called anarchy in the mining industry and effectively deport her from SA, also forms part of the efforts to undermine the fighting capacity of the mineworkers.

Despite the ANC’s efforts, its ongoing internal rifts are evidence that its big business handlers are yet to be convinced that ‘the centre can hold’. While the Zuma-faction appears all-powerful for the moment, its paranoia indicates a recognition that others, e.g. around deputy ANC president Cyril Ramaphosa, may be biding their time. Increasingly however, the ruling class is shopping around for political ‘Plan Bs’ outside of the ANC. The formation of Agang-SA, a new political party led by former mining magnate and World Bank director Mampela Ramphele, is one such experiment. The right-wing opposition Democratic Alliance is aggressively attempting to swallow other parties into a ‘super-opposition’.

Expelled ANC Youth League president Julius Malema is now the ‘commander-in-chief’ of the Economic Freedom Fighters hoping to capitalise on the new situation with a programme of radical demands. The ANC is widely expected to suffer big losses in next year’s elections to national and provincial parliament.

A year after Marikana, on the threshold of turmoil that could shake SA to its core, the SA working class has only just begun the reconstruction of its class-independent organisations. AMCU, the union which took over the Rustenburg platinum belt and cut out a large chunk of NUM membership also in the gold industry in the wake of the strikes is yet to show how it will fare in the test that is already beginning with dismissals and retrenchments. So far, the lack of any apparent fight-back strategy is a great cause of concern. Cosatu, the trade union federation to which NUM belongs, appears unable to recover from its historical capitulation to the bosses at Marikana. Since the Cosatu leaders effectively condoned the massacre, and went on to endorse the directly responsible ANC leaders for re-election, the federation has not displayed any effective organising or campaigning work. Instead it stoops to new lows in bitter infighting on weekly basis.

It is high time for workers, the unemployed, youth and students to act on the key lesson of Marikana - that there is no more powerful force than the working class independently organised and united in action. Izwi labasebenzi/ the Democratic Socialist Movement calls for the mineworkers National Workers Committee to work for a joint fight-back plan, coordinated across the different mining sectors and trade unions, to stop the mass retrenchments and fight for living wages and jobs. We also call for a national day of action against the job cuts, for the nationalisation of the mines, banks and big and big business under democratic control and management by workers and communities, for jobs and decent living conditions such as housing and education for all. Izwi labasebenzi/ the DSM campaigns for working class unity and urges all genuine working class
fighter to come together in the building of the Workers and Socialist Party. The best honour we can pay to those comrades who were mowed down at Marikana is to craft the political weapon we will need to defeat their murderers once and for all - a mass workers party armed with a socialist programme.

The ‘Stop-Go’ U.S. Economic Recovery

Jack Rasmus 14 August 2013

For the past several years, the US press, pundits, and apologists for both liberal and conservative politicians in the US have jumped at every slight indication of this or that monthly economic indicator showing improvement. The hype that followed typically declared the ‘recovery was now solidly underway’. That has been the media ‘mantra’ now for the past four years. Each time, the temporary good news was reversed, however, revealing the US economy was not on a trajectory of sustained economic recovery, but instead ‘bouncing along the bottom’, growing at a rate typically half that of recession recoveries in the past.

This summer 2013 has been no exception. Once again the drum beat continues, with press, pundits, and politicians grasping at straws to find the slightest evidence of improvement in the economy, which is subsequently spun to represent the view that a sustained economic recovery has begun. This latest view that once again ‘recovery is underway’ has been bolstered by a major redefinition of Gross Domestic Product (GDP) by the Bureau of Economic Analysis, the US government agency responsible for issuing GDP data, this past July 2013. With a ‘stroke of the pen’, GDP for 2012 was boosted by $559 billion, and the GDP rate of growth for 2012 by almost a third.

But a closer look of the US economy over the past year, July 2012 to July 2013, reveals a longer term trend of the US economy weakening, not growing—and that despite even the recent upward revisions of GDP on paper by the US government’s Bureau of Economic Analysis, BEA.

The US Economy 2012-2013

When GDP for the calendar year 2012 is considered, the US economy grew at a rate of only 2.2%--i.e. about half to two-thirds of what is considered normal growth 39 months after the official end of the recession in June 2009, compared to the 10 prior recessions in the US since 1947. Moreover, even after the revisions to GDP this past month, the US economy grew the last twelve months—between July 2012 and June 2013—at a still weaker 1.4% annual rate.

After a 3.1% growth rate in the third quarter last year, 2012, the economy nearly stalled completely in the subsequent fourth quarter 2012, October-December, when it grew a paltry 0.4%. This was followed in the first quarter 2013 by a 1.1% GDP annual rate and in the most recent 2nd quarter, April-June 2013, by 1.7%. The latter, preliminary GDP estimate, will almost certainly be revised downward to less than 1.7% in subsequent second and third GDP adjustments to come.

It is worth further noting that the very weak, declining, 1.4% rate over the last 12 consecutive months would have been even much lower had special, one-time developments not boosted GDP temporarily in the final two
quarters of 2012.

For example, in the 3rd quarter 2012 GDP rose by 3.1%. But the growth was heavily determined by a one time major surge in government spending, largely defense expenditures. Politicians typically concentrate spending before national elections and 2012 was no exception. That one time surge in defense federal spending was clearly an aberration from the longer term government spending trend since 2010, which has been declining since 2011 every quarter. The same pertains to state and local government spending.

The 3rd quarter 2012 defense spending surge reverted back to its longer term trend in the 4th quarter 2012. The economy and GDP then quickly collapsed to a meager 0.4% GDP rate, after being upward revised from a -0.1% actual decline. Whether -0.1% or 0.4%, when averaged with the preceding quarter’s 3.1%, the result was about 1.7%--which has been the average annual growth for the past two and half years.

The 4th quarter would have been even lower were it not for a surge in business spending on equipment in anticipation of a possible tax hike with the ‘fiscal cliff’ negotiations scheduled to conclude on January 1, 2013. But that late 2012 business equipment spending surge also proved temporary as well, flattening out and declining in the first quarter 2013.

Another one-off event then occurred in the 1st quarter 2013: a rise in business inventory expansion, which accounted for a full 1.5% of the total 2.5% of the 1st quarter 2013 GDP (henceforth revised down to 1.8% and again to 1.1%). That one time exceptional event of inventory accumulation subsequently disappeared too in the 2nd quarter 2013.

The 2nd Quarter 2013

In the latest quarter, April-June 2013, the US economy grew at a slightly faster 1.7%. That growth was concentrated mostly in the business investment sector of the economy, which was significantly boosted by the GDP definition changes by the BEA that focused primarily on investment changes. Investment rose by 4.6% in the second quarter. How much of that was actual investment, and how much due to government redefinition of investment, remains to be seen. But with the GDP revisions adding $559 billion to 2012 US GDP, it is likely the 2nd quarter 2013 GDP data of 1.7% growth was significantly due to the BEA’s GDP redefinitions.

Consumer spending also contributed to the most recent second quarter’s 1.7% still below-normal growth. Its contribution was driven largely by auto spending and by residential housing construction. But neither housing nor auto consumption appear will continue at prior growth rates going forward into 2013. Here’s why:

Residential housing ‘hit a wall’ in mid-June 2013, in response to Federal Reserve policy announcements and mortgage rates shooting up by more than 1% in a matter of weeks. Since mid-June, home mortgage applications have fallen for seven consecutive weeks and home refinance activity collapsed by 57% to a two year low. It may be that the contribution of residential housing to GDP hereafter will decline sharply, slowing growth in the rest of 2013. Meanwhile, commercial and government construction activity continued its 5 year stagnation and decline.

In terms of auto spending, what was a robust growth in spending on autos appears recently in July to have pulled back sharply. Only truck sales are growing, stimulated by the prior housing expansion which, as noted, may be coming to an end as interest rates almost certainly will rise further in
2013. So truck sales can be expected to slow as well.

The most fundamental, important determinant of consumer spending is wage and income growth, and that continues to decline longer term, as it has for the past four years for all but the wealthiest households. By 2012 wages share of total national income had fallen to a record low of 43.5%, down from 50% in 2000. Thus far in 2013 the decline has continued.

The most important determinant of wage growth—and consumer spending—is employment. But here the picture is not particularly positive, despite all the hype about job creation this year in the US. For the first seven months of 2013, January through July, there were about 900,000 jobs created. That is about the same number of new entrants into the US labor force, which occurs at 150,000 a month. So the economy is just barely absorbing new entrants. However, the real picture is worse in terms of job driven wage growth and consumer spending. About two-thirds of that 900,000 job growth represents part time workers, who receive half pay and no benefits. The US economy is generating low pay, service, part time and temporary jobs. Full time permanent jobs, at higher pay and with benefits, declined since January by more than 250,000. This explains much of the declining wage and income share for working class households despite the modest wage growth. To the extent consumer spending has occurred, that spending appears mostly credit and debt driven.

That leaves business Investment as the major factor in the 2nd quarter 2013 US growth picture and its already weak 1.7% growth rate. However, as previously noted, it is unclear how much of that Investment is real and how much is the result of ‘the redefinition of the meaning and magnitudes of investment activity’ as a result of government changes to GDP definitions this past month.

Two other major segments of the US economy, apart from consumption and investment, are government spending and what’s called ‘net exports’ (exports minus imports). Here the government spending picture is even less positive. Combined federal and state-local government spending continued to decline in the latest quarter, as in preceding quarters. Anticipated additional deficit cutting later in 2013 and another debt ceiling debacle, should it occur, will only add to this sector’s drag on the US economy and counter claims of sustained US economic recovery on the way.

A Scenario for the Remainder of 2013
The factors contributing to US economic growth thus far in 2013 were primarily consumer spending on residential housing and auto sales, and the aforementioned revisions to GDP investment in the second quarter.

Both housing and auto sales now face significant headwinds with rising interest rates, show initial signs of slowing, and therefore are questionable as major contributing factors to further US economic growth for the remainder of the year—especially should interest rates rise once again. Should the US Federal Reserve begins to slow its $85 billion a month money injection, as most market analysts predict will soon happen, US interest rates will rise still further.

That will not only slow consumer spending and investment further, but will raise the value of the US dollar relative to other currencies, subsequently slowing US exports and the latter’s already weak contribution to US GDP in coming months as well.

Rising rates will also dampen business investment, at a time when
businesses show little interest in expanding inventories of goods on hand from current lows.

It is worth noting that the mere suggestion of the Federal Reserve reducing its $85 billion a month money injection this past June 2013 provoked a major contraction of financial markets. The US 10 year Treasury bond in real terms rose 1.3% in a matter of a few weeks. That benchmark rate has significant impact not only on housing mortgages but auto sales and other rates negatively impacting consumption and investment. Should the Fed actually start ‘tapering’ its $85 billion in coming months, as is highly likely, that will almost certainly result in a further reaction by financial markets, possibly much worse, and this time perhaps enough to slow consumption, investment and the economy still further.

Added to all this, Government spending continues to be negative force and may even worsen significantly with another round of deficit spending cuts later this year. The very strong likelihood of another fight over the deficit, Obama’s budget due October 1, funding the federal government, and over extending the debt ceiling once again, will have further negative psychological effects on the US economy in coming months.

The US economy may thus, in the immediate months ahead, confront a dual problem of Fed ‘tapering, rising interest rates, more deficit cutting, and a renewed debt ceiling fight with its negative psychological impact similar to that witnessed in 2011 during a similar event.

Finally, unknown ‘tail events’ in the global economy cannot be ignored either. The often heard prospect that the US economy will soon pull the rest of the world onto a sustained growth path is wishful thinking. The Euro economy as a whole continues to ‘bounce along the bottom’, with little or no growth in its northern ‘core’ and continuing depression in its periphery. China appears headed for a hard landing, as its own long term growth rate continues to slow and the potential grows for a real estate bubble bust of major dimensions. Other BRIC economies (Brazil, Russia, etc.) continue to struggle with a 1% average growth rate and are also ‘bouncing along the bottom’. And what was heralded as the new growth sector in the global economy only a few months, Japan's growth rate has again slowed significantly in the most recent quarter.

In short, the longer term trend indicates the US economy is ‘bumping along the bottom’, growing most likely at no more than 1%-1.5% annually—hardly a rate to cheer about or to claim sustained economic growth has finally arrived. Contrary to the continued hype about a robust ‘snap back’ about to occur in the second half of 2013, there is little sign this will happen. The factors that have been responsible for that weak barely 1% longer term growth rate are themselves showing signs of slowing: housing spending, auto car sales, wages and household income, and government spending. And other major headwinds in terms of fiscal and monetary policies in the US, and in the broader global economy, are emerging on the horizon.

Nevertheless, the US economic recovery ‘spin machine’ continues to grind on—as it has for the past four years—declaring this time will be different and the ‘light at the end of the tunnel’ is real and not just a locomotive coming down the track.

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Genetically engineered Bt cotton in Ghana

The hidden agenda exposed
Ali Masmadi Jehu Appiah First Published in Pambazuka 13 August 2013

The only people who need genetically engineered crops are the foreign seed and agrochemical companies and their stockholders. They are the ones pushing this highly risky venture in Ghana. They should be resisted.

After several years of apparent short-term success in Burkina Faso of Bt cotton in increasing yields, and improving profits of small scale cotton farmers, authorities in Ghana have decided to go down the same road. Ghana’s National Biosafety Committee (NBC) has just approved field tests of GE rice in the Ashanti Region, and GE cotton field tests at 6 different locations in the Northern Region. Bt is bacillus thuringiensis, a pesticide used to control bollworms in cotton, and stem borers in rice.

Why is Ghana looking only to the short-term gains of Burkina? Why not also look at the much longer-term experience of Bt cotton in India, China, the USA, and Indonesia? In all of these countries, there is evidence of huge problems arising from Bt crops after the first few years. There is an alarming record of growing dependency on agribusiness corporations, reduced profits, increasing debt of small-scale farmers, and major environmental safety hazards. Is Ghana naively following bad advice from agribusiness corporations and their NGO and diplomatic agents?

Currently, West Africa has the enviable record of producing some of the best cotton in the world with the least use of pesticides and without genetic engineering. Introducing Bt cotton will put this at risk. Cotton and rice farmers in Ghana can easily recount the constraints limiting their production and profits. But none of these priority problems can be solved by introducing highly controversial GE hybrid seeds.

Potential demand by farmers is not driving this recent action by the Biosafety Committee. There is another, quite hidden, agenda pushing Ghana down the GE road. The so-called success of Bt cotton in Burkina is only being used as a pretext for this agenda.

The start of field trials for Bt crops in Ghana is highly alarming because there is no scientific evidence supporting the long-term safety of genetically engineered (GE) crops. “Closed” field trials on research stations are no guarantee of preventing Bt contamination when wind and birds spread pollen laced with insecticide genes. What seems likely as a major factor pushing this highly risky venture is that the Biosafety Committee has been influenced by outside forces.

The risks Ghana is taking by starting down the GE road are many. Bt cotton and Bt rice have the pesticide Bt in every cell of the plant, including the pollen. There is some evidence suggesting that inhaling Bt pollen can sicken people and livestock, and in some cases even cause death, as happened in Mindanao in the Philippines. There are reports that thousands of sheep in India were killed after grazing on the fields of Bt cotton after harvest. And in both Germany and India, cows eating Bt crops have died.
Bt infected pollen can drift far and wide, pollinating normal crops, contaminating them with the Bt altered genes. Transgenic proteins, the proteins transferred from one species to another by GE technology, can potentially cause serious immune reactions including allergies. This is a serious public health issue; and warrants an immediate ban on GM crops, including field trials, until proper assessment on the immune potential of all the transgenic proteins has been carried out.

Bt cotton also has a devastating effect on the soil, because the insecticide gene destroys vital microbial organisms, bacteria, and enzymes. A decade of planting with GM cotton, or any GM crop with Bt genes in it, could lead to total destruction of soil organisms, leaving dead soil unable to produce food. Bt enters our soil, our air, and our water.

In light of all these reports, the question we Ghanaians need to ask ourselves is: “Do we want to eat, breath, and drink Bt? Do we want to eat animals that have been eating, breathing, and drinking Bt?”

It is highly unfortunate that key scientists involved do not seem concerned by these issues. Dr. Emmanuel Chamba, Plant Breeder and Principal Investigator for Bt Cotton research at the CSIR-Savanna Agricultural Research Institute (SARI), Nyankpala, Tamale, seems preoccupied only with finding ways to control cotton’s two main insect pests, Bollworm complex and Sucking pests. And these, he indicated, can be well taken care of by the Bt cotton.

But even on this narrow basis, the record of other countries is a savage contradiction to his words. Burkina Faso’s example only shows that the first few years of Bt cotton crops may be a success. But longer-term experience in India, China and the US provide strong evidence that the insects soon develop resistance. Also, secondary pests, that before caused little or no damage, soon become major problems. The agrochemical companies then genetically engineer plants with stronger toxins. After the first few years the cotton farmers find they have to treat their fields more frequently with more and stronger chemicals. They enter a cycle of more expensive seeds, more pesticides, and more debt. They are required by contract to buy new seed each year along with the accompanying chemical fertilizers and pesticides. In the US and India this has led to a cycle of debt in which the agrochemical company eventually seizes the farmer's land to pay the debt, leaving the farmer with nothing.

These are the grave risks that the Biosafety Committee decision is bringing to Ghana. Are the potential short-term benefits of Bt crops worth these multiple risks? What are the lessons we need to learn from what happened in other countries? Even leaving aside the biosafety hazards, and regarding only production, in India, there is a striking correlation in the areas where Bt cotton is widely grown, and a dramatic increase in the rate of farmer suicides, many thousands per month. In most cases the farmers committing suicide have lost their farms due to a cycle of debt they incurred to buy new seed and pesticides, and negative income due to crop failures. Many attribute the huge price increase of cotton seed, which has gone up 8000% in India since Bt seed was introduced, as a contributing factor to farmer suicides.

In many countries, Bt cotton has proven subject to other crop diseases, particularly virus wilt. Farmers in the US and China have found whole fields wilting and when they pull up the plant there are almost no roots. Nothing can be done but destroy the entire field. Even in Burkina Faso, touted as a success story, farmers have been unhappy with the short fibers produced by Bt cotton. Most West African cotton has the highly desirable
long fibers. In 2012 there was talk of stopping Bt cotton production completely in Burkina Faso. For now there are reports of a resort to the use of traditional seeds again, and a sharp decline from 70% to 40% of the land surface previously occupied by Bt cotton. So much for the so-called Burkina success story!

Dr. Margaret Ottah Atikpo, of the CSIR Crop Research Institute, stated that if the trials being conducted for genetically modified rice at Fumesua proves successful it will enable Ghana to grow rice that is nitrogen and water efficient as well as salt tolerant. “So that where the soils are poor, it doesn’t matter, it is supposed to thrive. You can grow it where you don’t have swamps and even where there is salt in the soil you can grow it,” she stressed.

However, Bt rice is supposed to help kill insect pests. But in Ghana, insect damage in rice is not a major problem faced by rice farmers. Moreover, Bt rice has nothing to do with what Dr Atikpo is saying about drought tolerance, and nitrogen efficiency. She is reciting the mantra the GE interests have promoted for over 20 years. But there is not yet any widespread example of success of GE crops being more drought resistant, much less significant increases in nitrogen efficiency.

To the contrary, all evidence to date indicates that GE crops need to be coddled with the special chemicals the agrochemical companies have designed for them. Most need more water rather than less. And most need steady and reliable irrigation and are unable to depend on rainwater. They are less likely to tolerate floods or drought, or secondary pests and diseases, than conventional varieties.

GE crops engineered with Bt are seldom used to feed people. They are mostly used for animal feed at present. A recent Australian study shows pigs fed a Bt corn and soy diet have inflamed stomachs and the females have enlarged uteruses. Rats fed GE corn over their lifespan develop enormous tumors. Do Ghanaians want to be human guinea pigs for Bt crops in humans?

Dr. Stephen Amoah, a research scientist at CSIR, Kumasi, says Ghana's agricultural production is beset with a myriad of constraints. “These include declining soil fertility, pests, diseases, low yields of crops, drought, floods, post-harvest losses among others” He neglects to mention that over time all of these become greater problems with GE crops. Even though Ghana has increased food production in recent years, this has been by expanding land under cultivation. He worries about inadequate land to feed Ghana’s people.

There are many proven techniques that multiply productivity on very small areas of land, as the recent trend in urban agriculture, and work with agroecology science and farming systems research is demonstrating. These have nothing to do with genetic engineering. Seeds alone do not determine crop productivity. They are a contributing factor, but there are many more factors involved. This is why it is highly beneficial to ensure farmers have access to many varieties of seed, and grow a diversity of crops.

Farmers’ choice among the most appropriate varieties of seed is something the genetic engineers are trying to stamp out with their patented seeds and exclusive contracts. The giant agrochemical companies promoting their GMO varieties in Ghana are using their influence, and money, to divert Ghanaian scientists and politicians away from much more relevant approaches to agricultural science and food security, in their pursuit of profits.
The priority need of Ghanaian farmers is not GE seeds. The only people who need genetically engineered crops are the foreign agrochemical companies and their stockholders who profit from the monopoly sales of these products, with no regard for the human misery and bio-contamination they will cause.

Ali Masmadi Jehu Appiah is the Chairperson, Food Sovereignty Ghana

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The science and economics of the gas boom
Rob Larson 12 August 2013

Between 1868 and 1969, Cleveland’s Cuyahoga river caught fire at least ten times, including one blaze that reached the Standard Oil refinery where storage tanks detonated. Ultimately, the seemingly impossible and unnatural phenomenon of burning water came to represent the dangers of unregulated industrial development and generated popular support for the environmental laws of the 1970s, including the Clean Water Act and the Safe Drinking Water Act.

Today the unsettling sight of burning water has returned, from a new industry that is exempt from both these laws. In homes near installations using the drilling technique known as hydraulic fracturing, or “fracking,” the tap water has been known to ignite with the touch of a lighter. The industry is relatively new, so the scientific literature yields only tentative results and provisional research conclusions. But the early research suggests fracking has serious negative consequences for public health and local ecology, from flaming tap water to toxic chemicals to ground tremors. Industry spokesmen insist that the negative side-effects of fracking are insignificant. But there’s one positive side-effect everyone should be able to agree upon: fracking is an ideal vehicle for explaining key economic concepts of market failure and market power, including externalities, asymmetrical information, and regulatory capture, along with brand-new ones, like science capture. Let’s start with the firewater.

Liar Liar, Taps on Fire
In the fracking process, natural gas (methane) is released from shale rock strata up to a mile underground, by injecting millions of gallons of water, along with sand and a variety of synthetic chemicals. The huge pressure of the water makes new cracks in the rock, allowing the gas to dissolve and be extracted. Fracking is now responsible for 30% of U.S. electricity production and for heating half of all U.S. homes. The national and business media have breathlessly reported huge growth in gas production, and the oil-and-gas industry projects that North America will return to exporting energy by 2025. Besides the sheer growth in production, the Wall
Street Journal reported earlier this year, the fracking boom has brought other economic benefits, “improving employment in some regions and a rebound in U.S.-based manufacturing,” and “greater defense against overseas turmoil that can disrupt energy supplies.”

As made notorious by the documentary Gasland, water supplies are a major focus of concern about fracking, especially since the emergence of dramatic footage of a number of Pennsylvania homes, near fracking pads above the Marcellus Shale formation, producing fireballs from the kitchen tap. Duke University earth scientists conducted a more rigorous exploration of this phenomenon, published in the Proceedings of the National Academy of the Sciences. They surveyed rural Pennsylvanian water wells for residential use, measuring concentrations of methane, the main chemical component of natural gas. Concentrations rose far above natural levels closer to drill pads, spiking within one kilometer of active gas development sites to a level that “represents a potential explosion hazard.” It was also found that the specific gas chemistry in the wells matched those produced through drilling, rather than through naturally occurring compounds. As the gas boom goes “boom,” the cautious scientists conclude: “Greater stewardship, knowledge, and—possibly—regulation are needed to ensure the sustainable future of shale-gas extraction.”

In parts of the country where water is scarcer, the issue is more ominous. The Environmental Protection Agency (EPA) and U.S. Geological Survey have found toxic alcohols, glycols, and carcinogenic benzene in underground aquifers in Wyoming, evidence that fracking has tainted precious underground water supplies. In press accounts, local residents who requested the study “expressed gratitude to the EPA, and perhaps a bit of veiled doubt about the zeal of local and state regulators.” In parched Texas, the volume of water adequate for irrigating $200,000 worth of crops can be used to frack $2.5 billion-worth of gas or oil. The Wall Street Journal reports that “companies have been on a buying spree, snapping up rights to scarce river water—easily outbidding traditional users such as farmers and cities.” A Texan rancher relates: “They’re just so much bigger and more powerful than we are...We’re just kind of the little ant that gets squashed.”

Top-Secret Ingredients

The heavy use of often-secret synthetic chemicals has also cast a shadow over the fracking debate. Bloomberg News reported in 2012 that energy companies and well operators were refusing to disclose the chemical formulas of thousands of substances used in the fracking process, enough to “keep [the] U.S. clueless on wells.” Many states have instituted a self-reporting law, modeled on one first developed in Texas, allowing drillers to withhold the ingredients used in their chemical mixes. Bloomberg reports that drillers “claimed similar exemptions about 19,000 times” in the first eight months of 2012 alone. The congressional exemption of the industry from federal water requirements (discussed below) makes this non-disclosure possible, so that “neighbors of fracked wells ... can’t use the disclosures to watch for frack fluids migrating into creeks, rivers and aquifers, because they don’t know what to look for.”

This development is a perfect example of what economists call asymmetric information, where one participant in a transaction knows relevant information that is unknown to the other party. The lack of information on one side can put the other party at an advantage, like the seller of a used car who knows more about the car’s problems than the prospective buyer. For example, a team of Colorado endocrinologists set out to catalogue these synthetic compounds used in wells across the country, based on
regulatory filings. The survey was limited due to the “void of environmental authority” to compel chemical disclosure, and thus the data sheets and reports are “fraught with gaps in information about the formulation of the products.” Many of these reports only specify the general chemical class or use the label “proprietary,” providing no additional information. Ultimately, the scientists found that over 75% of the chemicals were harmful for the sensory organs, nearly half could affect the nervous and immune systems, and 25% could cause “cancer and mutations.”

Another report by Colorado scientists observed that fracking development is increasingly located “near where people live, work, and play.” The study used air sampling to find strongly elevated health risks within a radius of about half a mile from fracking sites. The effects ranged from “headaches and eye irritation” up to “tremors, temporary limb paralysis, and unconsciousness at higher exposures.” A larger review by Pennsylvania scientists reached similar conclusions, based on local resident reporting and finding a match of over two-thirds “between known health effects of chemicals detected and symptoms reported.”

The scientists caution that their findings “do not constitute definitive proof of cause and effect,” but they do “indicate the strong likelihood that the health of people living in proximity to gas facilities is being affected by exposure to pollutants from those facilities.” They frequently advocate the precautionary principle—that careful study showing that a product or process is not harmful should precede its use—as when they recommend “health impact assessments before permitting begins,” and note that “scientific knowledge about the health and environmental impacts of shale gas development … are proceeding at a far slower pace than the development itself.” These conclusions contradict the industry’s claim that fracking is both safe for public health and not in need of any further study. Especially considering the earthquakes.

Tectonic Economics

Perhaps more alarming than the burning water and secret chemicals is the association of fracking with earthquakes. An early report of this development came from the Oklahoma Geological Survey, which surveyed the timing of tremors and their proximity to fracking sites and found a “strong correlation in time and space” and thus “a possibility these earthquakes were induced by hydraulic fracturing.” Earthquake epicenters were mostly within two miles of wells, and any earthquake disruption or damage caused by fracking-related activities represents an externality, a side effect of an economic transaction that affects parties outside the transaction.

These findings are backed up by a review in the prestigious research journal Science, in which cautious scientists note that fracking itself is not responsible for “the earthquakes that have been shaking previously calm regions.” Yet they find that the induced earthquakes do arise from “all manner of other energy-related fluid injection—including deep disposal of fracking’s wastewater, extraction of methane from coal beds, and creation of geothermal energy reservoirs.” A surveyed area in Arkansas typically had about two quakes a year, before the beginning of fracking-water disposal. The year water disposal began, the number rose to ten. The next year, to 54. After water injection was halted, the quakes tapered off. The Science authors observe the “strongly suggestive” correlation between water disposal and seismic activity: “The quakes began only after injection began, surged when the rate of injection surged, were limited to the vicinity of the wells, and trailed off after injection was stopped.” The scientists’ main conclusion is the adoption of the precautionary principle:
“look before you leap … Stopping injection has stopped significant earthquakes within days to a year. … The new regulations in Ohio and Arkansas at least move in the direction of such a learn-as-you-go approach.”

Fracknapping
You might wonder why the EPA has not limited or regulated fracking operations, in light of the combustible water, cancer-causing chemicals, and earthquake clusters. The EPA might well have adopted significant national policies on fracking by now, had the practice not been made exempt from the main national environmental laws in the Energy Policy Act of 2005, an offspring of Dick Cheney’s secretive energy committee. The exemptions from the Clean Water Act, the Safe Drinking Water Act, the Clean Air Act, and the Superfund law drastically limit the agency’s authority to act on fracking.

The drive to limit even EPA research into fracking is decades old. An extensive New York Times report, based on interviews with scientists and reviews of confidential files, found that “more than a quarter-century of efforts by some lawmakers and regulators to force the federal government to police the industry better have been thwarted, as EPA studies have been repeatedly narrowed in scope and important findings have been removed.” When Congress first directed the EPA to investigate fracking in the 1980s, the Times reported, EPA scientists found that some fracking waste was “hazardous and should be tightly controlled.” But the final report sent to Congress eliminated these conclusions. An agency scientist relates, “It was like science didn’t matter. … The industry was going to get what it wanted, and we were not supposed to stand in the way.”

Similarly, when an EPA public-advisory letter to the state of New York called for a moratorium on drilling, the advice was stripped from the released version. A staff scientist said the redaction was due to “politics,” but could as well have said “business power.” More importantly, the first major EPA review of fracking found “little or no threat to drinking water.” This was an eyebrow-raising claim, given that five of seven members of the peer review panel had current or former energy industry affiliations, a detail noted by agency whistle-blower Weston Wilson. Other studies have been narrowed in scope or colored by similar conflicts of interest. More recently, the agency announced that its study finding contamination of Wyoming groundwater will not be subjected to outside peer review, and that further work instead will be funded directly by industry. As the EPA is presently drafting a brand-new report on the subject, these past embarrassments should be kept in mind.

This brings up the problem of regulatory capture, where an industry to be monitored gains major influence over regulators’ policies. As mentioned above, fracking is very loosely regulated by the states, which is always a favorite outcome for corporate America since the regulatory resources of state governments are far smaller and the regulators are even more easily dominated than those of the federal government. The industry-sponsored FracFocus website is the state-sanctioned chemical-information clearing house, and a masterpiece of smooth PR design, suggesting clear water and full transparency. But Bloomberg News reports that “more than 40 percent of wells fracked in eight major drilling states last year had been omitted from the voluntary site.”

Other state reactions have varied. In 2010, the New York State legislature voted to ban fracking, but then-Governor Paterson vetoed the bill and instead issued a temporary moratorium on the practice, though fracking remains illegal in the New York City watershed. Finally, while the EPA’s
main study is still pending, the agency has taken some steps, as in 2012 when it required well operators to reduce methane gas emissions from wells and storage pits to limit air pollution. But even here the regulation wears kid gloves: The new moves do not cut into industry profits. In fact, capturing the “fugitive” methane, the agency estimates, will save the industry $11 to $19 million annually. Also, the regulation won’t take effect until 2015.

Neoclassical Gas
Mainstream, or “neoclassical,” economic theory considers itself to have solutions to these problems—solutions centered as always on “free markets.” The idea is that if firms create chronic health problems or combustible tap water, market forces should drive up their costs, as landowners learn of these firms’ practices and demand higher payment for drilling. But as seen above, even households that have already leased their land for gas development remain unaware of the identities and effects of the obscure synthetic chemicals to which they are exposed. This informational asymmetry—the firms know things the landowners don’t—significantly attenuates the ability of landowners to make informed choices.

On the other hand, households that are located near a drill pad but uninvolved in licensing the drilling will experience the ill effects as externalities. Neoclassicals suggest these can be fixed through a better property-rights system, where surrounding individuals can sue drillers for injuring their health. But this solution runs up against another problem: proving cause-and-effect from a drilling pad to a particular individual’s health problems is extremely difficult. The tobacco industry notoriously made this point in court for many years, arguing that it was impossible to prove if a man’s lung cancer was caused by a four-pack-a-day cigarette habit, as opposed to, say, local auto exhaust. If cause-and-effect is hard to prove in court for cigarettes, doing so for air-delivered volatile organic compounds will be almost impossible.

This problem is aggravated by the use of corporate resources to influence research. The showcase example is a study produced by the University of Texas, “Fact-Based Regulation for Environmental Protection in Shale Gas Development.” The study gave fracking a guardedly positive bill of health, finding no evidence of negative health impacts. The commercial media gave the study a good deal of favorable attention, until the revelation that the lead researcher, Dr. Charles G. Groat, formerly of USGS, sits on the board of the Plains Exploration & Production Company, a Houston-based energy firm heavily invested in gas development. His compensation from the board was several times his academic salary, and he also held 40,000 shares of its stock. An in-house review by the university was outspoken, saying “the term ‘fact-based’ would not apply” to the paper, which was “inappropriately selective … such that they seemed to suggest that public concerns were without scientific basis and largely resulted from media bias.” Groat retired from the university the day the review was released, but this practice has become increasingly common from industries under fire for environmental or public-health impacts. Bloomberg News flatly stated that “producers are taking a page from the tobacco industry playbook: funding research at established universities that arrives at conclusions that counter concerns raised by critics.” This raises the ugly possibility of science capture.

No Frackin’ Way
Not that Americans are taking it lying down. A diverse popular coalition successfully fought to block a Gulf Coast gas terminal that stood to inflict
major damage on local wildlife. The Oil & Gas Journal reports on the “firestorm” of activism: “In an unlikely but massive undertaking, environmental activists, sports fishermen, local politicians, media groups, and other citizens formed a coalition known as the ‘Gumbo Alliance’ that united opposition to the technology.” The Louisiana governor vetoed the project “under considerable public pressure.” Elsewhere, local residents have taken action to keep fracking and its negative externalities out of their communities. New York State “fractivists” have won an impressive 55 municipal bans and 105 local moratoriums against fracking, to date. The state’s Court of Appeals—New York’s highest court—recently upheld the bans against an industry lawsuit. These activist successes are an early challenge to what the Wall Street Journal called the new “shale barons.”

American job markets remain highly depressed and state budgets are strained. What we need, instead of dogged extraction of every particle of fossil fuels from the ground, is a public employment program geared toward the construction of a new sustainable energy system. This would be a far superior alternative to fracking—on grounds of health, ecology, and employment. It could also serve as a springboard for a broader questioning of the suitability of capitalism for the challenges of the 21st century. That kind of radical approach would see the glass of water as half full, not half on fire.

www.zcommunications.org

ROB LARSON doesn’t have to tell you what chemicals he’s on. He’s an instructor of economics at Tacoma (Wash.) Community College and his book Bleakonomics was published by Pluto Press last fall.

Monsanto and Big Food

Winning our Hearts and Minds? Monsanto and Big Food Pull out the Big Guns
Katherine Paul and Zack Kaldveer 10 August 2013

Monsanto and Big Food are taking the battle for consumers’ hearts and minds to the next level. And it’s no coincidence that they’re pulling out the big guns just as the Washington State I-522 campaign to label genetically modified organisms (GMOs) in food products is gaining steam.

Can industry front groups and slick public relations firms convince us that the products they’re peddling are not only safe, but good for us? Will the millions they spend on websites and advertorials pay off?

We’re guessing not, given the latest New York Times poll stating that 93 percent of Americans want labels on foods containing GMOs.

Still, it can’t hurt to know who’s behind the latest salvo of lies and misinformation.

In this case, it’s a new front group. And a new website and forum, introduced by biotech trade groups no doubt with the help of a new PR firm. And a new front group. The freshly launched GMOAnswers.com is funded by the biotech industry, which claims it just “wants to talk”. And the recently formed Alliance to Feed the Future, representing more than 50 multinational food, agribusiness and biotech companies, wants to give us the “real” scoop on our food system.
Monsanto has all the answers
Last month the Holmes Report revealed that Monsanto was interviewing public relations firms to spruce up its image. A tall order given Monsanto's status as "most evil corporation in the world." (A google search of "Monsanto most hated corporation" returns over 823,000 results).

This week, the New York Times reported on the launch of GMOAnswers.com, a new website intended to "answer virtually any question posed by consumers about genetically engineered crops." Except, of course, where they're hidden in our food.

You've got to hand it to the PR firm - new, old, Monsanto's or otherwise - that landed that article. Who gets a mention in the Times these days just for launching a website? Organizations that are funded by Monsanto, Dow, Bayer, Syngenta and BASF, apparently.

The Times quoted, extensively, Cathleen Enright, executive director of the Council for Biotechnology Information and also vice president for food and agriculture at another trade group, the Biotechnology Industry Organization. Enright told the Times that: "We have been accused of purposely hiding information. We haven't done that but now we will open the doors and provide information." Say what?

Enright couldn't emphasize enough how this was all a result of the biotech industry being misunderstood by the public, and how Monsanto and the rest of the industry just wants to be open.

Whoever registered the website domain name for GMOAnswers.com doesn't share Enright's new touchy-feely enthusiasm for openness and transparency. The domain's ownership is hidden behind Network Solutions LLC. Maybe the new PR firm isn't all that proud of its new clients?

Big Food is dishing up the lies, too
It isn't just the biotech industry spinning the facts. Big Food is dishing up its share of lies, too.

To counter the steady drumbeat of public relations defeats, damning scientific research and grassroots political pressure, Monsanto and over 50 other multi-national food, agribusiness, and biotech companies created the "Alliance to Feed the Future" (AFF).

The AFF's stated mission? To "balance the public dialogue on modern agriculture and large-scale food production and technology" and to serve as a source for accurate and "real" information about our food system.

In fact, the AFF is nothing more than a few high paid consultants doing the bidding of the American Meat Institute, CropLife America, Grocery Manufacturers Association, United Egg Producers, Biotechnology Industry Organization, and the International Food Additives Council, among others.

Dave Schmidt coordinates the alliance. Schmidt, who is also CEO at the International Food Information Council, recently told Sustainable Food News that "the alliance's aim is to educate who he called 'opinion leaders,' including those in the university sector, professional societies, journalists and government officials." Of course, he said, the group also aims to "inform" consumers, too.

But a close look at the AFF reveals all the hallmarks of a typical "astroturf" group. A deceptive-sounding name designed to create a positive public impression. A sophisticated public relations plan designed to control and
shape the public discourse. Obfuscation around its main sources of funding. And a tendency to attack industry critics, create the perception of doubt regarding previously accepted science, and exploit consumers legitimate economic fears.

And, like most front groups, the AFF's seemingly unlimited resources guarantee it can churn out one lie after another, faster than the independent fact-checkers can debunk them.

Big Food recognizes its stranglehold on our food supply is threatened. A critical mass of educated consumers, food and natural health activists, environmentalists, social justice advocates, and animal cruelty groups are organizing a powerful movement capable of overthrowing North America's trillion-dollar junk food Empire.

Consumers are increasingly wary of foods that have been genetically engineered by the same companies that brought us toxic pesticides, DDT, Agent Orange, dangerous pharmaceuticals and PCBs.

Sales of organic foods are projected grow this year at twice the rate of conventional food sales, and exceed $35 billion in 2013. Proof that consumers by the millions are rejecting an industrial food and farming system that relies on toxic pesticides, animal drugs, antibiotics, growth hormones, climate disrupting nitrate fertilizer, and inhumane, polluting, and disease-ridden factory farms.

More and more critics and journalists are exposing the hazards and cruelty of our food supply system. Even the New York Times recently revealed that for decades, processed foods have been diabolically engineered and laced with synthetic chemicals and additives designed to turn consumers and children into obese, cancer- and heart disease-prone junk food addicts.

The writing is on the wall. No amount of industry smoke and mirrors can change the fact that more and more people are looking at food with their eyes wide open.

Will corporations win our hearts and minds with their website propaganda and front groups? We think not.

[If we will give the campaign our financial and grassroots support, Washington voters on Nov. 5 will put an end to the force-feeding of unlabeled GMOs to consumers. It's time to stand up to corporate tyranny and regain our right to choose. For more information go to http://yeson522.com/.

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**SE Asia: Threat of new economic, political and social crises**

When the world economic crisis makes landfall in South Asia
Clare Doyle, CWI 10 August 2013

Until recently, the 'emerging' economies of the BRICS - Brazil, Russia,
India, China and South Africa - were still growing at a steady rate. China, in particular, appeared to be defying the economic laws of gravity or those of boom and slump in capitalist economies. There were many who argued that these countries could help keep the world economy afloat as deepening crises afflicted Southern Europe and the US. The dramatic slump in Brazil’s growth rate (from 7.5% in 2010 to 0.9% in 2012), and the massive revolt of the youth and workers in July of this year, have put an end to that illusion.

The current slow-down in China, whose 'turbo-charged' economy saw it overtake Japan to take second place to the US in GDP, is now a cause of grave concern both to the ruling clique in China and internationally. While China is heavily involved in major capital expenditure in some countries for strategic as well as economic reasons, the shrinking of its exports further afield is already having an effect on economies to which it has outsourced certain basic manufacturing and from whom it has drawn the raw materials needed to fuel its industry.

India - the third largest economy in Asia and only recently opening up to the world market - has seen its growth rate fall from 10.5% in 2010 to 3.2% in 2012. Malaysia’s economy, heavily dependent on trade with China, has slowed to a 4.1% increase this year.

Many Asian countries initially benefited from the downturn in productive (profitable) investment elsewhere in the world. Large amounts of 'idle' capital, earning little or no interest in the banks of countries involved in Quantitative Easing, flowed into Asia as speculative ‘investment’.

The Financial Times commented that Asia’s local currency bond markets “have bloomed since the global financial collapse of 2008 unleashed easy money...spilling out of the US and Europe. What happens when interest rates eventually start to rise, particularly in the US? How much of that money will turn around and flee?”. Up to 50% of Indonesia’s government bonds are foreign-owned and about 40% in Malaysia and Philippines.

Will there now be a new 'Asian crisis' as severe as, or even more severe than, that of 1997-98? Will South Asia’s governments be able to weather the storms to come?

**Historical precedent**

The 1997-9 “Asian Crisis” saw the currencies of countries like Thailand plunge, and hundreds of thousands of jobs and livelihoods being massacred. Revolutionary upheavals against IMF-imposed policies saw the overthrow of the hated dictator, Suharto, in Indonesia. In Malaysia a mass movement for democratic reform threatened the decades-long rule of the BN (National Front), dominated by the United Malays National Organisation (UMNO). South Korea saw new general strikes similar to those against neo-liberal attacks introduced at the end of 1997.

Last time round, the IMF doled out massive loans to beleaguered countries to prevent collapse and revolution. In the case of South Korea it was a massive $57bn.

None of these movements found a voice and political line that could complete the revolutionary processes that had begun. In Indonesia, some left groupings fostered illusions in the democratic credentials of Megawati Sukarnoputri, who would proceed to rule on behalf of big and international capital in alliance with generals of the old regime. In Malaysia, the popular leader of the ‘Reformasi!’ movement, Anwar Ibrahim, had been a part of UMNO in government with Mahathir Mohammed. As a US-trained neo-
liberal economist, he did not want (and still does not want) a movement which would go the whole way and organise to end capitalism.

The CWI at the time argued for the fullest support for, and involvement in, these movements, fighting for basic democratic rights and freedoms, but also, arguing - along the lines of Trotsky’s writings on ‘Permanent Revolution’ - the need to rid these neo-colonial economies of the domination of home-grown and multinational capitalism. Clear socialist policies were needed, based on the understanding that only the working class, with the support of the urban and rural poor, could establish genuine democracy and transform the lives of the overwhelming majority of the population of the region.

As the cold winds of world recession ‘hit landfall’ in Asian countries, similarly tumultuous movements will develop. Given the further intertwining of the world’s economies, India and Pakistan which escaped the worst of 1997-8 could be engulfed this time. The IMF is unlikely to step in to the same extent as it did then help governments faced with revolutionary upheavals. Initial outbursts of anger and desperation could broaden into generalised movements in which impoverished youth and workers will seek revolutionary solutions. No Asian country at the present time can claim to have a viable, confident and stable government.

**India, for example**

India is characterised as “the worst performing emerging market economy since the turn of the year” (Guardian 7 August) with growth coming to a standstill in the second quarter. “Investors fear a re-run of the crisis that hit India in 1991.”

Mass poverty and deprivation is synonymous with India. “Four hundred million Indians have no electricity...Half of all Indians still defecate in the open...Immunisation rates for most diseases are lower than in sub-Saharan Africa. Twice as many Indian children (43%) as African ones go hungry...A pitiful $39 per person per year [is spent on] public health compared with China’s $203 or Brazil’s $483” (Economist, 29 June 2013).

The majority of Indian women suffer untold suffering and hardship. The brutal gang rape and murder last December of a student in New Delhi provoked huge demonstrations and protests internationally, as well as across India. Measures may be introduced to try and deal more harshly with offenders, but violence against women is backed up by many ancient prejudices and practices.

Natural disasters are aggravated by irresponsible environmental destruction, as with the deathly landslides in Uttarakhand this June. Rescue and emergency services prove woefully inadequate and cause yet more suffering and mortalities.

The gap between the mass of India’s nearly 1.3 billion people and the tiny handful of super-rich grows ever wider. A few individuals from rich family dynasties have amassed vast fortunes. According to Forbes magazine, Mukesh Ambani is worth $20bn and steel magnate, Lakshmi Mittal, $16bn. A new middle class has developed in some cities and provides a certain market for cars and semi-luxury items.

“For the rich, the problem is their waistlines,” comments the Economist (6/7/13). “Ferried about by chauffeurs and absolved from household chores by servants, they have become a corpulent race apart from their skinny compatriots”. (This harks back to the traditional image of the fat capitalist, while in the US it is workers eating cheap junk food whose
waistlines are expanding.)

The overwhelming majority of India’s population continues to eke out a squalid existence on miserly incomes in the face of rampant inflation. The middle layers who have benefited from a certain development in the economy, are already finding their expectations thwarted by the slowdown in the economy.

The Congress-led government in Delhi is crippled by indecision and corruption. Its writ does not run across whole regions of the country, where Maoist (or Naxalite) guerrilla forces have made themselves more popular by at least fending off rapacious land-owners and multinational companies. Prime Minister, Manmohan Singh is floundering between the pressures from abroad to introduce neo-liberal ‘reforms’ and the pressure from below in the run up to elections in 2014.

There is now even the possibility of the widely discredited right-wing nationalist BJP returning to power under the leadership of arch-reactionary Narendra Modi. Modi is still loathed by millions as the 'Butcher of Gujarat', responsible for the communal killings of more than 2,000 Muslims in 2002. In many states his party is also mired in corruption. But as the FT puts it: “If the sense of a government vacuum from the Congress continues, more and more people will just be willing to take a risk with him” (10/6/13).

And this in a country that saw in February the biggest-ever general strike in history - more than one hundred million workers on strike for two days. The demands of the strikers included an end to crippling price rises and a living wage for all. (The Indian rupee plummeted 15% from May to July alone, sharply undermining lready meagre wages.)

The mass 'Communist' parties retain a certain support amongst workers and even poor farmers. The CPI(M), however, has been badly damaged by its loss of power in West Bengal, where it had ruled for decades. It suffered electorally for its brutal attacks on workers' and poor farmers' livelihoods, sacrificed on the altar of both Indian and foreign-based capitalism. It will be hard - though not impossible, in the absence of other mass workers’ parties - for the CPI(M) to regain support there and elsewhere as long as they adhere to the treacherous Stalinist policy of 'stages' - establishing capitalism, only later to fight for socialism.

Pakistan
The almost permanent crisis that constitutes life in Pakistan illustrates starkly the need for workers to move directly against feudalism and capitalism at one and the same time. Political and personal life is plagued by power cuts, bomb attacks, collapsing services and paralysis in government.

The once mighty Pakistani People’s Party has entered a period of possibly terminal decline. Its corrupt and inept government, under 'Mr 20%' (earlier just 'Mr 10%') Zadari, managed to serve out its full term only due to the inertia of other forces. The military, which controls large parts of the economy and society from behind the scenes, did not move in to take direct control. This does not rule out such a development again in the future, as political and social crises develop.

The PPP, in which so many workers and young people invested their hopes in the early ’80s, has now lost much of its support. The Nawaz Sharif government faces intractable problems - a failing state, a weakening economy, right-wing Islamic terrorism and the powerful centrifugal forces
that threaten the break-up of the nation.

The Pakistan economy is dangerously unstable and unviable. A new loan from the IMF of $5.3bn comes with demands for “financial discipline” i.e. no subsidies for the poor. The priority is reform of the electricity transmission sector as power shortages at present cost the economy at least 2% of GDP.

The new government is unlikely to overcome the multitude of intractable problems. Two-thirds of the electorate live in the rural areas where the feudal land-owners hold sway over the daily lives of the rural poor. They also decide the outcome of nearly all elections. The heroic struggle of Malala Yousafzai against the Taliban, who try to prevent girls from getting an education, has evinced an “apology” from them. But the struggle against them and against the authorities who fail to provide a full and free education for boys and girls in town and country is far from over.

Neo-colonialism and weak governments
In most Asian societies, many other basic democratic rights have never been established. The emerging capitalist classes have not been strong enough to carry through thorough-going land reform or clear away the remnants of feudalism. In China, it took the deformed workers' state of Mao Tse Tung to preside over this task. What was done in earlier centuries by the emerging capitalist classes in the revolutions of England, France and elsewhere, still remains to be completed in most Asian countries.

As in other continents, many of Asia’s nations were artificially created by lines being drawn on maps after (or before) years of murderous plunder and destruction. People were left as oppressed minorities within the borders of Burma, Thailand, Sri Lanka. Only workers' parties heading socialist governments will be able to satisfactorily resolve the issues of the rights of minority nationalities and the task of setting up mutually cooperative confederations of nations.

Direct rule by imperialism ended decades ago across the whole of Asia. It has been replaced by that of regional powers such as China and India who vie for strategically and economically advantageous 'concessions' as in Sri Lanka, Burma and elsewhere.

Giant multinational companies still scour the region for markets, for cheap labour and for maximum rates of profit. In most of the world’s poorest countries, multinational monopolies dominate the market for seeds, fertilisers, washing products and retailing. Unilever has 57% of its global sales in 'emerging markets', Colgate 53% and Proctor and Gamble 40% (Financial Times 29/7/13).

A campaign against Walmart invading Indian retailing, organised mainly by the CPI(M), has been partially successful. It remains to be seen if the delay is permanent. The 'communists' have sworn to ensure success, but even mass campaigns can achieve only temporary victories as long as the forces of the capitalist 'free market' hold sway.

Clothes and footwear giants like Primark, Gap, Reebok and Adidas make huge profits out of Asian labour. Bangladesh receives $20 bn. a year for its exports of garments made by workers who generally receive no more than $38 a month. Outrage at working conditions in places like the Rana Plaza complex in Dhaka, which collapsed killing more than 1,300 workers, has been expressed on the streets in mass demonstrations and strikes.

Internationally, however, crocodile tears are shed and then deals done
between retailers, the bosses’ organisations, NGOs and international trade union federations like IndustriALL. Even the moderate ‘War on Want’ organisation complains that such agreements go nowhere near guaranteeing a decent living wage, reduced hours or better working conditions for the hundreds of millions in the garment industry across South Asia. Nor do they allow for genuine fighting organisations of workers to develop.

Some of the world's best known car giants also have factories in Asia. They push to get their workers to accept wages and conditions that would not be tolerated in other parts of the world. But in the process they have bred a new generation of young class fighters who have organised significant strikes such as those at Maruti in Northern India.

At the expense of millions of poverty-stricken workers at home and abroad, ‘local’ tycoons such as Tata, Mittal and Ambani have done so well over the decades since ‘independence’ from colonial rule, that their steel, car and mining conglomerates now straddle the world in their endless search for profits.

**Democracy?**

A glance at any South Asian country will confirm an enormous, unbridgeable 'democracy deficit', as commentators put it. A discussion in Britain about the Commonwealth Heads of Government Conference going ahead in Sri Lanka this year (which leaves Sri Lanka chairing the Commonwealth organisation for two years!) has seen comments in the press that the only element of democracy in that country is the holding of elections. It is the most dangerous country in which to be a journalist, according to 'Reporters without Borders', its military continues to seize and 'settle' Tamil land in the North and the president’s brother, Defence Minister, Gotabaya Rajapakse, declares that ‘human rights are not for us’.

Sri Lanka’s civil war was drowned in the blood of tens of thousands of Tamils by the Sinhala chauvinist nepotistic dictatorship of Mahinda Rajapakse. Neither of the main powers vying for profitable investment opportunities and political influence in Sri Lanka - China and India - is unduly bothered by the lack of democratic rights in the country.

The first, at least partial, general strike in many years which took place in June this year is a warning to the apparently all-powerful regime. A government confident of its future would not need to rest so heavily on the use of its army, on press censorship or on the hounding of opposition and minority elements.

Even in 'the world’s largest democracy' - India - votes at elections are bought and sold. Substantial election ‘goodies’ like televisions, computers, mobile phones are handed out by state or national governments and even by opposition parties, at election time. State-wide fiefdoms are held by Chief Ministers along with their cronies. The promise of many political leaders to eliminate the iniquitous caste system remains unfulfilled and tribal peoples have their precious land wrenched from them by governments and conglomerates working hand in hand (except where determined mass protests have been able to block their plans).

**‘Second world’**

Malaysia, a South East Asian country sometimes deemed to be part of the ‘second’ and not the ‘third’ world, encompasses three main racial groups. The ruling BN government, which bases itself on the Malay majority, claims to have won yet another general election in May, though now holding less than the two-thirds majority needed to make constitutional changes.
Chinese voters, a quarter of the total in Malaysia, moved away from the BN in protest at its continuing pro-Malay policies. The majority of Malaysia’s Indian voters have generally voted for the opposition Pakatan Rakyat (People’s Alliance).

In the month or so before the general election there was a $2.6 billion ‘deluge’ of social handouts to poor families. Other sweeteners were given to the whole electorate. In spite of this, the ruling BN alliance was almost certainly defeated; it claimed victory, in spite of widespread allegations of vote-rigging. (Even the contract for supplying the identification ink to the election stations had been given to a company owned by an UMNO crony!)

Angry, radicalised youth immediately came onto the streets to declare the government illegitimate; some of their leaders were arrested. The leader of the opposition - the same Anwar Ibrahim who had led the ‘Reformasi’ movement of 1997 - condemned the vote fiddling and demanded a court investigation. But he made no call for demonstrations to demand that the government not be allowed to take office. Gradually the youth protests subsided.

A new political force is needed in Malaysia, as elsewhere in the region to channel the anger of youth and workers into a struggle for the socialist alternative. CWI Malaysia in its publication ‘Workers’ Solidarity’ has a thoroughgoing list of democratic demands and proposals on wages, housing, jobs for young people, the nationalisation of banks and major industries with democratic workers’ control and management. It is a paper sold on demonstrations, at night markets, outside workplaces, including banks as well as factories, and in workers’ neighbourhoods.

**Facing the future**

When the economies of Asia are battered by the economic storms to come, all parties will be severely tested. Those who claim to represent workers but who are not prepared to take up an all-or-nothing struggle against capitalist and imperialist domination, will be found lacking. Old parties will be rejected in the heat of the class struggle. The development of a new workers’ force, based on a fighting, class programme, is the overriding task of socialists in India, Pakistan, Malaysia and Sri Lanka but also in other parts of the region.

Momentous events impend throughout Southern Asia, not least in the smaller economies of Burma, Nepal, Vietnam and Cambodia. All the old ‘certainties’ will be challenged and the CWI will have a huge responsibility to develop the fighting capacity of the working class throughout the region.

As Trotsky wrote in the founding programme of the Fourth International, 75 years ago: “All methods are good which raise the class consciousness of the workers, their trust in their own forces, their readiness for self-sacrifice in the struggle”. The ones and twos today who see the need for a thoroughgoing programme of socialist change have been ‘swimming against the stream’. The wave of mass upheavals, in Asia and elsewhere in the world, against capitalism in all its guises, will ‘lift them on its crest’ as Trotsky wrote.

From the wavering Yudyohono in Indonesia, the unstable alliance in Pakistan and the effete government of Singh in India, to the illegitimate Najib Raziv government in Malaysia and the brittle dictatorship in Sri Lanka, none of these corrupt cliques presents a picture of stability in the region. Far from it; the coming storms will see them replaced by not one
or two but many governments of crisis, until a party with a programme of socialist change can take the reins of power and inspire a revolutionary wave across Asia, and the rest of the world.

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The Best Research Money Can Buy

Martha Rosenberg  8 August 2013

Where did the medical community get the idea that Vioxx, Trovan and Baycol were safe and the benefits of Prempro, Neurontin and bisphosphonates outweighed their risks? From research published in medical journals written by drug companies or drug-company funded authors.

Scratch the surface of many blockbuster drugs that went on to be discredited, or even withdrawn as risks emerged, and an elaborate “publication plan” emerges, developed by the drug company’s marketing firm. For example, at least 50 articles promoting hormone replacement drugs like Prempro were planted in medical journals by Pfizer’s (then Wyeth) marketing firm DesignWrite, according to documents posted on the University of California, San Francisco’s Drug Industry Document Archive.

“Is There an Association Between Hormone Replacement Therapy and Breast Cancer?” one such article in the Journal of Women’s Health, planted by DesignWrite, is titled[i]—concluding that there is not. A second paper, supplied by DesignWrite and appearing in the Archives of Internal Medicine,[ii] is titled “The Role of Hormone Replacement Therapy in the Prevention of Postmenopausal Heart Disease.” A third, also from DesignWrite, in the Archives of Internal Medicine, is titled “The Role of Hormone Therapy in the Prevention of Alzheimer’s disease.”[iii] Though the marketing firm’s “science” is egregiously flawed—HT has strong links to breast cancer, heart disease[iv] and Alzheimer’s—the papers have not been retracted.

Another example is Parke-Davis/Pfizer’s publication plan to make seizure drug Neurontin become the prescribed drug of choice for migraines, bipolar disorder and other conditions for which it was not approved. In just three years, Parke-Davis planted 13 ghostwritten articles in medical journals promoting off-label uses for Neurontin including a supplement to the prestigious Cleveland Clinic Journal of Medicine that Parke-Davis made into 43,000 reprints for its reps to disseminate.

Researching, writing and submitting papers to medical journals—and reworking and finessing them if accepted—is a demanding, time consuming job which drug companies have made into pay dirt. Court obtained documents at the UCSF Drug Industry Document Archive show drug companies’ “publication plans” for their products—elaborate grids with the names of journals where papers have run, are slated to run, have been submitted and have been resubmitted, the marketing firms apparently not taking “no” for answer. Do the journals know they are part of such machinations?

As hot new drug classes are rushed to market and net billions in a few years only to crash and burn from undisclosed risks and lawsuits (think: SSRI antidepressants, atypical antipsychotics, long acting beta agonist asthma drugs (LABAs) and antiepileptic drugs) some blame journals for
publishing marketing disguised as science and serving as de facto medical stenographers. In addition to ad sales, journals can earn hundreds of thousands of dollars from reprints of articles that the drug companies want to disseminate.

Under criticism, medical and scientific journals have tried to improve their disclosure of authors’ financial links to industry—but not too hard. Often the disclosures are relegated to a barely readable paragraph linking authors identified by initials not names to 60 or more drug companies. Worse, the disclosures don’t appear in abstract databases like PubMed but are hidden behind a financial firewall available only to paid subscribers who have access to the full articles.

But planting drug industry-funded papers that extol new drugs or smooth over safety concerns is too lucrative for journals or drug companies to quit. The latest case is TNF (tumor necrosis factor) blocker drugs such as Humira, Remicade, Enbrel and Cimzia which are the drug industry’s new profit center now that so many blockbuster pills have gone off patent.

The conditions such biologic drugs treat—rheumatoid arthritis, psoriatic arthritis, ankylosing spondylitis and plaque psoriasis—are rare but drug companies now call them underdiagnosed and offer quizzes to help patients self diagnose. Watch out. Worse, papers written by drug industry-funded authors are appearing in journals to minimize the many dangerous side effects that accompany TNF blockers because they suppress the immune system. Recently research by drug industry-funded authors has appeared in medical journals to dispel data linking TNF blockers to increasing incidences of hospitalizations, malignancies,[v] cardiovascular events and Herpes zoster. Looks like another publication plan.

Martha Rosenberg is an investigative health reporter. She is the author of Born With A Junk Food Deficiency: How Flaks, Quacks and Hacks Pimp The Public Health (Prometheus).

This article was part of a TED lecture by Ben Goldacre, MD. Martha Rosenberg’s newly published book, Born with a Junk Food Deficiency: How Flaks, Quacks and Hacks Pimp the Public Health (Prometheus) has been favorably reviewed by PLOS Medicine and the medical community.

Reference
[i] 1998 Dec; 7(10): 1231-46
[iii] 2002 Sep 23;162(17):1934-42?
[v] Maria Suarez-Almazor has received speaker fees from Bristol-Myers Squibb and Roche and consultant fees from Amgen
http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2780484/
During the last decade, China expanded trade with African countries tremendously. In 2012, total trade between China and Africa was $128 billion, compared to $100 billion between U.S. and Africa.

With us to discuss the importance of this relationship and what it means for the African continent is Léonce Ndikumana. He's a professor of economics at the University of Massachusetts Amherst. He's also the director of the African Policy Program at the PERI institute and the co-author of the paper Capital Flight from Sub-Saharan African Countries: Updated Estimates, 1970 - 2010.

Thank you for being with us.

LÉONCE NDIKUMANA, DIRECTOR, AFRICAN POLICY PROGRAM, PERI: Thank you very much for inviting me.

DESVARIEUX: So my first question is: which African countries have the closest trade ties to China?

NDIKUMANA: Thank you very much for the question. As you indicated, it has been [incompr.] that the economic relationship between China and Africa have grown very rapidly over the past decades, in fact very rapidly recently. If you look at only exports, Africa's exports to China, in 2000 it was only $3.8 billion. By 2010, this had risen to $51 billion. For imports, Africa's imports from China rose from $3.5 billion in 2000 to about $54 million in 2010. So that's an increase of China's share in Africa's total from just 3 percent in 2000 to 13 percent. So globally Africa has become a larger market for China, and China has became the larger trading partner for Africa.

Now, to your question about which countries trade the most with China, the obvious ones are the natural resource rich countries, countries rich in oil and minerals, which meets the needs of China, which is growing rapidly and therefore needs a lot of raw material for its energy production and its manufacturing center. But also you find many countries which are not oil resource rich countries which also are becoming larger and larger trade partners with China. So, for example, if you look at exports to China as a percentage of total exports by country, of course you have the countries like the DRC, the Congo, Angola, which are oil exporters and mineral exporters whose exports to China represent a large share. But you have countries like Mauritania, which doesn't have oil, doesn't have huge mineral resources, whose exports to China represent 46.6 percent of total exports, Gambia 37 percent, Mali 31 percent, Burkina Faso 21 percent. So it's not just the oil-rich countries that are trading more and more with China; it's a larger and larger and more diversified group of countries in the continent. A country like Ethiopia, for example, now has over $1.4 billion in terms of trade with China, which was very, very small ten, 15 years ago. And one of the reasons is that China has been offering some preferential treatment to and preferential market access to some countries, including Ethiopia, which I just mentioned, which has secured duty-free, quota-free access to Chinese market for a larger and larger number of products.

DESVARIEUX: What is the nature of Chinese-African economic relations beyond trade? Why is China investing so heavily in Africa?

NDIKUMANA: I think it's true to say that as the Chinese claim that most of their interests with Africa is economic, because Africa has what China needs in the sense of energy sources (oil), in the sense of material to feed their growing manufacturing center (minerals). So it's an economic exchange which is driven by the economic needs of China. On the African part, of course, they also get the benefit of diversifying their export markets and also their import sources. So it's an economic exchange which is motivated by rational reasoning on both parts, meeting economic needs for China and for Africa. In fact, to me it's a good thing that Africa's markets are being diversified. It's never a good idea to be too concentrated in one or a few markets, whether from
the import and export side. So to me it's an advantage for African countries.

But the question is: is Africa taking full advantage of the Chinese appetite for African products? That is to be seen, because if you look at the gains in terms of employment creation, very little is coming to Africa, because most of the investments in the minerals in the oil sector, they're very heavy capital intensive, so there's not much employment being created. And even when the government [incompr.] for creating employment, I don't think African countries are doing their best to extract the most--the best contracts with the Chinese companies, with the Chinese government, because you work in--you visit infrastructure projects and you find the Chinese workers doing things that don't require much skills which African local workers could do. So the challenge is for African governments to actually design contracts with and agreements with the Chinese government and the Chinese corporations so that there is maximum benefits that accrue to the local economies in terms of employment, and in terms also of service provision to the workers who are working on the sites of the projects.

DESVARIEUX: Okay. How does China's relationship, integration, specifically, with poorer African countries compare to Western development practices? Are trade deals favorable to both countries, for example?

NDIKUMANA: Yes, this is a question that is being raised over and over again of whether China is different from the traditional African--Africa's trading or donor partners. What China wants the world to believe is that they come to do business with Africa. And for China, business is business. So they invest where they feel they have [incompr.] investment and they will not care about other conditions, political governance and economic [incompr.], democracy and so on. And this--they have been criticized severely about that.

But one thing that people should understand is that the fact that whether it is true or not, China would not require governance conditions and so on, doesn't mean that aid or investment by China is totally untied or with no conditions, because when you look at the projects that are being funded, being implemented on the continent, you find that many of them might be implemented by Chinese firms. So in a one-to-one service that when you see Chinese projects, they are not all Chinese FDI, they're not all Chinese-funded. You find you have many, many projects which are funded by other donors--the World Bank, the African Development Bank, bilateral donors--which are implemented, executed by Chinese companies because they are cheaper and they win the contracts. Many more would go out and say that China is financing roads in Kenya and other countries when in fact those roads and those projects are being funded by other donors. An example is the African Development bank, which actually finances the largest amount of infrastructure projects in the economy. But the African Development Bank doesn't have construction companies, so you will not see them on the road. So, many of the projects that they fund are implemented by companies which are from countries like China. And many people make the leap to go that--saying that China is financing those projects. It's not.

DESVARIEUX: Okay. So is it fair to say that China isn't directly funding, like, or is more focused on building infrastructure in Africa? Do you feel like that is this perception that isn't quite accurate?

NDIKUMANA: What is true is that China is financing a good amount of projects, including infrastructure. But what I'm saying is that China is involved in more projects than it is financing. Some it is financing, Some it is implementing only.

Now, of course, for African countries it's an opportunity to see Chinese technology in the infrastructure sector. In fact, this is a sector where China is seeing an opportunity where other people see it as a constraint. When you listen to the discussion about FDI, foreign direct investment
in Africa, many people point to the lack of infrastructure as a constraint to investment. The Chinese see it as an opportunity, a sector where they can actually invest and get their benefits in terms of return to investment. But for Africa, the African countries get the infrastructure, which unlocks the constraints to development.

DESVARIEUX: Okay. Thank you so much for joining us.

NDIKUMANA: Thank you.

DESVARIEUX: And thank you for joining us on The Real News Network.

therealnews.com

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Zimbabwe: Why Morgan Tsvangirai’s MDC ‘lost’ the election

Munyaradzi Gwisai 6 August 2013

For a good part of his 33 years in power, Robert Mugabe has presided over a ruthless dictatorship. From the thousands killed in the 1980s Gukurahundi massacres and misery for millions under ESAP [structural adjustment plan], Operation Murambatsvina and hyper-inflation of 2008.

Yet in the July 31 general election, endorsed by Southern African Development Community and African Union, the 89-year-old ruler annihilated the hitherto iconic working-class leader Morgan Tsvangirai and his Movement for Democratic Change (MDC-T), who beat him in March 2008.

Mugabe got 61% to Tsvangirai’s 34%. The Zimbabwe African National Union-Patriotic Front (ZANU-PF) won a 76% parliamentary majority, enough to rewrite the new constitution and doing better than it did in 1980.

What happened?
Wabi wedu wakawarairwa nezamu mu GNU vakangamwa vanhu. The working class is deeply pained by this tsunami, and many are tempted to go for the easy answer that MDC-T merely lost because of vote rigging.

That there was intimidation, an uneven terrain and some manipulation or rigging through the voters roll may be true, but the massive scale of the MDC’s defeat points to other and deeper reasons. To recover and move forward working people need to have an honest analysis to understand such factors.

Zanu PF used referendum as dress rehearsal
An MDC defeat had become predictable. A poll in mid 2012 sponsored by American think-tank, Freedom House, showed a dramatic fall in MDC-T support from 38% to 19%, and that of ZANU-PF rising from 17% to 31%.
The massive turn out in the referendum in ZANU-PF strongholds, huge Mugabe rallies and primary elections, all showed that ZANU-PF had recovered and that its June 2008 presidential run-off terror machinery was still intact.

Tsvangirai foolishly attacked the Vote Nos as “nhinhi” when they raised the issues of an unfair terrain, biased state media and judiciary, not realising that Mugabe was using the referendum as a dress rehearsal.

As Tsvangirai and his ministers were busy telling the world that they were lucky to be Mugabe’s apprentices, war veterans leader Jabulani Sibanda camped for a year in Masvingo terrorising villagers. Then the MDC’s made a huge blunder in pushing for ward-based polling and counting of ballots.

This terribly exposed rural opposition voters to intimidation. With no protection from MDC and aware of June 2008, many rural people voted for their security. Unlike 2008, ZANU-PF came into this election as a cohesive unit around its “bhora mughedi” theme.

ZANU-PF had its most democratic primary elections ever, resulting in popular local candidates running, many of whom, small capitalists who had been on the ground sponsoring local projects.

Tsvangirai blundered by protecting unpopular incumbents, of up to three terms but hardly visible in their constituencies. MDC wrongly assumed that the 2008 protest vote, which was driven by economic melt-down would continue.

Tsvangirai’s own sex scandals and the corruption of MDC-run councils did not help.

**Tendai Biti’s ‘We eat what we hunt’ has eaten the MDC!**

But there were deeper reasons for the defeat, reasons for which the MDC leadership must assume primary responsibility. Firstly, with total economic collapse in 2008, MDC saved ZANU-PF from certain oblivion by agreeing to join a government of national unity (GNU) in which the security apparatus of the dictatorship was left intact, whilst MDC was imposed with the burden of recovering the economy.

This despite Joseph Mutero’s “Mutongi Gava Maenzanise” warning to Munhu (man) that it is foolish to save a caged and hungry Ingwe - a leopard never changes its spots - tomorrow it will eat you. The main mistake though was not just in joining such an ill-balanced GNU, but rather what MDC did once it got into government.

In charge of the economic and social ministries, MDC, led by finance minister Tendai Biti, launched a fanatic IMF-inspired neoliberal offensive to kick start the collapsed economy, which Biti dubbed, “We eat what we hunt.”

Its central elements included: slashing of all quasi-fiscal subsidies to the poor, wage freezes for civil servants and starvation wages for other workers; rigid adherence to the US dollar without safeguards for the poor, keeping inflation below 5%, cash budgeting and attacking trade unions.

While Biti was being lauded by the West as “the best finance minister in Africa”, the austerity knife was piercing deepest into the hearts of the rural poor through: Grain Marketing Board going for over a year without paying for maize delivered, dying cattle because of lack of dipping...
facilities, an end to the maize seeds, fertiliser and relief food previously given by Western NGOs and the Reserve Bank, thousands of pupils failing to write examinations, clinics without nurses even as 2000 nurses were jobless due to a job freeze and MDC minister Madzore even trying to export them!

Even as Biti pleaded lack of money, especially diamond money, the truth was that state monthly revenue shot from $60 million in 2009 to $250 million by 2013 and he had received a special IMF bonus of half a billion dollars.

While berating civil servants that money does not grow on trees, Biti showered MPs with $15,000 bonuses, luxury cars and endless foreign trips for ministers, Tsvangirai and Mugabe.

While benefiting from these policies, Mugabe strategically brilliantly re-positioned his party leftward, around land, indigenisation [majority Zimbabwe ownership of companies], economic empowerment and African nationalism.

Such re-orientation had also saved him from the 1990s revolts. Mugabe and his ministers, using diamond money and proceeds from indigenisation, dished out seeds, fertiliser, food to rural farmers, recognised informal miners, the informal sector, gave out urban housing stands and projects for youths and women.

They vigorously courted the independent African churches and ran an anti-West anti-sanctions campaign. On the eve of elections minister Chombo announced a hugely popular cancellation of council debts which was denounced by MDC.

As agriculture recovered driven by 80,000 new tobacco farmers who in 2013 produced 164 million kilograms worth over $600 million, ZANU-PF’s rural base soared nation-wide but especially the agriculturally rich Mashonaland belt, just as that of Tsvangirai and MDC massively shrunk.

It is therefore not surprising that the defining character of these elections was that the rural voters, across the country rejected and abandoned Tsvangirai and the MDCs. ZANU-PF’s 40%-strong showing in the towns shows that many urban poor are following.

As in Kenya and Zambia, where rising African nationalism triumphed, and the anti-neoliberal revolts across the world, the rural poor rejected MDC as the party most closely identified with austerity and Western puppetry.

In the absence of a major left radical alternative this has meant voting for an odious repressive regime, but one that was forced to make radical nationalist concessions to the masses to survive.

In our February 2001 ISO Nyanga document to the MDC National Council, we had warned that unless the party embraced land reform, renounced the neoliberal ideology fostered on it by its new Western friends and returned to its working-class base, it faced annihilation from a left-ward moving regime. We were booted out from the MDC.

Interestingly today veteran united MDC leader Paul Themba Nyathi, said ZANU-PF had beaten them fair and square because rural people had fallen back in love with ZANU-PF for some unknown reason.

Coming from Matebeleland he is honest enough to admit that the main
reasons for this disaster cannot be intimidation or rigging, for the people of Matebeleland even in the darkest days of death of Gukurahundi remained steadfast voting for the persecuted Zimbabwe Agrican Peoples Union (ZAPU).

It becomes difficult to sustain rigging as the main reason when the pro-opposition Western-funded local elections monitoring body, the Zimbabwe Elections Support Network (ZESN), that had 7000 observers nation wide, tells us that: “In 98% of polling stations there were no incidents of intimidation... at 98% of polling stations, no one attempted to intimidate or influence election officials during counting nor did anyone attempt to disrupt the counting process ...and MDC-T agents signed the V-11 results form at 97% stations at which they were present”, which were subsequently posted outside polling stations.

If there was blatant rigging why sign?
No, my dear old friend Tendai, the Wananchi, as he likes to call them, meaning ordinary citizens in Swahili, are no fools. As in Kenya yesterday, today, here too, they have had their revenge.

Way forward
Ma chefu e MDC akarara pabasa achinakirwa ne tea ku State House. The message from the elections is clear. For working people there is no future with MDC and Tsvangirai. Lacking a pro-poor ideology and strategy, it will not resurrect from this disaster. Even now, it runs to the very courts that gave it July 31.

Arnold Tsunga, who won Dangamvura despite Tsvangirai ordering him not to run, correctly argues that the MDC must boycott all institutions arising from these elections, including parliament, if it truly believes they were a big fraud. ZANU-PF already has a two-thirds majority.

Participation or running to courts only legitimises the regime. But a boycott is unlikely given that the party has no clear ideology and is now dominated by opportunists. For them its - zvangu zvanaka.

Yesterday’s workers’ leaders have become today’s poodles of the capitalists and bosses. Even today, against all Africa, it sings from the same hymn book as its masters in Washington and London, sucking their poisonous neoliberal juice, and hoping to precipitate economic crisis.

However, unless there is global recession, economic meltdown is unlikely. While probably expecting a Mugabe victory, Western leaders are stunned by his overwhelming landslide, and for now withhold recognition to send a message to Mugabe not to dare pursue the aggressive nationalist agenda he promised in the elections.

With survival guaranteed, Mugabe will still pursue his vote-catching nationalist agenda, but will likely moderate and strike some compromise with banks, big business and the West to avert an open strike by the capitalists and the West that may bring down the economy. He is likely to pursue an agriculture-mining-tourism-anchored economic growth agenda geared towards China, India, Russia and Brazil.

With an eye to 2018, ZANU-PF will continue with its empowerment agenda to eat away at MDC’s still-holding urban strongholds. Without the necessary ideological, strategic and leadership overhaul, MDC cannot counter this, and will suffer gradual terminal decline.

Also without a radical left alternative emerging, the danger deepens of the
working classes continuing to fall into the hands of a repressive bourgeois-
nationalist dictatorship that only opportunistically sings their song, and
with its survival guaranteed, will sooner or later, as it has done in the
past, attack the poor, rural and urban, in the service of the system that it
ultimately serves, that is capitalism.

The way forward for working people is to break from MDC and lay now the
foundations for a new working people’s movement to continue the struggle
against the regime. A movement that does not replicate MDC’s right-wing
ideological bankruptcy but positions itself left of ZANU-PF on an anti-
capitalist, democratic and internationalist basis.

Such a movement has to be built slowly and organically from the struggles
of workers and the poor, from the bottom to the top and anchored around
the newly radicalising trade unions and social movements. It cannot be
built or decreed from boardrooms or mere anti-Mugabe sentiment or the
same ideology as MDC.

One that will not only fight for political democracy, but also the full
expropriation of mines, banks, big businesses and big farms now under new
black exploiters and place these under democratic control of workers and
rural farmers for the benefit of all, as part of a regional and international
struggle to smash capitalism and build socialism. ALUTA!
http://links.org.au/node/3468

[Munyaradzi Gwisai is a leading member of International Socialist
Organisation, Zimbabwe.]
AfricalISO (Zimbabwe)MDCZANU-PFZimbabwe.

The Detroit 'Bail-In' Template

Fleecing Pensioners to Save the Banks
Ellen Brown 6 August 2013

The Detroit bankruptcy is looking suspiciously like the bail-in template
originated by the G20’s Financial Stability Board in 2011, which exploded
on the scene in Cyprus in 2013 and is now becoming the model globally. In
Cyprus, the depositors were “bailed in” (stripped of a major portion of
their deposits) to re-capitalise the banks. In Detroit, it is the municipal
workers who are being bailed in, stripped of a major portion of their
pensions to save the banks.

Bank of America Corp. and UBS AG have been given priority over other
bankruptcy claimants, meaning chiefly the pensioners, for payments due
on interest rate swaps they entered into with the city. Interest rate swaps
- the exchange of interest rate payments between counterparties - are
sold by Wall Street banks as a form of insurance, something municipal
governments “should” do to protect their loans from an unanticipated
increase in rates. Unlike ordinary insurance, however, swaps are actually
just bets; and if the municipality loses the bet, it can owe the house, and
owe big. The swap casino is almost entirely unregulated, and it is a rigged
game that the house virtually always wins. Interest rate swaps are based
on the LIBOR rate, which has now been proven to be manipulated by the
rate-setting banks; and they were a major contributor to Detroit’s
bankruptcy.

Derivative claims are considered “secured” because the players must post
collateral to play. They get not just priority but “super-priority” in bankruptcy, meaning they go first before all others, a deal pushed through by Wall Street in the Bankruptcy Reform Act of 2005. Meanwhile, the municipal workers, whose pensions are theoretically protected under the Michigan Constitution, are classified as “unsecured” claimants who will get the scraps after the secured creditors put in their claims. The banking casino, it seems, trumps even the state constitution. The banks win and the workers lose once again.

Systemically Dangerous Institutions Are Moved to the Head of the Line

The argument for the super-priority of derivative claims is that nonpayment on these bets represents a “systemic risk” to the financial scheme. Derivative bets are cross-collateralized and are so inextricably entwined in a $600-plus trillion house of cards that the whole financial scheme could go down if the betting scheme were to collapse. Instead of banning or regulating this very risky casino, Congress has been persuaded by the masterminds of Wall Street that it needs to be preserved at all costs.

The same tortured logic has been used to justify the fact that the federal government deigned to bail out Wall Street but not Detroit. Supposedly, the mega-banks pose a systemic risk and Detroit doesn’t. On July 29th, former Obama administration economist Jared Bernstein pursued this line of reasoning on his blog, writing:

> The correct motivation for federal bailouts — meaning some combination of managing a bankruptcy, paying off creditors (though often with a haircut), or providing liquidity in cases where that’s the issue as opposed to insolvency - is systemic risk. The failure of large, major banks, two out of the big three auto companies, the secondary market for housing - all of these pose unacceptably large risks to global financial markets, and thus the global economy, to a major industry, including its upstream and downstream suppliers, and to the national housing sector.

Because a) there’s not much of a case that Detroit is systemically connected in those ways, and b) Chapter 9 of the bankruptcy code appears to provide an adequate way for it to deal with its insolvency, I don’t think anything like a large scale bailout is forthcoming.

Holding Main Street Hostage

Detroit’s bankruptcy poses no systemic risk to Wall Street and global financial markets. Fine. But it does pose a systemic risk to Main Street, local governments, and the contractual rights of pensioners. Credit rating agency Moody’s stated in a recent report that if Detroit manages to cut its pension obligations, other struggling cities could follow suit. The Detroit bankruptcy is establishing a template for wiping out government pensions everywhere. Chicago or New York could be next.

There is also the systemic risk posed to the municipal bond system. Bryce Hoffman, writing in The Detroit News on July 30th, warned:

> Detroit’s bankruptcy threatens to change the rules of the municipal bond game and already is making it more expensive for the state’s other struggling towns and school districts to borrow money and fund big infrastructure projects.

In fact, one bond analyst told The Detroit News that he has spoken to major institutional investors who have already decided to stop, for now, buying any Michigan bonds.
The real concern of bond investors, says Hoffman, is not the default of Detroit but the precedent the city is setting. General obligation municipal bonds have always been viewed as a virtually risk-free investment. They are unsecured, but bondholders have considered themselves protected because the bonds are backed by the “unlimited taxing authority” of the government that issued them. Detroit, however, has shown that the city’s taxing authority is far from unlimited. It already has the highest property taxes of any major city in the country, and it is bumping up against a ceiling imposed by the state constitution. If Detroit is able to cut its bond debt in half or more by defaulting, other distressed cities are liable to look very closely at following suit. Hoffman writes:

*The bond market is warning that this will make Michigan a pariah state and raise borrowing costs — not just for Detroit and other troubled municipalities, but also for paragons of fiscal virtue such as Oakland and Livingston counties.*

However, writes Hoffman:

*Gov. Rick Snyder dismisses that threat and says the bond market is just trying to turn Detroit away from a radical solution that could become a model for other struggling cities across America.*

**A Safer, Saner, More Equitable Model**

Interestingly, Lansing Mayor Virg Bernero, Snyder’s Democratic opponent in the last gubernatorial race, proposed a solution that could have avoided either robbing the pensioners or scaring off the bondholders: a state-owned bank. If the state or the city had its own bank, it would not need to borrow from Wall Street, worry about interest rate swaps, or be beholden to the bond vigilantes. It could borrow from its own bank, which would leverage the local government’s capital into credit, back that credit with the deposits created by the government’s own revenues, and return the interest to the government as a dividend, following the ground-breaking model of the state-owned Bank of North Dakota.

There are other steps that need to be taken, and soon, to prevent a cascade of municipal bankruptcies. The super-priority of derivatives in bankruptcy needs to be repealed, and the protections of Glass Steagall need to be restored. While we are waiting on a very dilatory Congress, however, state and local governments might consider protecting themselves and their revenues by setting up their own banks.

www.zcommunications.org

Ellen Brown developed her research skills as an attorney practicing civil litigation in Los Angeles. In Web of Debt, her latest of eleven books, she turns those skills to an analysis of the Federal Reserve and “the money trust.” She shows how this private cartel has usurped the power to create money from the people themselves, and how we the people can get it back. She is president of the Public Banking Institute, http://PublicBankingInstitute.org, and has websites at http://WebofDebt.com and http://EllenBrown.com.

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**Tsvangirai must take much of the blame for election defeat**

Ray Ndlovu and Shylet Shumba, 5 August 2013

WHEN Movement for Democratic Change (MDC-T) president Morgan
Tsvangirai sits down to take stock of what went wrong during the just-ended elections, a significant portion of the blame could be found at his own doorstep.

Those in the know say Mr Tsvangirai, apart from his sexual escapades, which the ruling Zanu (PF) harped on during its campaign, was increasingly becoming dictatorial and surrounded himself with a "kitchen cabinet" that hardly said "no" to him.

The party, they say, has been on a downward slope ever since it joined the unity government. He is said to have largely contributed to the "Zanufication" of the MDC-T when he amended the party's constitution to allow him to stand for a third term.

In addition, he failed to deal with the growing factionalism in the party and spent more time fighting court battles he knew he would never win because of a partisan judiciary.

Instead of taking advantage of the party's significant role in improving the Zimbabwean economy and canvassing more support in the countryside, Mr Tsvangirai spent a great deal of time outside the country lobbying the region, the European Union and the US to help him. He looked more like a junior partner in a coalition that he was supposed to drive as prime minister.

Even junior Zanu (PF) ministers, their deputies, police, intelligence and army generals defied him at every opportunity.

"Zanu (PF) leaders spent their energy electioneering rather than governing and were more effective at mobilising their supporters," said Prof Michael Bratton of the University of Michigan. "This was especially true in the rural areas, where two-thirds of the population live, and where the election was decided."

Another MDC source, who declined to be named, said Mr Mugabe's tactic was to push Mr Tsvangirai to deal with "inconsequential" issues while his party recovered and started regaining credibility among the voters. "He (Mr Tsvangirai) had run out of ideas," the MDC-T source said.

"Those close to him didn't help. They were busy cementing their positions and accumulating wealth, just like their Zanu (PF) counterparts. They kept telling him everything was fine when it was not."

The result was that Mr Tsvangirai became aloof and dictatorial, and he shunned key allies with whom he had begun the struggle to remove Mr Mugabe.

Although this might sound like an exaggerated description of a man largely credited with being Mr Mugabe's first real opposition, a brief look at the politics in the Manicaland province of Zimbabwe, could absolve his critics. In 2008 the MDC-T won all seats in a province that bore the brunt of the liberation struggle because of its proximity to Zanu bases in Mozambique. The MDC-T also won all urban local authorities.

But soon after that victory, the MDC-T leadership in the province became embroiled in factional fights that seemed to have the hidden blessings of factions in Harvest House, the party's head office in the capital Harare. The MDC-T sources talk passionately about pro-Tsvangirai and pro-Biti factions. (Tendai Biti is the party's general secretary.)
Although both leaders refused to acknowledge the existence of these factions, this division is said to have filtered down to the provinces and was quite evident during the elections. Addressing a campaign rally in Mutare, women’s assembly leader Theresa Makone, a key ally of Mr Tsvangirai and reported to be part of the “kitchen cabinet” together with her husband Ian, lashed out at the MDC-T’s South African-based treasurer, Roy Bennett, for most of the problems rocking their party.

She accused him of “paying” some party members. “I put the whole blame on Roy Bennett who paid these people money to come back to the party after joining Welshman Ncube,” she said.

“Bennett should have let them go. They are just like leopards and have not changed their spots. They are at it again. They want to destroy our party and we will not allow that.”

Ms Makone said the party had one leader and that was Mr Tsvangirai. “You do not fight him in public even if he is wrong. You cannot take your leader head-on in public like what some of you are doing. There is gross indiscipline in Manicaland, and we will deal with that after the elections.

“We have some elements with an agenda to scuttle the struggle for change. They have an agenda to split the MDC-T again. They want to repeat what they did in 2005 when Welshman Ncube split the party.

“These people are working with some people at the top who are dreaming of taking over from Tsvangirai. They must forget that, we will not salute anyone other than Tsvangirai. He will serve two more terms.”

Mr Bennett laughed off the accusations, but Ms Makone’s rants are quite scary coming from a party wanting Mr Mugabe to go for having overstay his welcome. For his part, Mr Tsvangirai imposed Mavambo-Kusile-Dawn leader and former finance minister Simba Makoni and his close ally Giles Mutsekwa as parliamentary candidates in Manicaland, crudely removing provincial executive committee members who had already registered as candidates. The move that sparked a conflict with the province’s leadership.

“Is there any wonder why we lost almost all the seats in Manicaland?” the source said.

It is true Mr Tsvangirai faced monumental external hurdles in his third quest to dislodge Mr Mugabe. The playing field was not level. But in mature democracies, real democrats usually call it quits when they fail to deliver three times in a row. Even once. Never mind the circumstances.

Mr Tsvangirai says he will stay on as party president. ”So far, I have the full backing of the national council, I have the full backing of the people of Zimbabwe.”

www.bdlive.co.za

 Freedom is Not Real if People Don’t Feel Free

Lindela ‘Mashumi’ Figlan 3 August 2013

How can you declare from above that people are free from while they themselves talk from below of feeling unfree?
It is true that freedom comes with so many responsibilities. There are responsibilities from above and from below. Freedom is not just about expressing yourself as happy or not happy. There is no real freedom without justice, equality and democracy. Justice, equality and democracy require that people respect each other's dignity and that society is organised around people's dignity. If we were really free every citizen would feel part and parcel of a country that respected their dignity. They would experience this dignity at work, at home and in all the discussions about the future of each community and the country. They would be able to organise and to express their views in safety.

It is not just the politicians who declare that Abahlali baseMjondolo are wrong to deny that we are free. Some political analysts do the same even as we are voicing our concerns about the scarcity of freedom in South Africa. It seems that some political analysts are hired to come on TV and radio and condemn whatsoever the poor are saying about the country. When what is called debate is just a discussion between the politicians and these analysts we are excluded once again. Really it is quite amazing that in a country that says that it is a democracy it is taken as normal for people to speak about the poor while we are denied the right to speak for ourselves. It is as if being poor makes you a permanent child, a criminal or a traitor. We are only taken as citizens when it comes to voting and even then we are threatened that no development will come to those who do not support the ruling party.

The time when the politicians could hide behind apartheid has gone. People are sick and tired of the politicians chasing numbers in their search for power while ignoring the fact that we are human beings. You cannot lie forever and continue to be believed forever. The time of the liars is running out. This is why the politicians are now killing us.

Every weekend Abahlali baseMjondolo has to go to two or three new areas. People are rushing to join the movement because they notice that struggle is the only way to live. Without struggle you will be evicted from your shack or end up in a transit camp. The truth is that the government has no plan to house the people. They are only interested in using the housing budget to make their friends into millionaires. Fraud and corruption are everywhere. Houses that are said to be for the poor are given to people like police officers and teachers, people who are close to the ruling party. At the same time our children are dying of diarrhoea in the shacks, women are being raped because there are no toilets and the fires keep coming. The Constitution says that we have a right to housing and that we can't be evicted without a court order. The councillors don't care about the Constitution. They just evict the people. If you resist you will be arrested. You might be beaten or tortured. You might even be killed. And people are losing jobs each and every day and the government has no plan for them.

It is clear that we cannot trust those in power. Just look at the Manase report. This is so disappointing. There were so many excuses and procrastinations. The politicians do everything in their power to protect other politicians, and their officials, while expecting poor people to go and vote for these thieves.

How can people be said to be free when they are not involved in their own development? How can people be said to be free when the law does not apply to them? How can people be said to be free when they must face violence when they stand up for the rights, for what was promised to them? Yes we have scars from apartheid. But we are still bleeding today. We are still getting new scars. We are still being denied what is basic to
human life. We are still under attack. We still live under oppression. Our rulers tell us that they are heroes. But we have really noticed that they are opportunists of worst kind. This is why we call them the black boers. An oppressor is an oppressor no matter what colour they are. This is the truth and we tell it bravely.

At home in Flagstaff my mother used to feed the two pigs with one big walking dish. One day I noticed that she was no longer feeding the pigs from one big walking dish and that she had separated one pig from another and was using two walking dishes. I was so stressed because what I noticed with those pigs was that while they were both in need of food, and they were both screaming with the same voice and thereby showing oneness, one was getting thin and one was getting fat. I asked my mother about the decision to feed the pigs separately while they were sharing this oneness while looking for food. She told me about the parasites. She told me that you can do whatsoever you like with a parasite but once what you have been struggling for is in front of you the parasite will show its signs and its true colours. That is why I saw one pig becoming bigger and the other one became too thin. The thin pig had a parasite that was eating it from the inside.

This is a very big example of what is happening today in South Africa. We fought together. Some ran away from this country while others preferred to die in this country. Today we all notice that those that decided not to leave the country of their mothers and fathers, they are mostly the ones that are suffering more. When freedom was in front of us there was a parasite inside us, eating us from the inside. We were not freed by MK. Apartheid was defeated by the struggles of the people in rural areas and in cities, in factories and mines and in communities. But in this struggle we were so focussed on the boers that we didn't notice the parasite inside us.

It was so easy for the First man (President) to sing “letha umshini wam” to the people, asking them to bring him his machine gun. Some people they were so happy to give their power to him. But now he is singing “Inde lendlela” telling the people that this war is too long. Some people they gave him the machine gun that he asked for but now he is trying to convince them to be patient even though he is carrying that heavy machine gun.

It is true that sometimes struggle is long. But it is also true that it didn't take long for the First Man to secure the wealth of his family and his friends. It didn't take long for him to build his own home. It didn't take long for the people's struggles to be repressed. We have to ask ourselves what the First Man has been doing with that machine gun that some people were so happy to give him.

Millions of people have no work. Others they are working for R60 per day through the labour brokers. Yet the tenderpreneurs, those who are close to the leaders of the ruling party, are earning millions and millions. The so-called comrades that lead this country are hypocrites. They are parasites eating the people's struggle from the inside. It is time to stop feeding them. It is time to separate the real people's struggle from the parasites. It is time to stop giving away our power to politicians. It is time that we look after our own struggle and keep it separate from the politicians and their tenderpreneurs. It is clear that some who were fighting the boers were doing so in order that they could become the new boers and not because they loved justice. These are the same people that came with the so-called Slums Act which shows that really they don't care about poor people and that they don't even want us in the cities. They are the same people that are repressing our struggles by burning our homes,
locking us in prison, torturing us in the police stations and killing us. They are the same people that are working with the imperialist system. We notice that poor people are struggling all over the world and we are waiting for the day when the imperialist systems will fall down and be replaced with a system that is in favour of the poor. In fact we really need a system that abolishes poverty so that we are all just people.

Some they think that it is a wise decision to align socialism with capitalism. Even Lenin in Russia looked at all the wars and decided to make a compromise between socialism and capitalism. In South Africa we have a Communist Party that is in full support of capitalism. They even support the bosses and the police against the workers. Just look at what happened in Marikana. Look how that Minister behaved. It was so disappointing. She behaved really badly. People need to analyse what happened in Marikana very carefully. We need to analyse this situation for ourselves. We don't need analysts to come from above and tell us what happened there like they tell us that we are wrong to say that we are not free.

During the Marikana tools down one of the capitalists was admitted to a luxurious hospital for emotional distress. But the workers must suffer on their own after the massacre. Some are committing suicide. Even the money for the funerals of the workers was sometimes corrupted. We are told that this is a democracy but the reality is that people were killed like flies. Witnesses have been tortured and killed too. If you are a poor person or a worker your humanity means nothing to the imperialists and it means nothing to the parasites in the ruling party that want us to call them our comrades.

The police went onto the mountain to kill the workers in Marikana just like they went onto the mountain known as Ingquza to kill in 1960. Really we have to ask ourselves what has changed for the workers and the poor?

It is good to see that Advocate Mpofu decided to represent the workers. Those who tried to kill him were trying to strike a big blow against the workers. Middle class people who stand with the workers and the poor will also come under attack. Those who are patiently waiting for the results of the commission should remember what happened to the trial of the police officers accused of murdering Comrade Andries Tatane. His bones cannot rest in peace and they will never rest in peace until the truth is exposed to the world. However we cannot trust the courts to expose this truth. They have become so politicised. The parasites are inside that system too.

It is a warning when the trade unions are on the side of the government that is ruining the state and leaving workers to be exploited by labour brokers. But the union that will stand on the side of the workers is very good. Those who see a union that stands on the side of the workers as a betrayal of the struggle must rethink their position. The time when NUM was on the side of the workers has passed. Justice is for ever. Organisations rise and fall. They are corrupted. Organisations must only be supported when they are on the side of justice. It is only loyalty to justice that must be forever. NUM aligned itself with the bosses and with imperialism. NUM was oppressing the workers. It was NUM that started the violence in Marikana. AMCU really needs to be praised because it shows that whatever the conditions it is possible to take the side of the workers. It shows that it is possible to organise outside of the ruling party. Those churches and law firms that are supporting the workers in Marikana also need to be praised.

We really need the workers to take the side of the poor, to join with us in
our struggles. We all know that this is impossible for so long as the workers are controlled by COSATU which is under the ANC and influenced by the SACP too. But now that some workers they are organising themselves autonomously from the ANC, like we have done in Abahlali baseMjondolo since 2005, it might be possible for the workers and the poor to struggle together. When we are struggling it must not be for our names. It must be for our country which is under the control of an organisation that is being eaten from the inside by parasites. A country that is drowning in corruption. A country where violence is becoming normal. When we are struggling it must be for justice.

Some of our fathers were in the mountain committees. Some of our brothers are in the strike committees. Our wives, our sisters and our daughters are in the shack committees with us. We know that more of us will be arrested, tortured and killed in this struggle. But we will stand strong in this struggle. We will oppose all attempts to divide the poor. We will reject the opportunists that are only coming to the people's struggles now that they have been pushed out of power.

Corruption is not legalised in the law as it is written but it is legalised in reality. Most of those in the ruling party and government who are against corruption are under attack because they are disturbing the parasites. The government and the ruling party say that they represent all the people but they are just there to take for themselves in the name of the nation. They are happy to work with the imperialists as long as they get something for themselves. They are liars and hypocrites. They are eating the people's struggle from the inside. When we resist they oppress us. A country of this nature is not for all the people who live in it.

If natural resources remain under private ownership more people will be killed. If organisations like NUM and the ANC are happy to support the imperialists and repress the people more people will be killed. If organising outside of the ANC is considered to be treason more people will be killed.

The apartheid regime separated the people in so many ways. This separation crippled our humanity. It was a very big and destructive weapon. Today we are still being separated from each other. Some of us really hate people from other countries in Africa. We are calling them with many names. We are doing this even though people in those countries provided those of us who went to exile with land to plough, with safety and with training. Most of the Africans from other countries are not even looking for jobs here but are creating their own ways of surviving and yet some people here want to blame them for everything that is wrong. There is also hatred of people from other races and people that speak different languages and are coming from other provinces in South Africa. There is prejudice against women too. You will even find this discrimination in political parties. You will even find it in churches, NGOs and social movements.

This is a warning to all social movements and struggles by workers and poor people. We must do away with xenophobia, racism, discrimination against people from other provinces and sexism. These divisions are the most destructive weapon that we face in our struggles. We will only realise our truth strength when we are united. Our mission is to unite the hungry, the homeless, the exploited and the poor. Those who come preaching division amongst the poor are our enemies. Let us be clear where the real parasites in our society are. The parasites are those who have privatised our struggle for their own gain. The parasites are those who are growing rich while we are getting poorer. The parasites are those
who send their police or assassins to repress us when we organise. We need to stop giving our support to the organisations that are hosts for these parasites. We need to build healthy organisations, democratic organisations, honest organisations. We need to build organisations that can build the power of the workers and the poor.

We need land and housing. We need decent work. Our children need good education. Our demands are clear - the land, the wealth and the power must be shared fairly. Every person must count the same. If this is called communism then I am a communist.  


http://www.abahlali.org/node/10017

Lindela ‘Mashumi’ Figlan is the Vice-President of Abahlali baseMjondolo

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**America’s Imperial Power Is On The Decline**

Noam Chomsky 3 August 2013

On July 9, the Organization of American States held a special session to discuss the shocking behavior of the European states that had refused to allow the government plane carrying Bolivian President Evo Morales to enter their airspace.

Morales was flying home from a Moscow summit on July 3. In an interview there he had said he was open to offering political asylum to Edward J. Snowden, the former U.S. spy-agency contractor wanted by Washington on espionage charges, who was in the Moscow airport.

The OAS expressed its solidarity with Morales, condemned “actions that violate the basic rules and principles of international law such as the inviolability of Heads of State,” and “firmly” called on the European governments - France, Italy, Portugal and Spain - to explain their actions and issue apologies.

An emergency meeting of UNASUR—the Union of South American Nations—denounced “the flagrant violation of international treaties” by European powers.

Latin American heads of state weighed in, too. President Dilma Rousseff of Brazil expressed the country’s “indignation and condemnation of the situation imposed on President Evo Morales by some European countries” and warned that this “serious lack of respect for the law...compromises dialogue between the two continents and possible negotiations between them.”

Commentators were less reserved. Argentine political scientist Atilio Boron dismissed Europe as “the whore of Babylon,” cringing before power.

With virtually identical reservations, two states refused to sign the OAS resolution: the United States and Canada. Their growing isolation in the hemisphere as Latin America frees itself from the imperial yoke after 500 years is of historic significance.

Morales' plane, reporting technical problems, was permitted to land in Austria. Bolivia charges that the plane was searched to discover whether Snowden was on board. Austria responds that “there was no formal inspection.” Whatever happened followed warnings delivered from
Washington. Beyond that the story is murky.

Washington has made clear that any country that refuses to extradite Snowden will face harsh punishment. The United States will “chase him to the ends of the earth,” Sen. Lindsey Graham warned.

But U.S. government spokespersons assured the world that Snowden will be granted the full protection of American law - referring to those same laws that have kept U.S. Army soldier Bradley Manning (who released a vast archive of U.S. military and diplomatic documents to WikiLeaks) in prison for three years, much of it in solitary confinement under humiliating conditions. Long gone is the archaic notion of a speedy trial before a jury of peers. On July 30 a military judge found Manning guilty of charges that could lead to a maximum sentence of 136 years.

Like Snowden, Manning committed the crime of revealing to Americans—and others—what their government is doing. That is a severe breach of “security” in the operative meaning of the term, familiar to anyone who has pored over declassified documents. Typically “security” means security of government officials from the prying eyes of the public to whom they are answerable—in theory.

Governments always plead security as an excuse—in the Snowden case, security from terrorist attack. This pretext comes from an administration carrying out a grand international terrorist campaign with drones and special operations forces that is generating potential terrorists at every step.

Their indignation knows no bounds at the thought that someone wanted by the United States should receive asylum in Bolivia, which has an extradition treaty with the U.S. Oddly missing from the tumult is the fact that extradition works both ways—again, in theory.

Last September, the United States rejected Bolivia’s 2008 petition to extradite former president Gonzalo Sánchez de Lozada—“Goni”—to face charges of genocide and crimes against humanity. It would, however, be an error to compare Bolivia’s request for extradition with Washington’s, even if we were to suppose that the cases have comparable merit.

The reason was provided by St. Augustine in his tale about the pirate asked by Alexander the Great, “How dare you molest the sea?” The pirate replied, “How dare you molest the whole world? Because I do it with a little ship only, I am called a thief; you, doing it with a great navy, are called an Emperor.”

St. Augustine calls the pirate’s answer “elegant and excellent.” But the ancient philosopher, a bishop in Roman Africa, is only a voice from the global South, easily dismissed. Modern sophisticates comprehend that the Emperor has rights that little folk like Bolivians cannot aspire to.

Goni is only one of many that the Emperor chooses not to extradite. Another case is that of Luis Posada Carriles, described by Peter Kornbluh, an analyst of Latin American terror, as “one of the most dangerous terrorists in recent history.”

Posada is wanted by Venezuela and Cuba for his role in the 1976 bombing of a Cubana commercial airliner, killing 73 people. The CIA and FBI identified him as a suspect. But Cubans and Venezuelans also lack the prerogatives of the Emperor, who organized and backed the reign of terror to which Cubans have been subjected since liberation.
The late Orlando Bosch, Posada's partner in terrorism, also benefited from the Emperor's benevolence. The Justice Department and FBI requested that he be deported as a threat to U.S. security, charging him with dozens of terrorist acts. In 1990, after President George H.W. Bush overturned the deportation order, Bosch lived the rest of his life happily in Miami, undisturbed by calls for extradition by Cuba and Costa Rica, two mere pirates.

Another insignificant pirate is Italy, now seeking the extradition of 23 CIA operatives indicted for kidnapping Hassan Mustafa Osama Nasr, an Egyptian cleric in Milan, whom they rendered to Egypt for torture (he was later found to be innocent). Good luck, Italy.

There are other cases, but the crime of rendition returns us to the matter of Latin American independence. The Open Society Institute recently released a study called “Globalizing Torture: CIA Secret Detention and Extraordinary Rendition.” It reviewed global participation in the crime, which was very broad, including among European countries.

Latin American scholar Greg Grandin pointed out that one region was absent from the list of shame: Latin America. That is doubly remarkable. Latin America had long been the reliable “backyard” for the United States. If any of the locals sought to raise their heads, they would be decapitated by terror or military coup. And as it was under U.S. control throughout the latter half of the last century, Latin America was one of the torture capitals of the world.

That's no longer the case, as the United States and Canada are being virtually expelled from the hemisphere.

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Michigan Leads Nation in Massive Corporate Tax Breaks

A new study of state subsidies for corporations over a 30-year period reveals cost of $456,000 per job
Thomas Cafcas interviewed by jaisal Noor on the Real News Network 2 August 2013

JAISAL NOOR, TRNN PRODUCER: Welcome to The Real News Network. I'm Jaisal Noor in Baltimore.

Good Jobs First has published a study examining the country's largest state corporate tax breaks over the past 30 years. Over 300 deals were examined, totaling $64 billion. In the report, titled Megadeals: The Largest Economic Developments Subsidy Packages Ever Awarded by State and Local Governments in the United States, the authors find that Michigan leads the country with 29 mega corporate tax breaks, costing the state more than $7 billion and accounting for 12 percent of the megadeals nationwide.

Now joining us is Thomas Cafcas. He's a research analyst at the national policy resource center Good Jobs First, which released the study.

Thank you so much for joining us, Thomas.

THOMAS CAFCAS, RESEARCH ANALYST, GOOD JOBS FIRST: Thanks for having me.
NOOR: So, Thomas, provide us a quick summary of the report and what you found, and define for us what a megadeal is.

CAFCAS: Sure. So what we did is we tried to find, going back to the beginning of time, so generally about the 1970s, the largest economic deals ever awarded to companies from state and local governments. And so, as a cutoff, we cut it off at about $75 million, and we excluded stadium and sports arena deals because it would have overwhelmed our list. So these are major deals to companies like the big three (Ford, General Motors, Chrysler--they show up a lot in Michigan), chemical companies, paper companies. It really runs the gamut on which companies are getting these major economic development deals from state governments.

And, you know, over time these deals really do add up to a lot of money. In Michigan alone it was $7.1 billion over time. You know, and it’s from 29 deals. And there’s really no sign that this is going to let up. You know, there’s recent news in Detroit that the Red Wings are possibly going to get a $262 million deal for a stadium, which, again, was not included in the study. But, you know, these subsidies keep going. And the more that state and local governments award these big subsidy packages to companies, the further they will erode their tax base and, you know, cause harm to important public services.

NOOR: Can you give us a summary of how these tax breaks are justified, the benefits they supposedly come with, and what reality you found has come about?

CAFCAS: Sure. So these are generally justified in the name of job creation or job retention. In Michigan specifically, they are justified on retention deals, that, you know, other states will award a bigger subsidy package and attract the employer away from the state of Michigan, causing massive job loss if the state doesn’t pony up and pay this company to stay in the state.

We found in circumstances where they actually put out job figures on how many jobs were created, the cost per job was quite surprising. In our study we found it was 456,000--hundred thousand dollars per job, which is an extremely high cost per job. So, often these deals are, you know, very expensive to create very few jobs. And they’re often paying companies to do something they would have done anyways, right?

So a company doesn’t need--you know, taxes account for less than 1 percent of the total cost structure for the average company. Taxes aren’t really moving the needle. Access to resources, access to a labor pool, access to all these other things that are really driving business decisions, customers, are what drive corporate location decisions. These big subsidy deals are pretty much free giveaways for companies.

NOOR: And, obviously, some of the biggest news around the country related to this is in Michigan with Detroit going bankrupt. And its bankruptcy proceedings are being closely followed by several other cities, including Baltimore, which are facing similar financial crises in the future. How are these two linked?

CAFCAS: Sure. So, you know, I was in Baltimore yesterday, actually, and there is a group of concerned citizens that are looking at a major tax increment financing (TIF) subsidy deal worth reportedly over $200 million for a developer to relocate from downtown Baltimore to Harbor Point, which is on the waterfront. And, you know, there’s a big concern that this is going to have a huge drain on the revenues of the city and that the tax dollars are going to get drained so much that there’s not going to be enough to pay for the public services that everybody needs, especially in Baltimore--schools, roads, fire protection, police protection. So these things are linked. And, you
know, it seems like in cities across the country these big tax breaks are slowly eroding away the tax base and making it harder to pay for the important public services that we need.

NOOR: And so there is the promise of job creation. But are these companies obligated to create jobs where they're getting these tax breaks?

CAFCAS: So in some places, yes. But, you know, it's often a fig leaf, right? So, you know, they'll say they create jobs and that they wouldn't have done it but for getting a subsidy package. But whereas a public process is open to the public, there's open meetings, there's freedom of information, corporate processes are not open to the public—we don't really know what the companies are thinking. We don't know what their real reason for locating where they do is. And it's an impossible guessing game. So, you know, sometimes cities and states say, okay, company, you have to sign and say that without this subsidy package you wouldn't have come here and created jobs. But we just don't know if they're being honest. And, frankly, it's not relevant, right, because what is relevant is thinking about the impact on local budgets and state budgets and thinking about, you know, is there going to be enough revenue to pay for the services that we need to really have a healthy, sustainable economy.

NOOR: You talked about some of the opposition in Baltimore. But why isn't there more outcry over this? 'Cause, as you said, it's been happening for decades, and the results have been proven. There's not much disputing what the outcomes have been.

CAFCAS: Right. Well, the biggest problem in economic development deals is that for so many years these deals have happened behind closed doors. And, in fact, in the Harbor Point TIF deal, it actually came out in The Baltimore Sun that they had violated the Open Meetings Act.

And, you know, we work in all 50 states. We file Freedom of Information Act requests. We are frequently denied access to public information about how much state and local governments are giving away to companies. And this is public information. But in recent years there have been major transparency victories, and states are beginning to put this information up on the web. And that—you know, this is really a watershed moment. For the first time, citizens are able to look at how much their cities or states are spending on these big economic development deals and to figure out, you know, how many jobs are being created, what are the wages of those jobs, do those jobs pay good benefits or do they have good benefits, are there other important things that are happening as well, and really start measuring what the outcomes are, because frequently when we look into these deals and we actually dig up what the outcomes are, we're frequently disappointed.

NOOR: Thomas Cafcas, thank you so much for joining us.

CAFCAS: Thank you for having me.

NOOR: Thank you for joining us on The Real News Network.

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The Internet As We Know It Is On Its Deathbed

Steven Rosenfeld 1 August 2013

The original vision of the Internet, where information and media is freely
shared, without one’s computer strokes and searches being metered, tracked, traced, archived, dissected, marketed and warehoused in government data banks, is dead. And that’s what’s being lost by mainstream media in the ongoing Edward Snowden coverage.

The Snowden story is not about whether Snowden is a spy, or U.S. Attorney General Eric Holder will seek the death penalty, or whether Russian President Vladimir Putin will let him stay, or what dark novels his Russian lawyer has given him, or what clean clothes he has. It is, as the U.K. Guardian notes, what Snowden has revealed about today’s Internet.

Snowden’s revelations are the end of a vision of unfettered Internet freedom. Over the past decade, we’ve heard all kinds of pronouncements that the Internet is in its death throes. Technically speaking, the net is bigger, more alive and more people are interconnected than ever. But what has died amid the Internet’s evolution?

In 2002, Jeff Chester, executive director of the Center for Digital Democracy, wrote that big telecom companies were going to kill the net by charging for data use, like a utility charges for the water piped into one’s home. Gamers were particularly upset about that scenario. Today’s bigger and faster data pipes seem to have offset the fear of restricted access. But today’s Internet users pay just as Chester predicted.

Last year’s SOPA fights raised another Internet deathbed scenario: the prospect that there might be government censorship of content, because industries built on creating content could not stop its theft and demanded that Congress protect the intellectual property. The fight became so rancorous it killed congressional action. The Internet didn’t die, of course, but kept growing, with big technology firms increasingly capturing humanity’s keystrokes for their own marketing purposes.

A decade ago, few people forecast that the net’s growth would mean the disintegration of privacy for just about everyone who uses computers and digital devices. But that’s what’s at the heart of Snowden’s disclosures. And it’s not just a loss of personal privacy to the corporate sector—Google, Facebook, AT&T and the like—but its loss to the federal government’s spy agencies, police and secret courts.

“Repeat after me: Edward Snowden is not the story,” wrote the U.K. Guardian’s John Naughton last weekend. “The story is what he has revealed about our networked world. This insight seems to have escaped most of the world’s mainstream media.”

Snowden told Americans and the world that their governments—so-called democracies whose legacies in the 20th century include defeating fascism and expanding individual civil rights against state power—were spying on them. It’s not the same as the Soviets in the Cold War. It’s slicker and smarter: just collect and siphon and sort our data trails and digital fingerprints for later scrutiny. Every call, e-mail, search and move is fair game.

A lot of people have responded to Snowden’s revelations with a shrug, saying, “I have nothing to hide.” But that misses the point. It’s bad enough that private companies track our movements, tastes, habits, health and networks, all to sell us more stuff. But when governments do the same thing, creating a domestic spying industry with hundreds of thousands of contractors, the potential for abuse is frightening.

That digital dragnet is what Snowden has been trying to bring into the
open and reform: the Internet, once one of our greatest tools, can be turned against us.

History has shown that he is correct. The 20th century’s targets of totalitarian states had almost nowhere to run. The enemies of Egypt’s military coup, like them or not, are not so secretly being rounded up and arrested. And Snowden, the messenger in a global Internet-based spying scandal, is now a man without a country.

The Internet is not dead or dying. But it’s not our best friend forever. And as America’s spymasters and its global companies keep defending their digital dragnet, Snowden’s revelations remind us what the Internet has become.

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Egypt, Back To The Future

Scoring Points, Making None
Marwan Bishara 1 August 2013

Awaiting history's judgment of Defence Minister Abdel Fattah El Sisi, his call for street demonstrations to support his fight against "violence and terror", is outrageous, though not terribly surprising.

Faced with mounting outcry from the Brotherhood's rank and file against the ousting of President Morsi, the general has continued to escalate his ultimatums and the use of force to quell cries for the return of the elected president.

Indeed, one wonders how Sisi, who's a deputy prime minister, makes such a bombastic declaration that calls for major escalation as if there is no prime minister or a president!

As the man in charge of Egypt's safety and stability, tasked with containing violence in the public sphere, Sisi seemed all too eager to amplify tensions and confrontations to protect his turf.

To street or not to be
Soon after the coup and arrest of a number of their leaders, the Muslim Brotherhood concluded that the only way to protect themselves against further repression would be to retrench in the nation's streets and public squares.

Down but not out, the Brotherhood leadership called on their supporters to set up camp during the hottest month of the year, which also happens to be Ramadan, leaving them without food or drinking water throughout the day. They have remained steadfast in the hope of forcing the military to backtrack on its decision.

The military, in response, called upon the anti-Brotherhood camp to openly and publicly display their resolve.

So both the military and Brotherhood continued to score points in a heated competition, including over size, duration, passion, and exact number of
demonstrators who heeded their call and turned out on the streets.

As if bringing millions more to gather would resolve anything, such incitement and the consequent building of tension in fact further destabilises the country.

Indeed, watching mayhem and death in the streets makes clear just how counterproductive and dangerous it is to escalate strains between opposing forces. Rather than bring the country closer to a solution, whipping up and pronouncing tension only brings Egypt a step closer to chaos.

**Three interconnected challenges**

If one listens carefully to what the street is collectively saying, it's quite simple to make out the message: the overall majority of Egyptians do not want to be ruled by one party, one ideology, or one force.

They still wish for what they wanted back on January 25, 2011: “Bread, freedom, and social justice”, deliverables that his detractors believe Morsi failed to accomplish, or as his supporters contend, didn't have the time to realise.

But Egypt's foremost challenges - security, economy, and good governance - cannot be resolved on the streets; nor can they be resolved in the shadow of a conflict between the Muslim Brotherhood and the military, from which Egypt and other Arab countries have suffered for decades.

Instead, Egypt needs to restore stability and security by starting with a de-escalation of the mass demonstrations, which importantly, must not be accomplished by force. Today's unravelling violence might seem to provide for a short term solution, yet, entangling, intractable problems will arise.

If the Brotherhood failed on a number of important fronts and President Morsi showed little leadership on economic and social issues, General Sisi is acting quite irresponsibly. Besides, the military's record on good governance and the economy is dismal to say the least.

In fact, none among Egypt's leaders, generals, and religious symbols to this day have proven capable of lifting the country out of deadlock. Those capable of leading have no answers, and those with answers are not leading. Indeed, the louder and the more self-righteous they are, the less constructive the leaders seem to be.

Be that as it may, now that the streets have spoken again, it is the institutions, political parties, and the greater civil society, including this new generation of youth, which need to act responsibly. This begins by depersonalising the hostilities and restraining the ambition of overtly ambitious men.

**Not who, what**

Just when the Brotherhood had concluded that their fight shouldn't be about Morsi per se, but rather about defending "the legitimacy of the ballot box", Sisi made it more about himself and his personal campaign against the Muslim Brotherhood.

Having his face plastered on posters, while protesters demand an end to the era of a singular ruler, only goes to confirm worries over the return of the military men to politics.

But after people revealed their disapproval and outright hostility toward Mubarak's one man, one party rule, and later to Morsi's attempt at the
same system of rule, Sisi's attempts at one man, one military rule is far-
fetched.

If the Muslim Brotherhood is inward-looking, the military is even more
insular when openness to others is indispensable to governing the country.

In retrospect, it was clear since Mubarak was on his way out in January
2011 that the big question facing Egyptians was not who replaces President
Mubarak, but rather what replaces the Mubarak regime and how to
accomplish the transition.

Yet, the rush to hold presidential elections while Mubarak's regime
remained intact went on to split the nation and complicate the challenges
facing Egypt.

In an increasingly polarised and hostile political atmosphere, any one
leader is sure to become a divisive factor. And when the choice, as it's
likely to be, is between an Islamist and a secular candidate, any winner
will end up alienating the voters and supporters of the other side at a time
when inclusion, not alienation, is most urgently needed.

Put simply, gone are the days of one leader representing one party or of
one side prevailing in Egypt. And that requires a major change in the
system of governance.

As they ponder a new pluralistic constitution that befits this great land,
Egyptians might want to consider replacing the Presidential System that
produced pseudo modern pharaohs, with a system that would more likely
produce broad coalition governments.

**The quiet deterioration of the economy**

Lost in the street noise is the silent deterioration of the economy. As
Egyptians take their time to resolve their issues, they could be faced with
a totally bankrupt country that is incapable of resolving any of its basic
problems.

The earlier that Egyptians sober up from their disillusionment with the
politics of power, and get down to the business of running their country,
the more likely it will be for them to save it from total collapse.

The $13bn pumped into the economy from Saudi Arabia and the United
Arab Emirates to help the military maintain its control are quite
substantial; but, such funds can only go so far in beginning to heal the
structural challenges facing the economy.

It's true that "man cannot live by bread alone"; yet, nor can he survive
without it. And it so happens that in the Egyptian dialect, bread and life
share the same word, a'ish.

Indeed, those who are likely to suffer most in the future are the urban
poor who are less likely to afford feeding their families. Egypt's total debt
is already 87 percent of GDP and 74 percent of that is domestic. As
instability and insecurity deepen, the debt is skyrocketing on top of 12
percent interest rates.

Since three quarters of the debt is owed to local banks, any default on
payment is bound to affect the entire economy. In 2012-2013, Egypt paid a
quarter of all the government's budget expenditures - or 147 out of 615
billion Egyptian Pounds (EGP) ($21bn USD) to service its debt.
That sum nearly equals the total of all government expenditures put toward public sector wages, or 149 billion EGP ($21.28bn), which by itself is also quite inflated by nepotism that creates unproductive jobs.

Add to all this, the Egyptian government's subsidies for fuel and food has already reached a high 167 billion EGP ($24bn), or more than a quarter of the total government budget.

Therefore, interest payments, wages, and subsidies represent 75 percent of the budget's total expenditures, leaving any future government with less than a quarter of its budget to be put toward all other important business of the state.

Moreover, if we factor in lower wages, lower productivity and lower taxes caused by instability, the next government is more likely to be bankrupt and/or incapable of fixing the deteriorating infrastructure of the country, not to speak of its schools, hospitals and social services.

Last year, public investment was as low as 47bn EGP ($6.7bn), or less than 3 percent of the economy of 1715bn EGP ($245bn).

This is no way to rebuild a country after a revolution.

Comprehensive solutions
In summary, Egypt has much on its plate and no one party, let alone one leader or a general, will be able even to begin tackling the country's urgent challenges.

Even a widely supported broad-coalition government will find it challenging to govern in the near and intermediate run, considering the need to affect painful structural transformations all the while attaining the promised social justice.

The three challenges delineated above are entirely interdependent and cannot be tackled separately. Good and collective governance is central to improving security and the economy, just as improving security is indispensable to saving the economy.

Nations cannot live on slogans, and revolutions do not succeed without deep social and economic transformations.

Egyptians deserve representatives that are able to make the relevant points to improve life, not score points that lead to death and destruction.

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Economic Recovery by Statistical Manipulation

Jack Rasmus 31 July 2013

Facing the prospect of a 2nd quarter GDP report showing economic growth less than 1% (some professional forecasting services predict as low as 0.5%), and a year to year growth of the US economy likely to come in at barely 1%--compared to a 2011-12 already tepid 1.7%--the Obama administration on Wednesday, July 31, will announce a major revision of how it calculates GDP which will bump up GDP numbers by as much as 3%
according to some estimates. That’s one way to make it appear the US economy is finally recovering again, when all other fiscal-monetary policies since 2009 have actually failed to produce a sustained recovery.

Wednesday’s GDP definition revisions is not the first time that politicians, failing in their policies, have simply rewritten the numbers to make the failure ‘go away’. But this time, the GDP revisions will be made going all the way back to 1929. So watch for the slowing US economy GDP numbers from last October 2012 onward to be significantly revised upward.

Instead of an actual, paltry 0.4% GDP growth rate in the fourth quarter of 2012, a weak 1.6% in the first quarter 2013, and the projected 0.5%-1% for the 2nd quarter 2013—all the numbers will be revised higher in the coming GDP estimate for the 2nd quarter 2013. The true GDP growth rate of the most recent April-June 2013 period, projected as low as 0.5% by some professional macroeconomic forecasters, might not thus get reported.

President Bill Clinton played fast and loose with economic statistics as well at the end of his term, redefining who was uninsured in terms of health care coverage. The total of 50 million uninsured at the end of the 1990s, was reduced to 40 million—after having risen by ten million during his eight years in office. Today, they still claim there are only 50 million without health insurance coverage, despite the ten million more becoming unemployed since the Great Recession began in 2007, tens of millions of population increase in the US, and millions more having left the labor force.

Similarly, under President Reagan in the 1980s a raft of government statistics were ‘revised’. Unemployment in particular was revised downward by various means to make it appear fewer were jobless in the wake of the 1981-82 recession. Changes were made to inflation data as well to make it appear lower than it was, and to how manufacturing was defined to make it appear that the mass exodus of manufacturing ‘offshoring’ of jobs was not as great as it was in fact.

This writer has been forewarning of this radical shift in GDP definition since earlier this year, in a series of analyses on US GDP numbers over the past year, July 2012-June 2013, in which the warning was raised the US economy was slowing significantly—from its already weak historical 2011-2012 annual growth rates of less than 2% to around half at 1% (see my blog entries at jackrasmus.com). The point was raised that the Obama administration may use the 5 year scheduled GDP revisions to boost the appearance of the slowing US economy.

The government agency, the Bureau of Economic Analysis, responsible for the GDP numbers will explain the GDP methodology changes this week, and this writer will provide a follow up analysis of the revisions. Some initial indications have appeared in the business press as to how and why the changes are being made in GDP.

One explanation is that Gross Domestic Income (GDI) has been running well ahead of GDP (Gross Domestic Product). GDP is supposed to measure the value of goods and services produced in the US, while GDI is a measure of the income generated in the US. They are supposed to be about equal, with some adjustments for capital consumption and foreign net income flows. The idea is whatever is produced in terms of goods and services generates a roughly equivalent income. However, it appears income (GDI) is rising faster than GDP output. The BEA revisions therefore appear aimed at raising GDP to the higher GDI levels.
But income is rising faster because investors, wealthy households (2%), and their corporations are increasing their income at an accelerating pace from financial securities investments—that don’t show up in GDP calculations which consider only production of real goods and services and exclude financial securities income like stocks, bonds, and derivatives. So instead of adjusting GDI downward, the BEA will raise GDP. It appears from early press indications it will do this by reducing deductions from GDP due to research and development and by now counting some kinds of financial investments as GDP.

When GDP was developed back in the 1930s, economists purposely left out financial assets’ price appreciation in the determination of GDP. Such assets did not reflect real production of goods and services, it was determined. But today in the 21st century, massive gains in capital incomes increasingly come from financial asset appreciation. Even many non-financial corporations now accumulate up to 25% of their total profits from what are called ‘portfolio investments’—i.e. financial asset speculation. Like profits from real production, that gets distributed to shareholders in the form of capital gains, dividends, stock buybacks, etc. That corporate profits and other forms of non-corporate business income also ends up in reported ‘Gross Domestic Income’, or GDI. As GDI rises in relation to GDP, the government’s answer is to conveniently revise GDP upward to better track GDI. But that doesn’t represent real economic growth and does represent a false recovery when measured in terms of new GDP revisions.

If GDP is revised upward, a host of other government data will have to revise up as well. That will likely include employment numbers as well. How reliable will be future jobs numbers, not just GDP numbers, is therefore a reasonable question.

Apart from making it appear the US economy is doing better than it in fact is, what are the motivations for the forthcoming redefinition of GDP, one should ask?

For one thing, it will make it appear that US federal spending as a share of GDP is less than it is and that US federal debt as a share of GDP is less than it is. That adds ammunition to the Obama administration as it heads into a major confrontation with the US House of Representatives, controlled by radical Republicans, over the coming 2014 budget and debt ceiling negotiations again in a couple of months. It also will assist the joint Obama-US House effort to cut corporate taxes by hundreds of billions of dollars more, as legislation for the same now moves rapidly through Congress in time for the budget-debt ceiling negotiations.

Revising GDP also enables the Federal Reserve to justify its plans to slow its $85 billion a month liquidity injections (quantitative easing, QE) into the banks and private investors. This ‘tapering’ was raised as a possibility last June, and set off a firestorm of financial asset price declines in a matter of days, forcing the Fed to quickly retreat. But the Fed and global bankers know QE is starting to destabilize the global economy in serious ways and both, along with the Obama administration, are looking for ways to slow and ‘taper’ its magnitude—i.e. slow the $85 billion. Redefining GDP upward, along with upward revisions to jobs in coming months, will allow the Fed to revisit ‘tapering’ after September, when the budget-debt ceiling-corporate tax cut deals are concluded between Obama and the US House Republicans. (see my lengthy article, ‘Austerity American Style’ , on this).

The Fed has stated it will begin to reduce its QE when the economy shows
more growth and unemployment numbers come down to 6.5%, from the current roughly 7.5% low-ball estimate. (Other government data show unemployment at more than 14%, but politicians and the press ignore that number). Revising GDP upward will thus provide the Fed with an argument to start ‘tapering’. Fed Chairman, Ben Bernanke, is quite aware of the usefulness of the projected revisions, moreover. In his recent testimony to Congress he specifically noted that the economy was growing better than (old) GDP numbers indicate if the higher Gross Domestic Income (GDI) is considered.

It is ironic somewhat that what we are about to witness with the GDP revisions is a recognition that the economic recovery since 2009 has been a recovery for corporate profits and capital incomes, stock and bond markets, derivatives and other forms of income from financial speculation—all now at record levels—while weekly earnings for the rest continue to decline for the past four years. What the GDP revisions reflect is an attempt to adjust upward GDP to reflect in various ways the gains on financial side of the economy, the gains in income for the few and their corporations.

When you can’t get the economy going otherwise, just change the definitions and how you calculate it all. Manipulate the statistics—just as Clinton did before and Reagan even before that.


Lobbying: how politicians are bought and sold

John Pickard 30 July 2013

In his masterpiece called Origins of the Family, Private Property and the State, Engels pointed out that even in a “democratic republic”, wealth still wields power indirectly, but all the more surely. “It does this in two ways”, he explains, “by plain corruption of officials, of which America is the classic example, and by an alliance between the government and the stock exchange.”

In a later work, State and Revolution, Lenin took up the same theme, examining the completely fraudulent character of parliamentary democracy. “At the present time”, he wrote,” Imperialism and the domination of the banks have ‘developed’ both these methods of defending and asserting the omnipotence of wealth in democratic republics of all descriptions.”

Writing in 1917, Lenin went on to quote the example of a minister in the Provisional Government, Palchinsky, who resigned his office and was promptly rewarded with a cosy job by the capitalists, on a salary of 120,000 roubles a year. “What would you call this,” Lenin asked, “direct or indirect corruption?”

These arguments of Engels and Lenin, which are fundamental to a Marxist understanding of politics and the parliamentary process, have been completely vindicated over and over again down the years. Recent
revelations of parliamentary sleaze have once again laid bare the thousands of threads that big business has woven into the fabric of so-called representative government.

It is well-known that, in Britain, Tory ministers have an open-door policy when it comes to meeting lobbyists and the representatives of capitalism, but it was revealed recently that the Government has an organised system to ‘buddy’ multi-national firms with Tory ministers and moreover, there were plans to expand it. In July 2011, the trade minister Lord Green announced the original initiative to give 38 firms, including telecoms, pharmaceutical and oil companies, a direct line to ministers and officials. In 2013, it was announced, a further 12 firms were being added to the list and 30 more are under consideration.

The original 38 firms, it was announced, had nearly 700 cosy face-to-face meetings with ministers in the first two years of the scheme. The oil company Shell alone has had 56 face-to-face meetings with ministers.

Before the election, David Cameron said that the £2bn British lobbying industry was “out of control” but now that he’s in Downing Street, it is clear that the Tories have no intention to limit the access of their business pals to ministers and officials. The latest Government proposal to ‘register’ lobbyists is no more than a fig-leaf that would only require the registration of professional lobbying firms. As the campaign group Lobbying Transparency explained, there are fundamental flaws with this approach. “Lobbyists-for-hire in agencies”, they explain, “account for only a small proportion of Britain’s influence industry. They are outnumbered by in-house lobbyists by at least six to one”.

Lobbying Transparency go on to explain how the system would be nonsensical: “a supermarket, say, with a team of six in-house, full-time lobbyists would not have to declare its lobbying, but if it temporarily took on an agency to increase its influence, only the agency would have to register its lobbyists.” Secondly, the government are proposing that lobbyists who are registered reveal only minimal information, that is, their names and their clients. This completely undermines any attempt to increase government accountability because it misses out completely any lobbyists’ interaction with officials and ministers.

It is clear that the Lobbying Bill is not intended to in any way shape or form to curtail the official or unofficial links between business and Parliament. The only firm measure it does offer is against the trade unions, in that it aims to put a limit on donations from the trade unions to the Labour Party - so the interests of thousands of working people are equated with the profits of big companies. While the howls of rage from ordinary people about endless austerity will continue to be met with blanket indifference, the representatives of big companies will still be feted and Government policies will be shaped and moulded to best suit the profits of the corporations.

Tory policy on food labelling will continue to be made by the food companies; cigarette packaging policy by the Tobacco industry; policy on minimum alcohol pricing by the brewers and distillers; and health policies by the private health sector.

What also ties business to officials and MPs and effectively buys them off is the ‘revolving door’ policy that gives ex-ministers and ex-civil servants well-paid jobs in the private sector - and almost always in that part of big business for which they were previously responsible and which in some cases they were previously ‘policing’. Thus defence contractors take on
ex-Defence ministers as consultants, private health companies take on ex-Health ministers, and so on. One of the most blatant was the appointment a few months ago of David Hartnett to work for one day a week for Deloitte, one of the top four auditing companies. Hartnett was until recently the head of HM Revenue and Customs. It was during his time in charge that cosy sweetheart deals were agreed between HMRC and Vodafone and Goldman Sachs to pay a nominal sum in taxes in lieu of what they ought to have paid.

The Goldman Sachs deal saved them £20m in interest payments that ought to have gone to the Exchequer. Hartnett was said to have personally negotiated a deal with Vodafone who paid only £1.25bn of the £6bn originally claimed by HMRC. It was also on Harnett’s ‘watch’ that other companies, like Starbucks, paid nothing at all. Lo and behold, it transpires that Deloitte, Harnett’s new bosses, are the official auditors for Vodafone! Hartnett’s wonderfully lucrative part-time job at Deloitte’s hasn’t stopped him getting another part-time post as an adviser to the banking group, HSBC. This is the bank, let us recall, which was fined $1.9bn by the authorities in the USA for laundering Mexican drugs money.

Deloitte, of course, are not unique. All of the big four accountancy companies, including also KPMG, Price Waterhouse Coopers and Ernst & Young, frequently have their own staff seconded to work in the Treasury and in other government departments and they regularly recruit ex-civil servants with ‘inside’ knowledge to work for them.

Looking at all this, as Lenin would have asked: is it direct or indirect corruption?

In the US Congress, the number of lobbying organisations is even more phenomenal. There are nearly fifteen thousand of them, around thirty for each and every elected representative. On every single issue, from climate change to taxation to health, to gun control - on every issue - these professional ear-benders are canvassing, phoning, meeting and schmoozing with elected representatives. Billions of dollars are spent on an industrial scale - over $3bn in each of the last five years - to buy the politicians that millions of Americans think they have elected. They have a thousand threads connecting them to PR agencies so they can spread unfavourable stories in the press to blackmail representatives who might be reluctant to follow their cues. It makes no difference whether they are Democrat or Republican - the overwhelming majority are in the pockets on business. The ‘revolving door’ operates here, too, with former lobbyists getting top jobs as aides to congress members and then former aides going back into lucrative jobs among the lobbying firms.

During recent demonstrations in Egypt, a BBC journalist asked a man in a Cairo street why he was demanding the overthrow of Morsi. The man replied that Morsi and the Egyptian Assembly had not put in practice the policies on which they were elected. Without a blush or a hint of irony, the BBC journalist asked, “but that’s democracy, isn’t it?” It might be democracy to an unprincipled philistine, or to a representative of business, but to any normal worker it is the opposite of democracy.

The 2011 Survey of British Social attitudes posed the following statement to which people were asked to express agreement or disagreement: “Generally speaking those we elect as MPs lose touch with people pretty quickly”. The answers showed that nearly 73 per cent either “agreed” or “agreed strongly”. This shows the huge reservoir of cynicism that exists about politicians of all parties and it is a serious issue for the labour movement. It is an issue about how its elected representatives ought to
behave in office. It is a disgrace that so many Labour MPs are out of touch with the lives and conditions faced by ordinary workers. It is an even greater disgrace that from time to time it is Labour politicians, like peers Lords Cunningham and Mackenzie, who have been embroiled in the sleazy cash-for-political-work business.

The policy applied in practice by three Labour MPs in the 1980s - “A worker’s MP on a worker’s wage” - has more validity today than it has ever had and Labour Party members ought to make it a central theme of any discussions on Party elections and representation. Labour MPs should not hob-nob with the spokes-persons of big business; they should avoid the junkets and the ‘social club’ atmosphere of the House and they should faithfully represent the people who elected them, by living on the same living standards and opening themselves to re-selection at every election.

www.marxist.com

Cosy relationships: Tory business ‘buddies’
1. Property firms Atkins and Balfour Beatty are ‘paired’ with climate change minister, Greg Barker, who is in charge of the Tories’ “green homes” policy.
2. Nestle, Unilever, Mondelez (including Cadbury, formerly part of Kraft) and Associated British Food are ‘paired’ with David Heath, of the Department of Agriculture.
3. Oil firms are ‘paired’ with Vince Cable, Business Secretary.
4. Proctor and Gamble, Willetts and Cisco are ‘paired’ with Foreign Office minister Hugo Swire.
5. Telefonica (O2), Orange and T-Mobile (EE) are ‘paired’ with culture minister, Ed Vaizey.

Feeding the debt monster

Vanessa Burger 29 July 2013

Millions of South Africans are increasingly forced to buy basic necessities - food, electricity, water, transport and school fees - on credit. And government has become addicted to international credit for mega-projects, such as the Medupi Power Station for which we got the World Bank’s largest-ever loan, Gauteng’s e-Tolls privatised highway, and the proposed R250 billion Durban port and petrochemical expansion, to sustain its plutocracy and access to the tenderpreneurial trough.

One reason for the $3.75 billion Medupi loan was that its CEO, Brian Dames, now pulls a whopping R8.2 million salary, up 91 percent from 2010. We pay. While Dames is about due for another increase, Medupi workers strike repeatedly for a living wage. They are criticised because of penalties incurred by the resulting construction delays, yet workers are struggling to meet ballooning electricity tariffs, up nearly 150 percent these last five years.

And is it so wrong for miners currently earning R4 000 a month to demand a 100% increase (little more than Dames’ pay hike) when mine bosses win salary and perks in a year what it would take miners 11 lifetimes to earn? The garnishee orders on Marikana miners’ pay slips left them so desperate last August, that they willingly faced police bullets.

Debt became a human rights issue. Even Trevor Manuel acknowledges the unsecured credit system is out of control and threatens us all. African Bank
lost 40 percent of its value in a recent run, as investors punished its vast unsecured-loan portfolio.

The costs of debt mount. For example, because we are locked into the completion of Medupi, we cannot explore cleaner, and ultimately much less costly renewable energy. One Australian corporation, BHP Billiton, is the only winner, with a guaranteed low price about 1/8th as high as what we pay thanks to an apartheid-era deal. To keep that price low since 1994, the firm hired a half-dozen top SA politicians and regulators.

Yet government insists it’s our patriotic duty to shoulder the debt of yet more ill conceived projects. Durban’s port work by Transnet is being financed by a $5 billion loan from the Chinese government made during the BRICS summit, which will increase our country’s $140 billion foreign debt substantially. Five years ago that debt was only $72 billion.

The cruel joke here will be on the Clairwood and Merebank communities adversely affected by the project itself –who will thereby be indebted for their own destruction.

Debt must be serviced before we eat, before we educate our kids. People now slog - if they can get work - not for a better life, but merely to pay the interest on their outstanding interest. Social justice and human rights are becoming progressively superfluous.

Reputable credit providers’ strong-arm debt recovery tactics often transcend criminal law. If banks’ copious threatening telephone calls to customers in arrears were made by an ex-lover, it would constitute harassment and charges could be laid. But it’s a bank, you owe them your soul, so anything goes.

Despite so many South Africans suffering indebtedness, there is considerable social stigma attached to it: the assumption is that we choose to spend more than we can afford, and therefore we must suffer some character flaw and should be punished.

Yet we have some of the highest interest rates and bank charges (and thus bank profits) in the world. The compound interest attached to often recklessly-granted, unsecured loans can be a real killer.

Credit providers irrationally load penalties and increase interest rates until there is no hope of repayment. Once blacklisted, one cannot sign a rental agreement, and employment is often sabotaged. So when one is down, they intend to keep one there.

This can have major implications on social stability. When a whole community is similarly afflicted, as at Marikana, such sustained humiliation, desperation and frustration can be explosive.

Runaway debt becomes a living hell, as everything must be sacrificed to feed the debt monster. You have surrendered your rights. Also like slavery, with this loss of dignity comes the devaluation of inestimable assets such as kindness, honesty and integrity.

By having to attach a financial value to all things to justify their currency we become reduced, demoralised and persecuted – and the consequences of this enforced moral insolvency are spiralling crime, social disintegration and corruption.

Although the spectre of debt stalks one’s every waking moment, it is not
the fear of debt itself that wakes one, cold and sweating from restless dreams. It is the blind panic of being unable to feed the debt that leaves one powerless, exhausted and incoherent.

So the 1946 Merle Travis classic on debt bondage has as much relevance today...

“You load sixteen tons, what do you get
Another day older and deeper in debt
Saint Peter don’t you call me ‘cause I can’t go
I owe my soul to the company store”

When a city such as Detroit - once the world’s motor car capital - declares insolvency we should know our collective default is long overdue. Similarly oppressed, workers in the US and Europe are organising new ‘debt strike’ movements in civil society. Although ‘bond boycotts’ were common here 25 years ago when fly-by-night developers built fall-apart township houses, we now need to renew efforts to change power relations between debtor and creditor.

(Vanessa Burger is a Dennis Brutus Community Scholar at the UKZN Centre for Civil Society.)

Kafka’s America

Secret Courts, Secret Laws, and Total Surveillance
John W. Whitehead 27 July 2013

“Logic may indeed be unshakeable, but it cannot withstand a man who is determined to live. Where was the judge he had never seen? Where was the High Court he had never reached? He raised his hands and spread out all his fingers. But the hands of one of the men closed round his throat, just as the other drove the knife deep into his heart and turned it twice.”
- Franz Kafka, The Trial

In a bizarre and ludicrous attempt at “transparency,” the Obama administration has announced that it asked a secret court to approve a secret order to allow the government to keep spying on millions of Americans, and the secret court has granted its request.

Late on Friday, July 19, 2013, the Foreign Intelligence Surveillance Court (FISC) - a secret court which operates out of an undisclosed federal building in Washington, DC - quietly renewed an order from the National Security Agency to have Verizon Communications hand over hundreds of millions of Americans’ telephone records to government officials. In so doing, the government has doubled down on the numerous spying programs currently aimed at the American people, some of which were exposed by whistleblower Edward Snowden, who temporarily pulled back the veil on the government’s gigantic spying apparatus.

As a sign of just how disconnected and out-of-touch with reality those in the Beltway are, National Intelligence Director James Clapper actually suggested that declassifying and publicly disclosing the government application was a show of good faith by the government. The order, submitted by the federal government and approved by the FISC, is set to expire every three months and is re-approved without fail. This is the bizarre logic which now defines American governance: it doesn’t matter if
we spy on you without your consent, so long as you know that we’re doing it, and so long as we give the impression that there is a process by which a court reviews the order.

Ironically, the seeds for this brave new world were planted in an attempt to reform the ludicrous mantra of the Nixon administration that “if the president does it, it’s not illegal.” In the aftermath of the Watergate incident, the Senate held meetings under the Church Committee in order to determine exactly what sorts of illicit activities the American intelligence apparatus was engaged in under the direction of Nixon, and how future violations of the law could be stopped. The result was the passage of the Foreign Intelligence Surveillance Acts (FISA), and the creation of the FISC, which was supposed to oversee and correct how intelligence information is collated.

Fast forward to the present day, and what we see is that the alleged solution to the problem of government entities engaging in unjustified and illegal surveillance has instead become the main perpetrator of such activities.

When FISA was passed in 1978, it provided for a court of seven federal judges from seven different federal circuits who would serve for seven years. The judges on the FISC are appointed by the Chief Justice of the Supreme Court and may only serve once. The USA PATRIOT Act, however, increased the number of judges to 11, and altered the standards under which the government could engage in surveillance.

Thus, what was ostensibly designed as a mechanism to protect the American people from unwarranted government surveillance became instead a bureaucratic mechanism to rubber stamp government applications for surveillance. Indeed, the Court is structured such that applications for surveillance are rarely ever denied.

If a judge were to reject an application, for example, that judge would have to immediately write a report detailing every reason for the rejection, then transmit the report to a 3-person court of review. If that court finds that the application was properly denied, it must also write a report, which is then subject to a writ of certiorari by the Supreme Court. However, no reviews are necessary if an application is granted. This bias towards approving applications has played out predictably over the history of the court: out of 33,949 total applications, only 11 have been denied. Out of those 11, at least four were granted partial warrants later.

Deference to government requests for surveillance has only been exacerbated since 9/11. Before the PATRIOT Act was passed, collection of foreign intelligence information had to be the sole or primary purpose of the surveillance. However, after the PATRIOT Act, collecting foreign intelligence information merely had to be a “significant” part of the surveillance. The PATRIOT Act also allowed for a “roving wiretap,” which meant that government agents no longer had to designate a particular number or line to be bugged. This has led to the government forcing telephone and internet providers - some willingly and some not so willingly - to hand over vast troves of information on American communications.

Unnamed officials familiar with the inner workings of the FISC have noted that the Court’s mission has vastly expanded in the past few years, from simply granting warrants for surveillance to settling constitutional questions about surveillance in classified decisions, some almost one hundred pages long. For example, the FISC has gone so far as to determine that the Fourth Amendment requirement for a search warrant does not
apply when it comes to the NSA collecting and analyzing data of Americans’ communications.

To make matters worse, the only party represented before the Court is the government, and the Court’s decisions are rarely made public. It’s unclear if the corporations which are readily sharing Americans’ communications data are even authorized to appear before the court. Appeals are rare, and none has ever made it to the US Supreme Court. Furthermore, customers of the big telecoms whose data is being collected by the federal government do not have standing to challenge FISC rulings.

In truth, the FISC has basically become a parallel Supreme Court, but one which operates in almost total secrecy. As the editorial board of the New York Times has pointed out, even if the Court is operating completely within the bounds of established law when approving hundreds of requests for surveillance each year, “the public will never know because no one was allowed to make a counterargument.”

The biases of the Court are exacerbated by the fact that since judges only serve seven-year terms, they are usually all chosen by the same Chief Justice of the U.S. Supreme Court. Currently, every single FISC judge has been appointed by Chief Justice Roberts. Furthermore, all but one are Republicans. Roberts also appointed all three members of the Court of Review, which hears appeals to FISC decisions. Thus, the Electronic Privacy Information Center’s (EPIC) emergency appeal to the U.S. Supreme Court to end the NSA surveillance program is likely to fall on deaf ears.

Justice James Robertson, who served on the FISC from 2002 to 2005, has strongly condemned the power of the Court, claiming that it has become an “administrative agency, which makes and approves rules for others to follow. That’s not the bailiwick of judges. Judges don’t make policy.” Yet in the bizarre bureaucratic nightmare we have created for ourselves, that is exactly what they do.

The runaround and circular logic of the courts, Congress, the intelligence agencies, and the White House calls to mind Franz Kafka’s various depictions of bureaucracy gone mad, which have colored our civilization’s understanding of the shortcomings of a government which is only accountable to itself. As Bertolt Brecht wrote, “Kafka described with wonderful imaginative power the future concentration camps, the future instability of the law, the future absolutism of the state Apparat.”

One of Kafka’s most famous novels, The Trial, tells the story of Josef K., an ordinary middle manager who one morning awakes to find himself accused of a terrible crime – a crime which is too awful for his accusers to speak of. While at times absurdly funny, The Trial is ultimately a frightening depiction of what it means to live under a regime which operates on a circular logic that prevents outsiders, including those subject to its rule, from understanding – let alone challenging – the rules of the game, and who is making them.

Legal scholar Daniel J. Solove has expounded upon this metaphor, pointing out that:

*The problems captured by the Kafka metaphor... are problems of information processing - the storage, use, or analysis of data - rather than information collection. They affect the power relationships between people and the institutions of the modern state. They not only frustrate the individual by creating a sense of helplessness and powerlessness, but they also affect social structure by altering the kind of relationships*
people have with the institutions that make important decisions about their lives.

Josef K’s plight, one of bureaucratic lunacy and an inability to discover the identity of his accusers, is increasingly an American reality. We now live in a society in which a person can be accused of any number of crimes without knowing what exactly he has done. He might be apprehended in the middle of the night by a roving band of SWAT police. He might find himself on a no-fly list, unable to travel for reasons undisclosed. He might have his phones or internet tapped based upon a secret order handed down by a secret court, with no recourse to discover why he was targeted. Indeed, this is Kafka’s nightmare, and it is slowly becoming America’s reality.

www.zcommunications.org

Brics lessons from Mozambique

Bobby Peek First published in Pambazuka 27 July 2013

Brazil is among the extracting wealth from Mozambique. The southern African nation could soon join the resourced cursed societies, with polluted local environments and a changed structure of peoples’ lives, making them dependent on foreign decisions rather than their own local and national political power.

Just across the border in Mozambique there is neo-colonial exploitation underway. It is not Europe or the United States that are dominating, but rather countries which are often looked up to as challengers, such as Brazil, Russia, India, China and South Africa. This is a dangerous statement to make but let us consider the facts.

South Africa is extracting 415 megawatts of electricity from Mozambique through the Portuguese developed Cahora Bassa Dam, which has altered permanently the flow of the Zambezi River, resulting in severe flooding on a more frequent basis over the last years. In the recent floods earlier this year it is reported that a women gave birth on a rooftop of a clinic, this follows a similar incident in 2000, when Rosita Pedro was born on a tree after severe flooding that year.

South Africa’s failing energy utility Eskom is implicated in the further damming of the Zambezi, for it is likely to make a commitment to buy power from the proposed Mpanda Nkua Dam just downstream of Cahora Bassa. Most of the cheap energy generated by that dam is fed into a former South African firm, BHP Billiton, at the world’s lowest price - but jobs are few and profits are repatriated to the new corporate headquarters in Melbourne, Australia.

After years of extracting onshore gas from near Vilanculos, the South African apartheid-created oil company Sasol is planning to exploit what are some of Africa’s largest offshore gas fields, situated off Mozambique, in order to serve South Africa’s own export led growth strategy.

Brazil is also in Mozambique. Sharing a common language as a result of colonial subjugation by the Portuguese, business in Mozambique is easier. The result is that the Brazilian company Vale, which is the world’s second largest metals and mining company and one of the largest producers of raw materials globally, has a foothold in the Tete Province of Mozambique
between Zimbabwe and Malawi. They are so sensitive about their operations there that an activist challenging Vale from Mozambique was denied entrance to Brazil last year to participate in the Rio +20 gathering. He was flown back to Mozambique, and only after a global outcry was made led by Friends of the Earth International, was he allowed to return for the gathering.

Further to this, India also has an interest in Mozambique. The Indian based Jindal group which comprises both mining and smelting set their eyes on Mozambican coal in Moatize, as well as having advanced plans for a coal-fired power station in Mozambique, again to create supply for the demanding elite driven economy of South Africa.

Russia also plays an interesting role in Mozambique. While not much is known about the Russian state and corporate involvement, following the break when the Soviet Union collapsed, there is a link with Russia’s Eurasian Natural Resources Corporation which has non-ferrous metal operations in Mozambique. Interestingly the Russian government has just invested R1.3 billion in Mozambique to facilitate skills development to actively exploit hydrocarbons and other natural resources, according to Russian Foreign minister Sergei Lavrov.

So this tells a tale of one country, in which tens of billions of rands of investment by BRICS countries and companies in extracting minerals results in the extraction of wealth. Mozambique will join the Resourced Cursed societies of our region, with polluted local environments, and a changed structure of peoples’ lives, making them dependent on foreign decisions rather than their own local and national political power. This is not a random set of exploitations, but rather a well-orchestrated strategy to shift the elite development agenda away from Europe, the US and Japan, to what we now term the BRICS.

This positioning means that the BRICS drive for economic superiority is pursued in the name of poverty alleviation. No matter how one terms the process - imperialist, sub-imperialist, post-colonial, or whatever - the reality is that these countries are challenging the power relations in the world, but sadly the model chosen to challenge this power is nothing different from the model that has resulted in mass poverty and elite wealth globally.

This is the model of extraction and intensely capital-intensive development based upon burning and exploiting carbon, and of elite accumulation through structural adjustment also termed the Washington Consensus. The agenda of setting up the Brics Bank is a case in point: it is opaque and not open to public scrutiny. Except for the reality as presented above, these countries are coming together with their corporate powers to decide who gets what were in the hinterland of Africa, Latin America, Asia and the Caucuses.

It is projected that by 2050, Brics countries will be in the top ten economies of the world, aside for South Africa. So the question has to be asked why is South Africa in the Brics? Simply put, the reality is that South Africa is seen as a gateway for corporations into Africa, be they energy or financial corporations. This is because of South Africa’s vast footprint on the continent.

Remember Thabo Mbeki’s peace missions? Well they were not all about peace; they were about getting South African companies established in areas of unrest so that when peace happens they are there first to exploit the resources in these countries. This could potentially be a negative role,
if South Africa is only used as a gateway to facilitate resources extraction and exploitation of Africa by BRIC countries, as it is now by the West. The question has to be asked by South Africans why do we allow this? I do not have the answer.

Returning to poverty alleviation, the reality is that in the BRICS countries we have the highest gap between those that earn the most and the poor, and this gap is growing. Calling the bluff of poverty alleviation is critical. How to unpack this opaque agenda of the Brics governments is a challenge. For while their talk is about poverty alleviation the reality is something else.

We recognise that what the BRICS is doing is nothing more than what the North has been doing to the South, but as we resist these practices from the North, we must be bold enough to resist these practices from our fellow countries in the South.

Thus critically, the challenge going forward for society is to understand the BRICS and given how much is at stake, critical civil society must scrutinise the claims, the processes and the outcomes of the BRICS summit and its aftermath, and build a strong criticism of the Brics that demands equality and not new forms of exploitation.

www.pambazuka.org

Bobby Peek is director of the NGO groundWork

Beyond Debt and Growth

Robert Pollin 26 July 2013

Nothing warms the heart quite like a story of the high and mighty brought low. Harvard economists Carmen Reinhart and Kenneth Rogoff were the high and mighty—prestigious academics whose influential paper on government debt and economic growth was widely cited by policymakers and commentators to justify painful austerity policies. The underdogs who brought them down were three members of the UMass-Amherst economics department: graduate student Thomas Herndon and professors Michael Ash and Robert Pollin. As Dean Baker of the Center for Economic and Policy Research (CEPR) argues, it is no accident that UMass economists were the ones to debunk Reinhart and Rogoff. The department, Baker notes, “stands largely outside the mainstream” of the economics profession and so is “more willing to challenge the received wisdom.”

Reinhart and Rogoff had claimed that countries with government-debt-to-GDP ratios of over 90% could expect dramatically lower future economic growth than other countries. But when Herndon attempted to replicate this result for a course in applied econometrics taught by Ash and Pollin, he found that he couldn’t. In fact, as the Herndon-Ash-Pollin published paper would report, there was no dramatic growth dropoff above the supposedly critical 90% threshold. The reasons behind the faulty finding?
Well, there was the world’s most famous spreadsheet error—which has received extraordinary media attention mainly because it is so embarrassing, so all the more delicious given the lofty position of the authors. More importantly, however, was Reinhart and Rogoff’s questionable treatment of the data. Most of the difference between their results and Herndon-Ash-Pollin’s was due to no mere error, careless or otherwise, but to deliberate (and, in Pollin’s view, “indefensible”) decisions about how to average the data, how to divide it into different categories, and so on.

Pollin is the co-director of the Political Economy Research Institute (PERI) at UMass-Amherst and is well-known for his work on minimum-wage and living-wage laws as well as the project of building a green economy. Dollars & Sense co-editor Alejandro Reuss sat down with him to talk not only about the Reinhart-Rogoff paper and the Herndon-Ash-Pollin takedown, but also larger issues about the economic crisis and austerity: the role economists have played in abetting austerity, the reasons behind policymakers’ determination to impose austerity policies, and the diverging paths before us—the profit-led recovery promised by neoliberal economists versus a wage-led recovery pointing toward a more egalitarian social-democratic system. —Eds.

D&S: While Reinhart and Rogoff’s so-called “Excel error” got a lot of attention in the media, this was a relatively small factor in the findings they reported. What do you think are the key critiques of the view that high debt-to-GDP ratios doom growth, both in terms of the figures and interpretation?

RP: I recall one commentator said that the Excel coding error was the equivalent of a figure skater who was not doing well, but it wasn’t entirely clear until he or she fell. Even though the fall itself wasn’t the most significant thing, it dramatized the broader set of problems. I think that’s true of the Reinhart-Rogoff paper. The main things that were driving their results were, first, that they excluded data on some countries, which they have continued to defend. Second, and most importantly, was the way they weighted data. They took each country as a separate observation, no matter how many years the country had a high public debt-to-GDP ratio. For example, New Zealand had one year, 1951, in which they had a public debt-to-GDP ratio over 90%. And in that year New Zealand had a depression. GDP growth was negative 7.6%. The UK, by contrast, had 19 years in which the debt-to-GDP ratio was over 90%, and over those 19 years GDP growth averaged 2.5% per year, which is not spectacular, but not terrible. Now, according to the way Reinhart and Rogoff weighted the data, one year in New Zealand was equally weighted with 19 years in the UK, which I find completely indefensible.

D&S: So when you correct for these problems, you end up with a modest—maybe not even statistically significant—negative relationship between the debt-to-GDP ratio and future growth. What are the main arguments about how to interpret this relationship?

RP: Reinhart and Rogoff have been making the defense that even the Herndon-Ash-Pollin results still showed public debt-to-GDP over 90% being associated with a GDP growth rate of 2.2%. Meanwhile, at less than 90% debt-to-GDP, growth is between 3 and 4%. So they’re saying, “Well, we made some mistakes but it’s still a 1% difference in growth over time, which matters a lot.” And I wouldn’t disagree with that observation.

But there are other things in here. First, is it statistically significant? One of the other things we [Herndon-Ash-Pollin] did was to create another
public debt-to-GDP category, 90% to 120%, and then above 120% debt-to-
GDP. For the 90–120% category there's no difference in future growth rates [compared to the lower debt-to-GDP category]. So it's only when you go way out, in terms of the debt ratio, that you will observe a drop-off in growth. Second, what happens when you look over time? In their data, for 2000 to 2009, the growth rate for the highest public debt-to-GDP category was actually a little bit higher than in the lower categories. So what’s clear is that there really is no strong association.

In addition, some people have then taken their findings and asked which way causality is running. Is it that when you have a recession, and you’re at lower growth, you borrow more? Well, that’s certainly part of the story. And Reinhart and Rogoff have now backpedaled on that. But to me even that is not nearly getting at the heart of the matter. The heart of the matter is that when you’re borrowing money you can use it for good things or bad things. You can be doing it in the midst of a recession. If we’re going to invest in green technologies to reduce carbon emissions, that’s good.

We also need to ask: what is the interest rate at which the government is borrowing? The U.S. government’s debt servicing today—how much we have to pay in interest as a share of government expenditures—is actually at a historic low, even though the borrowing has been at a historic high. The answer obviously is because the interest rate is so low. When you’re in an economic crisis and you want to stimulate the economy by spending more, does the central bank have the capacity to maintain a low interest rate? In the United States, the answer is yes. In the UK, the answer is yes. Germany, yes. In the rest of Europe, no. If you can borrow at 0%, go for it. If you have to borrow at 9%, that’s a completely different world. And the Reinhart-Rogoff framework doesn’t answer the question. It doesn’t even ask that question.

D&S: Looking at research touted by policymakers to justify austerity policies, which has now been debunked, do you see the researchers putting a “thumb on the scale” to get the results that they wanted? Is that something you want to address, as opposed to simply getting the data, seeing what’s driving the results, and debunking the interpretation when it is not justified?

RP: It’s clear that politicians seized on these findings without questioning whether the research was good. That’s what you’d expect them to do. Politicians are not researchers. The only research Paul Ryan cited in the 2013 Republican budget was the Reinhart-Rogoff paper. George Osborne, the Chancellor of the Exchequer in the UK—same thing. People at the European Commission—same thing. Now, speaking about Reinhardt and Rogoff themselves, I don’t know. In general, it is certainly a tendency that if someone gets a result that they like they may just not push any further. I think that may have happened in their case, without imputing any motives. All I can tell you is that they wrote a paper which does not stand up to scrutiny.

D&S: All this raises the question of why elites in Europe and in the United States have been so determined to follow this austerity course. How much do you see this as being ideologically driven—based on a view of government debt or perhaps government in general being intrinsically bad? And how much should we see this as being in the service of the interests of the dominant class in society? Or should we think of those two things as meshing together?

RP: I think they mesh together. I think part of it comes from our
profession, from the world of economics. It’s been basically 30 years of pushing neoliberalism. It has become the dominant economic agenda and certainly hegemonic within the profession. When the crisis hit, countries did introduce stimulus policies and one of the criticisms [from economists] was that this is really crude and we don’t really know much about multiplier effects and so forth. That’s true, and the reason that we have only this crude understanding of how to undertake countercyclical policies is because the mainstream of the profession didn’t research this. It was not a question. They spent a generation proving that we didn’t need to do these policies—that a market solution is the best. So that’s the economics profession and it does filter into the political debates.

But then, beyond that, is the agenda of getting rid of the welfare state and I think a lot of politicians want that to happen. They don’t want to have a big public sector. Either they believe that a big public sector is inefficient and that the private sector does things more efficiently, or, whether they believe that or not, they want lower taxes on wealthy people (and wealthy people want lower taxes because that lets them get wealthier). They don’t want constraints on their ability to enrich themselves, and they certainly don’t want a strong and self-confident working class. They don’t want people to have the security of health insurance or pension insurance (i.e., Medicare and Social Security in this country). That’s the model of welfare-state capitalism that emerged during the Great Depression and was solidified during the next generation, and these people want to roll it back. The austerity agenda has given them a launching pad to achieve this. I have no idea whether Reinhardt and Rogoff believe this or not, but their research enabled people like Paul Ryan to have the legitimacy of eminent Harvard economists saying we’re killing ourselves and we’re killing economic growth by borrowing so much money.

D&S: Policymakers in the United States, Europe, and elsewhere, to a great extent, have just tried to “double down” on neoliberal policies. But with the structural problems of neoliberalism, keeping the same structure looks in effect like a way of keeping the same crisis. What do you see as the possible ways out of the impasse, both desirable and undesirable?

RP: I think there are fundamentally only two approaches—basically profit-led models versus wage-led models. In the Financial Times today [June 10], the well-known columnist Gavyn Davies is saying that the reason the stock market is going up—and it’s going up very handsomely—is fundamentally because the current model of capitalism is able to proceed by squeezing workers even harder. The wage share, which had been relatively stable for generations, is going down and the profit share is going up.

Now is that sustainable? Presumably you’re going to have a problem of demand at a certain point because if workers don’t have enough in their pockets, how are they going to buy the product? One answer is we can export to rising Asian markets and so forth. But the Asian countries themselves are depending on the exact same model. The alternative, which I think makes more sense logically and is also more humane, is to have a more equal distribution of income—a social democratic model of capitalism in which you do have a strong welfare state that acts as a stabilizer to aggregate demand and also enables workers to buy the products that they make. And that’s true for China and for the United States.

We have to add into that the issue of environmental sustainability. At the same time that we’re building a new growth model it has to be a model in
which carbon emissions go down per unit of GDP. I don’t think it’s that hard to do technically. Whether it happens is another matter.

[The 20th-century Polish macroeconomist Michał] Kalecki, of course, recognized this a long time ago, saying you can have a model of capitalism based on repressing workers. (He noted that it’s helpful, if you’re going to do that, to have a repressive fascist government—not that he was advocating doing that, of course.) After a while, and this was in the Financial Times today, workers are going to see that they’re not getting any benefit from a recovery, and it’s going to create all kinds of political results, and we don’t know what they’re going to be. But people are going to be pissed off.

D&S: That brings us to a central question, which Kalecki raised, that a social problem may be solved technically and intellectually, but still face barriers of economic and political power. That applies not only to full employment, the issue he was addressing, but also to environmental sustainability and other issues. Can our most serious problems be resolved within the context of capitalism, or do they require a new kind of economy and society, whatever we may call it?

RP: The challenge that Kalecki introduced points to some version of shared egalitarian capitalism, such as a Nordic model. Whether that model works and how long it works is an open question, and it varies for different countries.

Certainly, when we think about environmental infrastructure investments, collective solutions are workable. We know from Europe that initiatives, which are collectively owned and collectively decided, for building renewable energy systems really do work. In large part, this is because it is the community saying, “We don’t mind having wind turbines if it’s done right within our community and we have a stake in it.” If some big corporation were to come and say, “We’re wiping out 18 blocks here to put up some turbines and we have a right to do it because we own the property”—it doesn’t work. We have public utilities and that works just fine in this country.

Expanding the role of the public sector in my view is totally consistent with what’s going to happen in the future. So that starts transcending the primacy of corporate capitalism. But we can’t get there in ten years. No matter how much anybody wants it, that’s not going to happen. We have a problem of mass unemployment and we have an environmental crisis with climate change, and if we’re not going to transcend capitalism in ten years we have to also figure out ways to address the concerns now within the existing political framework. That’s not fun. When I deal with mainstream politics in Washington, it’s very frustrating, but that’s the world we live in.

I think that if we press the limits of the existing system, that helps me to understand how to move forward into something different than the existing structure. My professor Robert Heilbroner, a great professor who had a beautiful way of expressing things, talked about what he called “slightly imaginary Sweden.” So it’s not the real Sweden but this notion of some kind of egalitarian capitalism. As you press the limits of that model, you can intelligently ask what’s wrong with it. If we’re pushing the limits and something is holding us back, let’s solve that problem. I think that’s a good way forward.

www.zcommunications.org
People in China's cities are choking on smog. This past winter the capital Beijing, and other northern cities, suffered their worst air pollution readings on record.

Sally Tang, Socialist Action (CWI Hong Kong), first published in Socialism Today 26 July 2013

In mid-January the US embassy in Beijing, which irritates the Chinese regime by publishing its own widely watched statistics, said levels of PM2.5, tiny particulate matter that can lodge in the lungs causing serious damage, were 40 times the safe level set by the World Health Organisation (WHO).

On an expressway linking Beijing to Hong Kong and Macau, there were 40 car accidents in nine hours due to smog reducing visibility. The main causes of air pollution in China are coal burning, cars, construction sites, and the expansion of industry. China’s coal consumption has seen explosive growth, to 4.05 billion tons last year. China now burns almost as much coal as the rest of the world combined. Since the failed Copenhagen climate summit in 2009, China’s carbon emissions have almost doubled.

Facemasks are common in cities today. Air purifiers are also popular products for those who can afford them. Mike Murphy, CEO of Swiss company IQAir in China, says sales of household air purifiers tripled in the first months of this year. The lifestyles of children have also changed a lot: schools cancel outdoor activities; parents keep their kids at home. Rich families choose international schools as these have spent money on air filtering systems.

People are perplexed by the worsening air quality over the last couple of years. Improvements promised by the government have not materialised. Less than 1% of China’s 500 biggest cities meet WHO air-quality guidelines. According to the World Bank, 750,000 people die prematurely because of air pollution every year.

Parents are worried about the health of their children. Some company executives speak of a trend of losing talented people, as some middle-class and upper-class parents, and foreigners, are leaving China because of the pollution. But for most of the population - farmers, migrant workers and the poor - there is no choice but to stay and live with it.

In June, premier Li Keqiang announced ten new measures aimed at improving air quality, in an attempt to dampen popular anxiety. Heavy polluters must release detailed environmental information to the general public, and the government vowed to reduce major emissions at heavily polluting industries by more than 30% by the end of 2017. But similar promises have been made before and Li’s new measures contradict government efforts to maintain economic growth at 7-8%.

The Chinese ‘Communist’ Party (CCP) state does not have a unified position on these issues, however. Local governments pursue their own interests often in defiance of Beijing’s orders. They manipulate statistics and try to suppress information, including the protests against polluting industries.

Earlier this year, over 16,000 dead pigs were found floating in the Huangpu river, which supplies one in five Shanghai residents with drinking water. The pigs were dumped by farmers upstream in Jiaxing, a major pig-farming
region in neighbouring Zhejiang province. A few weeks later, the same area saw the outbreak of a new bird flu virus, H7N9, which has so far killed 37 people. The WHO warns this is “one of the most lethal flu viruses”.

Both examples show the dire effects of a farming industry run for profit: unsafe and over-crowded conditions, abuse of antibiotics and other chemicals. Researchers have uncovered abusive use of antibiotics in large quantities at major pig farms, with cocktails of drugs used. Some farmers feed organic arsenic to pigs as it makes them look pink and shiny, meaning more profits, despite the fact organic arsenic is a carcinogen.

The environmental ministry admitted for the first time, in a report issued in February this year, the existence of ‘cancer villages’ in China - with cancer rates high above the national average. This phenomenon has been recognised since 1998, but is denied by the CCP authorities. But this report was denounced as ‘inappropriate’ by top health officials at the March meeting of the National People’s Congress (China’s fake parliament). Instructions were sent out to local media to avoid using the term “cancer villages”.

Industrial pollution of drinking water, usually by factories built upstream, is the main cause of cancer villages. The factories discharge untreated sewage, containing high levels of heavy metals or other toxic substances, resulting in clusters of cancer illness. There are now 459 cancer villages in China, while the national death rate from cancer has increased 80% in the past 30 years to 2.7 million fatalities every year.

Rural China has also seen outbreaks of lead poisoning as a result of factories and smelters that dump their waste into rivers and landfills. Lead poisoning causes brain, kidney, liver, and nerve damage, and children are especially susceptible. In recent years, thousands of individual cases have been reported across at least nine provinces. A Human Rights Watch report in 2011 accused government officials of “arbitrarily limiting lead testing, withholding and possibly manipulating test results, denying proper treatment to children and adults and trying to silence parents and activists”.

The economic boom in China over the last 30 years has produced an acute environmental crisis. The country is grappling with seriously polluted air, water, land and food. According to a 2013 report, of the ten most polluted cities in the world, China has seven, including Beijing.

The crisis of contaminated food - rice, milk powder, cooking oil, vegetables, fruits, etc - leaves nobody unaffected. News reports in May revealed that nearly half the rice sold in Guangdong, China’s richest province, contained unsafe levels of cadmium, which causes cancer.

The government has hundreds of special farms supplying safe crops to the elite. This reinforces a vicious cycle of government inaction over pollution combined with repression against the victims. In 2008, a toxic milk powder scandal caused the death of six babies and resulted in tens of thousands of children getting kidney disease. The government used repression to silence parents’ groups who wanted to find out the truth behind the affair. Zhao Lianhai, whose own child was a victim, was sentenced to two-and-a-half years in jail because of his activism on this issue.

An official report showed that 90% of all environmental protests in 2012 were linked to water pollution. It found that 57.3% of the groundwater in 198 cities in 2012 was ‘bad’ or ‘extremely bad’. One third of rivers and 75% of lakes are seriously polluted, and around 1,000 lakes have
disappeared. Unsafe drinking water is being used by 320 million people, and 190 million are sick every year due to water pollution.

The last two years have seen a big increase in environmental protests in China. In cities including Dalian, Tianjin, Xiamen and Kunming, thousands have protested against the building or running of chemical plants. The re-emergence of capitalism in China combines the worst features of neoliberal capitalism together with repressive one-party dictatorship. It means chaos and an absence of even minimal democratic controls.

China now leads the world in the production of solar voltaic cells and wind turbines, but around two-thirds of capacity from its wind farms is wasted as the electricity grid lacks the technology to absorb it. The solar industry, which is mainly for export, has built up vast overcapacity and is also a huge consumer of coal power. A socialist solution is needed in order to solve this chaotic situation and to save millions of people’s lives - that is, the abolition of capitalism and democratic public control over the economy.

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Egypt, Brazil, Turkey: Tremors of World Revolution

Internationam Marxist Tendency 24 July 2013

“that tendency which is growing up together with the revolution, which is able to foresee its own tomorrow and the day after tomorrow, which is setting itself clear goals and knows how to achieve them.” (Trotsky, On the Policy of the KAPD, Speech Delivered at the Session of the ECCI, November 24, 1920)

The dramatic events in Turkey, Brazil and Egypt are a graphic indication that we have now entered an entirely new situation on a world scale. We need to examine the fundamental processes in order to combat any tendency to routinism.

Since the Second World War there have been seven recessions, but this is the most serious recession in history. The rate of recovery is far slower than any slump in the past hundred years. Five years after the beginning of the crisis, the world economy remains mired in recession and stagnation.

The recovery in the USA is extremely sluggish and fragile. Europe is in a deep recession. The former powerhouse of its growth, Germany, is on the verge of recession. The weaker economies of southern Europe are in a deep slump. Meanwhile, the slowdown of the Chinese economy is causing alarm, and the so-called BRICS economies are also entering into crisis.

North America, Europe and Japan account for 90% of household wealth. If these countries are not consuming, China cannot produce. And if China is not producing (at least to the same extent), countries like Brazil, Argentina and Australia cannot sell their raw materials.

Thus, globalization manifests itself as a global crisis of capitalism. The huge accumulation of debt acts as a colossal drag on the economy, preventing any meaningful recovery. Everywhere, in cutting living standards, they are cutting demand and deepening the crisis.

The attempts of the US Federal Reserve to keep interest rates low and pump liquidity into the economy (“quantitative easing”) have proved
useless for increasing production. The capitalists borrow money at low rates and use it to speculate on the stock markets. They either use it to take over other companies, or to buy shares in their own companies in order to drive the price of shares up. This explains the boom on the stock exchange at a time when the US economy is experiencing only sluggish growth.

Quantitative easing was a colossal gamble. They calculated that there cannot be inflation while the markets are flat. So they pumped more money into the economy, hoping to get a reactivation. This was like a drug addict pumping drugs into his system in order to get a “high”. But this was a policy subject to the law of diminishing returns. The effectiveness is, and therefore ever bigger quantities are needed to produce the same results.

The monetarists pointed out (correctly) that sooner or later, “quantitative easing” must end in an explosion of inflation. This in turn will lead to a sharp increase in interest rates, like a man slamming on the brakes of a car, and a new and even deeper slump. But as soon as the Fed announced its intention to end quantitative easing, there were sharp falls on the stock markets all over the world. That showed both the nervousness of the bourgeois and the extremely fragile nature of the “recovery”.

There is no real precedent to the present crisis in its extent and global character. It is true that there is no final crisis of capitalism. But the bare assertion that capitalism can recover from crises tells us nothing about the specific phase through which capitalism is passing.

The question that must be answered is: how long will it last? By what means will a solution be found? And at what cost? Some bourgeois economists are predicting that it will take 20 years to solve the crisis of the euro. Two decades of falling living standards and austerity means an explosion of the class struggle everywhere. This is what the ruling class fears.

Not only can the ruling class not permit new reforms; it cannot permit the existence of those gains made in the past. That is a finished recipe for class struggle. We therefore face a future of years, probably decades, of falling living standards. This will have a profound effect on consciousness.

From Turkey to Brazil
The boom in capitalism served to mask the underlying contradictions in society, but not to remove them. The gains of economic prosperity were not evenly distributed. According to the UN, the richest 2% own more than half the world’s wealth, while the poorest half of the world’s population own barely 1% of global wealth.

An unbridgeable gulf has opened up between rich and poor everywhere. In the words of Marx: “Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital.” (Capital, vol.1, 25:4)

This is the economic background to the social explosions in Turkey and Brazil, which represent a sudden change in the situation. Both countries were held up as models of economic growth and political and social stability. Now everything has turned into its opposite.

The impasse of capitalism finds its expression in sudden leaps of consciousness in the masses. Sudden and sharp changes are implicit in the
situation and we must be prepared for them. Everywhere there is a
simmering anger beneath the surface, which expresses itself as mass
outbursts in Tunisia, Egypt, Spain, Greece, Turkey, Bulgaria, Rumania,
Brazil, and beyond. Russia, China and Saudi Arabia are all faced with
similar developments.

What we see is the beginning of the world revolution. Events in one
country have a big effect on consciousness in other countries. Modern
methods of communication enable events to be replicated with lightning
speed. The Revolution is leapfrogging from one country to another as if the
old frontiers had no significance.

These explosions occurred on apparently unrelated issues of an accidental
character: a plan to build a shopping mall in a park in Istanbul, and an
increase in bus fares in Sao Paulo. But in reality, they are reflections of
the same phenomenon: necessity expresses itself through accident. This is
a reflection of contradictions that have been accumulating for decades
beneath the surface. Once the process reaches a critical point, any small
incident can set the masses in motion.

The capitalist commentators were taken completely by surprise by the
events in Turkey. But within a matter of days similar mass protests swept
across Brazil, the economic giant of Latin America, bringing hundreds of
thousands onto the streets. These were the biggest demonstrations for
over 20 years. They exposed the contradictions that have been building up
in the form of poor healthcare, poor education and rampant corruption.

What has so far saved the bourgeoisie is the lack of adequate organization
and leadership. This is most clearly shown in the case of Egypt.

The Second Egyptian Revolution
Periods of sharp class struggle will alternate with periods of tiredness,
apathy, lulls, and even reaction. But these will merely be the prelude to
new and even more explosive developments. This is shown clearly by the
Egyptian Revolution.

In Egypt, after months of disappointment and tiredness, 17 million took to
the streets in an unprecedented popular uprising. With no party, no
organization or leadership, they succeeded in just a few days in
overthrowing the hated Morsi government.

The western media tried to characterise this as a coup. But a coup is by
definition a movement of a small minority that conspires to seize power
behind the backs of the people. Here the revolutionary people were on the
streets and were the real motor force behind events.

In every genuine revolution it is the elemental movement of the masses
that provides the motor force. However, unlike the anarchists, Marxists do
not worship spontaneity, which has its strong points but also its
weaknesses. We must understand the limitations of spontaneity.

In Egypt the masses could have taken power at the end of June. In fact,
they had power in their hands, but they were not aware of it. This
situation bears some resemblance to February 1917 in Russia. Lenin
pointed out that the only reason the workers did not take power then had
nothing to do with objective conditions, but was due to the subjective
factor:

“Why don't they take power? Steklov says: for this reason and that. This is
nonsense. The fact is that the proletariat is not organised and class
conscious enough. This must be admitted: material strength is in the hands of the proletariat but the bourgeoisie turned out to be prepared and class conscious. This is a monstrous fact, and it should be frankly and openly admitted and the people should be told that they did not take power because they were unorganised and not conscious enough.” (Lenin, Works, vol. 36, page 437, our emphasis)

The Egyptian workers and youth are learning fast in the school of Revolution. That is why the June uprising was far broader, deeper, faster and more conscious than the First Revolution that occurred two and a half years ago. But they still lack the necessary experience and revolutionary theory that would enable the Revolution to achieve a rapid and relatively painless victory.

The situation is one of deadlock in which neither side can claim total victory. This is what enables the army to raise itself above society and present itself as the supreme arbiter of the Nation, although in reality the real power was in the streets. The confidence expressed by some people in the role of the army shows extreme naivety. Bonapartism represents a serious danger to the Egyptian Revolution. This naivety will be burned out of the consciousness of the masses by the harsh school of life.

The open counterrevolutionaries of the Muslim Brotherhood have been driven from power but because of the limits of its purely spontaneous (i.e. unorganised) nature, the Revolution has failed to take power. On the one hand the Islamist reactionaries are organising a counterrevolutionary rebellion that threatens to plunge the country into civil war. On the other hand, the bourgeois elements, generals and imperialists are manoeuvring to rob the masses of the victory that was won with their blood.

The Revolution was strong enough to achieve the immediate objective: the overthrow of Morsi and the Muslim Brotherhood. But it was not strong enough to prevent the fruits of its victory being stolen by the generals and the bourgeoisie. It will have to pass through another hard school in order to raise itself to the level that is necessary to change the course of history.

Revolution enables people to learn fast. If two years ago there had existed in Egypt the equivalent of the Bolshevik Party of Lenin and Trotsky, even with just the 8,000 members that it had in February 1917, the whole situation would be entirely different. But such a party did not exist. It will have to be built in the heat of events.

The strategists of Capital were seriously alarmed by these developments. Leaving aside all non-essential and accidental elements, these movements were inspired and driven by the same things. What we have here is an international phenomenon: a tendency towards a world revolutionary movement. We see similar developments beginning in Europe.

The crisis of the euro
The crisis in Europe most dramatically expresses the sickness of world capitalism. The idea was to make the working class pay for the crisis by imposing austerity policies. But the willingness of the masses to accept further reductions in living standards has definite limits, and these are being reached. In Portugal the constant pressure on living standards has provoked rising social and political tensions, expressed in a general strike and mass demonstrations that plunged the government into crisis.

The euro is not the cause of the crisis, but all the attempts to save the euro have forced them to adopt the line of savage austerity (“internal devaluation”) that is pushing them all deeper and deeper into recession.
As a result, unemployment increases, the economy sickens, tax returns fail, and deficits increase inexorably.

There is a growing split between Germany and the weaker countries of the south of Europe, and also between Germany and France, which, because of its weakness, is drawn closer to the South. Germany wishes to push all the burden of the crisis onto the shoulders of the weaker members of the eurozone, which imposes severe strains on its unity. It is not impossible that these strains will lead eventually to the breakup, not just of the eurozone but of the EU itself.

This prospect horrifies the bourgeoisie, not just on this side of the Atlantic but also in the USA. If the EU breaks up it would open the door to currency wars, competitive devaluations and trade wars that would set the scene for a deep slump with catastrophic effects on a world scale.

Many economists are now talking openly of the prospect of the breakup of the EU. For fear of the alternative, they may succeed, against all the odds, in holding something together, but even if they do, not much will be left of the original project.

The class struggle is intensifying. Revolutionary explosions are on the order of the day in Europe. The revolutionary potential in Europe is clearest in countries like Greece, Spain and Italy. But France is not far behind, and the riots in Britain were a warning that such events are possible in Britain in the next period.

The bourgeoisie is faced with a serious problem: they must take back all the concessions they made over the past fifty years. But the class balance of forces is very unfavourable for them.

In countries like Greece one can say that the revolution has already entered its first phase. The process naturally is uneven, developing with greater speed and intensity in some countries, especially in the South of Europe, and at a slower pace in those countries that have accumulated a layer of fat in the last period. But everywhere the process is moving in the same direction.

Greece
In Greece there is a movement in the direction of revolution. The workers and youth have shown tremendous determination and will to struggle, but they have not got a worked out programme to change society. That is what they want but they do not know how to express it, that is all. With a strong Marxist current Greece would be on the eve of insurrection. But our small forces are not strong enough to provide the necessary leadership.

There has been a temporary lull because the workers have gone on one 24-hour general strike after another and achieved nothing. The mood remains revolutionary. The reformist trade union and Stalinist leaders are holding the class back. But the struggle over the state broadcasting company (ERT) shows that the movement can explode again at any time. Nothing has been resolved.

The Samaras government is weak and fractious. Samaras is purely empirical. He staggers from one crisis to the next with no clear idea where he is going. The government is too weak to do what has to be done. It is split and cannot last. Sooner or later the bourgeoisie will have to pass the poisoned chalice to Tsipras and SYRIZA.

Doubtless a section of the ruling class would like to move towards
reaction. But they know that this would mean civil war, which they would not be sure of winning. So they will send the workers to the school of reformism to learn a lesson. It will be a very painful one. A SYRIZA government would be faced with a clear alternative: either break with the bourgeoisie and defend the interests of the working class, or capitulate to the pressures from the bourgeoisie and carry out the policies dictated by the Troika. There is no third way.

Tsipras became very popular because he seemed to stand for radical policies, a break with the Memorandum, etc. But as he gets close to power, he has moderated his language. He is careful not to promise too much in order not to frighten the bourgeoisie and to dampen expectations of the masses.

However, the expectations will be very great. If a Left coalition government led by SYRIZA fails to take the necessary action against big business, it will cause a wave of bitter disillusionment, preparing the way for an even more right-wing coalition, possibly between the New Democracy and Golden Dawn (Khrysi Argi).

Under these conditions the Golden Dawn would grow on the right, and the KKE would grow on the left. For a whole period, one unstable government will follow another. Left coalitions will give way to right-wing coalitions. But no combination of parliamentary forces can solve the crisis.

The Greek ruling class will proceed carefully, testing the ground through the gradual introduction of reactionary laws and measures to restrict democratic rights. It will attempt to move towards parliamentary Bonapartism before imposing an open dictatorship.

But long before reaction can succeed, there will be a whole series of social explosions, in which the question of power will be posed. Under such conditions, the revolutionary tendency can build its forces rapidly. The Greek section has an enormous responsibility on its shoulders, and the Greek question must be placed high on the agenda of the whole International.

**Consciousness**

There is a contradiction between the level of consciousness of the movement and the tasks posed by history. It can only be resolved by the experience of the masses.

Consciousness always tends to lag behind events. But consciousness can catch up with a bang. That is the real meaning of a revolution. The essence of a revolution is lightning changes in the mood of the masses. Explosions can occur suddenly, without warning, when least expected. That was the meaning of the events in Turkey and Brazil.

As the crisis deepens, the mood of the masses is changing. Everywhere there is a backlash against the policies of austerity. This is grasped even by a section of the bourgeoisie. There are definite limits to what people can stand. These limits are being reached.

In the period of the boom, despite overwork and increased exploitation, many workers could find a way out through individual solutions, like overtime. Now that avenue is blocked. Only through struggle will it be possible to defend the existing conditions, let alone secure better ones. Now the psychology of the workers is changing fundamentally. There is a mood of anger and bitterness.
One layer after another is being drawn into struggle. The traditional proletariat has been joined by layers that in the past would have considered themselves as middle class: teachers, civil servants, doctors, nurses, etc.

However, after decades of relative class peace, the workers need a preliminary period to stretch their muscles, like an athlete whose muscles have become stiff. The school of mass strikes and demonstrations are a preparation for more serious things. In general, the working class can only learn from experience.

The onset of the crisis initially produced shock among the workers who did not expect it. They were traumatised and unable to react in many cases. But that is now changing. In one country after another the workers and youth are taking the road of struggle and through the experience of struggle, the class begins to feel itself as a class.

Over a period, all the old reformist illusions will be burned out of the consciousness of the working class, which will become hardened in struggle. Sooner or later, this must have an effect inside the mass workers’ organizations.

The mass organizations

The mass organizations are lagging far behind events. In the 1930s (and also in the 1970s), mass centrist tendencies emerged fairly rapidly in the workers’ parties. We are not yet in that stage. On the contrary, the mood of fury that exists in the masses scarcely finds any reflection in the mass organizations.

It is a paradox that the very organizations that were created by the working class to change society have become monstrous barriers in the path of the working class. Decades of capitalist boom have carried the process of degeneration of all these organizations to an extreme, both in the political parties (Social Democracy and the former “Communist” parties) and the unions.

The dialectic of history has taken cruel revenge on the reformists and Stalinists. Precisely at a moment when the capitalist system is collapsing, the reformist leaders embrace the “market” even closer than before. They are destined to sink with it. This is a finished recipe for crises in all these organizations in the future.

In France, Hollande’s electoral support collapsed in only a few months to the lowest levels since 1958. In Greece, the Pasok has been almost wiped out. In Italy, the old Communist Party (the PCI) liquidated itself and the PRC is rapidly disintegrating, punished by the workers for its betrayals in the Prodi coalition government. In Spain, the PSOE does not gain despite the unpopularity of the PP government.

In Britain, the Labour leaders are terrified of the prospect of coming to power. They do not fight for a majority. They make no promises of reforms, etc., because they fear that this will encourage the workers and unions to make more demands. When they make speeches, they address their remarks, not to the workers but to the bosses and bankers, seeking their approval. They have passed from reforms to counter-reforms.

In most countries there has been a collapse of the Left. The left reformists are hopeless empiricists, just like the right wing. It is just two different kinds of empiricism. They cling to the outmoded recipes of Keynesianism. None of them speak of socialism.
The ex-Stalinists have been punished by history for their past crimes. They have moved sharply to the right, especially after the collapse of the USSR and are now not even the shadow of their former selves. They are deeply sceptical about socialism and have no faith whatsoever in the working class.

The old Stalinists were at least a caricature of the genuine article. Now they are only a pale imitation of reformism. Consequently, at a time when capitalism is in a deep crisis, when the ideas of Communism ought to get a big audience, they have proved impotent to reach the most radicalised layers of the workers and youth. In some countries they have disappeared altogether.

Trotsky said that betrayal is implicit in reformism. We do not speak here necessarily of a conscious betrayal but the fact that if one accepts capitalism, one must also accept the laws of capitalism. Under these conditions a very critical mood will develop rapidly. At a certain point we will see a ferment of discussion in the rank and file and the crystallization of a left wing.

The reformists yearn for a return to “normality”, but that is a utopian dream. To manage capitalism in its epoch of decay is to manage a general reduction of living standards. These leaders reflect the past, not the present or the future. There is no longer any unquestioning support among workers for the Socialist and ex-Communist leaders. On the contrary, there is a critical attitude and even open scepticism towards them.

That does not mean, as the sects imagine, that these parties will simply disappear. The reformists have deep roots in the class and can recover from even what seem to be impossible situations. When the masses look for an alternative, they do not look at the sects, but will test and re-test the well-known traditional parties and leaders, before they finally discard them and look for a new political point of reference.

The workers will test one party and leader after another in a desperate attempt to find a way out of the crisis. They discard one after another. The pendulum swings to the left and the right. In contrast to the 1930s and 1970s, the Left in the Social Democracy is weak. But as the crisis intensifies, there will be a differentiation inside the mass organizations.

The rapid rise of SYRIZA in Greece and the advances of Mélenchon and the Front de Gauche in France is an indication of processes that will be repeated on an even bigger scale in the next period. In both cases, however, the forces for new left-wing movements did not drop from the clouds, but emerged from splits in the existing mass organizations (the KKE in Greece and the Socialist Party in France).

There will be a whole series of crises in both the SPs and CPs in the future, which will create very favourable conditions for the growth of mass Marxist tendencies.

The trade unions
Trotsky said that the trade union leaders are the most conservative force in society. That is truer than ever. Yet the workers have nowhere else to go. The mass movement can develop spontaneously, from below, without leadership from the top. The workers will improvise all kinds of rank-and-file ad hoc committees and campaigns.

The anarchists and sects will see these movements as an alternative to the
unions. But the working class cannot dispense with the trade unions, which will be drawn in later. Ad hoc organisations have a role to play, but there is no substitute for patient revolutionary work to transform the unions.

Most of the union leaders are living in the past and are completely unprepared for the period into which we have entered. At the very time when the capitalist system is crumbling everywhere, they cling desperately to the “market” and are trying to save it at all costs - at the cost of the workers.

But the mass organizations do not exist in a vacuum. That is especially true of the unions. There will be a process of selection, in which the hopeless, demoralised elements will be cast aside and replaced with younger, more militant people who are prepared to risk their jobs for the sake of fighting the bosses and standing up for workers’ rights.

Under pressure of the rank and file, the union leaders will either put themselves at the head of the struggle or be pushed aside and be replaced by people who are more in contact with the membership. The unions will be transformed over and over again in the course of struggle.

It would be wrong to imagine that reformism is completely discredited even now. The masses would like to see reforms. But under present conditions even the smallest reforms will have to be fought for. Our criticism of the reformists is not that they stand for reforms but that they do not fight for reforms and accept counter-reforms- that they surrender to the pressures of big business.

Towards the European Revolution
Three years ago the Financial Times spoke of “difficult and dangerous times”. These words have turned out to be only too true. The ruling class is terrified of the social and political effects of the crisis and the measures it will be forced to take. What has saved the situation so far has been the reformist Labour leaders who have shown themselves to be the most loyal and reliable servants of Capital.

The classes are lining up for a decisive showdown. Over the next five or ten years we will see the most serious confrontation since the 1930s. There are many parallels between the present situation and the 1930s. But there are also important differences.

The main difference is a radical change in the class balance of forces. The working class is now a decisive majority in all the advanced capitalist countries and plays the decisive role in countries like Turkey, Brazil, Egypt and Indonesia. Before the Second World War, the European bourgeoisie had big social reserves in the shape of the peasantry. That partly explains why they could move rapidly in the direction of fascism in Italy, Germany and Spain.

Now the changed balance of class forces rules out a rapid denouement. The present situation can last for years with ebbs and flows. The movement will take place in a series of waves, as in Spain, where the Revolution, really began in 1930, with a wave of strikes and demonstrations even before the fall of the Monarchy in 1931.

In a revolutionary period like this, all such lulls and defeats are merely the prelude to new explosions, which will put all past movements in the shade. The Spanish Revolution passed through a whole series of stages, before it was finally defeated in the May Days of 1937 in Barcelona.
In these seven years there were periods of great revolutionary advances, such as in 1931 with the declaration of the Republic, but also periods of despair and disillusionment. There were terrible defeats like the defeat of the Asturian Commune in 1934, and even black reaction, as in the Bienio Negro (Two Black years) of 1933-5.

Today in Europe a similar process is taking place everywhere at a slower or faster pace and at a greater or lesser intensity. Greece is the weakest link in the chain of European capitalism, but there are many weak links. The process in Greece has gone further than anywhere else, but it only shows in a particularly sharp form what will happen in other European countries.

May 1968 in France was the greatest revolutionary general strike in history. But in some ways it was still a fairly light-headed affair. After decades of prosperity the consciousness of youth was characterised by a certain naivety. Under the far harsher conditions of today, that kind of quasi-anarchist childishness will be burned out of the consciousness of the youth. This generation will be far harder than earlier generations, and the struggles will also be harder and more brutal.

Strategy and tactics
Strategy and tactics are not the same. It is necessary to have a general understanding of the processes, but the concrete and practical application may be different at any given moment, and tactics may even conflict with strategy at certain periods.

We understand that at a certain stage the sharp polarization in society will be reflected in a differentiation within the mass organizations, beginning with the trade unions.

Explosions are inevitable. But without leadership, that will not be enough. The movement to occupy squares in Spain reached very large proportions, but led nowhere and soon fizzled out. The forces of Marxism are too small to determine the outcome of such mass movements. In most countries they are limited to the level of propaganda. But we must be prepared.

We must develop intelligent and appropriate transitional demands at every stage. But this is insufficient in present conditions. While actively intervening in every struggle (strikes, general strikes, mass demonstrations, etc.) we must patiently explain that only a radical break with capitalism can solve the problem.

A nationalised planned economy could solve unemployment by introducing immediately a six hour, four day week without loss of pay. In our propaganda we must emphasize the colossal loss of production through millions of unemployed, the effect on the youth, women, etc.

At the same time we must explain the tremendous productive potential of the new technologies: information, computers, “just in time” production, robots, etc. If this were put to work in a rational way, it would mean that people would work fewer hours, not more, for the satisfaction of human needs.

We must seek out the most revolutionary elements and educate them in the ideas of Marxism. In a revolutionary situation a small group with correct ideas can grow rapidly - Quality can become quantity and quantity can become quality. The task is therefore to build the forces of Marxism with a sense of urgency at this stage are not to be found in the reformist mass organizations, in the main. At this stage it is, especially the youth are becoming radicalised and who are open to revolutionary ideas.
The contradiction between the level of consciousness of the masses and the tasks posed by history can only be solved by the experience of great and explosive events. But these are implicit in the situation. There will be sharp turns and sudden changes, especially in consciousness.

In the past, revolutionary ideas would be received with scepticism. Now people are looking for these ideas. In Greece, 63 percent of the people say they want a fundamental change in society, while 23 percent want a revolution. These are extraordinary figures: in effect, 86 percent look to revolution for their salvation.

We must be imbued with the idea of a fundamental change in the situation, and the need for a sense of urgency in building a revolutionary organization. All routinism must be combatted. Above all, we must pay special attention to theory and political education, without which we are nothing.

There are big possibilities. Above all, there are fresh layers of youth coming into activity who are looking for the ideas of Marxism, not tomorrow or the day after, but right now. We must find them, enter into a dialogue with them and win them to the ideas of Marxism.

www.marxist.com

The New South Africa Bans Film

Danny Schechter 24 July 2013

Durban, South Africa: It was Nelson Mandela’s birthday, and the international day of service in his honor. The reports were that the man they call Madiba was recovering, according to upbeat accounts from his wife of 15 years and daughter Zindzi from his marriage to Winnie.

Happily, on that night, it was also a time of celebration as film fans packed into the annual opening of the film festival in Durban.

For 34 years, the Durban International Film Festival (DIFF) has brought a world of cinema to the East coast of South Africa with an impressive range of films, filmmakers and related events. The screenings are often packed with over 150 films or more on display.

The Festival is organized by the Center for Creative Arts at the University of KwaZulu-Natal, up on the big hill overlooking Durban. In recent years, its setting went from the academic to the commercial, from a mountain to a beach, with the opening this year, once again, based in cinemas at the Suncoast casino where it is attended by a multi-racial, and multi-generational crowd. (For details on this year’s program, visit their website at http://www.durbanfilmfest.co.za)

There was a lot of buzz about the opening feature film, Of Good Report, made by black South African filmmaker Jahmil XT Qubeka, (X.T. in some publications). The Mail and Guardian called it a “powerful and perfect piece about an obsessive predator.”

It was scheduled for its world premiere at Durban. It is made in African languages---in Xhosa and Sotho with English subtitles. The festival catalogue calls it a “hypnotic journey inside the mind of a mentally
troubled man” that falls in love with one of his students, sensational perhaps but also all too common in township schools.

“It’s a starkly gripping piece of work,” writes Shaun De Waal in the M&G. “Qubeka has a very punchy storytelling style.”

Neither the director nor the writers who praised it were aware of how the government’s Film and Publication Board would punch back.

The screening was set to follow one of those endless thank you rituals that precede events that have to hustle for funding like this one did from government, private companies and the university, among many others. The Festival enjoys government support at the local, provincial and national level. It is one of the country’s leading arts events.

When show time arrived, the audience settled in to watch the opening movie.

But, then, to everyone’s surprise, a statement instead of a film, flashed on the large screen.

It was an excerpt from a letter, just received that morning, from the government body that “classifies” films. (In the US, an industry organ, the Motion Picture Association (MPAA) handles movie ratings).

It read, “This film has been refused classification by the Film and Publication Board, in terms of the Film and Publications Act of 1996, unfortunately we may not legally screen the film, Of Good Report, as doing so would constitute a criminal offence.”

It was later explained that the movie could not be classified or shown because it had been found to feature child pornography, which is prohibited by law, along with movies glorifying war or promoting racism and hatred.

The manager of the film festival, Peter Machen, explained: “Unfortunately, the film and publication board has refused to allow the release of Of Good Report. According to their communication to the festival, the film contains a scene which constitutes child pornography and we are unable to legally show the film. I am very sorry about this. Out of respect for the director of the film, we will not be showing an alternative film tonight.” (His remarks can be viewed on YouTube at http://www.youtube.com/watch?v=pgLb8dcSyVA)

“We chose the film because it was challenging, powerful and artistically successful, and particularly because it was such a strong expression of an individual voice,” adding, “it presents a story of a very real and troubling social problem of rampant abuse of position in our country.”

The Board demanded all copies be sent to them or the police to be destroyed. Their legalistic letter was read, in part, to the audience. (You can watch that here: http://youtu.be/JcSAmpTqKs)

Moreover the officials issuing the threats based on a unanimous decision admitted the movie had not even been screened in its entirety. They stopped the screening, they said, after twenty-seven plus minutes and then issued their edict. (Somehow 27 seemed a symbolic number since that was also the number of years Mandela had been jailed.)

The movie had been banned!
The cast and crew didn’t know about this in advance and were as shocked as the audience. Many saw this as a replay of the Christian nationalist uber-moralism of the apartheid years.

The Festival then invited the audience to take part in a discussion.

“We decided to go ahead with this evening program, despite not being able to screen the film,” said Professor Cheryl Potgieter, Vice-Chancellor of humanities and who teaches about sexuality in film, “as we felt the directors and producers had the right to be heard.”

Another representative of the festival, Kwazi Ngubane, called the ban an “injustice and an insult” because it deals with issues that the country faces.

Then, an angry reaction was heard, not about pornography, but the Board’s action. (Ironically, an executive of a prominent local film company told me that the movie could have been shown without a classification at a film festival because of an exemption in the law. But, he added, once you go to the Board, you give them power over the work’s exhibition.)

The director put tape on his mouth, and held up what was said to be a shredded passport, and didn’t say a word. His wife, Lwazi Manzi, an emergency room doctor, spoke instead, insisting the film was not pornographic in any way. She said it deals with issues that the public has to confront even if it makes the audience or board uncomfortable.

“If they (the FPB) don’t want to see it, does not mean it does not happen...I am very proud of my husband, and the cast and crew. This is a pivotal day in the history of film in our country, one which will resonate in history.”

She movingly described the cases of sexual abuse that she sees every day, many of under-age kids by older men.

She is right to be concerned: sexual violence and child abuse is pervasive in South Africa. Clinical Psychology Review examined 65 studies from 22 countries. Using the available data, the highest prevalence rate of child sexual abuse geographically was found in Africa (34.4%), primarily because of high rates in South Africa.

I was disappointed that there were not more films on the subject on the program.

A few days later, the director broke his silence on the front page of the Sunday Times, the country’s newspaper with the highest circulation. He described his movie as the Little Red Riding Hood story “from the wolf’s perspective.”

He also railed at the ban, asking, “in this day and age, seriously? The child porn thing smacks of the greatest ignorance, incompetence and downright stupidity. How do you come up with that kind of charge from viewing this film.” (A more recent interview appears in Variety http://variety.com/2013/film/news/south-africa-banned-film-director-jahmil-qubeka-speaks-out-1200566361/)

Others in the cast and crew, including its young stars, spoke eloquently about their disappointment and dismay over the decision. The 23 year old actress who plays the female student insisted there was “no graphic sex.” She was almost in tears, and still shaken when I spoke to her at a festival.
event later in the evening.

Many members of the audience were outraged, calling for a petition, and protest. They also asked on local politicians at the event to speak out. The decision touched off a storm of critical media attention throughout South Africa.

The film has also been accepted for screening at prominent film festivals worldwide, including the prestigious Toronto Film Festival. The furor over the banning has already become news worldwide. South Africa’s The Independent reports, “artists and filmmakers around the world are calling for the unbanning.”

South African filmmakers were meeting at the film festival to organize a united response which may include picketing the board.

These protests are likely to continue.

In one sense, this has become the most provocative film never shown, the first film to be banned since South Africa won its freedom in 1994. Director Qubeka told the Sunday Times, “overnight, this has changed my life...the support I am getting overseas is ridiculous.

The Festival and the producers are appealing a decision that seemed to be premised on a law built around the idea that if you show or even hint at some behavior, you are encouraging it.

One woman in the audience said the government agency mistook “a victim of sexual abuse with a subject of sexual attraction.”

The Mercury newspaper reported that the “Film and Publication Board has a special project focusing on what it considers to be child pornography.” Its website (http://fpb.org.za/) seeks the public, rather vaguely, to report “what they might consider child pornography.”

Writing in Variety, my colleague on the film project I am working on, South Africa’s top film publicist, Dezi Rorich, reported the board’s response: “The fact that the committee refused classification does not mean that it does not have artistic merit. It is implementing legislation.”

Yoliswa Makhasi, CEO of the Film and Publication Board, said. “The decision of the classification committee is informed by the Film and Publications Act, and the committee is required by law to refuse classification (if the film contravenes that law). It is merely implementing the legislation.”

Makhasi added, "The minute there is any element of child pornography, as defined in the Act, the committee has to stop viewing." It was around 28 minutes into the film when the committee made its decision.

This prompted producer Mike Mills to retort, “this is a problem because it means they did not bother to see the rest of the film. You cannot take a feature film and sum it up in one scene. The overall narrative must be taken into account.”

The film’s producer, Mike Auret, a lawyer, said he would take the issue to the Constitutional Court. “It is not the function of state to moralize...if the committee was acting within a law of South Africa, that law is unconstitutional,” he insisted angrily.
Violations of the Film Board’s codes are subject to penalties of up to ten years in jail. The Board did say they would not recommend prosecution Of Good Report until all appeals are decided. They issued a statement Monday warning than anyone with copies of the film will be arrested.

Antoinette Engel wrote on Africaisacountry.com:

“I was disappointed, to say the least, because the festival sent the film to the Film and Publication Board on 10 July and when it wasn’t cleared they tried to bring an urgent application to the board earlier that day (18 July) but this didn’t work. With so short a time for the red tape that must involve such classifications, DIFF could have done more.

At festivals like the Berlinale pre-screenings are commonplace a day or two before the official opening for press.”

Another problem, say the producers, is the Film Board is not part of the Arts & Culture Ministry that might have been more supportive, but anchored in Home Affairs department that polices immigration and is primarily focused on law enforcement.

In the apartheid days, the regime prohibited many films like “Black Beauty,” Monty Python’s “Life of Brian” and “Cry Freedom.”

Some years back, my documentary Plunder on the financial crisis was shown at the last minute at a Johannesburg conference at Witwatersrand University on investigative reporting.

The response was very positive—but a year later, when I recounted my experience at a movie industry reception in South Africa, a member of the classification board who was there, overheard me and demanded to know if I had submitted the film in advance to their board.

Busted!

Frankly, I didn’t know that you needed government permission for non-commercial screenings in a university. I was told you most certainly do, and that I was in violation of some code.

I dismissed her comment at the time as bizarre bureaucratic overreach, but after the banning at the festival I can see how much power this Orwellian body wields.

www.zcommunications.org

News Dissector Danny Schechter is in South Africa producing a series of documentaries tied to the forthcoming movie based on Nelson Mandela’s autobiography, Long Walk To Freedom. He edits Mediachannel.org and blogs at News Dissector.net. Comments to dissector@mediachannel.org

Congo: A history of capitalist looting

Since 1997, wars have claimed six million lives in the Congo, where life expectancy is 46 years. Yet this horrific situation receives little media attention in the west.
Per-Åke Westerlund, Rättivepartiet Socialisterna (CWI Sweden), first published in Socialism Today 24 July 2013
Per-Åke Westerlund reviews a book which lays a good foundation for a greater understanding of this conflict.

Congo has had many names since the feudal Congo kingdom period. The Congo Free State 1885-1908 was owned by Belgium’s King Leopold. Belgian Congo existed 1908-60 (also called Congo-Leopoldville to distinguish it from the French colony, Congo-Brazzaville). Eleven years after independence in 1960, dictator Mobutu Sese Seko renamed the country Zaire. After Mobutu was overthrown, the country was called, officially, the Democratic Republic of Congo, DRC or usually just ‘the Congo’.

The Congo river delta was the centre of the slave trade to the Americas from 1500 to 1850. Four million slaves were taken from the area and all previous social structures were smashed. When the colonisation of Africa took off, King Leopold gained the support of the main colonial powers to take over this giant country as private property. Officially, Leopold was against the slave trade. In reality, he introduced a system of terror. The country was plundered first of ivory and then rubber. Leopold “used one state, Congo, to give his other state, Belgium, a new spark”, writes David Van Reybrouck in his book, Congo: A History.

The race for rubber led to the collapse of agriculture. Hunger was widespread. When Leopold handed over control to the Belgian state, Congo was divided up systematically. For the first time, residents were categorised as belonging to certain races and tribes. This system was also introduced by Belgium when it took over Rwanda and Burundi after the first world war. Stamping ‘Hutu’ or ‘Tutsi’ in passports and documents led to a division that culminated in the massacre of Tutsis in Rwanda in 1995 – and to the subsequent wars.

Under Leopold, Congo also drew in thousands of Christian missionaries, not least from Sweden. These became a tool of colonial power, especially the Catholics: “Mission schools became factories for spreading prejudices about the different tribes”. Church schools censored everything rebellious, avoiding, for example, talk about the French revolution. While Christianity’s message of obedience was encouraged, critical religious movements suffered harsh repression. The preacher, Simon Kimbangu, was arrested in 1921. He died in prison 30 years later. His followers, the Kimbanguists, were displaced and persecuted, but are still a big movement in Congo.

With the discovery of Congo’s vast mineral treasures, the country was industrialised. The dominant mining company, Union Minière, ran its own totalitarian state apparatus in Katanga in the southeast, where copper, manganese, uranium, gold and other valuable resources were mined. Palm oil became the raw material of the soaps that laid the foundation for today’s multinational giant, Unilever.

The working class grew from a few hundred in 1900 to 450,000 in 1929, then to nearly one million in the second world war, when the mining industry boomed. Uranium from Katanga was used in the first atomic bombs. Congo became the second most industrialised sub-Saharan country, after South Africa.

But the conditions of the workers and poor were not part of this economic development. Discontent led to strikes and riots at the beginning and end of the war, with 60 miners killed in a mass protest in Elizabethville (now Lumbumbashi) in Katanga. Strike leaders were tracked down. Certain groups or tribes were singled out as ‘troublemakers’. It was part of the divide and rule strategy.
Those who worked during the second world war in the mines or in the service jobs that were created around industries, expected a change after the war. So did the soldiers who served with the ‘Allies’ in Abyssinia, Egypt and Burma. Racism, however, persisted. Africans could still be whipped in public, had to stand at the end of queues, and were banned from bathing facilities. Trade unions were illegal. Local elections were introduced in some cities, but any mayor was subservient to the Belgian ‘first mayor’.

Around the world there was an eruption of colonial revolutions and liberation wars. Britain, the Netherlands and the United States were made to relinquish India, Indonesia and the Philippines. In Algeria and Indochina armed struggle continued against French colonial troops. In 1958, Ghana was the first sub-Saharan country to become independent.

“In 1955 there was still no national organisation that dreamed of independence”, writes Van Reybrouck. Five years later, the country was formally independent. The deceptive calm was broken in 1956 by rising social unrest. A freedom manifesto was put forward by the Association des Bakongo (ABAKO), originally a tribal organisation, led by Joseph Kasa-Vubu.

Two years later, the Mouvement National Congolais (MNC) was formed, with Patrice Lumumba as leader. Its goal was to liberate Congo from imperialism and colonial rule. The response was enormous. Lumumba visited the new state of Ghana, where he met the country’s leader, Kwame Nkrumah. On returning to Congo, 7,000 people gathered to listen to his report.

In January 1959, Congo exploded. The Belgian first mayor banned a protest meeting in Kinshasa, leading to riots. The army was used in full force, killing up to 300 and injuring many more. The unrest spread to Kivu, Kasai and Katanga.

Eventually it was agreed that the Congo should become independent on 30 June 1960 - a year in which 17 African states won independence. It was formal, political independence but the multinational companies were able to operate as before, allowed to act in accordance with Belgian law. Three days before independence, the Belgian parliament abolished Congolese power over the dominant Union Minière. All army officers and the highest officials were Belgian.

But hopes for real change were high and the MNC under Lumumba won the first elections. But regional parties also had great support: the breakaway MNC-K led by Albert Kalonji in Kasai, the Confédération des Associations Tribales du Katanga (CONAKAT) under Moïse Tshombe in south Katanga, and ABAKO in Bas-Congo. Kasa-Vubu became president, with Lumumba as prime minister.

**Lumumba deposed**

Congo, like other former colonies, was economically dominated by the old colonial power and multinational companies. The only way to really break this would have been with a democratic socialist policy including the nationalisation of the mineral wealth and resources. And, had it been equipped with a truly socialist leadership, the working class internationally would have given massive support. Congo, however, lacked a nationwide, democratic socialist movement among workers and the rural poor.

The Stalinist states, like the Soviet Union and China, had shown that a planned economy could make big progress, despite their oppressive,
dictatorial rule. But neither Moscow nor Beijing wanted to support a revolutionary movement that was beyond its control. They preferred bourgeois regimes that they could deal with.

The crisis immediately after independence was not due to Belgium leaving the country too quickly, as Van Reybrouck seems to suggest. It was due to the lack of a workers’ movement with a clear programme. A new government was formed, but its adherents were volatile, its programme unclear. This was seized on by Belgium, which invaded Katanga with 10,000 soldiers within days. Officially, this was to protect Belgian citizens. In reality, it was to keep control over the mining industry. They encouraged Tshombe to declare independence, and Union Minière funded his rule.

Lumumba was in office for just two months, in a country in rapid decay. Thousands died in the fighting that accompanied the attempts by Katanga, diamond-rich Kasai, and Kivu to break away. Lumumba appealed to the UN for support, and to Nikita Khrushchev, who sent food, weapons and vehicles. The Congo crisis struck at the heart of the cold war between the US and Stalinist Russia. The US military needed minerals from the Congo, for example, cobalt for its missiles. In early September, he was deposed by Kasa-Vubu.

Ten days after Lumumba was ousted, the army’s chief of staff, Mobutu, conducted his first coup, supported by the CIA. Lumumba was placed under house arrest. The Belgian government and US president, Dwight Eisenhower, gave the green light for him to be murdered. After torture and transportation to Katanga, Lumumba was shot in front of local leaders, including Tshombe.

Lumumba was not an explicit socialist and lacked a strong movement and weapons. But he was seen as a radical freedom fighter, not only in Africa, and his supporters spoke of revolution. His unpredictability and the expectations he created frightened the imperialist powers. They had seen how events led to revolution in Cuba, even though the liberation movement there had lacked a socialist programme initially. US imperialism intervened to overthrow Lumumba, by using the CIA, and at the UN.

The Soviet Union and China, moreover, had no interest in backing revolutions, especially if they had the aim of developing genuine workers’ democracy. In fact, they did not even have plans for new Stalinist states. Only after regimes or guerrilla movements had abolished capitalism did Moscow and Beijing give their support, in order to bring them into their spheres of influence and, as far as possible, under their control.

The Mobutu dictatorship
The war to retake Katanga continued until the end of 1962, and was fought with the help of UN troops. It was during these battles that UN secretary-general, Dag Hammarskjöld, was killed in a suspicious plane crash in September 1961. Unrest and rebellion continued into the mid-1960s. A Maoist inspired rural rebellion in central Congo was put down. In Burundi, Laurent Kabila formed what were called ‘simba troops’, with strong anti-American and anti-Catholic rhetoric. For a short time, even Che Guevara participated in the guerrilla war, although he soon returned to Latin America.

The US and Tshombe in Katanga now supported the government in Leopoldville (Kinshasa) against the uprisings. Tshombe won elections in 1965, but was considered too unreliable by the US and western powers. On 25 November, came Mobutu’s second coup and this time he would stay as...
dictator until 1997.

Van Reybrouck describes how the Mobutu regime developed into a strange, brutal and corrupt dictatorship. While closely allied with the US and Israel, it also took many of its characteristics from Mao Zedong’s regime in China. Only indigenous names and music were allowed. The cult of personality was massive, with up to seven hours of musical tributes to Mobutu on television every day. In 1971, he renamed the country Zaire.

When the student movement rose up in Congo in 1968-69 - parallel to the student protests in Europe and the US - Lumumba was its hero. But it was crushed in a massacre in 1969. Three hundred were killed (officially, six!), with 800 sentenced to long prison terms.

Congo’s great agricultural potential was squandered and Mobutu had to import food. Inflation rose rapidly and the state borrowed up to a third of the budget in the 1970s. Like many other African countries, Congo ended up in the clutches of the International Monetary Fund (IMF) and World Bank. Their structural adjustment programmes imposed privatisation and cuts. Congo reduced the number of teachers in a short time from 285,000 to 126,000 - transforming its high literacy to the situation today, where 30% are illiterate.

In the late 1980s, protest movements against IMF policies and dictatorships arose across Africa. New political parties, associations and trade unions were formed. On 16 February 1992, priests and churches organised the ‘hope march’ in several cities in protest at the shutting down of a conference on democratisation. Over one million took part. Thirty-five demonstrators were killed in the repression. In 1993, Mobutu clamped down on any talk of democratisation and regained full control. Inflation exploded, reaching 9,769% in 1994. Mobutu was forced to introduce a five-million New Zaire note.

It was after years of dictatorship and worsening economic crisis, when all hope of change was extinguished, that ethnic violence erupted. Groups in Katanga demanded that immigrants from Kasai should ‘go home’. The same language was directed against Tutsis in the Kivus - called ‘banyarwanda’ (‘from Rwanda’). “In the 80s no one knew their classmates’ ethnic background, all that began in the 90s. My girlfriend was Tutsi, and I did not even know about it”, says Pierre Bushala in Goma to Van Reybrouck. He writes that the ethnic violence was “a logical consequence of land shortage in a war economy that served globalisation”. In Kivu, nationalist maimai militias were formed. They fought for farmland, control over villages and mines.

**Six million dead**

In 1994, the massacre of 800,000 Tutsis took place in Rwanda. Almost immediately, Rwanda was invaded and controlled by a Tutsi army led by the current president, Paul Kagame. Over two million Hutus fled, 1.5 million of them to Zaire/Congo. The old guerrilla leader, Laurent Kabila, and his movement, the Alliance des Forces Démocratiques pour la Libération du Congo (AFDL), formally led the Rwandans who were hunting Hutus. It became a war against Mobutu’s Zaire. Up to 300,000 Hutu refugees were killed.

After a short war, Kabila overthrew Mobutu and established himself as the new head of state in a country that was renamed Congo. But Kabila soon imitated Mobutu’s methods.

Kabila realised the regimes in Rwanda and Uganda had intervened for their
own interests, and now broke with them. Rwanda invaded again, starting
the second Congo war, in 1998. Six million have died as a result of the
wars since then, most from disease and starvation. Many other countries
have been drawn in, such as Angola, Zimbabwe and Libya on the Congolese
side against Uganda and Rwanda. Van Reybrouck shows how the latter two
exported large quantities of gold from the Congo during the war.

In January 2001, Laurent Kabila was shot dead by one of his bodyguards.
He was succeeded by his son, Joseph, who has the support of the EU, US
and China. In 2003, a peace agreement was signed, but fighting, mass
rapes and massacres have continued, particularly in Kivu. The various
forces constantly split away or are renamed as fighting continues for the
same treasures: gold, other minerals and ivory. Currently, the most
precious mineral is coltan, used in modern electronics. Van Reybrouck
rightly calls this the “militarisation of the economy”, noting that “the war
was relatively inexpensive, especially in the light of the amazing benefits
that commodity exploitation brought”.

Is there any hope? Van Reybrouck describes Congo as a country on the
verge of explosion. Congo’s state budget, for 60 million people, is smaller
than the budget for the city of Stockholm with fewer than one million
inhabitants. GDP per capita has shrunk from $450 to $200 since 1960. The
United Nations Human Development Report, which measures such things as
education and healthcare, places Congo as the fifth-worst country in the
world to live in.

Today’s Congo is ravaged by the same raw looting capitalism as in the 19th
century. Mine contracts can be gained by bribery or military control. New
discoveries of oil and gas have again increased tensions on the border with
Uganda and Rwanda. Chinese companies are building infrastructure to
service the mines, which operate in the same way as the slave factories in
China.

Congo will see a revolutionary development, but where the explosions lead
depends on drawing conclusions from history - and from Egypt and Tunisia
over the last two years. Socialist and democratic organisations must be
built at record speed.

www.socialistworld.net

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**A Shuffle of Aluminum, but to Banks, Pure Gold**

David Kocieniewski 23 July 2013

Hundreds of millions of times a day, thirsty Americans open a can of soda,
beer or juice. And every time they do it, they pay a fraction of a penny
more because of a shrewd maneuver by Goldman Sachs and other financial
players that ultimately costs consumers billions of dollars.

The story of how this works begins in 27 industrial warehouses in the
Detroit area where a Goldman subsidiary stores customers’ aluminum.
Each day, a fleet of trucks shuffles 1,500-pound bars of the metal among
the warehouses. Two or three times a day, sometimes more, the drivers
make the same circuits. They load in one warehouse. They unload in
another. And then they do it again.

This industrial dance has been choreographed by Goldman to exploit
pricing regulations set up by an overseas commodities exchange, an
investigation by The New York Times has found. The back-and-forth lengthens the storage time. And that adds many millions a year to the coffers of Goldman, which owns the warehouses and charges rent to store the metal. It also increases prices paid by manufacturers and consumers across the country.

Tyler Clay, a forklift driver who worked at the Goldman warehouses until early this year, called the process “a merry-go-round of metal.”

Only a tenth of a cent or so of an aluminum can’s purchase price can be traced back to the strategy. But multiply that amount by the 90 billion aluminum cans consumed in the United States each year — and add the tons of aluminum used in things like cars, electronics and house siding — and the efforts by Goldman and other financial players has cost American consumers more than $5 billion over the last three years, say former industry executives, analysts and consultants.

The inflated aluminum pricing is just one way that Wall Street is flexing its financial muscle and capitalizing on loosened federal regulations to sway a variety of commodities markets, according to financial records, regulatory documents and interviews with people involved in the activities.

The maneuvering in markets for oil, wheat, cotton, coffee and more have brought billions in profits to investment banks like Goldman, JPMorgan Chase and Morgan Stanley, while forcing consumers to pay more every time they fill up a gas tank, flick on a light switch, open a beer or buy a cellphone. In the last year, federal authorities have accused three banks, including JPMorgan, of rigging electricity prices, and last week JPMorgan was trying to reach a settlement [1] that could cost it $500 million.

Using special exemptions granted by the Federal Reserve Bank and relaxed regulations approved by Congress, the banks have bought huge swaths of infrastructure used to store commodities and deliver them to consumers — from pipelines and refineries in Oklahoma, Louisiana and Texas; to fleets of more than 100 double-hulled oil tankers at sea around the globe; to companies that control operations at major ports like Oakland, Calif., and Seattle.

In the case of aluminum, Goldman bought Metro International Trade Services [2], one of the country’s biggest stiners of the metal. More than a quarter of the supply of aluminum available on the market is kept in the company’s Detroit-area warehouses [3].

Before Goldman bought Metro International three years ago, warehouse customers used to wait an average of six weeks for their purchases to be located, retrieved by forklift and delivered to factories. But now that Goldman owns the company, the wait has grown more than 20-fold — to more than 16 months, according to industry records.

Longer waits might be written off as an aggravation, but they also make aluminum more expensive nearly everywhere in the country because of the arcane formula used to determine the cost of the metal on the spot market. The delays are so acute that Coca-Cola and many other manufacturers avoid buying aluminum stored here. Nonetheless, they still pay the higher price.

Goldman Sachs says it complies with all industry standards, which are set by the London Metal Exchange, and there is no suggestion that these activities violate any laws or regulations. Metro International, which declined to comment for this article, in the past has attributed the delays
to logistical problems, including a shortage of trucks and forklift drivers, and the administrative complications of tracking so much metal. But interviews with several current and former Metro employees, as well as someone with direct knowledge of the company’s business plan, suggest the longer waiting times are part of the company’s strategy and help Goldman increase its profits from the warehouses.

Metro International holds nearly 1.5 million tons of aluminum in its Detroit facilities, but industry rules require that all that metal cannot simply sit in a warehouse forever. At least 3,000 tons of that metal must be moved out each day. But nearly all of the metal that Metro moves is not delivered to customers, according to the interviews. Instead, it is shuttled from one warehouse to another.

Because Metro International charges rent each day for the stored metal, the long queues caused by shifting aluminum among its facilities means larger profits for Goldman. And because storage cost is a major component of the “premium” added to the price of all aluminum sold on the spot market, the delays mean higher prices for nearly everyone, even though most of the metal never passes through one of Goldman’s warehouses.

Aluminum industry analysts say that the lengthy delays at Metro International since Goldman took over are a major reason the premium on all aluminum sold in the spot market has doubled since 2010. The result is an additional cost of about $2 for the 35 pounds of aluminum used to manufacture 1,000 beverage cans, investment analysts say, and about $12 for the 200 pounds of aluminum in the average American-made car.

“It’s a totally artificial cost,” said one of them, Jorge Vazquez, managing director at Harbor Aluminum Intelligence [4], a commodities consulting firm. “It’s a drag on the economy. Everyone pays for it.”

Metro officials have said they are simply reacting to market forces, and on the company Web site [5] describe their role as “bringing together metal producers, traders and end users,” and helping the exchange “create and maintain stability.”

But the London Metal Exchange, which oversees 719 warehouses around the globe, has not always been an impartial arbiter — it receives 1 percent of the rent collected by its warehouses worldwide. Until last year, it was owned by members, including Goldman, Barclays and Citigroup. Many of its regulations were drawn up by the exchange’s warehouse committee, which is made up of executives of various banks, trading companies and storage companies — including the president of Goldman’s Metro International — as well as representatives of powerful trading firms in Europe. The exchange was sold last year to a group of Hong Kong investors [6] and this month it proposed regulations [7] that would take effect in April 2014 intended to reduce the bottlenecks at Metro.

All of this could come to an end if the Federal Reserve Board declines to extend the exemptions that allowed Goldman and Morgan Stanley to make major investments in nonfinancial businesses — although there are indications in Washington that the Fed will let the arrangement stand. Wall Street banks, meanwhile, have focused their attention on another commodity. After a sustained lobbying effort, the Securities and Exchange Commission late last year approved a plan that will allow JPMorgan Chase, Goldman and BlackRock to buy up to 80 percent of the copper available on the market.

In filings with the S.E.C., Goldman has said it plans by early next year to
store copper in the same Detroit-area warehouses where it now stockpiles aluminum. On Saturday, however, Michael DuVally, a Goldman spokesman, said the company had decided not to participate in the copper venture, though it had not disclosed that publicly. He declined to elaborate.

Banks as Traders
For much of the last century, Congress tried to keep a wall between banking and commerce. Banks were forbidden from owning nonfinancial businesses (and vice versa) to minimize the risks they take and, ultimately, to protect depositors. Congress strengthened those regulations in the 1950s, but by the 1980s, a wave of deregulation began to build and banks have in some cases been transformed into merchants, according to Saule T. Omarova, a law professor at the University of North Carolina and expert in regulation [8] of financial institutions. Goldman and other firms won regulatory approval to buy companies that traded in oil and other commodities. Other restrictions were weakened or eliminated during the 1990s, when some banks were allowed to expand into storing and transporting commodities.

Over the past decade, a handful of bank holding companies have sought and received approval from the Federal Reserve to buy physical commodity trading assets.

According to public documents in an application filed by JPMorgan Chase, the Fed said such arrangements would be approved only if they posed no risk to the banking system and could “reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.”

By controlling warehouses, pipelines and ports, banks gain valuable market intelligence, investment analysts say. That, in turn, can give them an edge when trading commodities. In the stock market, such an arrangement might be seen as a conflict of interest — or even insider trading. But in the commodities market, it is perfectly legal.

“Information is worth money in the trading world and in commodities, the only way you get it is by being in the physical market,” said Jason Schenker, president and chief economist at Prestige Economics in Austin, Tex. “So financial institutions that engage in commodities trading have a huge advantage because their ownership of physical assets gives them insight in physical flows of commodities.”

Some investors and analysts say that the banks have helped consumers by spurring investment and making markets more efficient. But even banks have, at times, acknowledged that Wall Street’s activities in the commodities market during the last decade have contributed to some price increases.

In 2011, for instance, an internal Goldman memo suggested that speculation by investors accounted for about a third of the price of a barrel of oil. A commissioner at the Commodity Futures Trading Commission [9], the federal regulator, subsequently used that estimate to calculate that speculation added about $10 per fill-up for the average American driver. Other experts have put the total, combined cost at $200 billion a year.

High Premiums
The entrance to one of Metro International’s main aluminum warehouses
here in suburban Detroit is unmarked except for one toppling sign that displays two words: Mount Clemens, the town’s name.

Most days, there are just a handful of cars in the parking lot during the day shift, and by 5 p.m., both the parking lot and guard station often appear empty, neighbors say. Yet inside the two cavernous blue warehouses are rows and rows of huge metal bars, weighing more than half a ton each, stacked 15 feet high.

After Goldman bought the company in 2010, Metro International began to attract a stockpile. It actually began paying a hefty incentive to traders who stored their aluminum in the warehouses. As the hoard of aluminum grew — from 50,000 tons in 2008 to 850,000 in 2010 to nearly 1.5 million currently — so did the wait times to retrieve metal and the premium added to the base price. By the summer of 2011, the price spikes prompted Coca-Cola to complain to the industry overseer, the London Metal Exchange, that Metro’s delays were to blame.

Martin Abbott, the head of the exchange, said at the time that he did not believe that the warehouse delays were causing the problem. But the group tried to quiet the furor by imposing new regulations that doubled the amount of metal that the warehouses are required to ship each day — from 1,500 tons to 3,000 tons. But few metal traders or manufacturers believed that the move would settle the issue.

“The move is too little and too late to have a material effect in the near-term on an already very tight physical market, particularly in the U.S.,” Morgan Stanley analysts said in a note to investors that summer.

Still, the wait times at Metro have grown, causing the premium to rise further. Current and former employees at Metro say those delays are by design.

Industry analysts and company insiders say that the vast majority of the aluminum being moved around Metro’s warehouses is owned not by manufacturers or wholesalers, but by banks, hedge funds and traders. They buy caches of aluminum in financing deals. Once those deals end and their metal makes it through the queue, the owners can choose to renew them, a process known as rew warranting.

To encourage aluminum speculators to renew their leases, Metro offers some clients incentives of up to $230 a ton, and usually moves their metal from one warehouse to another, according to industry analysts and current and former company employees.

To metal owners, the incentives mean cash upfront and the chance to make more profit if the premiums increase. To Metro, it keeps the delays long, allowing the company to continue charging a daily rent of 48 cents a ton. Goldman bought the company for $550 million in 2010 and at current rates could collect about a quarter-billion dollars a year in rent.

Metro officials declined to discuss specifics about its lease renewals or incentive policies.

But metal analysts, like Mr. Vazquez at Harbor Aluminum Intelligence, estimate that 90 percent or more of the metal moved at Metro each day goes to another warehouse to play the same game. That figure was confirmed by current and former employees familiar with Metro’s books, who spoke on condition of anonymity because of company policy.
Goldman Sachs declined to discuss details of its operations. Mr. DuVally, the Goldman spokesman, pointed out that the London Metal Exchange prohibits warehouse companies from owning metal, so all of the aluminum being loaded and unloaded by Metro was being stored and shipped for other owners.

“In fact,” he said, “L.M.E. warehouses are actually prohibited from trading all L.M.E. products.”

As the delays have grown, many manufacturers have turned elsewhere to buy their aluminum, often buying it directly from mining or refining companies and bypassing the warehouses completely. Even then, though, the warehouse delays add to manufacturers’ costs, because they increase the premium that is added to the price of all aluminum sold on the open market.

The Warehouse Dance
On the warehouse floor, the arrangement makes for a peculiar workday, employees say.

Despite the persistent backlogs, many Metro warehouses operate only one shift and usually sit idle 12 or more hours a day. In a town like Detroit, where factories routinely operate round the clock when necessary, warehouse workers say that low-key pace is uncommon.

When they do work, forklift drivers say, there is much more urgency moving aluminum into, and among, the warehouses than shipping it out. Mr. Clay, the forklift driver, who worked at the Mount Clemens warehouse until February, said that while aluminum was delivered in huge loads by rail car, it left in a relative trickle by truck.

“They’d keep loading up the warehouses and every now and then, when one was totally full they’d shut it down and send the drivers over here to try and fill another one up,” said Mr. Clay, 23.

Because much of the aluminum is simply moved from one Metro facility to another, warehouse workers said they routinely saw the same truck drivers making three or more round trips each day. Anthony Stuart, a forklift team leader at the Mount Clemens warehouse until 2012, said he and his nephew — who worked at a Metro warehouse about six miles away in Chesterfield Township — occasionally asked drivers to pass messages back and forth between them.

“Sometimes I’d talk to my nephew on the weekend, and we’d joke about it,” Mr. Stuart said. “I’d ask him ‘Did you get all that metal we sent you?’ And he’d tell; me ‘Yep. Did you get all that stuff we sent you?’ ”

Mr. Stuart said he also scoffed at Metro’s contention that a major cause for the monthslong delays is the difficulty in locating each customer’s store of metal and moving the other huge bars of aluminum to get at it. When he arrived at work each day, Mr. Stuart’s job was to locate and retrieve specific batches of aluminum from the vast stores in the warehouse and set them out to be loaded onto trucks.

“It’s all in rows,” he said, “You can find and get anything in a day if you want. And if you’re in a hurry, a couple of hours at the very most.”

When the London Metal Exchange was sold to a Hong Kong company for $2.2 billion last year, its chief executive promised to take “a bazooka” to the problem of long wait times.
But the new owner of the exchange has balked at adopting a remedy raised by a consultant hired to study the problem in 2010: limit the rent warehouses can collect during the backlogs. The exchange receives 1 percent of the rent collected by the warehouses, so such a step would cost it millions in revenue.

Other aluminum users have pressed the exchange to prohibit warehouses from providing incentives to those that are simply stockpiling the metal, but the exchange has not done so.

Last month, however, after complaints by a consortium of beer brewers, the exchange proposed new rules that would require warehouses to ship more metal than they take in. But some financial firms have raised objections to those new regulations, which they contend may hurt traders and aluminum producers. The exchange board will vote on the proposal in October and, if approved, it would not take effect until April 2014.

Nick Madden, chief procurement officer for one of the nation’s largest aluminum purchasers, Novelis, said the situation illustrated the perils of allowing industries to regulate themselves. Mr. Madden said that the exchange had for years tolerated delays and high premiums, so its new proposals, while encouraging, were still a long way from solving the problem. “We’re relieved that the L.M.E. is finally taking an action that ultimately will help the market and normalize,” he said. “However, we’re going to take another year of inflated premiums and supply chain risk.”

In the meantime, the Federal Reserve, which regulates Goldman Sachs, Morgan Stanley and other banks, is reviewing the exemptions that have let banks make major investments in commodities. Some of those exemptions are set to expire, but the Fed appears to have no plans to require the banks to sell their storage facilities and other commodity infrastructure assets, according to people briefed on the issue.

A Fed spokeswoman, Barbara Hagenbaugh, provided the following statement: “The Federal Reserve regularly monitors the commodity activities of supervised firms and is reviewing the 2003 determination that certain commodity activities are complementary to financial activities and thus permissible for bank holding companies.”

Senator Sherrod Brown, who is sponsoring Congressional hearings on Tuesday on Wall Street’s ownership of warehouses, pipelines and other commodity-related assets, says he hopes the Fed reins in the banks.

“Banks should be banks, not oil companies,” said Mr. Brown, Democrat of Ohio. “They should make loans, not manipulate the markets to drive up prices for manufacturers and expose our entire financial system to undue risk.”

Next Up: Copper
As Goldman has benefited from its wildly lucrative foray into the aluminum market, JPMorgan has been moving ahead with plans to establish its own profit center involving an even more crucial metal: copper, an industrial commodity that is so widely used in homes, electronics, cars and other products that many economists track it as a barometer for the global economy.

In 2010, JPMorgan quietly embarked on a huge buying spree in the copper market. Within weeks — by the time it had been identified as the mystery buyer — the bank had amassed $1.5 billion in copper, more than half of
the available amount held in all of the warehouses on the exchange. Copper prices spiked in response.

At the same time, JPMorgan, which also controls metal warehouses, began seeking approval of a plan that would ultimately allow it, Goldman Sachs and BlackRock, a large money management firm, to buy 80 percent of the copper available on the market on behalf of investors and hold it in warehouses. The firms have told regulators that these stockpiles, which would be used to back new copper exchange-traded funds, would not affect copper prices. But manufacturers and copper wholesalers warned that the arrangement would squeeze the market and send prices soaring. They asked the S.E.C. to reject the proposal.

After an intensive lobbying campaign by the banks, Mary L. Schapiro, the S.E.C.’s chairwoman, approved the new copper funds [10] last December, during her final days in office. S.E.C. officials said they believed the funds would track the price of copper, not propel it, and concurred with the firms’ contention — disputed by some economists — that reducing the amount of copper on the market would not drive up prices.

Others now fear that Wall Street banks will repeat or revise the tactics that have run up prices in the aluminum market. Such an outcome, they caution, would ripple through the economy. Consumers would end up paying more for goods as varied as home plumbing equipment, autos, cellphones and flat-screen televisions.

Robert Bernstein, a lawyer at Eaton & Van Winkle, who represents companies that use copper, said that his clients were fearful of “an investor-financed squeeze” of the copper market. “We think the S.E.C. missed the evidence,” he said.

Gretchen Morgenson contributed reporting from New York. Alain Delaquérière contributed research from New York.

This article has been revised to reflect the following correction:

Correction: July 20, 2013

A previous version of this article misstated one of the financial institutions that received approval to buy up to 80 percent of the copper available on the market. It is BlackRock, not the Blackstone Group.

The Wars, Coups, Crises

Phyllis Bennis 22 July 2013

The pace of events exploding across the Middle East continues to quicken - and while it appears the Obama administration has no clear strategy for some of it, the fall-back position of the U.S. continues to make those developments even more dangerous.

IN SYRIA...

The civil war - and the four other regional, sectarian and global wars that have emerged from it - continues. Conditions on the ground continue to deteriorate - the UN has just reported that as many as 5,000 Syrians are being killed by the war every month, and about 6,000 Syrians are fleeing
the country every day, making this the worst refugee crisis since the 1994 Rwandan genocide. According to the UN High Commissioner for Refugees, nearly 1.8 million Syrians are now registered with the UN as refugees in surrounding countries. His counterpart, UN humanitarian coordinator Valerie Amos, noted that four million people inside Syria also need urgent assistance, noting that both the government and the rebels have imposed “considerable restraints” on aid agencies. Her report indicated about $3.1 billion is needed for humanitarian assistance.

Recent reports indicate that the opposition side is in even greater disarray, and fighting between rebel contingents is increasing. According to the New York Times, “In recent weeks, rebel groups have been killing one another with increasing ferocity, losing ground on the battlefield and alienating the very citizens they say they want to liberate.” Unfortunately, the voices of the original democratic political opposition, still surviving, barely, and trying to work inside Syria despite incredible odds, remain missing from mainstream discourse.

In a recent piece I did for Red Pepper magazine in the UK, I analyzed the dangers of the current escalations. U.S. policy, however, remains focused on assistance to the rebels and not nearly enough on supporting the UN’s humanitarian work. I’ve been focusing a lot on the threats of greater U.S. intervention, as well as the regional and global ramifications of the Syria war. In an interview on Behind the News, my focus was on the danger of arming the rebels. And in a discussion on The Real News Network, I talked about why such escalation in providing arms to the opposition will only make things worse - for Syrians, for the region, for people in the U.S., for the world. And in an interview on RT, we talked about the Syria war in the context of the history of U.S. neo-colonialism in the Middle East, and the continuing danger of permanent war.

The good news is that so far, the Obama administration has not made good on its announced plan of escalating direct military support to the armed opposition. This reflects two realities. First, there are clearly internal calculations underway about the dangers of such proxy support. Given the self-proclaimed al Qaeda links and hard-line Islamist identity of the most powerful opposition organizations, memories of the disastrous U.S. backing for the Afghan mujahedin during the 1980s and resulting creation of al Qaeda, have to serve as a strong deterrent. Also, it turns out that the White House “lawyers group” is raising serious unease about how arming the rebels would violate international law. Kind of amazing - but reported in the Wall Street Journal.

And second, public and Congressional opinion are powerfully opposed. Seventy percent of the public oppose sending arms to the Syrian rebels. And in Congress, despite loud calls for greater military intervention from powerful individual senators including John McCain, all of the amendments and resolutions introduced and now pending in both the House and the Senate would prohibit U.S. funding of various combinations of military assistance and direct military involvement.

SIGN THE PETITION!
We can’t count on this scenario remaining however. So representatives of national peace organizations met over the last couple of weeks, and we put together a petition calling on both the Obama administration and Congress not to escalate military involvement in Syria. The “ask” reads:

We urge you to reject any military intervention in Syria, including arming the rebels or creating a no-fly zone, and instead to focus on increasing humanitarian assistance through the United Nations and building active
multi-lateral diplomacy without preconditions with all involved parties for an immediate ceasefire, a full arms embargo, and negotiations to end Syria’s civil war.

Along with us at IPS, the sponsoring organizations include the Friends Committee on National Legislation, Just Foreign Policy, Peace Action, the Peace and Justice Resource Center, United for Peace and Justice (UFPJ), U.S. Labor Against the War (USLAW) and Women’s Action for New Directions (WAND). There will be more later, joint education and advocacy campaigns and more, but for now, the petition could help prevent immediate escalation.

Please sign it, and send it out to your friends, colleagues, comrades and more. For Facebook and Twitter, a short version of the link is here.

IN EGYPT...

And over the last couple of weeks, the devastating war in Syria was almost gone from public consciousness as the latest crisis in Egypt exploded. Massive popular protests against the democratically-elected President Mohamed Morsi and the Muslim Brotherhood that backed his political party, culminated in the Egyptian military’s move to depose Morsi in what must be called a military coup d’etat.

The U.S. has refused to use the word, since U.S. law requires that all military and economic aid be cut to any country where the military deposes an elected government by force. And whether one uses the word ‘coup’ or not, that is precisely what happened in Egypt. It was certainly true that the overthrow of Morsi had enormous popular support; civil society organizations claimed that 22 million people signed their petition calling for him step down. But any time the military takes the critical action of deposing an elected president, as the Egyptian military did against their own longstanding U.S.-backed dictator Hosni Mubarak at the height of the Tahrir Square protests in early 2011, the result is always dangerous.

I wrote my first analysis of the Egyptian crisis just a couple of days after Morsi’s overthrow, looking at the “Celebrations and Dangers” facing Egypt’s revolutionary processes. One of the greatest dangers is that with the military so overtly in control of the country (we shouldn’t forget the military didn’t really leave politics when the returned to their barracks after Morsi’s election, they just moved backstage) the U.S. has far more influence in Egypt, since so much of U.S. aid goes directly to the military. While Saudi Arabia, Qatar and other Gulf states have pledged billions more to Egypt now, staying in good graces with Washington remains key for Cairo, and that means U.S. priorities (privileged access to the Suez Canal, access through Egyptian airspace and sometimes bases, cooperation in “anti-terrorism” actions and most of all maintaining close ties with Israel) will remain the priorities of Egypt’s “new” interim government.

Parts of that piece are probably already dated. But some remains sadly current:

Egypt remains as polarized as perhaps any country but Syria in the entire region - the threat of civil war is not out of the question. And beyond the threat of violence in the streets, having the military in control means that US influence is much greater - because the Egyptian military is thoroughly dependent on the US for economic support and access to weapons. After the overthrow of Mubarak, the US promised around a billion dollars in economic and development aid for the 'new Egypt.'
But less than a quarter of that has actually been sent. On the other hand, the $1.3bn the Egyptian military receives in US tax dollars every year has continued to flow in full and on time. (It’s not clear whether military aid to Egypt even faced any sequester-based reduction, since the Pentagon has a lot more flexibility in its accounts than domestic programs do.)

Eighty percent of all Egyptian arms purchases are enabled by US tax dollars, and the US (along with the UK on a much smaller scale) continues to provide training for the Egyptian officer corps. However they choose to use it, the Obama administration and the Pentagon hold enormous potential capacity to influence the military’s trajectory. And that too bodes badly for the Egyptian people’s ability to realize the goals of what they still call their revolution.

You can read the rest of it on the al-Jazeera website here.

SECRETARY KERRY ON THE MOVE AGAIN...

Not to Egypt, however. Absent a clear policy, the U.S. sent an undersecretary to meet with whoever was willing (note: not too many were) to chat with him in Cairo.

But Secretary of State John Kerry remains on the move in the region, shuttling Kissinger-style between Jerusalem, Ramallah, and more recently Amman. (It’s so much easier for him to meet with Palestinian representatives there in Jordan, and not have to deal with all the embarrassing efforts to “not notice” the Apartheid Wall, the wildly expanding settlement growth, and Israel’s massive violations of international law in the occupied territories...) The latest news is a breathless report that the Arab League and the Jordanian King are all backing Kerry’s effort to get the two sides back to the table! It’s based on Kerry’s resurrecting the decade-old Arab Peace Plan, with - wait for it - a small “adjustment.” The adjustment, of course, would completely negate whatever value that plan ever had - it called for Arab recognition of and normalization with Israel in exchange for “full” Israeli withdrawal from the occupied territories - meaning Gaza, all of the West Bank, and Arab East Jerusalem. Kerry’s version adds the Israeli demand for “mutually agreed swaps” of land - giving Israel full veto rights over any agreement. So the talks -these talks - aren’t going anywhere.

There is some good news however - it’s just not shaped by Washington’s 21 year-old failed “peace process.” First it’s from Europe. As Yousef Munayyer, director of the Palestine Center here in Washington described it in al Jazeera:

The European Union, Israel’s largest trading partner, has finally moved to leverage that relationship in the interest of changing Israel’s colonial behavior. News broke yesterday of new guidelines for trade between the EU and Israel. The EU directive instructs ‘all 28 member states, ‘forbidding’ any funding, cooperation, awarding of scholarships, research funds or prizes to anyone residing in the Jewish settlements in the West Bank and East Jerusalem.’

The actual rules haven’t been released yet, but a leaked copy is available here (PDF).

It’s only a small step, since, as Ha’aretz columnist Gideon Levy noted, the settlements are inherent to Israel. Proclaiming his own support for the Palestinian-initiated global BDS movement (boycott, divestment and sanctions), Levy said “the distinction between products from the occupation and Israeli products is an artificial creation. It’s not the settlers
who are the primary culprits but rather those who cultivate their existence. All of Israel is immersed in the settlement enterprise, so all of Israel must take responsibility for it and pay the price for it. There is no one unaffected by the occupation, including those who fancy looking the other way and steering clear of it. We are all settlers.”

But the European move is huge, particularly coming just at the moment of Kerry’s campaign to turn 21 years of failed U.S. diplomacy into 22. Very good news.

AND THE WAR THAT FELL OFF THE FRONT PAGES
The war in Afghanistan, including the 68,000 U.S. troops and near 100,000 U.S.-paid military contractors, continues. Debate over the pace and size of the troop withdrawal continues, with no decision yet about how many U.S. troops might remain after the official plan for a withdrawal of “combat forces” by the end of 2014.

It is certainly possible that President Obama will be faced with the same inevitability his predecessor did in Iraq – that a refusal of the Afghan government to guarantee immunity for U.S. troops in their country after the current immunity agreement expires in December 2014 would lead to a full withdrawal. No U.S. president, knowing the ubiquity of war crimes and other crimes committed by U.S. troops deployed abroad, especially those serving in unjust and illegal wars, would risk a U.S. soldier facing Afghan justice in response to, just for instance, the killing of Afghan civilians.

The latest pressure facing the Pentagon is that Afghanistan is raising the fees it charges for infrastructure use as the U.S. pulls out its decade-worth of war-fighting equipment. The Washington Post brought Afghanistan back to their front page on July 18th, exposing a new demand by Kabul that the U.S. pay $1,000 for every shipping container headed out of Afghanistan if it doesn’t have a validated customs form. Apparently Washington owes $70 million in fines already. (Imagine what the U.S. would charge other countries trying to move giant shipping containers around and out of the country without the right forms!) It’s possible this is simply an effort by the Afghan government to get access to as much money as possible before the troop pull-out leads to a full abandonment of any economic or humanitarian assistance to their country - though given the level of corruption in that government, it’s unlikely that concern about Afghanistan’s poor is top of their agenda.

In the meantime, some diplomatic moves are underway, including the opening (briefly at least, it was quickly shut down again) of a Taliban negotiations office in Qatar. On all sides in Afghanistan, the approach seems to be fight as if there were no talks. The other side of that Viet Nam-era approach, “talk as if there were no fighting,” doesn’t seem to be underway yet. But negotiations are going to be needed to end this war, so any move towards that is important. You can watch my discussion here of these new negotiating possibilities on RT.

AND THE REST OF THE WORLD...
As the scandal continues to grow about the NSA’s spying across our country and around the world, much of the discussion has focused on the whistleblower who brought it public, Edward Snowden. While support for Snowden’s efforts to find asylum remains important, far more crucial is to keep the focus on the reality of what the spying is all about - how does it fit with broader U.S. war strategy, domestic policy, and more? I talked about why the national security state is still necessary - almost 50 years after my IPS colleague and great mentor Marcus Raskin invented that term - and you can watch the Real News interview here.
And finally, remember the Authorization for the Use of Military Force, the resolution passed almost unanimously - only our heroic California Congresswoman Barbara Lee voted no - in the wake of the September 11 attacks? It’s been used for more than a decade now to justify not only illegal wars in Afghanistan and Iraq, but the drone wars in half a dozen country, the snatching and imprisonment in Guantanamo Bay people from all over the world, and more outrages. It should be repealed. US News & World Report organized an on-line Debate Club on exactly this issue - and I’m glad to say that my position, calling for immediate repeal, got the highest number of votes. (No, I didn’t get a pony.) Barbara Lee’s argument was second. And the “no don’t repeal it” side lost by a landslide. You can take a look at the Debate Club here.

www.zcommunications.org

Britain: What is London’s Olympic legacy?

It is a year since the opening of the London Olympics. As protests rage in Brazil against the profiteering and corruption revealed in the preparations for the 2014 World Cup and the 2016 Olympics the question is raised, what exactly was the legacy of the London games?


Judged purely as a sporting event, the London Olympics can be seen as a success for the organisers. However, the enormous scale of the games - in terms of their cost to the host nation and their commercial, cultural and political impact across the globe - means they cannot be assessed simply in sporting terms.

The question of the games’ wider legacy has particular importance in Britain. Enormous amounts of money were spent by the state (£6.71bn according to latest figures) at a time when public services are being cut or privatised, working conditions are worsening and pay is stagnating.

Given the costs of hosting the Olympics it is reasonable to ask why governments are willing to embark on such a project in the first place. From the perspective of the capitalist class and its representatives in government, broadly speaking there are three potentially positive outcomes from hosting the games: domestic and international prestige, advertising the host city as an international business centre, and urban regeneration (or turning poor areas of a city into profit-making ones).

Hosting the Olympic Games carries with it a great deal of international prestige. In the case of Seoul (1988) and Beijing (2008), they were used to advertise those countries’ emergence as modern industrial powers. This political dimension leads some on the left to dismiss mass sporting events as ‘bread and circuses’, a distraction from the problems of everyday life. Although this is true to some extent there is a limit to how much sport can paper over the fault lines in society.

Nothing illustrates this more clearly than the London Olympics themselves. It is questionable whether the Con-Dem coalition received any political boost from the games at all. Only a few weeks after the closing ceremony of the summer Olympics, chancellor George Osborne was booed by the crowd at the Paralympic Games in the same stadium! The Con-Dem coalition’s cruel persecution of disabled people on benefits, as well as the
general unpopularity of his government’s austerity policies, undoubtedly played a part in this. For the rest of 2012 and well into 2013 the opinion poll ratings of the coalition partners have been in decline.

While the direct political impact of the games has been minimal there is a broader ideological purpose that hosting the Olympics serves. There are striking parallels between the way the games are funded and organised and the right-wing vision of how public services should be provided.

In both cases the bulk of the funding comes from the public purse. The delivery of those services, however, is farmed out to private-sector providers who cream off a considerable profit as a result. The farce that was the G4S security operation will be grimly familiar to any public-sector worker with experience of companies like Capita. The unprofitable and unglamorous part of the work, of course, is placed in the hands of unpaid volunteers. This is not to criticise those who volunteered their time to assist, and who played a crucial role in the games’ success. But there are similarities between this method of keeping the expense of the Olympics down and David Cameron's talk of ‘the big society’, where charities fill the gaps in public services left by underfunding and privatisation.

In the commercial sphere, the legacy of the games is mixed, to say the least. On the plus side, are the new jobs and increased commercial activity generated by the new Westfield shopping centre in Stratford. The direct economic impact of the games so far, however, has been disappointing given the huge outlay of sums involved. According to the Evening Standard, “688 jobs would be created in the first year [of the Olympics] rising to 1,061 after the third year and contributing £260 million to the London economy”. (14 January 2013) The proposed regeneration of housing in the area is presented as a chance to improve an impoverished part of London. The London Legacy Development Corporation has received £640 million for 160 acres of land zoned for 6,500 houses. (Evening Standard, 14 September 2012)

The involvement of property developers means that it is unlikely that the new homes will be affordable for existing residents in Newham. Instead of regeneration that benefits working-class people, particularly locals, it seems more likely that the Olympics will simply accelerate the trend where inner-city London is gentrified and working-class people are driven out to surrounding suburbs.

A study by the University of East London on the economics of hosting the games found that the private-sector led regeneration under the mantle of the games was likely to result in widening inequality and disruption of working-class communities in the area.

Another, frequently touted legacy of the Olympics is that the example of sporting excellence will inspire a generation of young people to take part in sports. For those who excel there will be modern infrastructure to help them reach the top. The reality is more complicated.

A recent study by Sport England quoted in the Independent (14 June 2013) found that, although numbers participating in sport had gone up by 1.4 million since 2005 (when London won the bid for the Olympics), participation in sport had actually declined since the Olympics themselves. There are a number of factors that may explain this. The report cites the unusually cold and wet weather since the Olympics, for example.

But cuts to the public sector are also a factor. Many local sports facilities that are the starting rung for children in sport are funded by local
councils. They are often the first in line for council cuts. In Sheffield, the Don Valley Stadium, where Olympic heptathlon champion, Jessica Ennis, began her participation in athletics, is to be demolished. The council has blamed shortage of funding for its decision to close the stadium.

A similar process is under way in schools where playing fields are sold off to bridge funding shortfalls. Cuts in education are also leading to a shortage in specialist physical education teachers. The UK Sport and Youth Trust reported: "We have seen a rise in the number of youngsters wanting to get involved in sport after the Olympics but we do not have the specialist PE teachers in primary schools. There is a lot of enthusiasm but not the know-how to provide the right kind of opportunities. We have inspired a generation but can we convert it into participation?"

This question goes to the heart of the matter. Bearing in mind the relentless cuts in public services and children’s playing fields, longer school and working hours, etc, the avenues to participation in sport are being systematically closed to most working people by the logic of increasing austerity and unbridled capitalism.

To compound the problem, capitalism sets up a false division between sport as elite performance and sport as leisure and play. The former is a multibillion-dollar business that monopolises vast amounts of funds from governments and the private sector.

Sport as leisure is either left entirely in the hands of the private sector in the form of gyms and commercial facilities or is dependent on charities as publicly funded facilities are cut.

A socialist society would treat access to sport in the same way as it would treat access to healthcare and education: an essential public service vital to the development of the individual and the wellbeing of society. With wealth controlled by working people, wasteful spending on advertising and sponsorship could be used to ensure communities have access to the best sporting facilities, free at the point of use. Proper funding for PE teachers in every school could ensure that talent is spotted early and developed. Sharing out the enormous wealth generated by a modern economy among all workers would allow the working week to be significantly reduced, allowing greater access to sport and recreation for all ages.

The removal of the dead hand of profits would see achievement in team and individual sports that would far exceed anything seen under capitalism. That would be a real sporting legacy.

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The Wages of Dignity

Eleanor J. Bader 19 July 2013

A month after moving to the U.S. from Bangladesh in 2008, Shaheen found a job at a Dunkin Donuts in Sunset Park. Now 23, she is a full-time student at Kingsborough Community College and continues to work for the company.

“At first, my English was not so good, so I just wanted to keep the job and not get fired,” she says. But as her ability to communicate improved, so did her understanding of the fast food industry. She soon realized that the
paltry wages, lack of sick or vacation time, and long hours on her feet catering to demanding and often rude customers were more rule than exception.

“Oh my God, this one man threw his iced coffee at me,” she continues, shaking her head in disbelief. “He wanted sugar and I forgot to put it in. I apologized and poured one packet in to correct my error. He said it was still not sweet enough and tossed it on me. Other people don’t want to wait even two minutes and complain and complain.”

Such common gripes about low wages and difficult-to-deplorable working conditions have sparked a nationwide movement by fast food employees. In New York City, the campaign, called Fast Food Forward (FFF), is being spearheaded by New York Communities for Change (NYCC), the Black Institute, and other groups that formerly worked with ACORN. The campaign’s slogan, “We Can’t Survive on $7.25,” refers to the wage that is typically paid to workers at Burger King, Domino’s, KFC, McDonald’s, Taco Bell, Wendy’s, and a host of other eat-and-run establishments.

Shaheen, for example, has received only one wage increase in five years, moving from $7.25 to $7.75 an hour. Meanwhile, George, 22, has worked full-time at a Burger King on Fifth Avenue in Bay Ridge for three years. “I still make $7.25,” he scowls. “I ask for more money every day I work. This morning the boss told me that I’ll get a raise when I die. It makes me feel low not to be able to support myself and move out of mommy and daddy’s house. I’m already old and I’ve gotta stay with them because I can’t afford to get a place of my own.”

Beyond just better wages, the workers at the forefront of the FFF campaign are demanding to be treated with greater respect and dignity.

Fastfoodcrimewave, a Tumblr page, adds a litany of other work-related complaints to those voiced by George and Shaheen. Some examples: “I don’t get overtime”; “I don’t get paid for time spent counting the register”; “I have to pay if the register is short”; “I have to buy my own uniform.” And these are not isolated grumblings. According to an investigation promoted by FFF and released in April 2013, 84 percent of New York City fast food workers in the five boroughs have experienced wage theft, an intentional violation of state labor laws so egregious that Attorney General Eric Schneiderman is presently looking into the matter. His corroboration could have major implications for more than 50,000 New York City fast food workers—and produce a ripple effect for the approximately three million laborers who toil in the industry throughout the 50 states.

Jonathan Westin, executive director of New York Communities for Change, understands that the campaign is fighting a mighty adversary with incredibly deep pockets. How deep, you ask? BusinessInsider.com reported in July 2012 that the top 15 chains in the U.S. raked in a combined $115 billion in nationwidewide sales in 2011.

That year’s gross receipts were mind-boggling:
Arby’s—$3.03 billion
Burger King—$8.4 billion
Domino’s—$3.4 billion
Dunkin Donuts—$5.92 billion
Jack in the Box—$3.01 billion
McDonald’s—$34.2 billion
Pizza Hut—$5.4 billion
Starbucks—$9.75 billion
Subway—$11.4 billion  
Taco Bell—$6.8 billion

Small wonder that organizing of fast food workers has spread from New York City—where the campaign first took off in the fall of 2012—to cities including Detroit, Chicago, Milwaukee, and St. Louis.

“When fast food workers saw Wal-Mart workers challenging the policies of the largest retailer in the world last October, they were inspired to do the same thing for themselves,” Westin says. “One of our main demands has been for $15 an hour. Once we win that, the workers will want to protect what they’ve won by joining a union. But this is not a typical union organizing drive. Our goal for now is simply to create momentum for wage increases.”

He describes the campaign as a massive, community-based effort not only to improve working conditions for fast food workers, but also to address the exponential growth of poverty-wage jobs. What’s more, he adds that FFF’s outreach has extended to everyone from religious leaders to community activists, consumers, and local legislators. “Thirty City Council members supported the workers who walked out on the day of the second one-day strike, April 4,” he says. “They also accompanied the workers who went on strike back to their jobs the next day to make sure they weren’t fired.”

Kira Shepherd, Director of Campaigns and Organizing at the Black Institute, run by ACORN CEO and Chief Organizer Bertha Lewis, has recruited more than 40 clergy to stand with workers during protests. In addition, Shepherd says that they have “adopted different stores in their communities and, along with their congregants, have met with management to demand an atmosphere where staff are treated well and given decent pay so that they can take care of themselves and their dependents.” Since many imams, pastors, and rabbis serve high-poverty neighborhoods, Shepherd says that the connection between poor health, overcrowded and substandard housing, educational neglect, and low wages has made the need to organize a no-brainer.

Highlighting these connections, Westin continues, is a key step in mobilizing for progress. “To change things in our communities, we need to look at the institutions that employ people. Fast food workers tell us that they’ve been in their jobs for five or 10 years and are still making minimum wage. They’re trying to support their families by working at the only jobs they can find. Since 2009 we’ve been organizing low-wage workers and have won some important victories in the supermarket and car wash industries that we think can extend to fast food.”

That said, Westin concedes that despite aggressive organizing, fast food corporations have refused to budge and have instead pushed back. “In every one of the 100 franchises we’re in throughout the five boroughs, the corporate office has brought in folks to talk to the workers about the negatives of organizing,” he continues. “They’ve told them, ‘You can’t do this; you can’t do that.’ It hasn’t worked. With every action we’ve taken, the workers have gotten bolder, and our second strike in April doubled the number of participants of the first strike in November 2012. Corporate’s actions have antagonized the employees to do more.”

Management has also put the issue of pay rates and benefits squarely on the shoulders of individual franchise owners—as if they are to blame for worker disquiet. “We’ve sat down with a few different franchise owners to advocate on behalf of employees,” Westin adds. “The common refrain is
that there is nothing they can do because they're struggling to get by and feel squeezed. They tell us that their profit margin is small because everything they do is controlled from the top, from how much sauce to put on a Big Mac to what toilet paper to buy. They say that the corporation has all the power.”

FFF organizer Naquasia, who is 22 years old and a two-year employee of KFC, doesn’t buy it. Despite cobbling together full-time hours by working two part-time KFC jobs, she still relies on food stamps, something she doubts any franchise owner has ever had to do. “I worry about my health,” she says. “Most of my co-workers can’t afford nutritious, home-cooked food. All we can afford is the dollar menu at McDonald’s. We get one KFC meal during our shift and each day we tell one another that we have to stop eating it, but we can’t. I know I’m blessed to have a job, but the managers act like they’re doing good by us and they’re not. I’ve worked off the clock and have worked more than 40 hours without overtime. I’ve had to put five dollars back into the register when I’ve come up short. That’s my MetroCard money, so it hurts.”

Naquasia’s fury is contagious; so is her fire. The FFF campaign is about power, she says. “I go out once or twice a week, as a volunteer, and talk to other workers about the campaign. It’s a worker-to-worker thing. When people hear our passion they get on board. We show them that we’re willing to stand up for our rights and have each other’s backs. They see that joining FFF is the right thing to do. Day-by-day, more people are opening their eyes to the injustice of their jobs.”

That injustice has prompted George to attend several FFF meetings. While Shaheen’s school schedule has made attendance impossible, she is quick to note that her lack of participation does not reflect a lack of interest. In fact, both workers agree that earning $15 an hour would be life-changing. While they feel that winning such a large increase is unlikely, they also know that power rarely surrenders of its own accord. Not surprisingly, they are considering joining the next, as-yet-unscheduled, FFF action.

www.zcommunications.org

Portugal: Government in disintegration

No to a government of “national unity”! For mass action to deal final blow to rotten coalition and impose a workers' alternative!
Danny Byrne, CWI 17 July 2013

In the last two weeks, Portugal has been plunged into possibly the deepest and most desperate episode of political crisis since the onset of the recession and intervention of the Troika over 2 years ago. For the last week, the country has been virtually without a government, with the ruling class only now seeming able to patch together a “solution”. But this “solution”, as with all the others before, will be both temporary and botched up, rather than one capable of establishing a stable and functioning government. It is impossible that any government tasked by the rich to do the bidding of the Troika and capitalist elite in waging an un-ending offensive on workers and the poor, can enjoy any significant period of stability, given the social misery and explosions which this course implies. It is up to the working class and the youth, mobilised and organised around the fight for an alternative, to deal this government the final blow and prevent any new “solution” based on austerity and impoverishment.
On 27 June, a powerful general strike took place, paralysing the economy for the 5th time in less than 3 years. It was the 4th general strike called against the 2-year old coalition government, composed of the PSD (party of the traditional right wing) and CDS (smaller right-wing Christian Democrat party). The strike came as the culmination of a renewed wave of militant struggle. The weeks and months leading up to it saw a strike movement, stretching from Dockers and postal workers, to teachers and health staff. 2 March saw one of the biggest mass mobilisations since the 1974 Portuguese revolution, with tens of thousands again taking to the streets on 25 May.

It was also the first of these general strikes to have been explicitly anti-government: at least from the point of view of the CGTP (the majority trade union federation), the strike was linked to the demand for the fall of the government and new elections. These struggles and mobilisations are increasingly characterised by a crushing consensus that the target of the working class’ counter-offensive, must go beyond any single attack on a given sector or industry. Portuguese workers and youth in struggle have their sights firmly set on doing away with the austerity regime as a whole, personified in the government, in its subordination to the Troika. This reflects a growing realisation that the battle against austerity and social decay is a political one; in the final analysis a question of government.

Thus, the anti-government character of the general strike, especially the CGTP’s stated goal of the bringing down of the government, is of quite some importance. A massive general strike, openly called to do away with a capitalist government is something unforeseen in the European context since the onset of the crisis, and represents the arrival in Europe of an element of the revolutionary fervour which has characterised the ‘Arab Spring’. However, much work remains to be done in order for the abstract stand of the CGTP in favour of the toppling of the government and Troika, to be reflected in a movement and concrete strategy capable of doing so.

**General strike leaves government teetering on the brink**

The role of such a general strike in provoking and accelerating the government’s crisis is obvious. Less than 48 hours later, Victor Gaspar, the hated Minister of Finance, seen as having directly implemented the government’s worst austerity packages, handed in his long-anticipated resignation, stating that he simply saw “no conditions” for the implementation of the measures demanded of the government. Clearly, some of these absent “conditions” are economic ones - evidenced by the continuing strangulation of the economy under the impact of austerity - but this does not tell the full story by any means. The conditions which make the stable rule of the likes of Gaspar and Passos Coelho impossible are the fundamental conditions that characterise capitalist society: ultimately you can’t please the ruling class without vexing the working class majority, upon which you technically depend to get elected to parliament/government. For this simple reason, governments which become almost universally hated and slowly approach electoral annihilation are increasingly wracked by divisions, desertions and splits. This feature, common to Portugal, Spain, Greece, Ireland and all countries at the epicentre of the crisis and resistance, fundamentally reflects the fear of those above before the inevitable rebellion from below. What better to hammer home this fear and accelerate this process than a general strike, of over 80% of the workforce? Such was the context of Gaspar’s resignation.

Then the floodgates opened. Paolo Portas, Foreign Minister and leader of the CDS presented his own resignation, following a lengthy cynical attempt to present himself as opposing “from within” the scale of the
government’s attacks on pensioners and the unemployed. This appeared to blow the coalition apart, and the 2 other CDS ministers in cabinet announced their intention to resign along with Portas. International banks were emitting communiqués to investors predicting the fall of the government within 48 hours! However, in the absence of a final blow from the workers’ movement, it has been allowed to re-stabilise itself, with Portas and the CDS re-entering government in exchange for more weight in the cabinet (Portas himself will be promoted to Vice-PM).

For a sustained, escalating movement to fight to the finish!
Before this panorama, a determined trade union leadership could have mobilised to successfully bring down the government by little more than lifting a finger. However, the absence of a fighting lead given by the leaders, such as the calling of an immediate general strike, occupations and mass demonstrations, the situation has begun to develop along a similar pattern to that which many activists in Portugal have become used to. Repeated and earth-shattering displays of anger and power by workers and youth - the 5 general strikes and unprecedented mass mobilisations on 12 March and 12 September 2012, etc - have almost invariably caused the government to wobble. But without continuity and escalation, the final push never comes and things are gradually allowed to re-stabilise. The following up of the 27 June general strike with a 48 hour strike, accompanied by mass mobilisations (as Socialismo Revolucionario - CWI in Portugal - suggested) would have represented the next step in a fight to the finish against this government, and in all likelihood would have led to its downfall. The CGTP leadership proposed and mobilised only for a small concentration (which would undoubtedly have been much bigger were it not for the strong heatwave) outside the Presidential Palace on Saturday, when the government had already all but patched together a new agreement. The fight for an alternative, combative strategy must now be stepped up throughout the workers and social movements.

However, it is also crucial to take the debate beyond the mere demand to bring down the government. The “Socialist Party” which currently leads in the polls is the party which signed the Troika’s “memorandum” in the first place, and is openly pledged to continuing to respect its commitments. In the last few days, its leader Seguro has emphasised the “responsible” (responsible towards capitalism, of course) character of the PS, which demands to lead the government in order to “better negotiate” a new - now universally accepted as inevitable - second bailout with the Troika. It is the duty of the left and leaders of the movements to make a crystal clear warning to the working class that a new PS government can offer no real hope of bettering the situation.

No to “national unity” government!
There is also much talk of a “palace solution”, based on an intervention by the President - Cavaco da Silva (from the PSD) - to set up a government of “national unity”. This morning (Thursday 11 July), Da Silva made a planned address on the political crisis, in which he was widely expected to merely rubber-stamp the “solution” of a cabinet re-shuffle proposed by the government parties. However, instead he gave an address which shocked the nation, and which must have shocked his own party’s leaders more than anyone! Implicitly rejecting the solution proposed by Coelho and Portas, he called for the formation of a grand coalition of the PSD, CDS and PS: of all the parties “committed to the Memorandum”. This has initially been ruled out by the leadership of the PS, not because of opposition to governing with the right, but because of a desire to enter into such a government on a strengthened basis as the biggest party following new elections. However, the PS leaders cannot be trusted any further than they can be thrown, and the formation in the short term of
such a coalition cannot be ruled out. It seems that, under the pressure of events, and the fear of new elections and the instability they would bring, this - or some other “technocratic” option - has become the preferred option of Portuguese capitalism and the Troika, which has long emphasised the need to implicate the PS in government. Things will become clearer in the coming days, when negotiations take place between the President and the parties, with a key role reserved for some as yet unknown “figure of recognised prestige”.

Such an outcome, rather than representing an improvement, would represent a conscious preparation by the crisis-ridden ruling class get together and fortify its defences for a massive attack on the working class, and virtual elimination of the welfare state. Indeed, in Da Silva’s declaration, the tasks of such a government in maintaining the austerity agenda were underlined.

Some lessons must be learned from the treacherous role played by Da Silva in the past few days. Principally, the conclusion must be drawn that in the struggle to bring down the coalition, those who placed all hopes in a Presidential intervention to call elections were sadly mistaken. While an intervention by the President of the Republic to sack the government and call new elections would not be unwelcome, our class can only truly rely on its own power and organisation in the struggle to bring down the coalition. False friends can prove even more dangerous than honest enemies. The solution to the political and social crisis plaguing Portuguese society lies not in the Presidential palace, but in the workplaces, universities, schools and working class communities.

Potential of the left and the fight for a workers’ government
Nothing less than the fall of the government, and the calling of new elections to allow for the opening up of a new political stage in the country’s history, can be accepted. Such elections would certainly see a consolidation of the rise in support for the Left parties and thus potentially put the workers and social movements in a stronger political position. Mass assemblies in workplaces, educational institutions and neighbourhoods and democratically elected and revocable committees of a united movement - involving activists from all the unions and left parties (and those yet to be organised) - could build and coordinate a mass campaign to ensure that elections take place, and to debate and decide on a strategy and programme for a struggle for an alternative government.

The key to the situation lies in the potential of the mass parties of the Left, the Left Bloc and Communist Party, who consistently enjoy over 20% in the polls. An united front of these parties, in unity with the unions and social movements could pose the question of fighting to do away with capitalist governments altogether and raise the horizon of a workers’ government capable of turning the situation around in the interests of the majority. For this to happen, the left must embrace revolutionary socialist policies as the only way to break from the death spiral of economic depression and deepening misery, which the rule of the Troika represents.

This implies a determined and organised struggle, across the Left and the movements, including within the ranks of the main parties, in favour of genuine unity in action and of a political programme which goes well beyond that which unfortunately dominates the mass Left parties at the present time. The policies defended by the Left Bloc and PCP leaders, for a “re-negotiation” of the national debt and interest rates, and for more “solidarity” from the European Central Bank simply do not correspond to either the profound and structural nature of the capitalist crisis, or to the blood-sucking bourgeois character of institutions like the ECB. Socialismo
Revolucionario (CWI in Portugal) struggles to popularise socialist policies, beginning from a rejection of all austerity and the repudiation of the debt, linked to the need to break the power of the markets and bring the banks and key sectors of the economy into public, democratic ownership. On this basis, a socialist plan to “rescue” the Portuguese economy and society, instead of the profits of big business, could be implemented. The struggle for a workers’ government to put in place such a plan, in union with the struggling working classes of Europe, in particular of the South, will put the question of a alternative Socialist federation in Europe on the order of the day.

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The story of inequality

Michael Roberts 16 July 2013

The 15th conference of the Association of Heterodox Economists took place last week. The keynote theme of this gathering of economists who are not of the mainstream was inequality. The world’s greatest economic expert on inequality of wealth and income is Tony Atkinson, or should I say, Sir Anthony Atkinson. Atkinson is senior research fellow at Nuffield College, Oxford and a distinguished econometrician.

Atkinson’s address was entitled “Where is inequality headed?”. Inequality is back on the economic agenda after being ignored for decades by mainstream economics. But official spokespeople and mainstream economists everywhere are now looking at the subject, after the financial crash and the revelation that the top 1% (bankers and top corporate executives) have been stacking up their ‘earnings’ while the 99% have been stuck with unmoving real incomes for years.

Atkinson was careful to define inequality for his purposes: namely inequality of income within a country, not inequality of wealth or income between countries.

In previous posts (https://thenextrecession.wordpress.com/2010/01/10/20/), I have referred to the groundbreaking work of Branko Milanovic from the World Bank who has shown that the biggest inequalities of income and wealth are engendered by the gaps between the rich and poorer countries rather than inequalities between rich and poor within a country. But Atkinson concentrates on inequalities within countries. Atkinson reckons that the best measure of inequality of income is between households, not individuals, and after tax and benefits have been distributed. This household disposable income includes not just earnings from work but also capital income (rent and interest and dividends).

On this measure, Atkinson has an interesting story to tell about the changes in inequality of incomes in the advanced capitalist economies. Using the gini coefficient, which measures average inequality across the spectrum of households, Atkinson finds that in the OECD economies there has been a rise of about 3% pts in the coefficient from about 28 to 31 since the 1980s, or a rise of about 10%. This confirms the evidence of the OECD that in a recent post (https://thenextrecession.wordpress.com/2013/05/17/inequality-theres-no-stopping-it/) I had previously referred to.
Adding to that OECD study, Atkinson pointed out that between 1911 and 1950, inequality of income actually declined slightly, reaching its most equal point (still pretty unequal) in the years immediately after WW2. But from the 1980s it rose sharply. Interestingly, the largest rise in inequality in the UK was in the 1980s during the Thatcher years, when the gini ratio rose a staggering 10% points, briefly exceeding the US by the early 1990s. The other shocker was the rise in inequality in social democratic Sweden, which now no longer has a more equal society, at least as measured by disposable household income. In contrast, inequality of income in France fell a little during the same period.

The latest data from the UK’s ONS confirm this story of rising inequality during the 1980s and then a levelling off in the 1990s onwards.
Atkinson then asked the question: why? What were the causes of the rise in household inequality of income in the advanced capitalist economies after the 1980s? The usual reason given by mainstream economics is that new technology and globalisation led to a rise in the demand for skilled workers over unskilled and so drove up their earnings relatively. This is the argument presented by Greg Mankiw recently in his defence of the top 1% of earners (https://thenextrecession.wordpress.com/2013/06/19/defending-the-indefensible/).

Atkinson dismissed this neoclassical apologia. The biggest rises in inequality took place before globalisation and the dot.com revolution got underway in the 1990s. Atkinson pinned down the causes to two. The first was the sharp fall in direct income tax for the top earners under neoliberal government policies from the 1980s onwards and the sharp rise in capital income (i.e. income generated from the ownership of capital rather than from the sale of labour power). The rising profit share in capitalist sector production that most OECD economies have generated since the 1980s was translated into higher dividends, interest and rent for the top 1-5% who generally own the means of production. In 2011, capital income constituted 60% of the top 10% earners’ income compared to just 32% in the 1980s.

Higher returns from capital have been coupled with lower taxes on capital and on the income earned by the top earners. The total effective tax rate is the total amount paid by households in both direct and indirect taxes as a percentage of their gross income. In the UK, the effective tax rate grew during the 1960s and 1970s from 28.4% in 1961 to a peak of 39.4% in 1983. But from then on, under Thatcher, Major and New Labour, the trend has been downward, reaching a low of 32.8% in 2009/10, before increasing slightly over the last two years to 34.6%.
As a result, even though the rich pay more in tax than the poor because they earn more, the bottom 20% of households now pay more in tax as a percentage of income (36.6%) than the top 20% in the UK (35.5%)!
Effects of taxes and benefits on household income 2011/12

**Household income before taxes and benefits**

- Poorest: £5,400
- Richest: £78,300
- 14 times larger

**Household income after all taxes and benefits**

- Poorest: £15,800
- Richest: £57,300
- 4 times larger

Change in equivalised disposable income since the start of the economic downturn (2007/08)

- 6.9% increase
- 6.8% decrease

Cash Benefits Received 2011/12

- Poorest: £7,400
- Richest: £2,500

Tax Paid 2011/12

- Poorest: £19,900
Athletes Respond to Trayvon Martin Verdict
Dave Zirin 15 July 2013

In February 2012, the stalking and murder of Trayvon Martin affected pro athletes—particularly African-American athletes—in a way that perhaps can be best described as intimate. Players like Carmelo Anthony saw the case far more clearly than George Zimmerman’s prosecutor: it was a racist murder and Trayvon, condemned to death for Living While Black, could have been them or their children. As Miami Heat star Dwyane Wade said at the time, “This situation hit home for me because last Christmas, all my oldest son wanted as a gift was hoodies. So when I heard about this a week ago, I thought of my sons. I’m speaking up because I feel it’s necessary that we get past the stereotype of young, black men and especially with our youth.” The entire Heat franchise, led by LeBron James, then famously posed with their hoodies up, in a photo that deserves to stand the test of time.

Now, in the aftermath of the shock/gutpunch/depressingly expected verdict that set Trayvon’s killer, George Zimmerman, free and reunited with his gun, athletes are again speaking out. Before I report on what they have been saying, a quick word on why this matters. Millions of people—in particular, millions of young white men—follow these guys on Twitter. Many exist in their own bubble where either Trayvon Martin doesn’t register at all, or if he does, it’s as someone who deserved to die. Maybe just maybe some of these comments by the people they cheer but rarely hear punctured their bubble.

First, there was Dwyane Wade, in the immediate aftermath writing, “Wow!!! Stunned!!! Saddened as a father!!! Some1 make sense of this verdict for me right now please!!! Don’t worry I’ll wait…”

Others, in a similar vein, took to Twitter to post their shock. This includes those such as NBA stars Chris Paul and Stephen Curry who said, “Watched a lot of the case…though[t] manslaughter was a definite! Thinking about everyone involved especially the Martin family”

Some reacted with a rage many of us also feel in our hearts today. Their words will undoubtedly earn them calls from team management. Atlanta Falcons wide receiver Roddy White wrote, “All them jurors should go home tonight and kill themselves for letting a grown man get away with killing a kid.”

Giants wide receiver Victor Cruz tweeted and quickly deleted, “Zimmerman doesn’t last a year til the hood catches up to him.”

And James Harrison, longtime fearsome defensive end of the Pittsburgh Steelers and now a Cincinnati Bengal wrote, “Think I’ll go pick a fight and get my ass kicked then pull my gun and kill somebody and see if I can get away.”

Eagles quarterback Michael Vick, and the two-year sentence in Leavenworth he received for animal abuse was on a lot of minds as well. Stevie Johnson of the Bills tweeted, “Living in a world where you fight dogs; you could lose everything (Mike Vick)… If you kill a black man you’re not guilty! #INJusticeSystem.”
There were many others: some preaching calm, others disgust, others fury. But interestingly, even though there are a lot of right-wing athletes, I couldn’t find evidence of the horrific gloating seen in the darkest recesses of social media, not to mention Zimmerman’s defense attorney following the verdict. That speaks, in my mind, to the fact that even the most right-wing, white-survivalist, gun-loving player shares a more integrated existence in the locker room than many do in their daily lives. Once you see someone as a human being and not as an avatar of a predator, it’s damn hard to accept the word of this jury that they are disposable.

Perhaps the final word should go to what has been the most tweeted athlete comment, at least in my circles. It was Oklahoma City Thunder center Kendrick Perkins who tweeted simply, “America justice system is a joke.” It is a joke. And if you know Kendrick Perkins, you know he’s not smiling. It’s marching time, people. No justice, no peace.

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Hydropower politics

The struggle for control of the world’s longest river
Elissa Jobson First Published in Pambazuka 13 July 2013

The controversy is about the Nile’s governance. Ethiopia adheres to the Harmon Doctrine, which holds that a country has absolute sovereignty over the water that flows through its territory. But Egypt clings to its historical usage rights.

Strong emotions rise to the surface when discussions turn to the Nile, the world’s longest river. Most debate swirls around control of its basin which is shared by 11 African nations. Politicians and others have pondered the chances of a war over its life-giving waters: slim but increasing given the escalating tensions over Ethiopia’s plan to build a massive hydropower dam on the river.

“For Egypt the Nile equals life,” affirms Mohamed Edrees, Egypt’s ambassador to Ethiopia. “It is almost the only source of water for Egypt and that means that it is the only source of life. So it’s obvious that this issue, for Egyptians, is of vital importance and of high sensitivity. It is an issue of existence.”

The Nile basin covers almost 10% of Africa’s landmass (3.1m km2) and supports over 200m people, more than half living below the poverty line and dependent on rainfed agriculture for their survival.

The twin pressures of energy and food security—through hydroelectric generation and irrigation schemes—are placing ever-greater demands on the Nile. In addition, land degradation, rising temperatures and possible changes in rainfall patterns, as a result of climate change, are threatening to alter the river’s flow.

Egypt is implementing large new irrigation projects that will draw additional water from the Nile. It is especially anxious about increased usage by the other ten Nile basin states south of its border: Burundi, the Democratic Republic of Congo (DRC), Ethiopia, Eritrea, Kenya, Rwanda, South Sudan, Sudan, Tanzania and Uganda.
The Grand Ethiopian Renaissance Dam, a massive hydroelectric installation 40km east of Sudan, is one of the new projects worrying the downstream nations of Egypt and Sudan. Standing at 145m high and 1,800m long with a reservoir holding 63 billion cubic metres of water, this dam will be one of Africa's largest. It has the potential to generate 6,000 megawatts of electricity—three times Ethiopia’s existing capacity—and is expected to turn the country into a regional power hub.

Hostility has been building since Ethiopia diverted the course of the river on May 28th to begin vital civil engineering work. Although Egypt’s former President Mohammed Morsi emphasised that he was not “calling for war”, he said, “Egypt’s water security cannot be violated at all,” and added that “all options are open,” according to a BBC report. A few days earlier, Egyptian politicians were unwittingly heard proposing military action over the dam on live TV. The Ethiopian government, for its part, says that the project will go ahead come what may.

The Nile has two main tributaries, the Blue Nile and the White Nile, named after their colour where they meet at Khartoum, Sudan’s capital. The Blue Nile, which rises in the Ethiopian highlands, is by far the greatest contributor to the river’s overall flow, supplying around 85% of the 84 billion cubic metres of water measured in Egypt’s Aswan dam.

Egypt’s main concern is disruption to the river’s flow and the detrimental impact this will have on agricultural irrigation, the waterway’s salinity, its navigability and the country’s power generation, according to a European engineer based in Addis Ababa, Ethiopia’s capital, who asked to remain anonymous.

The Nile’s flow into Egypt could be reduced by as much as 25% during the seven years it could take to fill the Renaissance dam’s reservoir, according to International Rivers, an environmental rights group. There is also unease about the seismic activity in the area near the dam.

“Both parties are exaggerating. Ethiopia puts its focus on the possible benefits—the management of siltation, cheap energy and the control of floods during periods of peak flow—while Egypt puts an accent on the negative,” he says. Experts from Egypt, Ethiopia and Sudan are expected to release research on the dam’s effect on the Nile’s flow in coming weeks.

The Renaissance dam’s construction began in April 2011 after the Arab spring uprising that destabilised and distracted Egypt. The debate boils down to a dispute over the Nile’s governance. Ethiopia adheres to the Harmon Doctrine, an international resources law that holds that a country has absolute sovereignty over the water that flows through its territory regardless of this impact on other riparian states. Egypt, on the other hand, clings to its historical usage rights and treaties that the majority of Nile basin nations never signed.

The River Nile rises in the Great Lakes in Central Africa and 11 countries share its basin. Though Egypt is at the mouth of this 6,700km watercourse, it is the principal consumer of the river’s water. For much of the 20th century it was the main beneficiary of a series of accords concluded under colonialism and in the immediate post-independence period. A treaty signed in 1959 that apportioned specific volumes of water for use annually by Egypt and Sudan (55.5 and 18.5 billion cubic metres respectively) but not the remaining riparian states, was until recently the main way of deciding control over the Nile.
Strong power asymmetries have given Egypt the edge over the upstream countries, according to Ana Cascão of the Stockholm International Water Institution, a policy group. Egypt surpasses the other riparian states in GDP, economic diversification and external political support, giving it an advantage in legal negotiations and a greater capacity to influence the regional and global political agenda. However, “the centres of power are definitely changing,” she adds.

During the late 1990s, the establishment of the Nile Basin Initiative, an intergovernmental organisation that fosters cooperation and promotes the river’s sustainable development, led to the drafting of the Cooperative Framework Agreement (CFA). “It defines the rights [of the riparian states], the protection of the environment, [the principles of] equitable utilisation and no harm—which means that Egypt would have its own position protected,” Ms Cascão says.

Six of the 11 Nile basin countries have signed the CFA (Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda). Newly-independent South Sudan has indicated that it will do the same. The treaty now has enough signatories to come into force as soon as it is ratified in the various parliaments—Ethiopia is not far off becoming the first to do so.

Unsurprisingly, Egypt and Sudan have refused to sign the CFA. They maintain that all Nile countries must recognise the 1959 treaty before any new agreements are implemented. The key stumbling block is deciding which principle takes precedence: equitable utilisation or no-harm, which obliges upstream countries to prevent significant harm to other basin states. The two factions have failed to reach a compromise.

While these countries tack and trim their political sails, Ms Cascão maintains that it is difficult to say who governs the Nile because so many people use it, especially farmers. No one knows how much water is pumped out or diverted illegally, she explains.

Internationally-supported, multilateral political processes like the Nile Basin Initiative and the CFA are important, but everyday users of the Nile’s waters and national level officials will determine the river’s future protection.

Simon Langan, head of the International Water Management Institute, a nonprofit research group in Addis Ababa, believes that land management is key. “Quite often we talk about rivers or lakes but actually it’s the land—most rain falls on the land and then is routed into the river. And the biggest issue for the Nile is making sure that land-use management decisions are right,” he says.

In the catchment areas of the Blue Nile, for example, the fast-growing population living in the rugged, hilly landscape of the Ethiopia highlands is cutting down trees for firewood and cooking. No longer held in place by trees, the soil is eroding, impoverishing these agricultural fields and blocking up and reducing the efficiency of irrigation systems downstream.

The Ethiopian government has a sustainable land management project, which promotes soil water conservation such as planting trees and other practices that slow down erosion. This programme has been very effective in areas like Tigray in northern Ethiopia, Mr Langan says.

Mr Langan and Ms Cascão say they believe that there is enough water for everybody so long as it is managed effectively and efficiently. But this requires building trust and cooperation, locally, nationally and
Urgent need to detox pollution-hit South Durban

Patrick Bond  11 July 2013

A RENEWED burst of activity on the South Durban port and petrochemical front was witnessed at last week’s Transport Forum, where Transnet’s dig-out port project director Marc Descoins bragged about his team’s planning. “The fatal flaws analysis yielded many risks but no show-stoppers,” he said.

But Descoins apparently hasn’t factored in resident and labour opposition to the mega-project as it is currently conceived, its vast environmental implications, or rising disgust about construction-driven white elephantism.

There is also a backlash against the fatally flawed participation process.

Descoins reminds one of the similar bureaucratic overconfidence that in 2004 led former city manager Mike Sutcliffe to promote the South Durban Link Road proposal in Clairwood, and five years later a Warwick Junction shopping mall, to displace local small farmers and traders. platinum and coal more quickly to Richards Bay).

A bad omen is the nearly-complete Durban-Joburg oil pipeline, costing R25bn, more than three times its original estimate due to Transnet incompetence and what seems to be widespread construction industry collusion, including against several high-profile Durban projects - which the Competition Commission fined several firms R1.5bn for last month.

But the oil pipeline is in any case ridiculously expensive because - perhaps thanks simply to environmental racism - it diverged hundreds of kilometres from the traditional route west along the N3 highway (and its mostly-white suburbs) so as to move double the preexisting oil volume through (mostly-black) South Durban, Umbumbulu and other former KwaZulu bantustan areas. If there’s a spill there, after all, who cares.

Second, there’s the five-year dust cover under which the dig-out port’s construction will suffocate Merebank and southern Wentworth as winds blow from the south between 2015 and 2020.

These suburbs are already coated with regular oil-related sulfur and soot showers from Africa’s largest oil refining complex, as witnessed in their
world-leading asthma rates.

The South Durban Community Environmental Alliance, Wentworth Development Forum and Merebank Residents Association aren’t taking this lying down, vowing to halt the port expansion - as are Clairwood Residents and Ratepayers Association activists justifiably convinced that from the north, the harbour expansion creep will displace residents by the thousands from the culture-rich, 150-year-old Indian and African community.

Third, consider Descoins’s revelation that Transnet intends to privatise the vast port, which will leave the SA Transport and Allied Workers Union up in arms. When debating with SA Communist Party general secretary Blade Nzimande at the Chris Hani Institute in Joburg two weeks ago, I labelled the Pretoria government “neoliberal” and he correctly rebutted that until the Gauteng highway e-tolling fiasco, in which his party and the unions had blocked major privatisation projects.

They will have to redouble their efforts in South Durban.

Fourth is environmental opposition, not just from the very real concerns expressed by BirdLife SA, that since Durban has one of just three estuarine bays in South Africa, its “ecosystem services” value of goods and services is vast: as a heat sink and carbon sink, for biodiversity, as a fish nursery, for waste disposal, and for storm protection.

Moreover, the Bonn Convention’s protection for bird migration should make fly-away estuaries and wetlands like South Durban immune from more cementing. Yet in May, Public Enterprises Minister Malusi Gigaba dismissed these concerns as worry over “frogs and chameleons”.

The only concession to ecology that Descoins made in last Thursday’s presentation concerned the vast soil pollution that will reappear in the course of digging a 20 metre deep hole in the gap between the Umlazi and Isipingo rivers: “We have to look at contamination issues. Hydrocarbons have been pumped around this area for decades and we know there have been some leaks.”

Yes, and those leaks, plus constant South Durban flaring and consumption of the refineries’ oil, are also wrecking our climate. In turn that process is raising sea level to the point - probably in just a few decades - that the rehabbed port will simply not cope with storms and submersion. But that’s for another column.

In the meantime, a very different Strategic Investment Project would recognise the urgent need to detox South Durban and reboot the local economy towards more labour-intensive low-polluting industry, and add much more public transport, renewable energy, organic agriculture not reliant upon pesticides, a “zero-waste” philosophy and a new ethos of consumption.

The South Durban activists and the national Million Climate Jobs campaign who want society to adopt this approach, remain on a vision-collision course with the municipality, Transnet and its Chinese and Western financiers, the Treasury and Presidential Infrastructure Coordinating Commission.
Egypt is at war. More accurately, Egypt is experiencing yet another battle in its ongoing class war. The battle is so fierce because the primary combatants are the two most powerful social forces in Egypt, both factions of the capitalist class - the military as the state capitalist class and the Ikhwan (the Muslim Brotherhood) representing the competitive capitalist class.

The military's most recent explicit intervention into the political domain is assuredly not revolutionary. Nor is it cause for optimism. It is also not the ahistorical coup of liberal commentary. As a battle between two different kinds of property in Egypt, this is a further descent along the retrogressive trajectory set by the events of 25 January 2011. Egyptian politics are increasingly counter-revolutionary.

This battle marks the beginning of the fourth phase of the so-called Egyptian “revolution.” It is the new low point. The first phase was 25 January 2011 to 6 February 2011. This exceedingly brief period was revolutionary as the proletariat threatened the military's proprietorship of the Egyptian state. The second phase lasted from 6 February 2011 until 18 February 2011. During this period the radical potential of the proletariat was curtailed and the revolution reduced, to borrow Marx's phrase, to the bourgeois scale - witness the discursive shift in demands from “Bread, Freedom and Social Justice” to “the people demand the fall of the regime.” The Ikhwan's involvement reduced the revolution and, in turn, made it possible for the military to safely, and to its benefit, depose Mubarak. The third phase extended from 18 February until 1 July 2013. It was during this period that the material interests of the military and the Ikhwan colluded to further drive the proletariat from the political field. This, the fourth phase, was necessitated and made possible by the preceding phase. The collusion of the state and competitive capitalist classes was successful; so successful in fact, that the working class was immiserated and disempowered past even the point of 25 January 2011. The immiseration produced economic, and then political, grievances. The disempowerment meant the predominance of populist identities over class consciousness and cohesion. The state capitalist class seized on the grievances articulated from populist positions and protected its interests, at the expense of the interests of the competitive capitalist class, through blatant manipulation of nationalist ideology. Of course, all of this was interpenetrated with dominant interests in the global political economy.

Such a materialist reading of recent Egyptian politics gets away from superficial, asubstantive notions of “youth,” “deep state” and “Islamist” and offers a number of critical insights into the essence of the contemporary moment:

First, a contradiction lies at the heart of Ikhwan discourse, at the heart of all vulgar “analysis” of recent Egyptian politics in fact. The military’s actions in 2013 are the same as they were in 2011, and that is because they follow from the same motivation. Sisi's supposed recognition of the legitimacy of the protestors’ demands and ultimatum to Morsi on 1 July 2013 was essentially identical to Tantawi’s recognition and ultimatum to Mubarak on 31 January 2011. In both instances, the military protected its vast material interests by sacrificing the class wielding political power. Either 25 January 2011 was a revolution, and now so too are these political machinations, or 25 January 2011 was a coup, and now so too is this. It is
rhetorical drivel to contend that in 2011 the military helped execute a revolution, but now is committing a coup. It is the extension of this contradiction that produces such paradoxical realities as reactionary Islamists, and they are always reactionary, claiming to be revolutionary while supposedly progressive liberals desire a military coup.

Apologists rationalizing the military’s intervention on the grounds that this supposed revolution is a corrective for the last one have different problems. They clearly do not understand that militaries are reactionary, not revolutionary; and no national exceptionallism, real or imagined, changes that. State militaries never make revolutions. They only ever commit coups. The apologists also obviously fail to appreciate that when the “people” have to turn to the military to realize their politics, it is the military, and not the people, that is powerful. If the “people” truly had the power they claim and/or is ascribed to them, there would have been no need for military intervention.

Second, it was under the cover of the last two years of social peace and the contrived harmony of national interests that class warfare was waged against Egyptian working people. The military and the Ikhwan colluded in this struggle against the social force that originally birthed 25 January 2011. The battles in this phase were less fierce and ignored by the corporate collaborationist media because the contest was so one-sided - two factions of capital united against a dominated and increasingly policed and surveilled labour; because they were blunted by institutions - the Political Parties Law, drafted with the assistance of the Ikhwan, prohibited the formation of class-based parties and imposed prohibitive organizational and material hurdles on workers’ mobilization; and because the victors were clients of dominant power in the global order - ostensibly Qatari capital backing the Ikhwan and American capital backing the Egyptian military.

This exposes two additional contradictions. The Ikhwan is objecting to the military’s rifles dislodging its president when it was those same rifles that installed the Ikhwan as the junior partner in the governing coalition and allowed it to conduct elections and fashion its constitution. Now, it is only political that the Ikhwan tried to institutionalize its post-2011 political dominance. All social forces attempt to “lock in,” as it were, power relations at their moment of victory. But what did it expect?; that after using its rifles against one social force the military would mothball them and not use them again against another, even more powerful social force? In not demolishing the state, but instead agreeing to turn its apparatuses against other interests in society, the Ikhwan ensured that it could be disempowered by the very rifles by which it had been empowered. Those cheering in sheeplike fashion the military’s intervention would do well to remember this for next time.

At the moment the collusion between the different forms of property in Egypt is ended and they come to blows, working people are too weak to successfully contest it as a tripartite struggle. In state capital’s moment of relative weakness, if only due to its battle with another capitalist faction, labor is even weaker. The peace between the capitalist factions was broken precisely because the dominant class did not have to worry about another productive force successfully engaging it. The tragedy of this moment is that labor cannot exploit the irreconcilability of some capitalist interests. It shows just how much more work, particularly ideological labor, the working class has to do.

Third, power in the global order is permitting this counter-revolutionary intervention because the form of state the Ikhwan was constituting was
not permissible to the order. This was not because of the group’s religious ideology. The global order tolerates theocracies, see Israel and Saudi Arabia. It was not because of the group’s economic policies. The Ikhwan is neoliberal; they, like Republicans and Tories, are market fundamentalists. The Ikhwan is being marginalized because it was not reforming the state along neoliberal lines fast enough. Because of the group’s material interests in the Egyptian political economy it was slow to accept the conditionalities of the long-negotiated International Monetary Fund loan. Global capital wanted access to Egyptian labor and resources and when financial coercion in the form of a capital strike proved unsuccessful, military coercion was exerted by an American client mechanism in the country. In a move that evidences that the global order wants a different form of Egyptian state faster, Mohammed ElBaradei, a former functionary of that very order, is now the anointed representative of acceptable change.

This intervention, too, will have contradictory consequences. Most notably, the military’s retrogressive maneuver now will result in a further neoliberalization of the Egyptian political economy in the longer term which will, as it has done in the past, threaten the military’s material interests.

It is imperative to ignore American and European diplomatic hand-wringing and recognize that the Egyptian military’s counter-revolutionary measures are very much in keeping with the practices of dominant power in the regional and global order. Politicization and mobilization of the citizenry, of any kind, makes other reactionary states in the region nervous. This is precisely why the kings of Saudi Arabia and the United Arab Emirates have already sent messages of congratulations to the military’s new president (anything lauded by Saudi Arabia is never revolutionary). The US, too, needed this disciplined. The last thing its ruling financial oligarchy wants is people getting it in their heads that a node in the global network of accumulation, particularly a subservient one, can be challenged or worse yet changed from within, regardless of its orientation.

Ultimately, the events of early July 2013 have moved Egyptians further away from revolutionary emancipation. As the counter-revolution of 25 January did, so too will these events erode the limited liberal concessions won through previous struggles within the Egyptian polity; just as the workers’ and farmers’ quotas were written out of the constitution and women’s rights laws overturned in the third phase, already in the fourth phase segments of the media are being quashed. Given extant material circumstances, specifically the political economy’s ongoing dependent location in the global structure of accumulation, little better history could have been made. It is profoundly unfortunate, because Egyptians deserve so much better, but today’s euphoria will be tomorrow’s regret.

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ANC fragmentation

William Gumede First published in Pambazuka 10 July 2013
The ANC is starting to fragment on the back of the governing party’s inability to reduce poverty, deliver jobs and effective public services. The party will continue to fragment as it remains divided and is unlikely to secure a two-thirds majority of votes as it has done in the past.

The almost irreversible fragmentation of the ANC, Africa’s oldest liberation movement, has begun. It does appear the ANC does not have the quality leadership at the head of the party, neither does it appear open enough to bring in fresh leadership and ideas, or is it willing to genuinely introspect, to be able to reverse the decline.

The ANC, the party of liberation, is starting to fragment on the back of the governing party’s inability to reduce poverty, delivery jobs and effective public services.

The ANC may have reached its electoral peak. In future, the ANC may never again secure the two-thirds majorities it grabbed in previous national elections.

ANC TO FURTHER SPLINTER?
South Africa is entering the 20-year post-liberation mark when many African liberation governments turned governments, who fail to deliver adequately on promises, either break-up, splinter or fragment when members and supporters leave it for new parties.

Traditionally, it has been assumed that a break in the ANC - when it occurs, will assume a ‘big bang’ dimension. In such a ‘big bang’ scenario, it was assumed that the ANC will break into Left and centrists’ factions, with the ‘Left’, the Congress of SA Trade Unions (Cosatu) and/or the South African Communist Party (SACP), going their own way, while the centrists, including the African nationalists and black business, in alliance with populists and Africanists groupings remain as the rump of the ‘ANC.’

MODELS OF FRAGMENTATION
However, it is more likely that the model for the fragmentation of the ANC will be the fragmentation of South Africa’s largest trade union, the National Union of Mineworkers (NUM), where disillusioned members splintered into the AMCU (Association of Mineworkers Construction Union), and into other smaller unions. The rate of smaller groups breaking from the ANC is now likely to occur at a higher rate.

Recently Julius Malema, the expelled former President of the ANC Youth League announced he will form a political party, the Economic Freedom Fighters (EFF). In April, some MK Veterans formed a new party, South Africa First. In 2011, some members of the SACP in the North West province, broke away and formed their own communist party, the Lebaleng Communist Party.

Ahead of the 2011 local government elections, scores of disgruntled ANC-SACP-Cosatu members stood as independent candidates, or formed new parties at municipal level. These former ANC members’ turned independents and their new parties may form the nuclei of future new national parties.

Although Agang, launched on Saturday by former Black Consciousness leader, Mamphele Ramphelé, is not strictly a break-away from the ANC, many disgruntled ANC members have joined.

Smaller Leftwing parties, outside the mainstream ANC Left, may also emerge to recruit disillusioned leftwing members of the ANC alliance. An
The formation of the Workers’ and Socialist Party (WASP), which claims to have made political inroads among disgruntled communities in SA’s mining areas, following the Lonmin Marikana mine massacre.

**ORIGINS OF THE FRAGMENTATION OF THE ANC**

The break-away of the Congress of the People (COPE) from the ANC in 2008 in protest against the election of Jacob Zuma as ANC President started the fragmentation of the ANC. Although Cope have plunged into chaos after infighting between its two leaders Mosioua Lekota and Mbhazima Shilowa, the formation of COPE broke an important invisible wall: it made it acceptable for ANC members to seek a political life outside the ANC.

Although the ANC choreographed unity after the re-election of Jacob Zuma as ANC president at the ANC’s December 2012 Mangaung national conference, the ANC is perhaps as at its most divided since 1994. The president may have won the leadership of the ANC’s 4000 electoral college consisting of the leaders of branches, structures and affiliates of the ANC, he may have lost the vote of the broader membership and support base of the party.

The final ANC national executive committee elected at the ANC Mangaung had no members from the 5 provincial branches who either directly opposed the president or almost equally divided between those opposing him and those supporting him - a historical first for the party.

Not only may these provincial branches distance themselves from key decisions of President Zuma, they may oppose the implementation of such decisions.

**THOSE OUT IN THE COLD**

For another, there are an unprecedented large number of senior ANC figures, who all had presidential or deputy presidential ambitions, who have opposed Zuma’s re-election and who are now out in the cold. They include Tokyo Sexwale (housing settlements minister), Mathews Phosa (former ANC Treasurer), Fikile Mbalula (Sports Minister), and Kgalema Motlanthe (Deputy President), and Zwelinzima Vavi, the Cosatu general secretary, and Julius Malema, the now expelled ANC Youth League leader.

When the Congress of People (COPE) broke away from the ANC in 2008, there were only two prominent ANC leaders, Mosiuoa Lekota (the ANC former National Chairperson) and Sam Shilowa (the former Premier of Gauteng Province).

ANC leaders, including Zuma appear to have accepted that the party has lost large numbers of the black middle class, hence party leaders continual attacks on the suspect ‘loyalty’ of the black middle class.

For the first time, there are powerful individuals and constituencies within the ANC who feel they are marginalized. Clearly, if all the disgruntled and purged leaders and constituencies band together they could create an unprecedentedly powerful opposition (more powerful than COPE at its peak) whether within or outside the ANC, hitherto not yet seen. Even if these groups do not form a formal opposition, they may at best be very lukewarm to campaign for the ANC in the 2014 national elections - which may undermine the party’s electoral performance.

The tipping point have been reached where the gap between the ANC leadership and the daily grind of ordinary members may have now become
such a wide gulf that many ANC members who may have deep affinity with the party may now not be able anymore to identify themselves with both the leaders and the party.

A toxic combination of factors led to the splintering of the NUM. The social gap - between the leaders of the (NUM and ordinary members became so large that the ordinary miners could not identify with their leaders and trade union anymore and therefore sought new leaders and established a new organization.

President Jacob Zuma’s questionable friendships and personal behavior, and invisible leadership - and the un-ANC behavior of many of the ANC’s leadership, is making it easier for members, supports and voters to leave the party.

The Congress of SA Trade Unions may fracture over disputes over the trade union federation’s support for Zuma. A fracturing of Cosatu may bring additional trade union-based breakaway parties from the ANC.

South Africa is entering a period of realignment of politics where the ANC’s majority is likely going to be dramatically reduced, and where we are going to see a number of smaller breakaway parties emerge from within the ANC - from the Left, centre and populist wings; break-aways from the opposition parties; and entirely new parties from both the Left and centre of SA’s politics.

William Gumede is author of ‘Restless Nation: Making Sense of Troubled Times' (Tafelberg). This opinion first appeared in ‘The Sowetan,’ Johannesburg.

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US Economy In A Deep Hole

Upbeat June Jobs Report Still Leaves US Economy In A Deep Hole
Dean Baker 10 July 2013

The 195,000 new jobs reported for June was somewhat better than most economists had expected. The job gains, together with upward revisions to the prior two months' data, raised average growth for the last three months to 196,000. While this may lead some to be dancing in the streets, those who actually care about the economy may want to hold off.

First, it is important to remember the size of the hole the economy is in. We are down roughly 8.5 million jobs from our trend growth path. We also need close to 100,000 jobs a month to keep pace with the underlying growth rate of the labor market. This means that even with the relatively good growth of the last few months, we were only closing the gap at the rate of 96,000 a month. At this pace, it will take up more than seven years to fill the jobs gap.
It is easy to miss the size of the jobs gap since the current 7.6% unemployment rate doesn't seem that high. However, the main reason that the unemployment rate has fallen from its peak of 10% in the fall of 2009 is that millions of people have dropped out of the labor force and stopped looking for jobs. These people are no longer counted as being unemployed.

If we look at the employment to population ratio – the percentage of people who have jobs - this has risen just 0.5 percentage points from the low-point of the downturn. It is still down by more than 4.0 percentage points from its pre-recession level, and by 6.0 full percentage points from the peak hit in the boom of 2000.

After severe downturns in the 1970s and 1980s, we had months in which the economy created over 400,000 jobs. And this was in a labor market that was more than one-third smaller. That is the sort of job growth that we should be seeing after a recession like the one we saw in 2008-2009. Unfortunately, such growth is nowhere in sight.

Of course, the weakness of the job market is not a surprise. The economy has been growing at less than a 2% annual rate for the last three years. In this context, it is surprising that we are seeing job growth of even 100,000 a month. Most analysts put the economy's trend rate of growth in the range of 2.2-2.5%. This means that the economy has to grow at this pace just to keep the unemployment rate from rising.

The reason that we have been able to able to achieve above-trend growth in employment in an economy growing much slower than its trend path is that the rate of productivity growth has fallen through the floor. Productivity growth has averaged less than 1% in the last three years, as opposed to 2.5% in the decade preceding the downturn.

This gets to the type of jobs that have been created in the upturn. Over the last three months, three sectors - restaurants, retail trade, and temporary help - have accounted for more than half of the jobs created. These sectors offer the lowest-paying jobs, with few benefits and little job security.

The fact that these sectors are growing rapidly speaks to the state of the job market. These sectors always generate lots of jobs, but in a good economy, no one will take them. Workers take these jobs when there are no better alternatives available.

The poor quality of jobs shows up in the wage data. The most recent data did show an uptick in the average hourly wage, which has been rising at a nominal rate of 2.1% over the last three months. This is somewhat better than the rate of inflation, which is around 1.5%. But a closer inspection of the data shows that the uptick was all among supervisory workers, who saw nominal age growth at a 3.0% annual rate over the last three months, compared to just 1.7% for production and non-supervisory workers.

In short, the June jobs data falls into the “it could have been worse” category - which is fast becoming the official slogan of the recovery. We are seeing an economy that is likely to be well below its potential level of output for more than a decade. This means that tens of millions of people will needlessly be unemployed or underemployed.

Furthermore, high levels of unemployment will put downward pressure on the wages of most of the workforce. This means that businesses and higher-end workers will continue to see the bulk of the gains of economic growth.
This would be a bad situation in any case, but it is made worse by the fact that it is 100% preventable. We know how to make the economy grow more rapidly and generate jobs. But politicians are using old superstitions and deliberate lies to scare people aware from the sort of fiscal stimulus that would get the economy back on track.

They will try to pass off the June numbers as good news. They deserve our contempt.

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Brazil’s Left Is Eager to Lead the “Swarm”

Fabiana Frayssinet  9 July 2013

The street marches in Brazil, initially non-party-political, have begun to take on the hues of leftwing political and social groupings, which are now trying to set the course of the movement that emerged from online social networks.

Augusto de Franco, founder of Escola de Redes, a research group devoted to netweaving, said the movement that originated in large cities like São Paulo and Rio de Janeiro was driven like a “swarm of bees, a manifestation of interactions that could only occur in highly connected societies,” like what has happened in Madrid and other Spanish cities, or in Tahrir Square in Egypt.

The demonstrations were triggered by one specific issue, a hike in public transport fares. But they have grown into the largest protests in the country since 1992, when demonstrations led to the resignation of then president Fernando Collor de Melo.

This time the protests began with 5,000 young people and swelled to 1.5 million in 10 days. And they are innovative in nature, according to Franco.

“They were not centrally organised, they had no formal leadership (although several short-term leaders emerged). They were not masses convened by centralised organisations, but multitudes of people that formed constellations,” he told IPS.

The swarm, without a queen bee, is now in the middle of an “ideological tug-of-war,” according to João Pedro Stédile, leader of the Landless Rural Workers’ Movement (MST - Movimento dos Trabalhadores Rurais Sem Terra) which is now joining the protests.

“Since young people do not have a mass organisation, the social classes have begun an ideological debate. They dispute the young people’s ideas in order to influence them,” Stédile said in an interview with IPS.

“On the one hand is the bourgeoisie that used Globo (Brazil’s largest broadcaster) and other media outlets to put the right’s demands in the mouths of young people and on their placards. On the other hand is the left and the working class, that are trying to get on to the streets to push their own agendas,” he said.

In Stédile’s view, the protests broke out because of an urban crisis resulting from the current stage of “financial capitalism.”
He listed factors like property speculation, which has raised rents and real estate prices by 150 percent over the last three years, and stimulation of automobile sales, which has led to “chaotic” traffic, without effective parallel investments in public transport.

“Young people are not apolitical. They are doing politics in the best way possible, in the streets. But they are not linked to political parties. They do not reject the ideology of the parties, but their methods,” Stédile said.

Sociologist Emir Sader offered other explanations, like utopian ideals, rebelliousness and “healthy disrespect for authority” that he said were characteristic of young people.

Meanwhile teenage demonstrator Rafael Farias told IPS young people have “warmth and intuition, and they heard the call.”

“We are young and we want to be noticed,” said Farias. And their voices were heard by the executive, legislative and judicial branches, which have already come up with some short-term solutions, such as lowering transport fares, creating anti-corruption mechanisms, devoting more resources to health and education and debating a much-postponed political reform.

But the voices of the young have also reached the ears of social organisations and the wide spectrum of leftwing parties, including the governing Workers’ Party (PT) of President Dilma Rousseff. Another PT leader, former president Luiz Inácio Lula da Silva (2003-2011), himself urged it to join the protests.

According to Lula, the right must be prevented from “appropriating” the movement and “pushing” the government to the left in order to “deepen the changes.”

Stédile said “It is not about putting slogans into the mouths of young people. They have their own, and the simple fact of taking to the streets and showing their anger is a political contribution for the whole of society.”

“The problem is how to mobilise the working class, because when it gets going it can achieve structural changes and strike at the interests of capital and the mass media,” he said.

The strategy has already shown results in the most recent demonstrations, which have had more diverse demands and participants, including trade unions and movements for the rights of women, gays, peasants and indigenous people.

“We are trying to mobilise the working class and include issues that are of interest to workers and all Brazilian people,” the MST leader said.

In addition to increased public spending on healthcare and education, they are calling for a 40-hour work week and heavier taxes for the rich and a lighter tax burden on the poor, and for elections campaigns to be fully funded by public financing.

And demands of a less urban nature are being raised, such as speeding up the demarcation of indigenous territories and land reform.

Social movements have different issues on their agendas, such as
suspension of mining concessions and oil block auctions.

“In my opinion, the uprising has a social and economic basis,” Stédile said. “Instead of giving the young people political direction, it is necessary to put the working class in motion, in other words, to get poor people and workers also out on the streets. That is the challenge.”

These sectors must regain the representational space on the streets that they lost over the last decade of government by a party led by a trade union leader like Lula, with his long track record and high prestige, with whom they identified but from whom they became gradually distanced.

“The left in general became bureaucratic in its methods, although leftwing groups of young people in many cities were quite influential and were responsible for organising the protests,” Stédile said.

Sader, a PT activist, said “the left has to fight for the leadership and direction of this movement with a clearly popular and democratic orientation.”

This is a well-known strategy in Latin American history, which some analysts doubt is effective, while others support it.

“This movement has an increasingly plural agenda. People are crying ‘enough!’ Although specific political groups are trying to capitalise on the movement, its outcome has yet to be seen,” historian Marcelo Carreiro told IPS.

For his part, economist Adhemar Mineiro said: “The government would do well to depart from the tracks to which it returned with the old discourse of adjustment and competitiveness, and address the masses on the streets to discuss a new development model.”

Trade unions’ and social organisations’ ability to call people out on the streets will be seen on Jul. 11, when they have convened a national day of protests and strikes.

“We are aware that the media and conservative and rightwing sectors are attempting to influence the mobilisations with goals that are opposed to the interests of the majority of the Brazilian people,” said the Central Única dos Trabalhadores (CUT) central trade union, one of the 77 organisations behind the Jul. 11 strike.

That is why “the organised participation of the working class is vitally important in this new scenario, to ensure a positive outcome for this situation,” it said.

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**Indonesia: Draconian austerity amidst impressive economic growth**

Ted Sprague 8 July 2013

In this period of world economic crisis, Indonesia has been hailed as a miracle economy, registering a solid 6% annual growth for the past few years amid a sputtering world economy. However, despite this impressive growth, Indonesia cannot escape from the clutches of austerity that is gripping the whole world.
On June 21st, the government massively cut fuel subsidies and increased the price of petrol by 44%, from 4,500 rupiah ($0.46) a litre, to 6,500 rupiah; and the price of diesel by 22%, from 4,500 rupiah to 5,500 rupiah.

Tens of thousands of workers and youth across Indonesia demonstrated against the government’s plan to increase the fuel price. On June 17th, thousands of workers from various trade unions and students gathered in front of the parliament building where their “representatives” discussed and later passed the budget. At night, when the number of protesters had dwindled, the police started firing tear gas to break up the crowd. In other cities where the demonstrations were smaller, protesters - mostly young students - were met with harsher brutality.

The workers made their last ditch effort to block this increase on June 21st by blocking the main intersection of Bekasi industrial zone. Tens of thousands of workers downed their tools and gathered at the intersection. The workers of the Bekasi industrial zone - one of the most important industrial areas in Indonesia that is responsible for 70% of non-oil-and-gas export production - have been the vanguard of the wider workers’ movement for the past few years. It was these workers who led the 2012 October General Strike and the impressive half-a-million strong May Day movement this year. Scores of victories have been won in the past one year, but most importantly it has strengthened the class confidence of millions of workers in Indonesia.

However, the workers’ mobilization came short of achieving its goal. Many leaders from the main trade unions around MPBI (The Council of Indonesian Workers) were not putting in a serious effort to mobilize for wider national demonstrations and strikes. Instead these leaders seem to want to postpone the struggle to the planned general strike on August 16th. Suffice to say, the workers suffered their first major defeat after a year-long wave of strikes and mobilizations. The reformist and bureaucratic elements within MPBI have now started to put a hold on the movement.

An evaluation
After the dust has settled, it is time for us to look back in order to evaluate the recent movement against the fuel price increase. Emotional feelings, let alone disillusionment and demoralization due to the failure to stop the fuel price increase, cannot be an obstacle for us to see clearly what we can learn from this struggle. Retreating orderly after being beaten back, in which one of the main components is evaluation, is one of the most important prerequisites for a future offensive.

The fuel price increase in Indonesia is part of the capitalist austerity which is now being implemented all over the world. The capitalist crisis that exploded in 2007 has not subsided. On the contrary, it is getting deeper. For the capitalists, there is no other way out except forcing the workers to pay for this crisis. Capitalism can only climb out of this crisis by stepping on the backs of the workers until they are crushed. This means cutting social expenditure - which makes up part of workers’ real wages - and attacking past gains that have been won by the workers.

All over the world capitalist governments are cutting various forms of subsidies for the workers, which they go about at a different pace according to the depth of the crisis in the economy and the political situation in each of country. Nevertheless, the tendency is clear. We are entering into a period of austerity. Not one government in the world can free itself from the logic of capitalist economy.
Even in Brazil with the Workers’ Party in power, the government was forced to increase transportation fees, which sparked million-strong demonstrations across the nation. In Venezuela earlier this year Chavez was forced to devalue the Bolivar, which caused price increases on basic products. The Venezuelan economy – despite the revolutionary measures that have lifted millions of Venezuelans from poverty – still operates within capitalism because this revolution has yet to settle the question of the ownership of the means of productions. Even if the Venezuelan Revolution finally succeeds in nationalizing the whole economy and runs it under democratic plan, a Socialist Venezuela will still be under the pressure of capitalism because it will exist in the middle of a world capitalist economy.

The reason why Indonesia has been able to register impressive growth in this period of world crisis is not because Indonesian capitalists are better than their European counterparts whose economy is now sputtering, nor because of the brilliance of Indonesian officials. The world crisis, paradoxically, is the reason why the Indonesian economy can grow by 5-6%.

In almost all the advanced capitalist countries, economic stagnation means that large profits cannot be made by investing in these countries. In Canada, big corporations are sitting on $500 billion of dead money that they don’t invest. Mark Carney, the governor of Bank of Canada, had to admonish these corporations for not investing and creating the much needed jobs. American corporations are stashing a massive cash reserve worth $5000 billion - that is five times the size of the Indonesian economy - which they are not using. Corporations around the world are doing exactly the same.

However, a small fraction of this capital is still looking for fertile investment fields that can bring them some handsome returns, and Indonesia is one of those fertile investment fields. Cheap labour, relatively weak trade unions, since most of them just came into being after the 1998 Reformation [Reformasi], economic and industrial infrastructure that is quite conducive to development; these are the few main reasons for the large inflow of foreign investments in the past few years. In 2009, foreign direct investment was $4.9 billion, and it nearly quadrupled in two years, rising to $18.9 billion in 2011. Last year it increased again to $23 billion. This is the locomotive behind the annual 6% growth for the past few years, an increasing foreign capital investment which also means increasing exploitation of the workers.

However, this economic growth cannot last forever. In the midst of the world crisis, there is a race to keep improving the investment climate because other countries like Vietnam, Cambodia, Bangladesh, etc., are also competing to attract investments. Each country is vying for capital which is getting harder to get by, racing to be more “competitive” by various means: squeezing workers’ wages, loosening labour and environmental laws, building industrial infrastructure at the expense of social programs.

This is the economic reason for cutting the fuel subsidy, to make room in the budget for building economic and industrial infrastructures that will ensure the capitalists, both domestic and foreign, more profits. The choice is between fuel subsidies (in the interests of the toiling masses) or infrastructure subsidies (in the interests of capitalists). This is what has been happening all over the world, cutting subsidies for the people in order to instead subsidize the capitalists in various forms: bailouts, lower corporate taxes, investment in economic and industrial infrastructures,
etc.

It is therefore incorrect to think that the fuel price increase is merely an errand for foreign oil companies. The cut in fuel subsidies is the logical consequence of a capitalist system which today is in crisis. It is part of the austerity period we are entering. It is even more incorrect to think that the fuel subsidy is being cut because the government is lying to the people, as if honesty on the part of the ruling elites could prevent the fuel price increase. Or, as some technocrats like to say, it is because the government cannot balance their books. From these technocrats we find all sorts of formulas to prove or disprove the necessity to increase the fuel price, as if the question of fuel subsidy can be solved by applying this or that formula.

What we are facing now is a struggle between labour and capital for surplus value, a struggle that has been going on for hundreds of years since the birth of capitalism. Fuel subsidies are part of workers’ wages, part of the surplus value. Cutting fuel subsidies is the same as cutting workers’ wages. It is the same as wrestling surplus value from the workers. In this period of capitalist crisis the struggle for the surplus value is becoming sharper as the capitalists can no longer afford concessions to the workers.

The workers move
The struggle to oppose the fuel price increase was clearly led by the workers. Educated middle classes, who were quite a political force in the 1998 Reformation movement, are nowhere to be seen today. Their youth (university students) were present in some of the demonstrations, but they were not well organized and not a significant force. The urban poor elements were scattered and amorphous, which is their natural character. The workers are the only force out there that is challenging the regime and their capitalist measures.

This tendency has been evident in the past one year, where the workers have been increasingly displaying their leadership in the wider movement. They were the ones who beat back the government’s attempt to increase the fuel price last year. With a 2-million-strong general strike, an increasingly militant wave of strikes, historically massive May Day actions in the past two years, the workers have become the centre of opposition against this capitalist regime. The expectation that the workers’ movement could once again beat back the government’s attempt to cut fuel subsidy was therefore very big.

However, the workers’ movement does not proceed in a straight line. Ebbs and flows are a natural part of it, and lately we have seen the workers’ movement ebbing. But this is not because the workers are not brave and courageous enough. This is a question of leadership. Mass radicalization of the workers - especially workers from the larger unions - is now clashing with their own leaders. It is a tendency today within the workers’ movement everywhere, that the more radical the masses of workers the more conservative their leaders tend to become. This could also happen in the so-called red trade unions.

Under the pressure from their rank-and-file members, reformist leaders from the main trade unions around MPBI have been mobilizing the masses in the millions. We witnessed the declaration of MPBI that unites 5 million workers, a wave of “sweeping” or “grebek pabrik” actions [“Sweeping” or “grebek pabrik” is a recent militant tactic often used by Indonesian workers, whereby they go from factory to factory to rally other workers to strike, often forcing the owners to open the factory gates and stop production], the half-a-million-strong May Day demonstration this year,
and the first general strike in decades that saw two million workers downing their tools.

However, after releasing this tremendous power of the working class, the reformist leaders and bureaucrats fear that they have released a revolutionary power over which they have no control. Thus it is not surprising that after the wave of strike action last year we are seeing these leaders trying to contain the workers. They isolate and expel trouble makers from their unions, those they accused of wrecking unity. Of course the “unity” they meant is unity under their authority. Inside these unions we are starting to see a polarization between elements that are more militant and elements which are more conservative.

We have to emphasize again that this is not a question of this or that character or personal qualities of these leaders. It is not whether these leaders are dedicated to their members or not, wise or not, courageous or cowardly. In the last analysis this is an ideological struggle between revolutionary ideas (Marxism) and reformism in the workers' movement. Hundreds of thousands of workers have moved and they are finding their own power. True to their instinct, they are moving toward revolutionary ideas and rattling the limits of reformism. They begin to demand wider, more militant and more revolutionary action. Those workers' leaders who do not have a revolutionary perspective and only think in terms of reforms within the limits of capitalism, react against this development of class consciousness amongst the workers and thus serve as its obstacle.

It is these reformist leaders who had weakened the fight against the fuel price increase. These reformist leaders become overtly cautious in mobilizing the workers, fearing that they would lose control like they almost did last year. The leaders only mobilized several thousands workers - at most ten thousand workers - for this fight, even though in the past they have threatened to organize strike action of 10 million workers should the fuel price increase. While thousands of workers from the red trade unions (KASBI, FPBI, GSBI, etc.) have shown their willingness, determination, and courage in fighting against this fuel price increase, but their force alone was just too small to win.

With the sharpening of class struggle between capital and labour, the clash between the radical-revolutionary elements and the conservative-reformist elements within the labour movement will become sharper as well. This is inevitable. The masses, who are becoming increasingly radical, will find themselves in a head-on collision with their own leaders.

What next?
The leaders of MPBI have promised the workers that they will organize a general strike on August 16th, demanding a 50% wage increase in response to the fuel price increase. The majority of the workers, still trusting their leaders, will look forward to this general strike. The pressure from below is beginning to build up for this general strike, especially after the MPBI unions were unable to stop the passing of a draconian law on mass organizations (UU Ormas), which was passed on July 2nd. Repealing this law will be one of the main demands of the planned general strike. While paying lip service to the national strike, the reformist leaders will do whatever they can to avoid it by striking bargains with the government. Only the pressure from the rank-and-file can ensure that the general strike will take place.

The workers had shown their courage and will to fight against the fuel price increase. They were the only organized opposition force against this austerity measure. Even though the fuel price still increased, the workers
have shown their leadership before the whole nation. This is one of the most important gains for the future, for the fulfilment of the historic task of the workers to lead the whole nation out of the capitalist dead end. This movement, although it failed in its immediate aim, has shown that only the working class can lead the Indonesian revolution. Any attempt to rely on other classes is therefore reactionary.

The wider masses may not have moved today, even though they are complaining bitterly as they line up at the gas station and as the prices of vegetables and meats increase. However, the wider toiling masses have seen on the news that the organized workers mounted the only resistance against the fuel price increase, and this will leave a mark on their consciousness. This important fact has to be made very clear to the workers, that every victory and even every defeat has to be used as a stepping stone toward the leadership of the proletariat in the revolutionary conquest of power.

Obama is Leading the World to Climate Hell

Helen Grant 5 August 2013

Dr. James Hansen’s latest dire warning is that we are on the verge of crossing the point of no return, triggering runaway global warming that would last for centuries, making much of the planet uninhabitable by humans. He asks, “Humanity stands at a fork in the road. As conventional oil and gas are depleted, will we move to carbon-free energy and efficiency - or to unconventional fossil fuels and coal?”

One of these unconventional fossil fuels currently experiencing a production boom, is tar sands extraction. Unlike conventional crude oil, tar sands diluted bitumen, aka dilbit, is highly toxic and corrosive yet paradoxically, it is exempt from being taxed for payments into the Oil Spill Liability Trust Fund. TransCanada, who is building the Keystone XL pipeline, is deceitfully describing it as simply a “crude oil” pipeline, without going into the details. And they are not alone. President Obama has also passed off the southern segment of Keystone XL, now 90% complete, as a pipeline simply transporting “oil”. In March 2012, even while standing in front of an ‘oil-friendly’ crowd in Cushing, Oklahoma, and chirping the expedited go-ahead of the pipeline’s southern portion, the President did not have the courage to utter “oil sands” let alone “tar sands”. Yet when tar sands dilbit spills, it is not simply crude oil, because no one knows how to clean it up. The EPA admitted that it’s next to impossible to clean up. Nonetheless, judging by the multitude of tar sands pipelines that are already sneaking and leaking into American soil without raising much of an eyebrow (excepting the northern leg of Keystone XL), it seems that the fate of humanity and our planet has been determined.

The longer we let our elected officials continue recklessly allowing or encouraging development of all fossil fuels, the slimmer our chances of regaining control of the climate change death spiral. Many heads are still buried in the sand, ignoring the dangers of human-made climate change and the extensive damage it has already inflicted on our planet. Yet it is already too late for half-solutions. By now, all top climate scientists and educators have stated that the only remaining solution is a drastic one. “We need a dramatic shift off carbon-based fuel: coal, oil and also gas... we need, at this point, a crash diet,” said Bill McKibben. Likewise,
according to Hansen, a rapid phase out of fossil fuel emissions is
paramount to limiting global warming to a maximum of not 2, but just 1
degree Celsius. Urgently needed is a wartime-like “worldwide mobilization
- to transform rapidly from our fossil fuel-reliant past and present to a
clean energy future,” says Robert Weissman. Viable zero-carbon plans are
already available in the USA, UK and Australia.

“The question is whether we will have the courage to act before it’s too
late.” Such are the recent words of President Obama, ever more striking,
considering that the world’s most powerful leader has not shown much of
this desperately needed courage in his actions on tackling climate change.
As Tom Weis pointed out, the President’s long-awaited ‘Climate Action
Plan’ promotes natural gas fraking, radioactive nuclear power and
mythical “clean coal”. Obama’s Georgetown speech on climate change was
more alarming than inspiring. As Dr. Jill Stein noted, “You can’t give your
child an ‘all of the above diet’ with toxic lead and arsenic, and think that
adding some spinach and blueberries is going to make it OK. Likewise,
reducing carbon pollution from coal does not make fraking, tar sands oil,
deep water and Arctic drilling OK. The climate is spiraling into runaway
warming. Obama’s promotion of cheap dirty fossil fuels makes coal
regulations just window dressing on a disastrous policy.” To those who
applauded the President’s ‘big’ climate speech, Kim Huynh of Tar Sands
Blockade summed up a poignant reminder: “After all, this is the same
President that fast-tracked the southern segment of the Keystone XL
pipeline to pump toxic tar sands through our homes.”

This is also the same President that has added enough new oil and gas
pipelines to circle the Earth, directed his administration to open up
millions of acres for gas and oil exploration across 23 different states,
quadrupled the number of operating rigs to a record high, launched a
catastrophic Arctic drilling strategy, secretly negotiated the harmful
Trans-Pacific Partnership, and proudly declared “As long as I’m President,
we’re going to keep on encouraging oil development and infrastructure.”
In light of the above, it is unfortunately not surprising that our ‘Drill, Baby,
Drill’ president and his administration have also turned a blind-eye to the
rapid expansion of tar sands mining and pipelining in the United States,
allowing repeat offenders, such as Enbridge, Exxon, BP, with the worst
crude oil and tar sands dilbit spills on their hands, to continue expanding
their operations.

To offset President Obama’s destructive energy policy, his ‘Climate Action
Plan’ relies heavily on carbon capture and storage technology, which in
reality, continues to be more of a dream that is not scientifically proven to
remove carbon from the atmosphere. In fact, as Steve Horn points out, “it
could be the next mega-disaster waiting to happen.” Moreover, when
taking into account the expanding presence of tar sands on American soil,
Obama’s unrealistic carbon capture plan is also a total hypocrisy. As Prof.
Don Fullerton notes, “a shortcut route to sequestering carbon deep
underground is to leave it there in the first place... Ultimately those tar
sands can stay in the ground.” But by now, we all know that Obama wants
to be thought of as the president who freed America from foreign oil. Yet
he will be remembered as the president who cooked the planet. He will be
remembered as the president who encouraged the expansion of tar sands
extraction, and this regardless of whether he ends up rejecting the
northern route of Keystone XL, because he has already lighted the fuse to
the ‘carbon-bomb’. A point confirmed by Mark Karlin, “What most US
citizens don’t know - including most progressives - is that when the
southern pipeline segment starts flowing with tar sands oil in a short while,
the fuse will have already ignited the bomb.” This is a fact, and an
inconvenient truth not only for President Obama and his political allies,
but for all of us.

Why wasn’t Obama stopped from fast-tracking the southern leg of Keystone XL? Why wasn’t his decision met with mass protests and mass civil disobedience? With all due respect, to every opponent of the Keystone XL, but also out of respect for victims of the pipeline’s southern leg, Obama guaranteeing a total rejection of the Keystone XL pipeline project, southern and northern portions, should have been a prerequisite for every Keystone XL opponent’s vote in the 2012 election. “Since when did we start giving presidents a pass on making tough decisions until after Election Day?” rightly asked Tom Weis. If you are not part of the solution, you are part of the problem. After all, as Dr. Jill Stein stressed, “It’s not the President’s legacy that’s at stake. It’s ours.”

Let’s not forget that our ‘people power’ efforts to improve our legacy are not limited to protesting and getting arrested. We can also express our power, and in a perfectly legal manner, by voting at the polls, thus forcing a change of the political landscape. Even President Obama has recently encouraged Americans to make climate change a must for their vote: “Remind everyone who represents you, at every level of government, that there is no contradiction between a sound environment and a strong economy - and that sheltering future generations against the ravages of climate change is a prerequisite for your vote.” What is truly and urgently needed though, is a “voters’ revolt”, an anti-two-party movement, according to Scott McLarty. The latest environmentalist to dive into the political intervention scene is Bill McKibben, “Anybody, at this point, who stands up for the fossil fuel industry and its desire to tap the tar sands doesn’t deserve to be called a political leader, and we’ll do our best to make sure that their careers are short,” he said. This is a thrilling statement, but it is disappointing that such a strong public declaration was not made before the 2012 election...

So here we are, once again confronted with President Obama’s climate hypocrisy. Despite his latest ‘promising’ comments on the fate of the Keystone XL permit, it still smells like a déjà-vu. Obama’s fast-track approval of the Keystone XL southern leg was, according to Michael Brune, a “dirty trick to build the pipeline piecemeal” that came just 5 weeks after the president got “extensive kudos from anti-Keystone advocates... for giving a temporary no to the northern route,” notes Timothy Lange. Skepticism is growing among the few who unwaveringly refuse to be duped, and unfortunately, rightly so. As Jacqueline Marcus says, “Given Obama’s deplorable record of increased oil drilling, it’s doubtful that he’ll reject [the Keystone XL northern segment].”

Ergo, we are being driven down the wrong route, which also happens to be a one-way dead end street. In other words, as Dr. Peter Carter says, “President Obama is leading America and the world to Climate Hell.” Even more distressing, is that climate change is one of today’s most pressing public issues, yet as Paul Engler explains, the percentage of people who believe that climate change poses a ‘serious threat’ has taken an alarming nosedive. He asks, “What do you do when an issue emerges as one of the most urgent matters of our time and, at the same instant, becomes firmly regarded as a political loser?” Environmentalists’ demands for action on climate change from politicians will not bring significant results if our numbers remain relatively clannish. Bill McKibben believes that we must build “a movement strong enough to transform the national mood” in our country, forcing the politicians to follow or “evolve”. President Obama seems to agree, declaring, “Political leaders will never take risks if the people do not push them to take some risks.” But such a movement needs constant momentum among participants and most importantly, must draw
in ever-wider support. Undoubtedly, still lacking, is the sense of urgency and awareness by the general public of the climate change death spiral. As a former Big Oil executive-turned-fractivist said, “It will take masses of people demanding action from politicians to offset the huge amount of money that the industry is using to influence lawmakers... Something has to wake up the general public. It will either be education from the environmental movements or some kind of climate disaster that no one can ignore.”

Therefore, it is time to act with panache! It is time to stop the politeness and complaisance that lead nowhere. It is time to arouse public opinion. It is time to draw into our movement ever-wider support. It is time to awaken those Americans who are still sleeping, before the climate disaster does. But how? We have decided to try something unusual and different: to enlist the power of music. And as our climate surges towards the irreversible tipping point, fueled by the negligence of our elected officials, we don’t have the time to worry about possibly being ridiculed for our out-of-the-ordinary strategy. A fresh idea is essential, because we are attempting to reach a crowd that is normally not within an environmentalist’s reach, and which has already proven to be mostly insensitive to education from environmental movements. It is also a crowd that listens to what is popular on the music charts. Let’s face it, it’s the ‘mainstream’ crowd, the general public. Therefore, we call on you to join us: while we are donating all proceeds to environmental groups and activists, every purchased download of the track will bring our environmental awareness campaign closer to entering the mainstream music charts, consequently closer to a crowd that we absolutely must reach, in order to help maximize the effectiveness of ‘We the People’. As the saying goes: Nothing ventured, nothing gained!

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Helen Grant works for the STOP KXL! campaign.

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Three Questions: Egypt’s ‘Zero-sum’ Politics

Marwan Bishara 7 July 2013

The way in which the military behaves, now that it has suspended the constitution, will have major consequences upon how Egypt may emerge from the “48 hours” that shook the country following the June 30 protests.

The military has proposed a roadmap, agreed to by various opposition parties “to correct the direction of the revolution”, and put the country back on the track of democracy. The roadmap envisioned swearing in the chief justice as a new interim president, forming a transitional government of technocrats with wide-ranging authorities and preparing the way for new constitutional amendments and elections.

However, like any other, the Egyptian military has a well-defined role: to protect the sovereignty, security and stability of the country. Not to promote democracy. By definition and by its own organisational structure, a military is anything but democratic; in fact, it’s necessarily authoritarian and hierarchical in its operation. Furthermore, in Egypt, the military also has economic interests, special privileges for its top brass, and a very powerful role to protect in any future political configuration of the country.
All this may explain why the military rushed to suspend the constitution, and arrest the president and other leaders of the Muslim Brotherhood on the charge of insulting the constitution. Warrants were issued against many of the Brotherhood's leaders and those of its political wing, the Freedom and Justice Party - all under the guise of safeguarding public order. The military also closed various media outlets, and warned it would not tolerate any incitement against the new order.

Like a hammer that sees a nail in everything, the generals see political challenges as security problems. This means the current repression, if it continues, will lead to the further alienation of the Brotherhood and push its supporters underground - escalating to a potentially dangerous situation. It remains to be seen whether all of this is happening by design or by default, and whether the military would like to see the Muslim Brotherhood banned before the next elections. Any such step would not put the country back on the path of stability, but rather endanger the very foundation of Egyptian polity and security.

Meanwhile, the military has further empowered the forces of the "deep state" - those groups of politicians, generals and business owners that were allied to the regime of Hosni Mubarak, and who have continued to command influence among the poor and ignorant. These well-financed groups played an important part in inciting against President Morsi over the past year, and recently joined the anti-Morsi demonstrations in large numbers. These forces are coming back with vengeance, after the revolution and Islamist-led administration tried to strip them of their power, interests and influence. They will further complicate the transition and sow confusion in the country.

With its leader ousted and its leadership rounded up, what next for the Muslim Brotherhood?
The "Zero-sum" politics that has dictated most of the important decisions in recent weeks and months have had far-reaching repercussions on the Brotherhood. The divisions that started with elections and disagreements over constitutional amendments, unsurprisingly, turned into a deep polarisation of the country. And as Morsi and the Brotherhood reneged on promises to form a national unity government and alienated most political forces in the process, this divergence deepened and turned bitter, as criticism mutated into demonisation.

By June 30, it became clear that, despite claims to the contrary, compromises between the old partners in the revolution were no longer realistic. Morsi's critics cried for revolution, and his supporters responded with counter-revolution. It became clear that the conflict would end with one side victorious and the other humiliated, if no real attempts were made to bridge the differences. It was then that the military intervened, ousting the president and preventing any last minute efforts that would save face and pave the way for constructive change, such as holding a referendum over the presidency or the building of a national unity government, leading to early elections.

If the deterioration we are seeing continues, as it's likely to, and the crackdown against the Muslim Brotherhood leaders persists, the alienated Islamist movement in Egypt has three options: To resist the new military measures in all means at its disposal; to arrive at a compromise that would bring it back to the political process - or to capitulate and retreat away from the political scene. Alas, changes are happening fast, and just as much as the Brotherhood could take the initiative to act aggressively, it's slowly but surely being forced to react to pre-emptive steps taken by the military and the opposition. Listening to Mohammad Badie, the leader of
the Brotherhood speaking to his supporters in Nasr City, it's clear that the Brotherhood is not backing down and considers the military measures null and void.

The escalation of violence and the eventual prohibition of the Brotherhood would have huge consequences on the Islamist movement, Egypt and the region in general. It has taken these movements decades to accept the constitutional democratic system and to be accepted into the political process. Their ousting from power could well backfire. And while some among the conservative leadership might accept the new status quo, and others may split to form more moderate grouping - as we've seen in the past - their supporters' disenchantment and disappointment will be channelled in unpredictable ways in the face of increased repression.

Across the Islamic world, Islamist movements and Muslim Brotherhood parties will think twice before joining the next political process, which will have grave consequences to stability and security in the region. Young and restless Islamists might look towards more extreme groups that reject the political process and embrace violence as the way to fulfill their goals. If they do go underground for fear of retaliation, we can expect segments of a new generation of Islamists to embrace secrecy and violence instead of the ballot box. We've seen that in the early 1980s in Egypt and in the early 1990s in Algeria, and elsewhere.

What does all this mean to the other camp that led the popular struggle against Morsi?

Divided and poorly organised as they are, the secular and civic forces that helped make the revolution possible could be compromised and weakened by the better-organised forces of the military and the forces of the “deep state” mentioned earlier.

They would need to stop any further incitement or demonisation of the Muslim Brotherhood. And, instead, extend a hand to the Muslim Brotherhood - especially its individual supporters - and be sincere about reconciliation without gloating. After all, they have worked together to bring down the old dictatorship and must find a way to coexist in a new and forgiving Egypt.

Their relationship with the military will also likely prove tricky. The staged scene of unity between the military and various political groups on the day of the coup against Morsi masked a divergent vision for the future of Egypt and an imbalance of power between the divided opposition and the formidable military.

The military has no particular interest in democracy. It falls upon secular and civic political forces - not the military - to help define a democratic and pluralistic Egypt. This requires unifying around one leadership and one programme as to how to direct the transitional period and implement the agreed-upon roadmap. At the end of the day, it is they who must define the limits of the military's role in a new constitution, a step that will be resisted strongly by the generals.

To fulfill their goals and those of the revolution, they need to guarantee that the transitional period towards a restoration of the civic order is as short as possible, and must not be enticed by ministerial portfolios or any other gestures from the military to prolong it. Likewise, they need to steer away from the forces of the old regime and refrain from entering into any alliances with them.

For decades, Egypt had one living president and one president only, never
even a former president - only dead ones. Today, Egypt has a deposed president, an ousted president and a temporary president. And soon it will have another elected president.

However, the ongoing political upheaval has transcended Morsi and the presidency as a whole. It’s now an open struggle over the soul, identity and unity of the country.

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Review: The new capitalist elite

Plutocrats wield power and influence by virtue of their wealth. The ultra-free-market, globalised capitalism of recent years has produced a new breed of super-rich plutocrats.

Lynn Walsh, editor of Socialism Today, magazine of the Socialist Party (CWI England & Wales) 7 July 2013

Wealth gives them influence, which gives them power, which enhances their wealth. LYNN WALSH reviews a recent study of the super-rich elite.

At the height of the boom, a New York socialite tells her: “You had people in their 30s, through hedge funds and Goldman Sachs partner jobs, people who were making 20, 30, 40 million a year. And there were a lot of them doing it”.

Freeland shows how the wealth gap narrowed following the great depression of the 1930s, but began to explode in the 1980s. “In the 1970s, the top 1% of earners captured about 10% of the national income. Thirty-five years later, their share had risen to nearly a third of the national income”.

Most of the figures she gives are for the United States, but similar trends have occurred in Britain and Europe. In developing countries like China, Russia, India and Brazil, the 1% has also dramatically outpaced the vast majority in income and wealth. “In 1980, the average US CEO made 42 times as much as the average worker. By 2012, the ratio had skyrocketed to 380”.

During the second world war and the post-war upswing the top 10% took around 33% of income. But since then their share has climbed dramatically. “By 2006, the top 10% earned 50% of national income, even more than it did in 1928, at the height of the roaring twenties”.

The biggest shift, however, is within the top 10%. “Almost all the gains are at the very apex of the distribution: during the economic expansion of 2002 to 2006, three quarters of all income growth in the United States went to the top 1% of the population”. There is, in other words, a growing gap between the rich and the super-rich. “Here’s how that translated into US average family income in 2010... Families in the top 0.01% made $23,846,950; that dropped sharply to $2,802,020 for those in the top 0.1-0.01%. Those in the top 1% made $1,019,098; those in the top 10% made $246,934. Meanwhile, the bottom 90% made an average $29,840".
If anyone is to blame for triggering the crash of 2008, isn’t it the super-rich bankers and financiers? Yet, in contrast to the 1930s, they have not really suffered. “In the 2009-2010 recovery, 93% of the gains were captured by the top 1%. The plutocrats did even better than the merely affluent - 37% of these gains went to the top 0.01%, the 15,000 Americans with average incomes of $23.8 million. Another example: in 2009, the country’s top 25 hedge fund managers earned an average of more than $1 billion each - or more than they had made in 2007, the previous record year”.

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An Act Of Piracy

Forcing Down The Bolivian President’s Plane Was An Act Of Piracy
John Pilger 6 July 2013

Imagine the aircraft of the President of France being forced down in Latin America on “suspicion” that it was carrying a political refugee to safety - and not just any refugee but someone who has provided the people of the world with proof of criminal activity on an epic scale.

Imagine the response from Paris, let alone the “international community”, as the governments of the West call themselves. To a chorus of baying indignation from Whitehall to Washington, Brussels to Madrid, heroic special forces would be dispatched to rescue their leader and, as sport, smash up the source of such flagrant international gangsterism. Editorials would cheer them on, perhaps reminding readers that this kind of piracy was exhibited by the German Reich in the 1930s.

The forcing down of Bolivian President Evo Morales’s plane -- denied air space by France, Spain and Portugal, followed by his 14-hour confinement while Austrian officials demanded to “inspect” his aircraft for the “fugitive” Edward Snowden -- was an act of air piracy and state terrorism. It was a metaphor for the gangsterism that now rules the world and the cowardice and hypocrisy of bystanders who dare not speak its name.

In Moscow for a summit of gas-producing nations, Morales had been asked about Snowden who remains trapped in Moscow airport. “If there were a request [for political asylum],” he said, “of course, we would be willing to debate and consider the idea.” That was clearly enough provocation for the Godfather. “We have been in touch with a range of countries that had a chance of having Snowden land or travel through their country,” said a US state department official.

The French -- having squealed about Washington spying on their every move, as revealed by Snowden -- were first off the mark, followed by the Portuguese. The Spanish then did their bit by enforcing a flight ban of their airspace, giving the Godfather’s Viennese hirelings enough time to find out if Snowden was indeed invoking article 14 of the Universal Declaration of Human Rights, which states: “Everyone has the right to seek and to enjoy in other countries asylum from persecution.”

Those paid to keep the record straight have played their part with a cat-and-mouse media game that reinforces the Godfather’s lie that this heroic young man is running from a system of justice, rather than preordained, vindictive incarceration that amounts to torture: ask Bradley Manning and
the living ghosts in Guantanamo.

Historians seem to agree that the rise of fascism in Europe might have been averted had the liberal or left political class understood the true nature of its enemy. The parallels today are very different; but the Damocles sword over Snowden, like the casual abduction of the Bolivian president, ought to stir us into recognising the true nature of the enemy.

Snowden’s revelations are not merely about privacy, nor civil liberty, nor even mass spying. They are about the unmentionable: that the democratic facades of the United States now barely conceal a systematic gangsterism historically identified with if not necessarily the same as fascism. On Tuesday, a US drone killed 16 people in North Waziristan, “where many of the world’s most dangerous militants live”, said the few paragraphs I read. That by far the world’s most dangerous militants had hurled the drones was not a consideration. President Obama personally sends them every Tuesday.

In his acceptance of the 2005 Nobel Prize in Literature, Harold Pinter referred to “a vast tapestry of lies, upon which we feed”. He asked why “the systematic brutality, the widespread atrocities” of the Soviet Union were well known in the West while America’s crimes were “superficially recorded, let alone documented, let alone acknowledged”. The most enduring silence of the modern era covered the extinction and dispossession of countless human beings by a rampant America and its agents. “But you wouldn’t know it,” said Pinter. “It never happened. Even while it was happening it never happened. It didn’t matter. It was of no interest.”

This hidden history - not really hidden, of course, but excluded from the consciousness of societies drilled in American myths and priorities - has never been more vulnerable to exposure. Edward Snowden’s whistleblowing, like that of Bradley Manning and Julian Assange and WikiLeaks, threatens to break the silence Pinter described. In revealing a vast Orwellian police state apparatus servicing history’s greatest war-making machine, they illuminate the true extremism of the 21st century. Unprecedented, Germany’s Der Spiegel has described the Obama administration as “soft totalitarianism”. If the penny is finally falling, we might all look closer to home.

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South Africa: Governmental communists turn to witch-hunting
Outsiders are used to explain away the class struggle
Peter Manson 4 July 2013

Jacob Zuma presided over a carefully stage-managed ‘united South African welcome’ for Barack Obama last week. However, besides the bilateral talks, set piece speeches, photo opportunities and solemn updates on the health of an ailing Nelson Mandela, the media also carried reports of anti-US protests, usually of a few hundred people shouting anti-imperialist slogans.

Although these represented no threat whatsoever to ‘security’, the police sometimes reacted in a violent, repressive manner - following the police massacre of 34 miners at Marikana last year, this is perhaps something that protestors ought now to expect. For example, outside Johannesburg
University, where the US president was awarded an honorary doctorate, rubber bullets and a stun grenade were suddenly fired at demonstrators for no apparent reason.

However, there were similar protests that passed off without incident. For example, on June 29 the South African Communist Party in Gauteng province organised a ‘picket’ addressed by central committee member and Young Communist League national secretary Buti Manamela. Gallantly he “called for the immediate release of the Cuban five comrades that are currently detained by the USA government for fighting and exposing USA-sponsored and funded acts of terrorism unleashed against the people of Cuba”. The five are “in the true spirit” of Nelson Mandela, said Manamela, who also stressed the “sacrifices made by Cubans to free our country and Namibia and for defending Angola and other African states against USA-sponsored terrorism”. What is more, “Cuba currently supports SA on many issues, such as the Cuban doctors that continue to save lives in our country’s rural areas.” The pickets called for the “immediate lifting of the unjust economic blockade” against the “peaceful and most humane working class and poor of Cuba”.

The only other anti-imperialist cause to get a mention in the provincial SACP’s brief report of this event was Palestine. In addition to expressing their solidarity with Cuba, the protestors condemned Obama’s “continued support of the Zionist Israel state of terror and tyranny unleashed against the peace-loving and innocent working class of Palestine”. The press statement - in the name of the Gauteng provincial SACP - ends by noting that the picket “ended peacefully without any serious incident”.1

So no rubber bullets and stun grenades were fired at this particular demonstration. But that was unsurprising. Indeed what was surprising to some was the fact that the SACP staged any such protest at all. After all, in South Africa the Communist Party is not part of the opposition, but a key component of the ruling African National Congress. In fact there are seven SACP government ministers, including Rob Davies (trade and industry), Nosiviwe Mapisa-Nqakula (defence), Thulas Nxesi (public works), Ben Martins (transport) and Jeff Radebe (justice and constitutional development). Hardly minor portfolios. The other two government members are SACP general secretary Blade Nzimande, the minister for higher education and training, and his number two, Jeremy Cronin, who is deputy minister for public works.

In other words, here was the SACP trying to have it both ways. On the one hand, its leading members are part of the state apparatus which went all out to extend the warmest of official welcomes to the leading figurehead of global imperialism, while the party centre remained silent; on the other, the SACP mounts, for the benefit of its rank and file, and in the name of the local party organisation, a (totally safe and officially approved) pro-Cuba protest.

In reality, such duplicity is typical. For instance, while SACP union leaders frequently head militant strikes, SACP ministers are responsible for ensuring such strikes are not victorious - the result is usually a compromise in the interests of the “national democratic revolution” (ie, the social status quo), which both sides are pledged to uphold.

So when such crises as Marikana occur the party is shown at its worst. SACP leaders did no more than extend the party’s condolences to the families of those slaughtered and echo Zuma’s noises about the need not to pass judgement before a full enquiry could be held.
Of course, that did not stop it condemning the “counterrevolutionaries” of the breakaway Association of Mineworkers and Construction Union (Amcu) for all the violence (including, thanks to Amcu “provocations”, the deaths of its own members, gunned down by police automatic weapons). Unlike the National Union of Mineworkers, you see, Amcu is not affiliated to the SACP-dominated Congress of South African Trade Unions (Cosatu), which, together with the ANC and SACP, form the hegemonic tripartite alliance. Amcu’s real crime was to remove thousands of workers from the influence of the SACP, whose comrades dominate the NUM leadership.

More recently, however, as part of its efforts to lower temperatures in the platinum belt, the ANC has changed tack, stating that it regards both the NUM and Amcu as equally legitimate. Someone would have to come up with a different scapegoat for the continuing unrest among miners other than virtually the entire Amcu-affiliated workforce.

Witch-hunter
Step forward ANC secretary general Gwede Mantashe. Addressing a business forum on June 11, Mantashe blamed the “anarchy” in the platinum mines on foreign nationals - or rather two particular types of foreign nationals: “What is happening in Marikana … I can give you what comes out of that information. Anarchy, anarchy, anarchy, driven by people who are from far away … Sweden, Irish. They are a force behind the anarchy that is happening in the platinum industry.”

Leaving aside the disgusting xenophobia in Mantashe’s frankly pathetic statement, surely there cannot be that many Swedes and Irish operating around Marikana? When challenged on this some days later, Mantashe was more specific: “The reality is that it is a Swedish citizen who is at the centre of anarchy in the platinum belt. I did not suck it out of my thumb.”

What? One Swedish citizen fomenting all that unrest?

He meant, of course, comrades Liv Shange, the de facto leader of the Democratic Socialist Movement. The DSM is the sister organisation of Peter Taaffe’s Committee for a Workers’ International, and so comrade Shange is also a central figure in the newly founded ‘broad’ class-struggle formation, the Workers and Socialist Party (Wasp), which was launched by the DSM in March. The DSM, a small group of a few dozen members, threw itself into agitation among striking mineworkers last year - agitation that met with some success, with hundreds of mineworkers turning up for DSM-arranged rallies.

The two most active DSM leaders in the platinum belt were comrades Mametlwe Sebei and Elias Juba - most definitely non-Swedes - but it was comrade Shange who attracted the attention. In the words of socialist journalist Terry Bell, Liv Shange’s “gender and complexion made her more newsworthy”.2

And the Irish link? Apparently this is a reference to another CWI comrade, Joe Higgins, a member of the Irish parliament and former MEP, who, along with Alec Thraves of the Socialist Party in England and Wales, has been working with South African CWI comrades on and off, and was in the country for a short time last year.

While I am not aware of any complaints by the Irish embassy, according to the Johannesburg-based The Sunday Independent, Sweden has protested against the slur on its citizens levelled by Mantashe - this witch-hunter, by the way, as well as being the ANC’s top bureaucrat, is a member of the SACP central committee; in fact until a year ago he was SACP national chair, but then he decided that holding such high-profile posts in two
Mantashe’s comments actually represented a narrowing down of a remark made by Zuma himself, to the effect that “shadowy international elements and movements” were to blame for the unrest in platinum mines - although it is open to question just how “shadowy” the CWI actually is.

The same Sunday Independent article reports that comrade Shange has been the subject of two separate, but linked, secret investigations - by the department of home affairs and the intelligence services. While the former is looking into her immigration status - she is married to a South African citizen and has been a resident for nine years - security agencies “have probed Shange’s role in the ‘destabilisation’ of the country and her involvement in the mining crisis”.

The paper quotes a “high-ranking official” in home affairs as saying: “We have found out that she is here illegally … This has nothing to do with her involvement in these parties.” That is the line parroted by the SACP general secretary, as reported by radical author and journalist Patrick Bond on a South African email discussion list: “I happened to be on a panel this afternoon, in Joburg at Cosatu House, with Blade Nzimande. I asked him where he stood on the expulsion of Liv. His response - I’ve got to paraphrase - is: ‘No-one should be expelled for doing Marxist work with the workers. However, the question is whether she is in the country legally.’”

This is what the ANC/SACP tops are all pushing - after all, The Sunday Independent quotes an unnamed “official in a security department” as alleging that Shange “entered South Africa illegally”. In fact it is indisputable that she arrived in January 2004 to study at the University of KwaZulu-Natal, where she completed her political science degree in 2007. It is inconceivable that she did not have the correct papers at that time.

In the words of DSM general secretary Weizmann Hamilton, “Responsibility for any difficulties with comrade Liv’s immigration status lie entirely with the department of home affairs.” He explains that comrade Shange was actually issued with a spousal visa upon her marriage and this was stamped into her Swedish passport. Unfortunately, however, comrade Shange was mugged in 2010 and her passport was stolen, but when she took her replacement passport to home affairs she was told there was “no record” of her spousal visa, even though she gave them a reference number. Despite the fact that she had previously been recognised as a permanent resident by virtue of her marriage and she has two children who are South African citizens, the department stamped a temporary tourist visa into her new passport!

Comrade Shange is currently on a family visit in Sweden with her children and fears that when she flies back on July 13, just before they are due to return to school, she will be refused entry and separated from her family. Comrade Hamilton makes some good polemical points in his response to the threat to exclude comrade Shange: “It is a disgrace that a senior leader of the ANC, a movement whose struggle against apartheid was supported by ‘foreigners’ worldwide, … should invoke xenophobia … Mantashe apparently believes that the mineworkers are incapable of apprehending their own conditions and acting to free themselves from slavery. They need to be ‘instigated’. This is what the apartheid regime used to say about the black oppressed and activists like Mantashe himself … If Mantashe was genuinely concerned about ‘foreigners’ destabilising the mining industry, he need look no further than the international investors in the platinum industry, who are exerting relentless pressure on the mining companies to cause ‘anarchy’ by retrenching tens of thousands of
He concludes: “... what has obstructed the resolution of the matter is not home affairs’ legendary incompetence, but something much more sinister - the abuse of state resources for the purposes of a political witch-hunt.”

Challenge to ANC
So what lies behind the behaviour of Mantashe and the SACP? While in next year’s general election the ANC could face a more serious challenge that it has previously known from several sources, what really concerns these ‘official communists’ is the possibility of a left alternative emerging - one that actually stands in elections under its own name and has ‘workers’ and ‘socialist’ in its title. Worse, imagine if such a party actually had trade union links - even if the support it enjoyed was from the new, non-Cosatu unions like Amcu.

Of course, no-one expects Wasp to challenge for power in 2014, but, under South Africa’s ‘party list’ form of proportional representation, where there is no artificial minimum threshold required for election, only 0.25% of the national vote is required for a party to win one of the 400 seats in the national assembly. Virtually any group that stands across the board and attracts national publicity could get someone elected. Which makes you wonder whether all this scapegoating and the consequent press and TV coverage might not actually be counterproductive: a sympathy vote for comrade Shange from a relatively tiny minority of electors might be enough for a Wasp comrade to win a seat. Of course, whether Wasp can raise the cash to stand in every province (a punitive deposit is required) is another question.

However, two new parties that will have no difficulty in that respect are Julius Malema’s Economic Freedom Fighters and Mamphela Ramphele’s Agang (‘Build’). Malema is the left-speaking, black nationalist former president of the ANC Youth League, who was expelled from the ANC in 2011 for “sowing divisions” (ie, speaking out too forcefully against Zuma, the SACP and the national leadership). Launched just last month, the EFF describes the ANC as a party “committed to a rightwing, neoliberal and capitalist agenda, which has kept [the] majority of our people on the margins of South Africa’s economy”.

Its “base principles” include: “expropriation of land without compensation”; the “nationalisation of mines, banks and other strategic sectors of the economy”; “free, quality education, healthcare, houses and sanitation”; “massive, protected industrial development to create millions of sustainable jobs”; and “open, accountable government and society without fear of victimisation by state police”.

Despite his pro-worker, pro-poor rhetoric, Malema is amongst many who have made themselves hugely rich thanks to business contacts developed through political influence - not to mention the ‘affirmative action’ euphemistically known as ‘black economic empowerment’. But that does not stop him, with some success, appealing to the workers by attacking “white monopoly capital” and white privilege in general.

Agang, which was launched in February, is something else completely. Mamphela Ramphele was not only the long-time partner and comrade of Steve Biko, leader of the Black Consciousness movement murdered in police detention in 1977, but much more recently a managing director at the World Bank! Since her return to South Africa and decision to enter politics (as the poor girl who made something of her life), she has come out with a series of totally vacuous platitudes, such as: “Our country has workers.”
lost the moral authority and international respect it enjoyed when it became a democracy.”

While Agang will pick up some seats, it will not cause Zuma to lose sleep. Malema and his EFF, on the other hand, is a different matter. I would not be surprised to see the EFF making inroads into the ANC’s overall majority.

However, both Malema’s left populism and the impact that a tiny group like the DSM is able to make demonstrate in their different ways the potential that exists for a mass, revolutionary workers’ party.

**Twin-track**

The SACP also demonstrates that potential in its own, negative way. As can be seen from the extensive quotes with which I started this article, the party attempts to cover up its shameless class-collaboration and subservience to the ANC with workerist, anti-imperialist and even Marxist jargon. The role of the SACP, which claims a membership of well over 150,000, is to keep the working class tied to the ANC and thus to capitalism.

But does that mean we should give up on the SACP as a site for struggle and simply call on those tens of thousands of workers to abandon it? Should we behave in the same way in regard to the Cosatu unions and urge workers to form rivals like Amcu?

In my view, to do either of those things represents a serious error. We need a twin-track approach. That means, on the one hand, fighting inside existing working class bodies, no matter how corrupt and tightly controlled by the right they may be. On the other hand, where new breakaway unions win the majority in certain areas, it would be foolhardy to cut oneself off from the mass of workers.

However, we must stand firmly for a single union in every industry - which means opposing divisive splits and working for the unification (or reunification) of rivals.

When it comes to the fight for the mass revolutionary party our class so desperately needs, that must be waged both within and outside the SACP. (It seems that, because Cosatu formally acknowledges the SACP as “the workers’ party”, for groups like the DSM the official unions are beyond hope too.) We need the unity of all Marxists, including members of the SACP prepared to think, as well as the non-SACP grouplets. One thing is certain: a mass workers’ party cannot be built unless the SACP bureaucratic leadership is taken on and defeated.

There are, of course, big differences among senior SACP figures. For example, this week the general secretary of the huge National Education, Health and Allied Workers Union, Fikile Majola, laid into Cosatu’s general secretary, Zwelinzima Vavi, for not being sufficiently loyal to and uncritical of the ANC leadership. It goes without saying that both men are SACP members - in fact both are on the party’s central committee, as well as the ANC national executive. It is also known that there are big differences at the very top of the SACP - Nzimande and Mantashe themselves do not exactly see eye to eye, for instance.

The existence of these fissures ought to provide genuine Marxists with opportunities.

Rather than opting out of the battle, let us bring the underlying differences out into the open and use them to put forward the principled
alternative.

The electoral challenge promised by Wasp should be supported - as part of the overall strategy to split the SACP and break it from its pro-ANC class-collaboration. And right now comrades in Britain should support the campaign to prevent the exclusion of comrade Liv Shange and stop witch-hunter Mantashe separating her from her family. Sign the petition on the Wasp website6.

Reference

Karibu (Welcome) To Tanzania, President Obama

Danny Schechter 3 July 2013

Zanzibar, Tanzania: The Big Show had arrived with the Secret Service bringing all traffic in Dar es Salaam to a halt as President Obama set down in Tanzania, the third stop on his three country African “tour.” The cheering crowds were out on cue, as a military band played the US National Anthem, not once but twice, less anyone miss the gesture.

Obama is here to promote more capitalist enterprise—foregoing aid for trade with 150 US and African business leaders on hand to see how they can capitalize on Washington’s sudden interest in Africa’s growth.

The US is playing a poor catch-up game with China whose trade with Tanzania totaled $2.47 BILLION last year as opposed to a skimpy $360.2 million with the US.

Fresh from a symbolic stop at Nelson Mandela’s prison cell on South Africa’s Robben Island, you would think that the President might have a word of thanks to offer Tanzania for its long years of support for Mandela’s ANC in exile where his law partner Oliver Tambo escaped capture as he organized resistance to apartheid in a country then known for African Socialism and the self reliance doctrine of its brilliant founding president Julius Nyerere, also known as Mwalimu (The teacher.)

Mandela would never had been freed from his cell if the ANC in exile, based here and on other “frontline states,” hadn’t had support to help it build its armed struggle and solidarity networks that would soon get the world organized against apartheid.

Tanzania had the guts to defy the bullies of the apartheid state by providing offices and a School to the ANC despite threats.

Barack Obama left his the uplifting pro-liberation symbolism behind in South Africa, in order to get down to business in Tanzania.
Now, he is focusing on cutting deals for power companies--- that’s the 'power to the people' he champions—while another form of power—cultural power -- is on display a two hour boat ride out in Indian Ocean on Zanzibar, a scenic Island nation with its own government that is also part of the United Republic of Tanzania.

I am in Zanzibar for the 16th annual edition of one of the most impressive festivals in the world, the Zanzibar International Film Festival (ZIFF) that brings regional and international filmmakers to show their work, and join a multi-cultural event that also showcases musicians, artists, storytellers from all genres, and even a fabulous fashion show representing local designers.

Ironically, while the presidential party waved the American flag in in Dar, the festival has been showing films made worldwide, including in Iran and Palestine, two countries out of favor in official Washington.

Festival Director, Martin Mhando, a Tanzanian who also teaches in Australia, projected quite different values than the ones the politicians use in their official capacities.

Here’s how he described ZIFF’s intent to unite the region, known as the Dhow Countries, named after the sailing ships that created a web of regional identity through trade, back into the middle ages:

“The spirit of the Dhow countries has always been that of sharing—sharing the values of justice, freedom, love and harmony in our history of maritime relations., “ he writes in the Festival program. “We have tried to include as many perspectives as positive from the 48 countries represented in the films shown that reveal diverse viewpoints on events and issues.”

This is very appropriate for Zanzibar where diversity lives in the interplay of the cultures of Arabs, Indians and African tribes. It is a majority Muslim culture known for religious tolerance.

You can be sure that the TV crews that are accompanying President Obama don’t have a clue about the country except that it has lots of wildlife, tourist attractions and national parks. You would be hard put to accuse them of knowing what diverse perspectives are, much less displaying them in their programming. They are looking for a safari, not substance.

Watching the cable in my hotel room, there are low-brow American action adventure B movies (a.k.a violent flicks) and wrestling matches along with CSPAN-like shows in Swahili from the Parliament and sermons by Muslim clergymen.

Very few of the provocative films shown at ZIFF get on the air here, although a festival sponsor ZUKU (slogan: “AMAZING”) may buy some of the films for its pay TV channel.

Popular cultural institutions like ZIFF struggle every year to serve the masses culturally as opposed to "the classes" that most western film festivals target. They have to line up many sponsors---I counted 43 logos in their catalogue—without help from the government or the US. You would think that the Obama could engage some of the huge US cultural and media enterprises to help their counterparts in Africa, but they don’t think that way.

Cultural industries are often neglected despite their mass reach. I did see
an excellent TV educational program for kids but it was plastered with adverts for FANTA soft drinks, the last thing you would want children to become addicted to.

The West promotes electricity—as in lights -- rather than cultural electricity that inspires the public to want to change their lives. (Ironically, The U.S. backs infrastructure projects here while blocking them at home as the power grid falters and bridges collapse.)

To its credit, the ZIFF Festival also offers workshops like one that I will be teaching in critical journalism, a conference for academics on cultural studies, skills sessions for wannabe filmmakers and even an out-reach program for sex workers and anti-AIDS activism. They are also working with other cultural institutions to create a regional film commission to lure more film production to the region and support local filmmakers.

To its credit also, there are film showings in villages and the outer island of Pemba. They bring culture to the people as well as hold large outdoor screenings in a stone amphitheater in a colorful and historic old fort. The Fort is one of many attractions in an area known as Stone Town, a UNESCO world heritage site.

What’s impressive is the care that’s given to the highest standards of projection.

ZIFF also showcases an array of sensational Bongo Films, low-budget home-made Swahili language movies that are building audiences throughout East Africa.

The festival draws well known and award-winning big-time filmmakers like Mira Nair, who has been making widely shown movies for over twenty years. Her film “The Reluctant Fundamentalist” opened the Festival and just won the German Peace Prize.

This timely and brave movie explores the contradictions of the war on terror in Pakistan as well as the parallels between violent religious fundamentalism and the pro-market capitalism fundamentalism on display in the Obama visit.

Barack Obama will no doubt not have the “time” to pop over to Zanzibar for the festival, but, if he did, he would see how culture leads politics in the hearts and minds of people here as elsewhere.

News Dissector Danny Schechter showed one of his documentaries on Nelson Mandela at the Festival. He edits Mediachannel.org and blogs at NewsDissector.net. Comments to dissector@mediachannel.org

The reality of Asia’s “emerging” economies

Lal Khan 28 June 2013

Since the 2008 financial crisis there has been no respite for world capitalism. Its crisis has been deepening on a daily basis. The European Union, the world second largest economy is back in recession. Stocks and bonds have fallen sharply across world capitals.
The Dow Jones fell by over 200 points, the FTSE by over 100 points and this downward spiral continued with the People's Bank of China leaning on the country's largest banks to rein in risky loans and improve their balance sheets. This in turn has triggered the biggest sell-off on China's Shanghai Composite index in nearly four years.

The scenario in other big emerging markets is no rosier either. Turkey, Brazil and India are struggling with their inability to deliver growth and better living conditions for their masses. This in turn has ushered in wave after wave of protest from Istanbul to Rio de Janeiro.

The two Asian giants, China and India, have long been paraded as parts of the emerging economies that would salvage capitalism, but today they are rapidly losing steam. The growth rate of China has declined to around seven per cent from its peak of close to fourteen per cent. India’s growth has halved in the last fiscal year. However, even during the years of high growth rates the social contradictions in these countries were increasing due to the unevenness and combined nature of the socio-economic development in these economies. China has the second largest disparity of wealth in the world after South Africa. India on the other hand with 22 per cent of the world’s population has within its borders more than 40% of the world’s poverty, more than in Sub-Saharan Africa.

The whole notion that capitalism in China has pulled millions out of poverty is a fallacy. It is true that massive corporate investment in China has created numerous hubs of industrialisation, mainly along the Pacific coast. This has resulted in the creation of the largest proletariat in the world. But poverty and misery has not been eradicated, on the contrary the economic upswing was built on the massive exploitation of the Chinese workers. The outcome has been massive strike actions, although sporadic - that have led to victories of the workers of Foxcon and others - as well as to the peasant protests against land grabbing by the state and non-state mafias.

The re-introduction of capitalism by the Deng Xiao Ping regime after 1978 brought with it corruption, gambling, prostitution and other vices of the capitalist system. After rapid growth which exacerbated the regional and class disparities for more than three decades, mainly based on the cheap but skilled labour of the previous period of the planned economy, now the chickens are coming home to roost.

With economic growth slowing down, the social crisis is worsening and the ruling elite are becoming more and more desperate. The “Communist Party”, which is neither Communist, nor a party anymore, has become a bureaucratic pro-capitalist ruling clique. It feels increasingly threatened by the turmoil surging from below and it is not accidental that it spends more money on internal security than on external defence.

It is spending heavily on infrastructural projects and increasing state spending in a classical Keynesian fashion to prop up the growth rate. According to the official economic experts in Beijing University, “If the growth rate in China falls below six or five per cent there is an immense danger of a social explosion.” Most of the huge forex reserves of China are in the form of US treasury bonds, which shows one aspect of the contradictory relationship between China and the US. The other aspect is the burgeoning imperialist behaviour of the Chinese elite.

China is investing heavily in Africa, Asia and Latin America. There is a growing resentment among the masses in different countries towards the exploitative role and the arrogant attitude of the Chinese investors. In
Zambia an anti-Chinese leader won the elections through his campaign against the maltreatment of the workers by Chinese corporate capital. It is increasingly interfering in the geopolitics in many regions, including Afghanistan and Pakistan. In Afghanistan it is the biggest foreign investor and owns the Aynak copper mine that is one of the world’s largest.

Recently it has bought the right to the basin of the Oxus river in Northern Afghanistan in an agreement with the Karzai government. However, the Chinese investors had to pay extra to the local warlord Rashid Dostum to get hold of this region with estimates of billions of gallons of unexplored oil reserves. In spite of the ferocious crusade of Chinese corporate capital to capture markets in the Middle East and elsewhere, recession in US and Europe has reduced the consumption levels it needs to sustain its profits. Due to the slowing down of the economy, domestic consumption further burdens production. The sporadic movements can erupt into a mass upsurge of the Chinese youth and the workers that will have gigantic effects far and wide. As Napoleon once said, “When China awakes, the world will tremble.”

In India economic decline is accompanied by severe political and social unrest. In India’s red corridor, which comprises 170 districts in Orissa, Chhattisgarh, Jharkhand, Tamil Nadu, Andhra Pradesh, Assam, Manipur and other states, the Maoist rebels rule the roost. The state’s writ hardly exists in these vast hinterlands. The Congress regime is engulfed in corruption scandals that keep on erupting one after another. The coalition partners often blackmail the regime due to its lack of a majority in parliament. At the same time the incumbent Congress regime is under immense pressure from the imperialist institutions and media to further open up the Indian market to the multinationals and cut the already reduced subsidies on food and other basic needs of the people.

The top Indian corporate houses control the media and the political parties. Such is the character of the Indian national bourgeoisie that it supports Hindu fundamentalists who in turn benefit these bosses with their profits and exploitation. Currently the favourite candidate of the Ambani’s, Tata’s and other Indian conglomerates is Narindera Modi, the leader of the extreme faction of the Hindu nationalist BJP. Under the watch of this Chief Minister, Gujarat witnessed the killing of more than one thousand Muslims in 2002, one of the worse sectarian massacres in India.

“Shining India” is a hollow slogan for the vast majority and one finds its echo only among the top echelons of society and the middle classes. But even this petit bourgeois layer is increasingly suffering from the collapse in economic growth and rising inflation. With two thirds of India’s population of 1.2 billion living below the poverty line, India is the largest importer of arms in the world according to IHS Jane’s forecast. Last year there was a general strike in India, which was the largest in the world with 100 million workers participating. This showed the great potential of the Indian proletariat that has glorious traditions of struggle.

From Turkey to Japan there is turbulence and unrest across Asia. Japan was the motor of growth and an example of capitalist growth till the end of the 1980s. Ever since the recession of the 1990s Japan has never been able to recover. The other Asian Tigers collapsed after the crash of 1997. The Middle East is engulfed in bitter wars and bloodshed and since 2011 a wave of revolutionary uprisings has swept the region. Iran is in severe economic and social crisis. The Saudi, the Qatari and other monarchies in the Gulf are terrified of a mass revolt and are supporting the Al Qaeda affiliated bigots in the civil war in Syria. No bourgeois expert offers an
optimistic perspective for the Asian continent. There is no way out under capitalism. It only offers barbarism. The only scientific alternative is revolutionary socialism.

South African democracy - the laughing stock of the world
NguFaith ka-Manzi July 2013

Umbuso wentando yening eNingizimu Afrika uchaza ukuhlala esikhumulweni sezindza kombutho wezempi ePitoli eWaterkloof kwendiza yomdneni yobhulu yona bakaMongamemili uGedleyihlele. Zuma bese kuthi khomishani elujuntshwe ukuthi liphensye mayelana naloludaba mayelen nokuthi ubani owayegunyaye lokho umongameli atholwe engenacala.

Kuchaza izikhulu zikhahulumeni izandla zazo zigcwele igazi ngamadayimani aseCongo ngoba nazo ahweba khona lapho, emadayimaneni aseMarange eZimbabwe lapho bungekho khona ubulungiswa mayelana namalungelo esintu.

Kuchaza ukulokhu kuqhutshekwa kugixabezwa uShawn Mpisane amathenda ezigidigidi ezimali phezu kokuba kunobufakazi bokuthi umsebenzi wakhe wokwakha izindlu azakhe eMlazi awugculisi. Kuchaza ukuchitha izindoza zamarandile kwakhusa kabusha umuzi kaMongameli eNkandla ngenkathi okuhleki nonokuthi ukuthi ubani owaye kubantu luphila omzimba izakho umgenamani kanye noyini.

Kuchaza ukuthi noma isikhishiwe iManase Report kodwa kuqhubekwe kuthi kumsebenzi ikhusa izidloza izimnyama ukukhokha ukuthi amakhancisela adle kakhulu izimnyama zazakamulo zazakhamizi kulokhu kwamatho kwaNongameli eNkandla. Kuchaza ukusha izithembeleni zigcwele izikhathi ezina kugixabe ukuthi amakhancisela adle kakhulu izimnyama zazakamulo zazakhamizi kulokhu kwamatho kwaNongameli eNkandla.

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Abombutho wempi yamaNgisi babesenzisa izikhali ezisezingeni eliphambili lapho bascoonga khona izinkulungwane zamabutho ayemelene nokhandampondo, ashisa imizi amadoda, antshontsha izinkomo zowo nama ngabe yini eyayingadayiswa ilethe imali. Usolwazi lokhu ukugophe kahle encwadidni yakhe mayelana nalokhu kusocongwa akubiza nge “Remembering the Rebellion”.

Siyazi sonke ngosuku lukaMarch 21 lapho ezombutho kahulumeni wobandululo yabulala abantu ibadubula bebeleka - u69 wonke.

Esikhulu isibalo leesi - abanye kungabesifazane ababebeleka nezingane emhlane. Kanaye nangenkathathi uJohn Vorster ngesikhathi ethelwa ngokufa kukaSteve Bantu Biko (okunguyena owayekhiphe umyalezo wokuthi akakawale) wathi kumenza abandelwe amathumba.

Engathi-ke umhlaba wonke ungabona-ke ukuthi uyinheleka kanganakani-ke umbuso wentando yeningi wezewo lethu umangabe umyalezo owawukade ukhishwe ngowayekhumbishani wezewo wamaphoyisa, uBheki Cele, usaqhubeka wenziwa amaphoyisa - “Okudubulela ukubalulela”.

Akumangalisi-ke ukuthi uma ngabe umuntu efunda ngalendoda eyehla kabuhlunlu ngokukhulu ukuphoxeka esikhundleni sayo (umbuso kaZuma wamoxheshla ukuphoxhe ezinenye izakhiwo ngemali eyayiqumeni kwizigidi zamarandii), akumangazi-ke umangabe omakhelwane bakhe abayizakhami ziyaphe yinge yange eDurban North, ikakuhlukazi amathumelo abahlahala kodedangendlale bemizi bemcela ukuthi ahole uphiko lokubavikela njengomakhelwane kwizigebengu futhi okusobala ukuthi iningi lazo abamnyama futhi nabahluphekayo.

Akumangalisi futhi lokho ngoba lombuso lango wentando yeningi oyiinhleka lapho cisho isibalo sabangasebenzi sifikile kumaphesenti angu40 kodwa ziqhubeka yokuthi yokugama izikhali zokugama izimboni zongxiwankulu baseNingizizimu Afrika emazweni afana noCentral African Republic lapho kwaphuma khona imphephumulo yamathetha ayishumi nantu, njengoba kumanje empumalanga neDemocratic Republican of Congo, kunamabutho angu1350 aseNingizizimu Afrika aqapho khona ezimbonini zokwamibiza phansi lapho sekutholakala khona futhi uKhubulwe Zuma oshiye ecekele phansi izimpilo zabasebenzi bezimayini beAurora laphe eNingizizimu Afrika.

Akumangalisi konke lokhu ezweni elikhazi ukuthenga izikhali ezigina kwizigidi zamarandi, abahlo balo bantshonsthe izimali eziquhini nokuthokuthiswa nezimpilo zabahlwempu ukuzebazafake kwiBRICS -ngoba befuna ukusabatakelisa ukubusa ngezomnotho kweNingizizimu Afrika, neBrazil, neChina kanaye neRussia kumazwi abuthathanashaka kwezomnotho kanye nokugijimela ukuyotapana imikhiqizo yemvelo yalamazwe aseAfrica nabo abuso ngondovukayiphiskwisa.

Umbuso wentando yeningi waseNingizizimu Afrika uza kamuva uma ngabe kwenzeka izingqungqotha zomhlaba njengoba kwenzela ngenkathi yeNdebe Yomhlaba sinkelela ngokulawula kwethu kwiFIFA lapho izigidigidi zamarandi zithetha kwakhiwa izakhiwo eseziphenduke zaba umthwalo kumakhokhi bentele njengenkundla iMoses Mabhida, isikhumulo sezindiza iKing Shaka. iDubeTrade Port ezidla izindoda ezemphimi ukuze kwezimbekeza zwenza kwezomthela kwani abathukuthi abatsho abamnyama kwifuna uKhabise Zuma zokuhleka kwiNdebe Yomhlaba.

Umbuso wentando yeningi waseNingizizimu Afrika uza kamuva uma ngabe kwenzeka izingqungqotha zomhlaba njengoba kwenzela ngenkathi yeNdebe Yomhlaba sinkelela ngokulawula kwethu kwiFIFA lapho izigidigidi zamarandi zithetha kwakhiwa izakhiwo eseziphenduke zaba umthwalo kumakhokhi bentele njengenkundla iMoses Mabhida, isikhumulo sezindiza iKing Shaka. iDubeTrade Port ezidla izindoda ezemphimi ukuze kwezimbekeza zwenza kwezomthela kwani abathukuthi abatsho abamnyama kwifuna uKhabise Zuma zokuhleka kwiNdebe Yomhlaba.
Kwenzeka konke lokhu-nje sekuyavela ukuthi abasocongwa eMarikana bengahlomile ngezibhamu, badutshulwa ngomyalelo kasekela mongameli kaKhongolose uCyril Ramaphosa, abasebenzi basezimayini bayaqhubeka nokuthuliswa ngokubulawa njengoba kwenzeka kubaholi bemibhikilisho yaseCato Crest uThembinkosi Qumbelo ngoMashi kulonyaka kanye noNkululeko Gwala ngoJuni.

Asisakhulumi-ke ngensakavuleka kuhle komchilo wesidwaba wemibhikilisho yansaku zonke ezweni lonke abantu bebufana izidingongqani nezinsiza kanye nokukhala kwabantu ngenkohlakalo okwenza ngomasipala, ukunyuka kokuhlukunyezwa kwabesifazane njengoba kwenzeka Kwamashu lapho sekusatshwa ukuthi ngase kubaholi bemibhikilisho.

Abesifazane kumbuso wentando yeningi eNingizimu Afrika bayaqhubeka nokuxhashezwa emsebenzini ngokuhlukunyezwa ngocansi, ukuhola kancane kunozakwabo besilisa, ukuthelelela ngemabiwele lengeculaza ngamadoda 9anqabayo ukusebenzisa (jazi lomkhwenyana) abaphoqa labesifazane ukuthi bangawamali amalungelo ahambisa nezitho zawo zangasese ngoba bethembele kuwona, abesifazane iningi labo elingasebenzi ngenxa yokuvonalwa kwamfactory okwakungawendawo ukuthi kuvunyelwe ukungena nokudayiswawo kwemibhikilisho yaseChina okugcina abanye bethu sebebiza leKwaMashu.

Umbuso wentando yening yaseNingizimu Afrika, oyinhlekisa oyonkohliso.

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South African democracy - the laughing stock of the world
Faith ka-Manzi 1 July

Democracy in South Africa means the landing of the private jet of the Gupta family in the army base in Pretoria and the commission appointed to investigate who authorise the landing absolving President Jacob Zuma and his ilk. It means the government elite having shares in blood diamonds of Congo, of diamonds of Marange in Zimbabwe where human rights are grossly violated. It means repeatedly dishing out tenders to the Shawn Mpisane (the daughter of one of ANC’s stalwarts - the late Florence Mkhize) despite of shoddy building of RDP houses at Umlazi while facing serious charges of tax evasion and forging of tax payments. It means spending millions of rands renovating the house of the Mr President Jacob Zuma’s house in Nkandla while her neighbours live in despair and shocking poverty with no access to water and electricity. It means the Ethekwini Municipality and the Chairpesron of African National Congress, Mr Senzo Mchunu delaying the release of the Manase Report which implies a number of councillors as having looted the coffers of the municipality taxpayers meant for developing Ethekwini.

It is the thugs under the auspices of the Metro police and South African Police Services brutalizing the citizens of this municipality, setting dogs on them, beating the shit out of them and getting away with murder as in the case of our Mozambican brother Amido Macia, a taxi driver in Daveyton earlier this year and miners massacred in Marikana last year in August.
Riah Phiyega, the National Police Commissioner, (as a woman, a gender that is known to suffer birth pangs everytime she sees or hear of a tragedy) when she was told about the Marikana Massacre, said,"It is good". And during the beginning of the commission hearing into the bloody massacre, she was caught on camera smilling - South Africa a long history of massacres right from the 19th century at the peak of colonial rule.

This trend started back in the twentieth century in 1906 when the Zulus had taken their rudimentary weapons to oppose the British Colonists who were enriching themselves through poll-tax to sustain the colony. This tax was becoming a burden as it was forcing men to leave their homesteads and go and work in the mines or sell their property (being cattle - most valued) in order to pay for how many huts one had in a homestead, tax to get married etc.

The British Colonial forces using superior artillery not only massacred thousands of the rebelling impis but had also burnt down their homesteads and looted cattle and whatever was of value. Professor Jeff Guy has written a painfully vivid memoir about the massacre titled “Remembering the Rebellion”.

We all know of the 21st of March when the apartheid forces again gunned down people who were running away from them - all 69 of them. That’s a huge number - some fleeing mothers with babies on their backs. Like also when John Vorster when told of the death of Steve Bantu Biko (which he had ordered) had said it left him cold.

I hope the international world can see what a fake our democracy has become when like former National Police Commissioner’s orders are still carried by the South African Police Services - the command “To shoot to kill”. It is no wonder that when one reads that even as a disgraced former commissioner - (Zuma’s administration fired him for renting of some buildings for his department at costs which ran into billions of dollars), when residents of Durban North his neighbours, mostly white rich property owners like him ask him to lead a protection of their wealthy suburbs from criminals who are probably mostly Black and poverty-stricken, no wonder again in a country of almost 40% unemployment but which has money to buy weapons of mass destruction running into billion of rands, loot South African taxpayers billions to invest into BRICS - a neo-economic imperialism of weaker countries neighbouring Brazil, Russia, China and South Africa and well as the scramble for their raw materials and infiltration of BRICS multinationals into these countries - in Africa which are mostly run by notorious tyrants.

Already we saw as South Africans what this means to our fellowmen, sent to Central African Republic to protect the business interests of South Africans, bodybags in coffin. Our democracy always take a back seat when South Africa hosts international events as when we gave our sovereignty to FIFA during The World Cup in 2010 where billions of rands were spent on the building of infrastructure which has become a burden on taxpayers - white elephants like Moses Mabhida Stadium, King Shaka International Airport which costs so much to maintain. FIFA also got away with billions of profit sucking our country dry, imposing on hawkers and informal traders livelihoods who have provided most of the ware and food bought by football fans outside soccer grounds and allowing only their crony multinationals like Budweiser, McDonalds and Coke to trade in the vicinity of areas where FIFA was taking place.

Meanwhile with much evidence pointing that the victims of Marikana were shot while fleeing and not armed with guns at the command of the African
National Congress Deputy President Cyril Ramaphosa, miners continue to be silenced through killings, and assassinations of leadership that some are even now resorting to committing suicide. As we are also are of the deaths of leaders of service delivery protest taking place in township like two murders in Cato Crest of Thembinkosi Qumbelo in March this year and of Nkululeko Gwala last week Wednesday.

This is notwithstanding the chaos the country is in through constant non-delivery of services protests so rampant in the townships of South Africa and the decrying of corruption by municipalities, the ever-increasing proportion of gender based violence as in KwaMashu right now where there is suspect of serial rapist and killer. Women in democratic South Africa continue to be vulnerable in the workplace through sexual harassment, earning less than their male counterparts, being infected with HIV by men (by refusing to use condoms) who force these women to forfeit their reproductive rights because of their economic dependence on them, women largely unemployed because of the shutdown of local factories in order to allow the infiltration of Chinese products in our country, with some South Africans ending up calling South Africa Chinese Banana Republic.

Democratic South Africa which is very welcoming to European and North American visitors (is it because of the Euro and the Dollar) and xenophobic and vicious to the extent of killing their fellow Africans who are forced to come and seek refuge in this country because of wars, drought, hunger and pillaging of their countries by leaders who reign with terror.

This is the democracy of South Africa, a sham and a mockery.

Obama’s visit provides an opportunity for South Africans

With Presidents Obama and Zuma on the defensive, now is the ideal time for the emergence of anti-imperialist groups.
Patrick Bond 1 July 2013

President Barack Obama’s trip to South Africa this weekend may have the desired effect of slowing the geopolitical realignment of Pretoria to the Brazil-India-Russia-China-SA (BRICS) axis. That shift did not necessarily mean a deviation from the local leaders’ political philosophy, best understood as “Talk Left, Walk Right,” which mixes anti-imperialist rhetoric with hard-nosed pro-corporate economic policies.

But it did reflect concerns expressed on Tuesday by Ben Rhodes, a White House deputy national security adviser: "What we hear from our businesses is that they want to get in the game in Africa. There are other countries getting in the game in Africa - China, Brazil, Turkey. And if the US is not leading in Africa, we're going to fall behind in a very important region of the world."

President Jacob Zuma’s government, like that of his predecessor Thabo Mbeki, has presented South Africa as the “gateway” to the continent. Two major political victories - hosting the BRICS summit in Durban three months ago and ensuring that a Pretoria diplomat, Zuma's former wife Nkozozana Dlamini-Zuma, won the leadership of the African Union last year - were accompanied by Johannesburg's renewed status as Africa's largest foreign investor within the continent.
Is Pretoria ready to ditch its traditional sub-imperial “deputy sheriff” role to Washington's imperial sheriff, and instead to look east? Obama knows well that some of Pretoria’s neoliberal coordination activities have been fumbled.

For example, George W Bush’s State Department labelled Mbeki’s 2001 New Partnership for Africa’s Development “philosophically spot-on”, and yet there was precious little to show for the subsequent dozen years of appeals for Western foreign investment and increased aid. Even funding for AIDS medicines was chopped in austerity budgets, such as Obama’s recent $200m cut to Bush’s PEPFAR programme, which closed the three main hospital-based AIDS programmes here in Durban, the city with the world’s highest number of HIV+ residents.

Obama also reportedly intensified Bush’s Africa Command (AFRICOM) military support to the continent’s dictators, and Edward Snowden’s whistle-blowing regarding internet snooping recalled WikiLeaks revelations from state department cables during Hillary Clinton’s reign. In 2009, while helping prepare Obama’s speech about good governance in Accra, Clinton asked eleven of Washington’s embassies in Africa to collect fingerprints, DNA, iris scans, email passwords, credit card account numbers, frequent flyer account numbers and work schedules of local political, military, business and religious leaders, including United Nations officials.

Since then, Obama has been criticised for military intervention in oil-soaked Libya and AFRICOM’s fight against the al-Shabaab armed group in Somalia, for alleged mercenary support and reported torture-rendition activities in several African countries, and for deployment of drones and US troops in authoritarian Uganda.

Zuma may be too diplomatic to have raised these matters in Pretoria on Saturday morning, because he needs to project strength after his own foreign-policy failings came to light. In the Central African Republic in March, just three days before the BRICS gathered, a firefight with the Chad-backed Seleka rebel movement left 13 South African army troops dead. They were defending not only the person dubbed by many the resident tyrant, François Bozizé, but also Johannesburg businesses, including some with crucial links to leaders of the ruling African National Congress (ANC).

With the hero of most South Africans, Nelson Mandela, near death, the degenerate state of the ANC is an enormous tragedy. Zuma’s own family and close friends have gained countless crony-capitalist benefits from a patronage-obsessed state apparatus. Mentioning “Number One” [Zuma] reportedly gave his pals, the Gupta family, sufficient clout to use the Waterkloof airforce base for a wedding party’s jet landing from India last month, to our society’s great shame.

The president’s notorious nephew Khulubuse Zuma recently wrecked a major Johannesburg mining house, Aurora, with vast collateral damage to thousands of workers and the natural environment. He then shifted to the oil business in the eastern Democratic Republic of the Congo, where another 1,350 South African troops were recently deployed. Their mission was to “babysit”, according to Defence Minister Nosiviwe Mapisa-Nqakula last month - a description that belies the danger should it eventually be revealed that their deployment was to run interference for corporate mining houses against the allegedly Rwandan-backed M23 guerrillas.
Since the DRC is within the Southern African Development Community, Zuma probably feels that this mineral-rich terrain is Pretoria's "backyard" - certainly moreso than it could be US, French or Belgian neo-colonial territory. That means tensions will inexorably rise between the competing mineral extraction strategies of Western multinational mining houses and oil companies, Chinese state firms, Zuma's crony-capitalists and the formerly Johannesburg-based corporates such as Anglo American - now financially headquartered in London - which have the most extraction experience.

Terrible conflagrations will probably continue in Central Africa; in the resource-cursed Great Lakes region a conservatively estimated five million people have died as a result of conflict and disease since the mid-1990s. Responding appropriately will require mobilisation of anti-war consciousness and activism in South Africa just as much as it will in other source-sites of African conflict, including within the US.

Encouragingly, a small anti-imperialist movement has emerged here, announcing three protests against Barack Obama - in Pretoria on Friday, Soweto on Saturday and Cape Town on Sunday - especially because of ongoing US meddling in the Middle East, what with Palestinians under the thumb of an Israeli occupation largely approved and subsidised by Washington.

Several other grievances were expressed by hundreds who marched to the US embassy in Pretoria, and hundreds more who objected to an honorary doctorate granted to Obama by the University of Johannesburg. Issues raised included the Cuban Five's imprisonment in Miami and the US blockade of Cuba, the torture chamber of Guantanamo Bay, warmongering in Syria, AFRICOM, support for Israeli apartheid, the kangaroo court trial of Bradley Manning, email and phone call snooping, AIDS medicine cutbacks, Obama's reported close ties with African dictators, Washington's ongoing structural adjustment philosophy and the neoliberal "Africa Growth and Opportunity Act" conditions.

With both Obama and Zuma on the back foot, this is an ideal moment for a new solidarity movement to make its case.

Patrick Bond directs the Centre for Civil Society at the University of KwaZulu-Natal in Durban.

Ukuvakshela kukaObama eNingizimu Afrika kunika ithuba kwizakhamizi ukuthi zikwazi ukuzwakalisa uvo lwazo.
By Patrick Bond Yahunyushwa nguFaith ka-Manzi

Ukuhambela kukaMongameli uBarack Obama eNingizimu Afrika kulempelasonto kungase kwenzeke ukuthi kube noshintsho kubidlelwano bamazwe ayingxenye yeBRICS.

Lokho ngeke kuchaze ukushintsha komqondo wezabombusazwe balapha, okuqondakala kahle “njengokukhulumela intando yeningi kodwa benze okuvuna ongxiwankulu,”:, okumbandakanya izinkulumo ezimelelene nokusabalaliswa kwemibuso yabo kwamanye amazwe kodwa bebe bexhasa imigomo evuna ongxiwankulu. Kodwa khona kwakhombisa ukuxwaya ngolwesibili njengokusho kukaBen Rhodes, oyisekela lombonisi wezokuvikela eWhite House: “Esikuzwayo kubaphathi bezimboni zethu
ukuthi nabo bafuna ukuhlanganyela ekuhwebeni eAfrica njengeChina, neBrazil kanye neTurkey. Futhi umangabe iMelika ingaholi eAfrika, sizoba semuva ezwenikazi elibululekile kakhulu emhlabeni.”

Uhlumeni kaMongameli uJacob Zuma, njengalona owayepethethe ngaphambi kwakhe uThabo Mbeki, ubeke iNingizimu Afrika “njengesango” lokungenelela kulelizwekazi. Imiphumela emibili emikhulu yezombusazwe yile - ukuphatha kweNingizimu Afrika ingqungquthela yeBRICS eThekwini ezinyangenzi ezintathu ezedlule kanye nokuqinisekisa ukuthi omunye wezombusazwe wasePitoli owayeshade noZuma uNokosazana Dlamini Zuma waphumelela okhethweni lokuhola iAfrican Union ngonyaka odlule. -futhi owakuphelezelwa ukuthi idolobha laseGoli selubuyelwe isithunzini seqhaza lalo njengomtshali omkhulu wezimali kulelizwekazi.


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