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Get Rid of Capitalism Not Just the Tories

Post-Election Blues?

The Tory election victory has brought anger and despair in equal portion to many. There is no doubt that for all the hypocritical talk about being “the party of working people” a new round of attacks on workers is on the cards. From making it almost impossible to legally strike, to selling off social housing, the agenda is clear.

Osborne wants a further £12bn of welfare cuts which will even more undermine the lives of those already suffering the most. (The newspapers are already speculating on where the axe will fall: tax credit, housing benefit, disability, incapacity, pension credit, income support? The bets are on).

And yet would things have been any different if Labour had won? Labour accepted the capitalist argument that we have to “balance the books”. So they promised us “austerity-lite”. In other words the same cuts but just spread out over time. This is a policy now supported by top capitalist bodies like the OECD and the IMF. The *Financial Times* “the voice of business”, has also come out against what they see as the dangers of “cutting too fast”. They fear that pushing us too hard could cause “social unrest”!

The most important fact, unrecognised by Labour or the TUC, or indeed the majority of the “Left”, is that there is no recovery and there is no capitalist solution to the crisis.

This Crisis is not Going Away

Even the most optimistic reports of capitalism’s supposed recovery from the 2007/8 financial crash sound hollow. The so-called credit crunch signalled the bursting of a speculative financial bubble. But this was no accident or simply a failure to control ‘greedy financiers’. The fact that financial speculation is now so key reveals that capitalism has reached a deeper stage in the crisis of declining profit rates which has dogged the world economy for decades. In 1970 only 10% of

financial flows went into speculation, the rest into investing in the real economy. Today 99% of these flows are pure speculation and nothing to do with the real economy. In this climate some niche firms (Apple etc) make massive profits (which they then cannot reinvest profitably in their business). At the same time the banking system won’t lend to small businesses because the rate of profit is too low. They prefer to speculate on ... anything you care to name. Currencies, commodities, obscure financial instruments etc are where they look. And what does it tell is about their faith in the future that they are buying up government bonds or putting money in banks at negative rates of return? It means they think things are going to get worse further down the line.

Basically we live in a time of over-accumulation of capital. To escape the current stagnation capital needs to be devalued on a global scale. That would mean a massive world war and they are not [yet] ready for it. The only alternative now for the capitalist class is to devalue the one bit of capital they can attack – variable capital or working class living standards. Hence they go not just for austerity but all the dodgy employment practices which are now becoming the norm.

Worsening Our Working Conditions

From the word go industrial capitalism was all about increasing labour productivity – how much is produced per hour – in order to increase profits. It was the driving force of mechanisation and mass production which gave birth to the modern working class, the “grave diggers of capitalism” [Marx] and which, after two world wars and a slump has once again led to the simmering world crisis we have today. One of the problems created by getting fewer workers to produce more with advanced technology in the present phase of capitalism is that a growing number of people are unemployed. Last year the International Labour Organisation (ILO) reported that in 2013 the number of jobless in the world had

risen by nearly 5 million to a record 201.8 million people. The largest part of the group are the 74.5 million people aged 15–24. Moreover, as we know, many people are obliged to take whatever job they can get. As this article is being written a Gallup poll has just come out which finds that,

“Of the 7 billion people in the world, there are 5 billion adults aged 15 and older. Of these 5 billion, 3 billion tell Gallup they desire a full-time job”

With an eye to publicity, the Gallup chairman provocatively concludes that since *“Only 1.3 billion actually have a good job, (this) means that the real unemployment rate in the world is over 50%.”*

Which brings us to the situation here where Chancellor George Osborne is now boasting that, since 73.5% of people of working age in the UK now have a job, this is “the highest employment rate in our history”. What he doesn’t say is that most people are being ‘rewarded’ with low-paid, insecure, part-time, under-employment on short hour contracts of less than 19 hours per week (so employers don’t have to pay national insurance) where pay is usually even worse than zero hour contracts. According to a TUC report in April, there are 820,000 UK employees underemployed on between 0 and 19 hours a week. This is on top of 700,000 workers on zero-hours contracts.

Nearly a third (29 per cent) of underemployed short-hour workers are employed in supermarkets, shops, warehouses and garages – nearly 250,000 people. Education (16 per cent), accommodation and food services (14 per cent) and health and social care (12 per cent) also account for large shares.

The average hourly wage for a short-hours worker on fewer than 20 hours a week is £8.40 an hour, compared to £13.20 an hour for all employees.

This, coupled with a rapid rise in nominal self-employment (1 in 11 working age people are now running or setting up a business but less than

40% generate enough turnover to even have to pay VAT) accounts for the UK’s highest employment rate in history. It is hardly something to boast about. In fact what Osborne is really crowing over is that he thinks the working class has been subdued by a mixture of dire need and formidable benefit cuts and sanctions aimed at forcing people to accept jobs with below survival level wage rates. How do they survive? Well, sometimes they don’t; sometimes they join the growing ranks of the homeless (something else not to boast about). Most low paid workers still rely on some sort of benefits. Apart from 9 million pensioner households in the UK, 20 million families receive benefit. The majority of them are working for a wage so low they wouldn’t be able to survive without being subsidised by the state. A modern version of the early nineteenth century Speenhamland system where local parishes protected farmers by topping up agricultural workers’ wages.

What Next?

With nothing more to offer than a predominantly low wage, low skilled economy coupled with further dismantling of the welfare state there are certainly going to be uncertain times ahead for the capitalist class. Workers everywhere are beginning to reject the ‘all in it together’ myth and are beginning to fight on their own account.

In the UK there are other powerful myths which could stymie a real working class response. The first – even now – is “Kick the Tories Out!”. If the Tories are out, then Labour is in. Can anyone seriously believe that a revamped Labour Party would act on behalf of workers’ interests? The whole history of the Labour Party from Ramsey Macdonald on is about saving capitalism. And yet we still have many on the Left selling what’s left of ‘grassroots Labour’ the possibility that this can be reversed if only the “right” leader is elected. This is more utopian than calling on people to man the barricades tomorrow. Many now know this but then put their trust in the TUC.

It is defining the anti-austerity battle as one for an ‘alternative’ of public ownership and more government investment. In other words, “the spirit of 1945”: the old pipe dream of a government to manage capitalism and make things ‘fairer’. But in 1945 we were at the start of a post-war boom. Capitalism could afford to buy off the workers with welfare then. Today capitalism is in deep economic shit and has to attack us. The alternative is not a fairer capitalism but an end to the system itself.

Many groups to the Left of Labour understand this but still think that cosy up to the old labour movement of unions and Labour Party is the only way to build their membership. They inject their anti-austerity campaigns with some radical-sounding phrases like “prepare the uprising”, “down with the 1%” etc, but in the last resort they hang onto the coat-tails of the TUC and Labour with their A to B marches which pose no threat to the system.

The task of real revolutionaries today is to counter these kinds of illusions amongst workers as their struggle for a better life revives. The only way we can do that is to spell out the message that resistance to austerity now has to be accompanied by a longer term perspective to get rid of the system in itself. This will not come quickly but will come faster if more people who claim to be socialist go beyond “activism” and start putting the anti-capitalist argument into the mix on a daily basis. For in the last resort it will not be minorities which overthrow capitalism but the working class as a whole, through its own self-organisation. There is no other way. This also has to be a **conscious** fight. This starts with a communist (and not a state capitalist) programme. The practical and material basis exists today for the creation of a truly global community of freely associated producers. The alternative is further descent into capitalist barbarism, the horrors of which are already being experienced by millions, if not billions of people, throughout the world.

Fighting Back in the Global Class War

“There’s class warfare, all right but it’s my class, the rich class, that’s making war, and we’re winning.”

Warren Buffett the investment guru told the New York Times in 2006. He was not wrong. In the US wages in the late 1960s were equal to 51% of GDP. By the time Buffett was speaking it was 45% and they have declined further to 42% today. It’s the same in all the advanced capitalist countries. Ever since the post-war boom ended in the early 1970s workers have been getting a smaller portion of ‘national income’.

The Retreat of the World Working Class

For decades the capitalists have done their best to boost profits by extracting more for less from the working class. In the 1970s workers massively resisted the first cuts in living standards. However the capitalists responded by dramatically transferring production to low wage economies. We now know this as globalisation. Add to this the microprocessor revolution from the 1980s on and you have the destruction of the old industrial working class bastions. Whereas in the 1960s a single (usually male) wage could keep a family, today two wages can hardly do the same job (or, as in the UK, they cannot and low wages have to be subsidised by working tax credit).

The working class around the world

has been in such a retreat that rumours of its disappearance have been widely circulated. These rumours can now be firmly rejected.

The collapse of the speculative bubble in 2007-8 was a turning point. Even in the capitalist media this gave rise to the notion that “Marx was back”. More significantly it led to the Occupy and Indignados movement. These were not working class movements per se (the 99% also includes capitalist managers etc) but they did have a working class element to which we could relate. Above all they questioned the sanity of the continued existence of capitalism. “Anti-capitalism” was previously only the preserve of the endangered species known as communist revolutionaries. Now no-one thinks you are mad for using the word. At the same time and in similar vein we got the Arab Spring which has not lived up to the hopes of its inspirers. Again it was an all-class movement which lacked a real focus. After 800 people had died in Egypt Mubarak remained in office. It was only when textile workers again went on strike (as they had done in 2007, inspiring the young bloggers of the Arab Spring) that the Army saw the real threat and removed the old dictator.

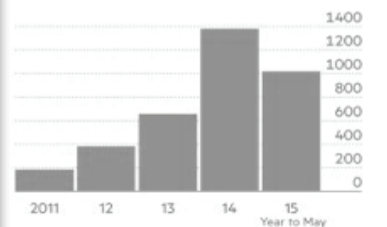
Nothing else has changed much in Egypt but it illustrates the fact that, despite the need for street protests, they can only gain real force when they are linked to workers strikes in the place where we can hit capitalism where it hurts – at the point of production. Since 2011 the resistance to capital has only been growing slowly but the signs are that this is beginning to change.

China: Workers’ Strikes Rising

China became the engine of world economic growth founded on international capital (initially) and a workforce ready to escape the unrelenting drudgery of the fields for the paid drudgery of Foxconn etc, making stuff for Apple, Samsung and all the other giants of the world consumer economy. Indeed cheaper Chinese products have enabled capitalists in the richer countries to lower wages in the old capitalist centres. However this workforce, once ready to accept being crammed in barracks without civil rights or decent wages, have increasingly had enough. For some years resistance has been growing as the following table from the *Financial Times* shows.

Industrial activism on the rise

Labour strikes (number)



Source: China Labour Bulletin

FT

Now the Chinese state has stepped in arresting leading militants and threatening them with 5 years in gaol. The number of strikes involving hundreds of thousands of workers in massive workplaces is increasing so they have set up courts to settle workers’ grievances (the unions are widely discredited as they are part of the state).

Still, the modern Chinese proletariat

is only one generation old and has to deal with the confusing history of being in a supposed “communist” country (which it has never been). Besides, no section of the working class, however numerous, can be left to fight alone.

Fighting modern capitalism is not easy. Aside from the shipping of jobs to Asia etc, workers in the capital-rich countries also face ruthless job practices. These include zero hour contracts, agency working, the imposition of fake “self-employment” contracts etc. The aim is simple: Reduce each worker to a mere individual against the firm. This not only creates insecurity but makes collective resistance almost impossible to organise – or so they thought. However, after years of being forced to accept a precarious existence, workers are beginning to find ways to fight back. A classic example is in Spain.

Telefonica Strikes in Spain

After the Spanish state sold off its telecoms giant in 1996 the workforce was cut by 75%. Many of the remaining workers were told to become self-employed. One worker tells us what this meant:

What is a pseudo self-employed worker? It is a worker who was mainly staff on a contract and when the contract ran out he was dismissed because there was no work, but they came up with the brilliant idea of telling the worker if s/he invested their dole money, plus a small settlement but not one that was fair, and bought tools, he or she could continue working as their own boss, taking orders as the staff did but without holiday pay, sick leave, obligations, i.e. zero cost and high profit. The perfect business, labour at zero cost and below the minimum you need in order to survive.

Many will recognise this description amongst the myriad ways bosses are using to force more unpaid labour from the working class. Some have had to become “sub-contract” workers on so-called “loop contracts”. These are contracts which can continually be altered (for the worse) by the company. After years of this the *Telefonica* workers have had enough. Despite the difficulties of uniting people on different work contracts, they have created assemblies (which meet every fortnight) and strike committees, particularly in Madrid and Barcelona, to organise themselves. This is no ritual strike just to improve the image of this or that union. It is real, indefinite and all-out and has lasted 2 months so far. The traditional unions (the CCOO and UGT) have done everything they can to sabotage the strikes. The strength of the workers lies in their solidarity and self-activity despite their different situations. In addition widespread support from other workers in the form of food, money and other material necessities has helped them maintain an all-out strike. There is more yet to come.

Turkish Metalworkers

The reactionary nature of the traditional unions has been obvious to Turkish metalworkers in the motor industry for a long time. 15,000 of them in three plants, including one owned by Renault, went on strike on 14 May for a 60% pay rise, no victimisations and the

removal of the union *Türk-Metal* from their factories alongside the right to choose their own representatives.

Türk-Metal, like many unions throughout the world (but particularly India, Latin America), are gangsters who control the labour force and don’t defend it. There are numerous instances of attacks by union goons on workers trying to fight independently. They are so much in league with the bosses that if you leave the union you lose your job. No wonder one slogan of the strikers was “*We don’t need unions. We have set up workers councils.*” These are not soviets but coordinating strike committees which connect the various plants. This solidarity action was successful and the companies did a deal with them. However, as we go to press, the strikes have re-started due to the victimisation of two strikers.

What’s different about these strikes is that they are serious. They are not one day or half day or three hour tokens organised by unions as part of their traditional bargaining ploys. These are episodes of class war.

It is equally heartening to see that real struggle is now taking place in areas where organising a fight back is not easy and was previously thought to be impossible. In the last couple of years we have seen strikes in Amazon warehouses in Germany, amongst logistical workers in places like IKEA in Italy, and amongst fast food workers in the UK and USA. The fact is that sooner or later the contradictions of the system force workers to take a

stand. This is what is happening now at Tata Steel in the UK where around 80% of the workforce of 17,000 have voted to strike indefinitely over loss of pension rights. The company is hinting it could pull out of the UK altogether but it has not intimidated the workers. Between losing your job and losing your pension there is little to choose. More and more workers are arriving at this point as they realise this long drawn out crisis is not going away.

As the class struggle revives the tasks of revolutionaries are clear. First, as we have done here, is to break the media blackout about strikes around the world to undermine the propaganda that workers everywhere are passively accepting a declining existence. There is much more about these struggles on our website but we need to do more. Second, we have to keep stressing that there can be no meaningful reform of a system in such a position (see accompanying article in this issue). We are not in 1945 with a post-war boom in the offing. We are in the declining phase of the cycle of accumulation and capitalism’s only solutions are more exploitation, more war and more misery. Its continued existence is at odds with ours. This message needs to be taken into every strike, every struggle against austerity, against homelessness, against environmental disaster in order to create an international and internationalist political organisation capable of linking up workers everywhere. If you would like to help us contribute to this. It’s your call.

Class War on the Homes Front

New Housing Minister, Brandon Lewis wants the demolition of London’s housing estates and their replacement with owner occupied ‘city villages’. It’s a scheme the Tories have long favoured. Earlier this month 13 London Boroughs met property developers and speculators at an exclusive trade fair in Mayfair to make deals to pull down estates and build homes for sale or private rent. Tenants, of course’ are explicitly kept out of all meetings. Cash strapped councils are eagerly looking for ways of saving money. By persuading them to sell their estates and land, the Tories are giving them a solution that will be extremely costly for the rest of us.

By destroying council housing the Tories are ‘socially cleansing’ working class people out of the capital. Most can’t afford to buy, especially not at London prices which have hit a new record high (over £500,000 for an average home). The result will be even greater pressure on the private rented sector. It will mean higher rents and more street homelessness (which has risen 55% in the past four years). At the same time Housing Associations will be forced to sell off their best “properties”. This will further reduce the number of homes available for working people.

The Tories promised that schemes such as this would result in affordable housing. But they either turn a blind eye to developers who ignore these rules and refuse to build reasonably priced homes, or they’ve changed

the rules to suit the developers and help them maximise their profits. Since December, for example, the Government has exempted anyone who turns an empty building into private housing from paying for further affordable units. One of the first super rich companies to benefit by millions of pounds were the redevelopers of a luxury block of flats in Mayfair, bought by Abu Dhabi’s investment fund. More of the same is to follow if the government gets its way.

But some tenants are saying no. Groups like the Focus E15 Mothers and the New Era Estate residents are campaigning against social cleansing. Both have won victories against property developers, but this fight will be a long one and the stakes are high. On the one hand is millions in profit for developers and landlords, on the other people are fighting for the very homes they live in. If the developers win, the poorest and most vulnerable will pay the highest cost.

Housing is a basic human need, one that capitalism has turned into a money making crisis. Under socialism, rents and mortgages would be abolished immediately, and housing organised by communities themselves. In the meantime if communities are organised and united they can defend themselves, as the women of Focus E15 and the New Era Estate have bravely shown.

[For more see *Aurora 33* “Housing Special” SAE to London address or on website]

What We Stand For

The Communist Workers’ Organisation stands for a global society in which production is for need and not profit (and is therefore sustainable), where the state, national frontiers and money have been abolished, where power is exercised through class-wide organisations like workers councils. It is a society which can only be created through the activity of millions of human beings. Only such a society can rid us of the capitalist offspring of poverty, hunger, oppression and war: We call it communism but it has nothing in common with the Stalinist state capitalism of the old USSR.

In order to get there we are working to create a world proletarian political organisation: a ‘party’ for want of a better word. This organisation is not a government in waiting. It does not rule but it does lead and guide the struggle for a new world. The CWO by no means claims to be that party but only one of its elements. As the working class is more and more faced with the consequences of a crumbling capitalist system it will have to unite and confront capitalist power. We are not in competition with other genuinely working class organisations but seeks to unite on a clearly agreed political programme to prepare the way for the majority of the world’s population, the exploited of the earth, to overthrow the capitalist system and its bloody imperialist appetites.

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