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Socialist Party general secretary

“The protesters in Athens can riot all they want, but they cannot alter the fundamental economic fact of their country - it is busted, mainly because it has been consuming more than it produces for many years. Even a socialist revolution... would not change that reality.” (Sean O’Grady, economics editor of the Independent)

Mass general strike action by millions of workers is synonymous with riots for capitalist commentators (in reality, a minority of anarchists and youth ‘rioted’ and they were condemned by the bulk of strikers).

But the message is unmistakable, trumpeted from thousands of media outlets - Thatcher might have retired but her mantra “there is no alternative” retains its full force today for the bosses and their hirelings. Could it really be the case that the catastrophic nightmare scenario confronting the Greek workers, with a similar fate awaiting their Portuguese, Spanish, British and Irish cousins, is the only alternative?

Certainly, capitalism has already made it abundantly clear, through the most devastating economic crisis in living memory, that if this system is maintained a prolonged nightmare is indeed the likely future for working people.

We have already paid a colossal price for the failings of the system, as even the pillars of capitalism like the International Monetary Fund (IMF) have admitted. In 2008 alone \$50 trillion was lost in devalued assets, lost production, the elimination of private wealth, etc. This figure is the equivalent of the total production of goods and services in one year for the whole of the world!

Here, the economy, according to Mervyn King, the Governor of the Bank of England, is working at 4% below the level reached before the onset of this economic crisis. At least two million workers have been thrown out of their homes in the US and thousands in Britain have shared a similar fate.

**Precarious survival**

Consequently, experts of capitalism are now compelled to admit that the dream of the ‘property owning democracy’, sold to us by Ronald Reagan, former right wing US President, and shared by Margaret Thatcher when they were in power in the 1980s, lies in ruins.

Millions of young people will never own their own house, nor will they be able to afford the massive hike in rents which flows from the Con-Dem government’s slashing of housing benefit. Already, many young people in Spain and Italy are forced to remain in their parents’ houses until well into their 30s.

At the same time, there are at least 200 million unemployed throughout the world - 70 million of them young people, of whom one million are in Britain. Another 1.5 billion worldwide are in so-called ‘precarious’ employment. They inhabit a twilight world between having some kind of part-time or casual position and the pit of despair of having no job.

‘Commissar’ George Osborne, Chancellor of the Exchequer, has attempted to perpetrate the fraud that his government has “grown” 400,000 jobs in the last year - like some super-efficient member of the Gardeners’ World team on TV! In reality, these are what US workers call ‘survival’ jobs, something you take until a more permanent paid position comes along. Tragically, however, these future permanent and better-paid jobs are a chimera. In Merthyr Tydfil there are 32.7 unemployed workers for every vacancy.

# As the cuts bite, millions ask: “Does it have to be like this?”

Capitalist experts like Roger Bootle, the managing director of the Capital Economics think tank, now say it is too optimistic to compare the present and future economic prospects of capitalism, both in Britain and worldwide, with the dreaded 1930s Great Depression. For the current economic situation there is a greater comparison, he argues, with the long drawn-out depression of the late 19th century!

**Broken system**

The much vaunted economic recovery is largely in the bank balances of the bosses. The mass of the people face a jobless and joyless economic landscape. Moreover, at least one billion people go to bed hungry each night as a consequence of the failure of this system. Capitalism, which puts the production of profit for the few, the millionaire and billionaire capitalist owners of industry and the resources of society, before the social needs of the majority, the multi-billion poor and working class throughout the world.

Oxfam characterises the present system of food production as “broken”. It estimates that this, together with the shameful capitalist speculation on future food prices, will lead to a doubling of basic foodstuff prices in 20 years. This is a horrible prospect for the poor who already spend 80% of their income on food.

Oxfam’s executive director angrily stated: “For too long governments have put the interests of big business and powerful elites above the interests of the seven billion of us who produce and consume food.” The world is capable of producing enough food to sustain the world’s population and yet one sixth goes hungry.

Colossal developments in science and technology have taken place and yet the lust for profit - the engine of the system - means greater and greater environmental collapse, nuclear disasters like that in Japan and the massive alienation of the young from the workings and the ‘morality’ of the system.

Mass unemployment and inequality widening to Grand Canyon proportions - with one flat in central London sold for £164 million - alongside colossal waste; these are the hallmarks of ‘modern’ capitalism.

And yet commentators like Sean O’Grady believe that the Greek workers must suffer further agonies to maintain this system. On top of decades of austerity they must now accept massive attacks, including wholesale privatisation.



Striking local government workers in Southampton photo Paul Mattsson

These measures are being compared, even by the capitalist press, to the brutal Treaty of Versailles imposed on Germany by the victorious Allies at the end of World War One, which ultimately led to revolutionary explosions. These modern ‘reparations’ have been correctly and ferociously resisted by the Greek workers.

The “socialist revolution” cynically derided by O’Grady has not yet happened in Greece for one main overriding reason: the absence of a mass guiding organisation that can draw all the threads of the titanic struggles of the Greek workers and youth together around a programme for a new society and help to develop their consciousness. This process could lay the foundations for a socialist, democratic planned economy.

The Greek workers have not yet arrived at this conclusion but they have very good teachers in the form of the advocates of the brutal austerity programmes. The ‘Troika’, the European Central Bank, the IMF and the European Commission, is ‘educating’ the Greek working class on

the impossibility of even maintaining precarious living standards, never mind improving them in the next period - if the Troika has its way.

The madness of capitalism decrees greater and greater sacrifices in the cause of paying off a debt which the workers did not create. Moreover each loan, allegedly to pay off the debt, only piles up the deficit even further, merely postponing the inevitable default of Greece and its probable exit from the euro, while at the same time inflicting more suffering on the Greek people. This, in turn, could lead to a Lehman Brothers-type meltdown of the European banking system with incalculable consequences.

**No solution**

In Britain, capitalist commentators openly confess the bankruptcy of their system. David Prosser in the Independent writes: “And the solution to our economic woes is... there is no solution.” He says that Osborne’s ‘Plan A’ is not working but

a “Plan B will... land us in the same place as Plan A”. (31/5/2011)

“But there is an alternative, to a brutal capitalist austerity regime and that is more liberal capitalism.” This is the refrain of Will Hutton, of the Work Foundation. He is joined by New Labour leader Ed Miliband who recently set the blood racing through the veins of the labour movement with his championing of a “better capitalism”.

Miliband was initially seen as a new left alternative to pro-capitalist Blairism by many, particularly the trade union leaders. Yet in this statement he confirms completely the Socialist Party’s prognosis made at the time of his election.

We said that he was firmly cast in the mould of the previous New Labour regime. His call for a “better capitalism” endorses the elimination of Labour’s famous Clause Four, Part Four in 1995 which opposed capitalism and envisaged socialism as an aim.

Notwithstanding this, is it possible for a more liberal, humane type of capitalism to be constructed today? After all, between

1950 and 1975 capitalism experienced a spectacular boom which allowed some crumbs off the very rich table of the bosses to fall into the laps of the working class who, as a consequence, experienced a real increase in their living standards. This was at a time when Tory governments could proclaim that they stood for ‘one nation’ and social peace between the classes.

Today, the Tories don’t just practice class war, they openly urge it on the bosses, as George Osborne did when he told a bosses’ conference to “get stuck in” to reducing workers’ trade union rights.

**Post-war boom**

At the end of the post-World War Two boom and in the economic crisis that followed, capitalism discovered that there was no productive outlet for the mass of the profits that had been accumulated. Therefore, the bosses hugely expanded, through fictitious capital in particular, ‘financialisation’ - the massive domination of the economy by banks and finance.

Outside of China and a few areas in the former neocolonial world, where considerable industrialisation developed, manufacturing industry was replaced by ‘services’ as a field of investment. This in turn provided the basis for the huge bubbles, particularly in credit and property, which came crashing down in 2007 and whose devastating effects are still with us.

The accumulated debts from this period - of individuals, households, companies and the state - are now like giant leaden boots which hold back and effectively prevent a return to any new ‘golden age’ of capitalism. It has increasingly dawned on the soothsayers of capitalism that a new prolonged period of economic stagnation is now the most likely scenario facing capitalism.

**Cuts**

But “those whom the gods wish to destroy, they first make mad”. In what is already a deep deflationary situation - when demand is already seriously depressed - what do the superintendents of the system, Cameron and Osborne, deem is necessary? A devastating £81 billion worth of cuts over four years which will deepen and aggravate the crisis and ratchet up considerable ‘social tension’.

Will Hutton opposes privatisation of some state assets. Nevertheless, like Miliband, he supports the cuts programme but in slow motion. He correctly identifies the disaster of rail privatisation and the lasting damage which has been done. The looting of the state, which is what privatisation amounts to, will undoubtedly do further lasting damage.

But the calls for the government and the bosses to desist find no echo from this quarter. Why is this? It is precisely because of the dilemma which is at the heart of the present crisis: massive accumulated profits - the unpaid labour of the working classes - for which there is no productive outlet.

Manufacturing industry now barely accounts for 12% of the British economy today and therefore does not offer a route out of this dilemma. It is this factor which is driving the capitalists in Britain and internationally - witness the privatisation programmes in Greece, Spain and Portugal - to lust after state assets which they hope to buy on the cheap.

The fact that this will wreck the state sector, denationalise the NHS, sacrifice accumulated experience, further undermine the infrastructure and not least add to the army of unemployed is incidental to them. What counts is



Young people have no choice but to fight for a future photo Senan

satisfying what Karl Marx called “the werewolf” craving for greater and greater profits.

The same applies to another central plank of the ‘liberal’ wing of capitalism: the narrowing of differentials and opposition to inequality. Yet inequality is woven into the very fabric of capitalism itself. In the relationship between the capitalist and worker, the foundation of the system, the capitalists only pay a portion of the value created by the labour of the working class in the form of wages. ‘Profits’ are the unpaid labour of the working class. From this relationship springs the inequality that pervades all aspects of capitalist society.

The Socialist, of course, applauds and supports all attempts to narrow the gap to give greater concessions to the working class but the only way ultimately to abolish the gap is by eliminating capitalism itself.

This poses the need for a democratic, socialist plan of production in place of the chaos of capitalism. Central should be the demand for the public ownership and democratic workers’ control of the big monopolies - including the banks - which should make possible the real planned organisation of society.

Through a mass organisation that systematically links the failures of capitalism to the devastating effect on working people in Britain and throughout the world, such a programme could be enormously popularised and become meaningful to millions aspiring to a real alternative to the system.

Therefore, in the mighty battles which face us, starting with the 30 June public sector strikes, a real alternative should be spelt out in the meetings and demonstrations taking place around these events. All cuts must be opposed. We must resist the slashing of pensions and benefits.

When the Con-Dem government demands how this will be paid for, our answer should be that of the PCS trade union: collect the £120 billion in unpaid tax from the rich! Even this measure can only be really implemented by nationalising all the banks under democratic workers’ control and management. This would be a step towards taking over the commanding heights of the economy.

**Socialism**

That is an alternative to capitalism. It is socialism, the planned use of all the resources of society for the benefit of all, which offers a way out of the present capitalist morass. This is not based on the model of the old authoritarian regimes of Eastern Europe and the former Soviet Union which were dominated by a privileged caste of bureaucrats, albeit with a progressive planned economy.

We stand for international socialism, but one that involves mass participation in the control and running of industry and society. The next period will show the immense potential power of the working class. Notwithstanding the cynics who seek to reconcile working people to wasteful and destructive capitalism, we offer a new vista of socialism.

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