

Cuts and crisis THERE IS AN ALTERNATIVE Fight for socialism

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Against the background of the worst crisis "ever" (according to Mervyn King, governor of the Bank of England) the claim that 'there is no alternative' is a difficult argument, to say the least, to sustain today. Yet all three main parties insist on it.

The real situation is revealed in the army of unemployed, the colossal wastage arising from the 'great recession', which threatens to topple into outright depression.

One million young people alongside one million women are part of what is likely to become a permanent 2.75 million minimum army of unemployed in Britain. And this is just part of the legions of at least 200 million unemployed in the world who increasingly form a substratum of the poor, homeless and dispossessed.

Of this figure 81 million is composed of young people - who are condemned to a life of worklessness. There is almost a 50% rate of unemployed young people in Spain and 40% in Greece.

Added to this are the seven million in Britain and 1.6 billion worldwide in part-time 'precarious' jobs. They are a 'precarariat', a modern manifestation of the "reserve army of the unemployed", as written about by Karl Marx, who analysed capitalism.

This is a pool of cheap, sometimes almost slave labour - including young people working as 'interns' for nothing. They may be drawn into work when needed and then conveniently tossed aside like an old boot when the economic cycle of capitalism deems they are 'surplus to requirements'.

Yet, argue the defenders of capitalism, this system is the best conceivable one for delivering goods and services to the

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peoples of Britain and the world. It is true that capitalism, in its progressive phase, furnished the basis for the first time in history to abolish want and privation. Now, however, it has turned into its opposite and become an absolute fetter to the further development of industry and society.

By its own admission, it is now a machine for destroying wealth and the lives of working people rather than creating it. It is also destroying the environment. The majority of humankind will have to challenge this system and replace it with socialism in order to stop the decline of the planet.

A hallowed institution of capitalism, the International Monetary Fund admitted that \$50 trillion, equal to the total production of the world in a year, was lost in 2008 alone because of the world crisis of capitalism.

There is also the scandalous example of the 3,000 BAE workers thrown out of their jobs because of 'defence cuts'. How easy it would be to plan, for instance, to switch them with their accumulated technical expertise, into green technology and other necessary useful products?

But mention of the 'planning' of industry and society is anathema to the capitalists and their representatives. Yet when it comes to cuts, Osborne enthusiastically embraces 'plan A' and rejects a 'plan B', which amounts to a "plan pie in the sky".

Capitalism

Capitalism is a social system based upon production for profit not social need. A 'rational' organisation of production is impossible because it is also a blind system. Workers will be thrown out of jobs when there is no 'demand' for their products.

In reality there is always a need for their products - but social need is subordinate to whether or not it is profitable for the capitalists. Then when production increases in another field after a period



In Britain, a minimum of £200 billion has been lost in GDP since the first quarter of 2008 due to the recession. This would be more than enough - two and half times - to cover the £81 billion cuts.

Moreover, economist Gavyn Davies in his blog for the Financial Times - house journal of the financial plutocrats who control the credit system, the nerve centre of capitalism - admits that growth remains far below the potential built up by the previous development of industry and will remain so for "several more years".

This means "there will be a massive further wastage of economic resources". Davies estimates that if the recession continues until 2016 - at least another five years of economic agony for working people - this will "amount to a loss of \$5,900 billion, of which \$2,200 billion is still to come in the next five years". Added to this is the huge wastage on 'defence' spending and arms production, a total of \$1.7 trillion a year. Then there is the obscene \$3 trillion already spent on the failed wars of Afghanistan and Iraq.

of unemployment, some may be integrated back into industry.

Contrast this to the way production would be organised under socialism, es-

pecially through democratic workers' control and management. If there was a surplus of workers and capital in one field and a deficiency in another, a democratic planned organisation of industry would just involve a voluntary transfer of goods and labour from one sector of the economy to another.

Karl Marx showed that this is what happens already, within a single factory or today even with multinational and transnational companies: "...That same [capitalist] mind denounces with equal vigour every conscious attempt to socially control and regulate the process of production, as an inroad upon such sacred things as the rights of property, freedom and unrestricted play for the bent of the individual capitalist.

"It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organisation of the labour of society, than that it would turn all society into one immense factory." [Karl Marx, Capital, vol 1, chapter XIV, section 4.]

Economic and political power must be taken out of the hands of the destroyers of wealth, the handful of capitalists who control industry and society. In Britain, this would involve the taking over of a handful of monopoly firms that control 80-85% of the economy. Compensation would be given to the ex-owners and particularly to the small shareholders on the basis of proven need.

Imagine what would then be possible by utilising the full potential of production! The famous capitalist economist John Maynard Keynes estimated in the 1930s that by the beginning of this century, by utilising the full potential that remained unused under capitalism, the average worker would work no more than 15 hours a week and therefore gain "freedom from economic cares".

Such a prospect only appears 'utopian'

because of the character of modern capitalism with its philosophy of a dog-eat-dog society combined with a programme of 'work til you drop' without respite or enjoyment, repression of wages and ever increasing poverty and unemployment.

Searing inequality - which has deepened and extended during this crisis - has fuelled the revolt of the working class, which in turn has sparked the worldwide 'Occupy' movement. Its ringing denunciations of the 1% of the population that controls an unprecedented hoard of wealth to the detriment of the 99% majority have found a wide echo.

But the laudable attempts to close and eliminate the 'wealth gap' are likely to be stillborn under capitalism. We support a 'Robin Hood tax' on the transactions of big business. But history shows that the capitalists always find a thousand and one ways to circumvent any law which seeks to claw back some of the wealth and eats into their profits.

When the Labour government of Harold Wilson attempted to do something similar through a corporation tax in the 1970s, such was the opposition of big business it was completely watered down and rendered largely ineffective. The only way to prevent this is through the nationalisation of the banks and finance houses.

Similarly, the 'dictatorship of the market', which is holding the whole of Europe to ransom, should be met with the cancellation of the debt to the bond parasites. This in turn could only succeed if nationalisation was carried through not just in one country but on a continental and world basis.

Inequality is intrinsic to capitalism. The exploitation of the working class - the capitalists garner what Marx called 'unpaid labour' in the form of profits - is the very foundation of the system. From this flow all the inequalities and the class antagonisms which shape this society.

The system can go ahead for a while as long as the surplus is invested in productive industry to create more factories and thereby the production of more goods and services. But it stagnates and falls back when the restricted incomes of the working class - particularly marked in the last few decades - mean they cannot buy back fully the goods and services they produce.

This results in 'overproduction', a glut of unsold goods and redundant workers and capital. This, in turn, can produce a 'death spiral' reflected in the paralysis of production evident throughout the world today.

New system

Combine all this clear evidence of the wasteful character of the system with the extraordinary mass movements - Greece, Italy, Spain, Britain on 30 November, etc - and it is clear that capitalism faces one of its greatest threats in its long history. In fact, a new social system is knocking at the door of history. This is the idea of a socialist democratically planned and organised economy and society. To usher it in requires a movement and the urgent building of a mass workers' party.

Ironically, this current threat to capitalism arises from its very triumph following the collapse of the Berlin Wall in 1989 and



All over the country anti-cuts campaigns have mushroomed photo Senan



The Occupy movement has found a wide echo photo Paul Mattsson

the downfall of Stalinism. The consequent dismantling of the planned, nationalised economies and their replacement by 'wild capitalism' represented a big ideological victory for capitalism.

This in turn moved the leaders of parties such as the old Labour Party, at its base a 'workers' party', and the trade unions to the right, leading to the transformation of these parties largely into pro-capitalist formations. This meant that the capitalists no longer needed to look over their shoulders at a threat posed by the working class. There is no check on their actions as there had been previously.

Capitalism was therefore unrestrained in pursuing the policies of financialisation which were already underway in the late 1970s and 1980s.

In this sense, it became its own gravedigger.

"Hang on a moment! This idea of socialism is nothing new. It has been tried before and failed miserably in Russia, and elsewhere," argue the representatives of capitalism.

Winston Churchill, Tory prime minister in the Second World War and the 1950s, got it right, they say, when he asserted: "Capitalism has many faults but it is better than the other alternatives on offer." This threadbare argument is all that the capitalists can now fall back on.

Firstly, the Russia they refer to was a Stalinist regime not a genuinely socialist workers' democracy. It was totalitarian in character and dominated by a bureaucratic elite, although resting ultimately on a nationalised planned economy.

Where the first attempts were made to lay the foundations of socialism, for instance in Russia between 1917 and 1923 this did not 'fail', as our critics argue. On the contrary, the establishment of a nationalised planned economy with democratic control exercised by the working class and the poor peasant masses through 'soviets' - workers' councils - gave us a glimpse of what was possible on the basis of socialism. Russia, a poor, culturally backward society, did not have the material base in terms of industry to immediately establish socialism alone. However, the 'chain' of capitalism broke at its weakest link, and this inspired a worldwide workers' revolutionary wave.

manifested in the economic madness of debt-driven capitalism; financial bubbles on top of financial bubbles, which collapsed like a house of cards in 2007-2008. The consequences of this are evident in the idle factories, workplaces and the tragedy of the millions of 'idle hands' which presently litter the economic landscape of world capitalism.

Through the immediate shortening of the working day, working people will be allowed to participate in managing and controlling nationalised industry through a plan. Now, the working day is being extended under capitalism.

The Russian revolution and its aftermath indicated the direction in which society could develop, particularly if socialism was rooted in the advanced industrialised countries. Great efforts were made to establish a collective, solidarity type of consciousness. Industry and society were under the control of the workers and poor farmers. This allowed the setting up of communal laundries and eating places in the first period after the revolution.

However, it is unlikely that the organisation of a new social society in today's conditions will be like this. Given the widespread use of technology today - domestic washing machines - communal laundries are probably not necessary. On the other hand, such is the intensity of the working day - for instance in America - that a form of 'communal' eating already exists in the form of 'diners'. These

Capitalism in crisis -

by numbers

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photo Paul Mattsson

tend to be widely used by working people during the working week, with families eating at home at the weekends.

It is impossible to prescribe exactly how a plan of production, with all the details and priorities to be worked out, will be implemented in today's society. This will be best left to the initiative and intelligence of the working class organised through their own collective power. But the present horrors of capitalism will continue to exist, indeed, will be perpetuated, if this system is not replaced by socialism.

Because of the isolation of the Russian revolution - primarily because of the failure of the social-democratic and right-wing trade union leaders in the West to spread the revolution - the beginnings of the bureaucracy took shape in Russia from 1923 onwards.

This bureaucracy, from a pimple on the body of society, became a massive ulcer - a privileged social caste - which undermined the advantages of the planned economy and ultimately presided over its liquidation in 1989 with the return of capitalism.

Blind alley

This experience is unlikely to be repeated today because of the entirely different conditions in Britain and the advanced industrial countries, which have a high level of culture and technique. It is true support for a socialist alternative will not develop easily or automatically given the relentless anti-socialist, pro-capitalist propaganda of the last two decades. It has to be argued for and explained, particularly when the working class is on the move, as it will be on 30 November.

But support in the polls for the 'Occupy' movements has demonstrated the broad support for a better world. The '99%' does not yet have a full understanding, consciousness, of how to achieve that alternative.

Even those involved in the 'Occupy' movement know what they don't want but do not have a clear alternative. Yet their aims can only be realised through real 'system change', socialism.

Brutal capitalism is demonstrating daily the blind alley which this system is in and is preparing the ground for millions to search for an alternative.

Capitalism is incapable of satisfying human requirements in today's world. Socialism is the idea which will dominate the 21st-century.

