

The Anarchist Movement conference

Queen Mary and Westfield College Saturday June 6th and Sunday June 7th, 2009

As the world economy heads deeper into an unprecedented recession, the spectre of social unrest is again spreading across Europe and the World. In the UK we have experienced an extended holiday from widespread class struggle as social democracy and capitalism worked hand in hand to maintain social peace. But as the guarantees of the banks have gone, so too have the guarantees that the state can manage the emerging social conflict, which could possibly turn into social rebellion unseen in the UK for decades.

So, where does that leave the Anarchist Movement? Are we relevant? Do we exist in a form coherent enough to actually be called a movement? Are we progressing? The Anarchist Movement Conference is a chance to put our ideas on the table and rebuild ourselves. The barriers that exist need to be broken down, the experiences and ideas of those involved in anarchist politics need to be shared, discussed, critiqued and debated. The task is urgent, practical and necessary are we as a movement mature enough to face the challenge?

How and where should we organise? Who are we are speaking to? How do we relate to the wider world as anarchists? These are some of the discussions that might happen during the course of the weekend. We want this conference to be a historical turning point, a point where we manage collectively to come together to look at the problems and work towards the solutions. Anarchists from every federation, network and local group, those involved in diverse struggles from environmental directaction to social centres and community work, trade unionism to DIY projects we invite you and encourage you: **Claim your place at the table and help make a movement!**

If we truly aim to be part of making history we need to remake ourselves as an organised, pragmatic movement to become an effective part of revolutionary change. If we do not learn from the mistakes of the past we are doomed to repeat them. The anarchist ideals of mutual aid, solidarity and the desire to live as equals have been echoed throughout our history, in every country, by women and men, regardless of race or ethnicity. We have a proud history, this conference is both about recognising where we have come from and organising where we want to go. Be a part of it!

The Anarchist Movement conference will happen at Queen Mary and Westfield College on Saturday June 6th and Sunday June 7th, 2009. The space will include 20 rooms and a large hall as well as a creche for both days. People will need to register before hand to ensure that the conference runs as smoothly as possible. More information will be made public every month as the conference takes shape. Please check the website for up to date announcements.

REGISTER NOW

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MAYDAY

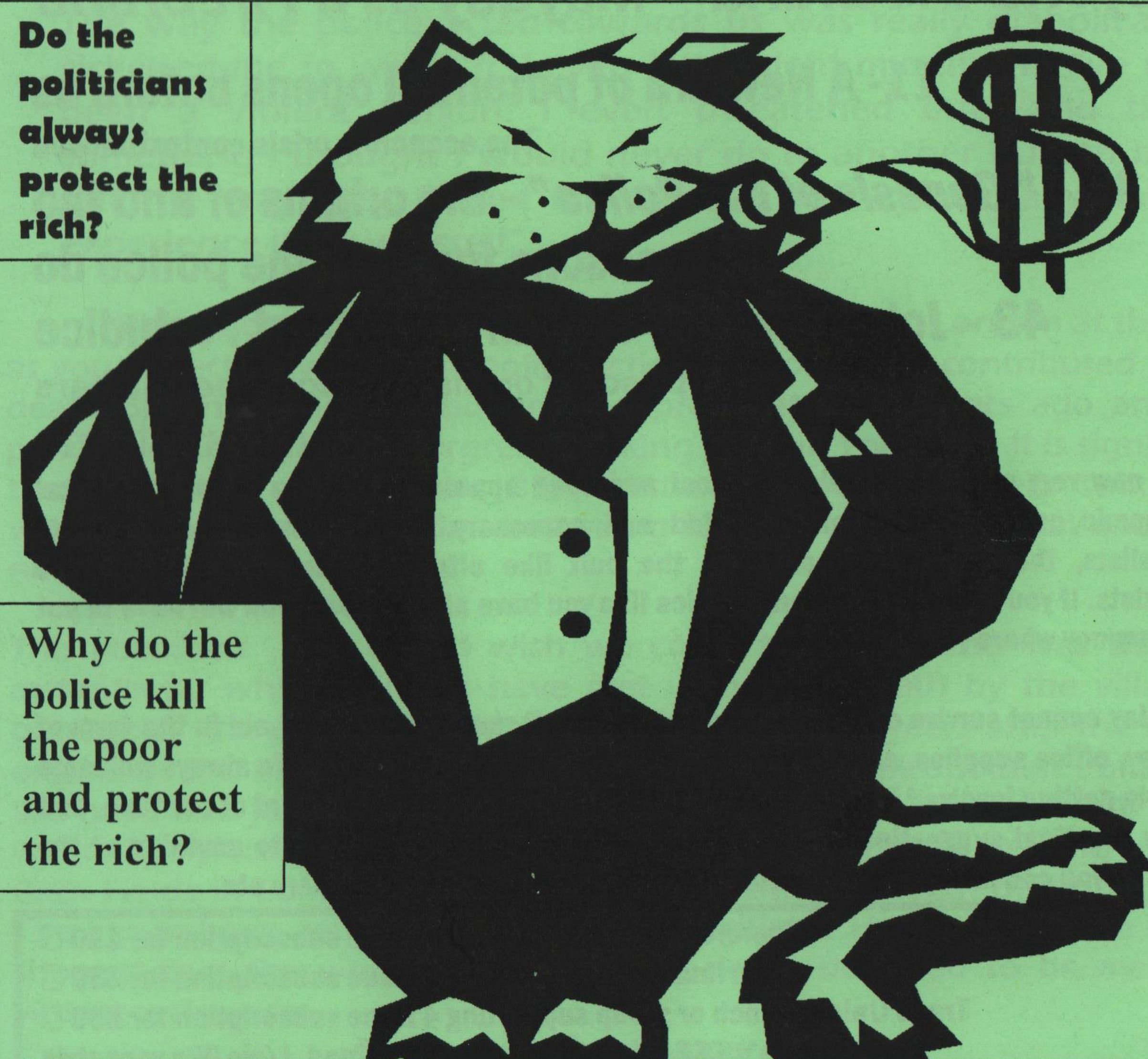
Issue 3 £2.50 Summer 2009 Challenging preconceived notions - for thinking, reflecting and organising.

**Do the
politicians
always
protect the
rich?**

**Why do the
police kill
the poor
and protect
the rich?**

Is it time to kick the cat?

No, be nice to animals; however, you may kick the bankers, politicians etc responsible for this crisis. **Mayday 3 contains;** Marxist and anarchist responses to the economic meltdown & a fully human response to the crisis, Mayday puts economics back into the anarchist movement. Different struggles – Climate change, **John Bowden** on Prisoners struggles, Anti racism and their possibilities, the Origins of the Police, police violence and its history.



Contents

3 – Editorial Introduction

Beyond the brand – Mayday as a *Firebrand*

11- A New Era of potential opens before us

The economic crisis contextualised

35 – “*Genesis of the Police*” – the origins of and the real reasons for what the police do

43 – John Bowden: Solidarity Without Prejudice

A prisoner on class struggle behind bars

Subscriptions

It is now very clear that radical, honest and open approaches to the ongoing political economic crisis is desperately needed and necessary. To counteract the moribund socialists, the irrelevant anarchists, the cult like ultra left, and the conservative Marxists. If you want independent politics like you have already read, you will have to put your money where your mouth is.

Mayday cannot survive or grow on goodwill alone, it requires practical aid in the form of money, office supplies, and offers of printing, distribution and so on. We always welcome people getting involved in discussions about the politics and way forward of our time, and enjoy practical suggestions for events. Even if you do not want to write anything at the minute, you can always help with an introduction here, a few sales there etc.

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Editorial Introduction

Police violence

“It frightened everyone. I’ve never seen anything like it in my life. The way the police acted towards us was really diabolical – it sickened me to watch it. I even felt violent myself and I’ve never been a violent person. I even threatened one, and this is something I thought I would never do to another human being, but the way they kicked me and hit me – you really have to experience it for yourself”.

This quote comes not from the events recently in London at the G20 as you expected, where the police actions undoubtedly contributed to the death of Ian Tomlinson, but from approximately 25 years ago and the policing of the miners at Orgreave coking plant in Yorkshire. It is significant that the year marking the 25th anniversary of the Miners strike has witnessed a new generation becoming familiar with the brutal and lying nature of the police.

This comment “we would wish we could think that this was the only instance by which persons have met with their death by the villainous outrage of the police” was made in 1833 a mere 4 years after the formal origins of the Metropolitan Police with the 1829 Metropolitan Police Act. We have also just passed the 175th anniversary of another notable event, where the violent charge of the police attacking a public meeting on Cold Bath Fields in London met with resistance and the death of a policeman. The Inquest jury returned a verdict of “Justifiable Homicide” which clearly showed that the violent charge of the police deserved to be met with violent resistance.

Those were the days my friend...

Beyond the Brand – Mayday as a Firebrand

Mayday 3 continues the journey we set out upon with our first 2 magazines, approximately a year later. Mayday was not surprised by political developments in this time. Until the Credit Crunch assumed epic proportions, but it was business as usual and still is both for the main political parties, and for established left/@ political groups. This also meant that the lack of politics, a wider vision and a realignment of the working

class and labour movement has continued to be a pressing need as personal politics; closed minds, a complete inability to work with other groups and people who are not 'pure enough', limited vision and ambition, and sectarianism continued to be the norm.

The Credit Crunch means we are seeing the halcyon days of capitalism and capitalist triumphalism come to an end – the capitalist 'glory days' epoch which started with the fall of the Berlin Wall has come to an end. What happens next in historical terms is up to the wave of struggles to come, and there will be many as capital seeks a new world equilibrium. The current financial crisis is epiphenomenal, as it is the result of a structural crisis of capitalism. Increasing liquidity has managed to postpone for years this 'deferred crisis'. The de-regulation of finance often portrayed, as a 'regrettable mistake', was actually part of a deliberate policy necessary for the capitalist boom. The victims, are members of the working class, whose incomes have been declining in real terms for a generation across the US and Europe. As UK/US production shifted abroad, the working class came to depend more and more on credit to finance consumption. With little alternative to private ownership of housing, many increasingly took on mortgages, then refinanced their lifestyle by increasing their mortgages based upon the rising fictitious value of housing that it turns out now they cannot pay now. Three million have recently lost their homes and a further five million are expected to do so this year in the US (Stiglitz).

Struggles

There have been efforts by those from the Anti globalisation movement to encourage a new cycle of struggles through climate change activity. There are on-going efforts to combat racism and fascism, and it has been unclear which way forward is the most productive. What IS certain is that isolationist and pure efforts are doomed to failure, not least because the class consciousness which used to be in the masses of working class people, and which gave ultra left communism some, even if it was a weak and tenuous *raison d'être*, has gone or radically changed in form. Now such groups and the politically naive anarchists who listen to them are a hindrance to the development of the class-consciousness and movement in the 21st century. Meanwhile Mayday has been active locally and at national events, where we have made links and tested our politics somewhat.

As we are voluntary labourers and spread out geographically with a near absolute lack of finance, our ability to organise is not, what it could be. However, there is a lot of cause for hope. Mayday received a

warm response from those with non-sectarian and open minds, and the quality of our writing is consistently thought provoking and useful. Nevertheless, there is a need to constantly think through the next stages of our and other political development. For responses and participation in struggles does not happen as if by chance, they are consciously made. However, not in a neat ultra left linear narrative, and the wild ever growing and spreading class struggles are and will always be the main focus of our concern.

Our projected political growth, based as it is within *Praxis*, is the unity of theory and practice. This means that rather than being content with recruiting the few, if any, people, based upon all sorts of generalisms and well meaning politics outside of class struggle, we seek to encounter those whose politics is at the forefront of class struggle. Often, anarchist recruitment has been outside of class struggle, has been mere well-meaning ideological support, and includes guilt rather than serious politics during class struggles and class-consciousness. This has been and is a fault of many Marxist and anarchist groups. Mayday will be participating in the campaigns to come against the Credit Crunch, and this means against capitalism, and theorising the developments that have provoked the crisis. For us historical contextualisation of different class compositions is vital.

There are about 7 different 'realignment of left politics' campaigns not counting the anarchists, who themselves are already so fragmented there appears to be little unity there, although there is hope with the June 6th and 7th 2009 Anarchist congress in London. These Left initiatives include; The Campaign for a New Marxist Party, Socialist Unity, The United Socialist Party, the Campaign for a New Workers party and so on, and events such as the autumn convention of the Left in Manchester - to oppose the Labour Party conference with debate and action.

The various attempts to organise must do better than at present; some serious negotiation and open minds are needed, and also serious attempts to network with the new social movements (mainly anarchists) should be made. Anarchists now have a very large political oppositional event in the UK every year, bigger than the SWP's annual Marxism when comparing the main Marxism Saturday to the Anarchist Bookfair. Although, if the Bookfair were to spread out over a week, then Marxism is larger. The Durham Miners Gala being the largest annual event, and there are other interesting left events such as the Tolpuddle Martyrs festival, and various Greenfairs which do have a left/@ element to them. The Anarchist Bookfair is not without its problems, but it is still an event worthy of imitation.

Not enough outreach to anarchists or new groups has happened so far from the Convention of the Left, who are happy to use the buzz word 'anarchists' in their literature, but make little or no attempt to actually meet with them or encourage them to participate by joining in and making a convention differently to sterile leftist practice. Mayday wants to participate in and perhaps organise positive events outside of peoples comfort zones, and encourage getting together beyond group forms, and promote the ability to think on their own feet rather than rely on others to do it for them. This way people can discover their own politics more openly through participation in subjects with interested others, and thus allow this politics to develop more organically rather than rely on the sect to provide it, or not, for them.

Mayday has participated in; conferences, filmshows, actions, research, leafleting, workshops, May first (Mayday) events, Greenfairs, Miners Galas and bookfairs, and will continue to encourage these forms of politics. Unlike other minority, 'go it alone' groups we take part in the many different social experiences in the 21st century. Those who pretend that the working class are only found on ghettoised estates (the utter absurdity of extremely localised politics that pretends politics is isolated from other groups and movements not only in this country but also in the rest of the world) should never be tolerated.

The point of the arguments made underline what Marxists and anarchists with expedient and localised politics forget – that theirs is Marxism with no or little connection to political economy, with few connections on a human level beyond the immediate area – which isn't Marxism at all!!

Theirs is a non-Marxist empiricism, which privileges compromised discussion of the working class, and CRIME, above a fully Marxist investigation that goes to the root of the issue(s). This exemplifies part of the failure and problem with the movement, which allows a type of 'empirical realism' to become part of the politics of some, without serious and open political research and meetings. Repeated hyperbole about crime and scare story 'realism' rides roughshod above solidarity with the poor and serious research about the issue. Instead, scared rhetoric about obviously dysfunctional behaviour is allowed to determine parts of movements thought. It appears a younger generation, in order to be taken seriously in the community, think anarchist police, an oxymoron if there ever was one, are the way forward. However, this is a bastardisation of anarchism and abolitionism, not a radical departure.

It is a strange type of politics, that follows the Labour party's abandonment of the poor, by adopting the harsh rhetoric of oppressors. Thus, a part of the movement yet again fails to promote open discussion and open itself potentially up to criticism. Rather melancholy realism and self-referential backslapping is the form of moribund political policy making that the movement encourages because of a lack of faith in itself; out go principle, serious research based upon scientific investigation, and politics emerging out of proper methods. The resulting compromised and expedient politics hinders rather than helps and will come back to haunt that part of the movement.

Radical thought goes to the root of an issue

The main feature about crime in our period is that this crime, like previous periods of economic liberalism in the past, is a central feature of survival. Rather than condemn too much and potentially make enemies of those who should be allies, which can be and often is an ignorant position and a self-fulfilling prophecy. We have to pay attention to the particularities of subjectivity, encouraging empathy and a fully rounded humanity - 'There but for the Grace of God go I'.

Thus, those in the growing twilight zone of casual, temporary, agency, unemployed, disabled and migrants are the new working class whose experience is a new site of class-consciousness. It is the links between work, short-term contracts, informal contracts and informal working, as well as links with the semi and fully criminal economies, which has seen an ever-growing number of people, and areas involved with these processes. The task of this epoch then is political work, such as but not limited to, that which Marx encouraged e.g. with his enthusiasm for international working class solidarity and trade unionism, in order to link the new working classes with the old and realise the multitude.

The point is easy made and clearly illustrated – the fully and semi criminal networks are and were parts of wider class ecologies, experience, class cultures and class formations of all areas in the UK. To reserve for them a distinct and special category of their own simply loses any grip on a central aspect of the history of the urban working class and the urban poor of our time. In the historical sense, 'crime' is a well-articulated part of the working class cultural repertoire of our time.

How some members of the working and casual poor multitude live and lived these contradictory experiences and exploiting relationships does not have simplistic solutions and does not lend itself to crass 'realistic' party policy. These contradictory and contingent expressions are conscious and

unconscious responses to the new features and new social relations of our time.

Neither Preacher, Teacher

Nor Judge

For the children of these families it is a very thin, often blurred and often imperceptible, margin between getting what they had to, legally, and scrounging where and however they could; and this margin to all intents and purposes was not between legality and illegality, but between survival, hunger and sheer destitution. Thus this messy and contingent social experience is contradictory, but we know that this experience is in the process of *becoming* through participation and reflection. To hope to influence people we must be with them (Sartre), not as preachers from the outside or condemning as judges. Neither must we set a party line, or as a teacher say 'you must do it this way not that – you are deviants and unworthy'. We are not saying that morality or discipline is unnecessary, on the contrary, a fully human self discipline and example is essential for our politics, but first time contact must never appear as that of 'judgemental outsiders'. Like Sartre, working class people give the right to speak and pay attention to those who have earned respect in the first place. No amount or publicity about 'anarchist police' (that contradictory oxymoron) will realise that.

For some on the left/@ to join in (even if it is de facto) with the mindless, reactionary and pejorative swelling of anti crime rhetoric is to abandon large sections of our class and youth, and to create the very barbarism which the @/left is against. There are already serious and developed radical positions surrounding crime, which are not tapped into or researched. It is a strange sort of politics that ignores ideas, and certainly, Marx and Marxism have not been as ignorant as this historically.

There was much oppressive policing at the Kingsnorth power station Climate camp last year, and pacifist 'hands in the air this is not a riot' got them violently attacked by the Police in the City of London at the G20 recently. It is utopian at best and ignorant at worst to pretend that there are no problems with pacifist political practice and their theory is clearly not working. Who wants to join in and get themselves attacked by the filth? There is no dignity in that. Thus, the article in this issue of Mayday, the "Genesis of the Police" is timely and it is going to provide a starting point for radical investigation for years to come. Negri in his latest book "Goodbye Mr Socialism" expresses disdain and contempt for those who spend so much time discussing violence from a liberal

purist point of view or a legalistic one; both of those perspectives are futile as Negri points out, as violence is an unpleasant fact, a fact of life.

The Penal Welfare Complex

Already the new wave of Titan prisons have been proposed and are being consulted upon by central government, they are ignored and not seen as problematic by the left/@. These state of the art prisons will be centres of brutality and oppression as the incarcerated number rises towards 95000 by 2014, and these are official projections. This is symptomatic of unimaginative and conservative politics by the left/@ who have no response, never mind a radical response, to the oppressive criminal justice system. As usual, a few anti prison anarchists who organised a meeting in London on November 1st 2008 are illuminating much of the way forward; we encourage activity such as this.

This system, designed by the rich, built in order to get one part of the poor to police the others, through the adoption of a legalistic middle class perspective, creates more problems than it solves. What it does do is ensure the unproblematised continuation and reproduction of capitalist rule. Here the state incorporates people who could be potentially rebellious and buys off their compliance through the provision of a way of life slightly better than the working class. People join the legal, administrative and justice systems because they either know what oppression it entails, or through a misguided sense of justice. They quickly adopt the systems attitudes, or they get out, which a few do. Thus, the search for justice is defused and misdirected.

No More Prison suggests that the numbers incarcerated are actually already approaching 100K if you count other groups discounted by the official system, such as children, and migrants in detention centres. What are the important numbers however are not the numbers imprisoned at any one time, but the numbers who have been imprisoned ever and the numbers who pass through the system in any 1 year. For most sentences are actually short, despite sentences for ordinary crimes increasing for over a decade now. New and growing laws criminalise and imprison new sections of society, at first with shorter sentences, but these will increase too.

Especially with more and harsher changes to welfare i.e. The attacks on the unemployed and disabled are set to continue. The political future is already mapped out for us – capitalism will continue to rule the world through transnationals and the American government. There will be economic booms and slumps such as the present credit crunch, which in

consequences is experienced individually and only virtually collectively. Ways must be found to grow different struggles and unite them all. There is potential in the on going pension crisis, which is linking with many workplaces through capitalist drives to lower retirement deals for existing workers.

Capitalism survives because of its ability to improve the rate of profit which it approaches from several angles, from creating new markets for existing products, to cutting costs (especially labour costs), and new products which creates new markets immediately. Worldwide conditions are suitable for continued capitalist development despite this temporary cut back in money supply, it may take capital some time to recreate large sums but it is perfectly possible to realise. The only question is how long.

For us as the global opposition to capitalism, we know money is made through dead labour. We are paid a fraction of the value of our work and our alienation from capital is an ever-present phenomenon that manifests in different ways. Mayday encourages the over coming of barriers and limitations to better political practice for our movement. Organising as sects or cults is a dead end as the federations, parties and groups' political practice became sterile and hardened with limited ambition. To counter this there are many consciousnesses that have to be encouraged to get on the one road together so we can improve all our lives. We need movement and growth, not self-imposed organisational barriers. The priority has to be class struggle above all else.

Too many people have found it easy not to be involved in progressive politics because of the institutionalised nature of what passes for all that can be done today – the melancholy realism, Marxist or Anarchist. Thus, it makes perfect sense to try imaginative and traditional ways to enable wider participation with the new multicultural working classes, and the established multicultural working classes. We refuse the artificial construction of a 'white working class'.

However, history so far is not a story of endless improvement, there are potentially serious economic and environmental crisis ahead too, which must be prepared for otherwise barbarism will result. Thus, Mayday identifies structural changes that are necessary within and for the Labour movement and others, as well as important improvements towards open political practice if we are to increase the working classes political fortunes. In the 19th century our class improved its' position by self help initiatives, such as co-ops, trade unionism and

other societies dedicated to serving the social needs of the working class and forming the working class by helping its own reproduction towards the time when the state took over welfare roles (education, libraries, health etc.). In our era with the dismantling of the welfare state there is a desperate need for a corresponding increase in these self provisioning groups as the social infrastructure of our class, which builds our capacity and social base in order to enlarge our demands and expectations.

Open Mayday politics

"Socialism is no dream but a cause; men and women have died for it; not in ancient times, but in our own time; they lie in prison for it, work in the mines, are exiled, are ruined for it; believe me, when such things are suffered for dreams the dreams come true at last"

William Morris – the great Arts and Crafts designer.

One target for the next year is to encourage more open politics and cooperation nationally. Locally this is happening already where Mayday personnel reside, but it is needed in more areas. The autumn 2008 Convention of the Left offered opportunities for progress. There are a number of possibilities for broad based cooperation and campaigns ahead e.g. if you were sickened at the Golden Jubilee in 2002, wait until you see the Queens Diamond Jubilee in 2012. Already media plans and comparisons with Queen Victoria's Diamond Jubilee heralding a new Royalist 21st Century Golden Age are planned.

2009 is also important for the former mining areas of the UK, as it is the 25th anniversary of the start of the Great Miners Strike, and July will see the 125th Durham Miners Gala. There will be many events and news about this important social and economic event, which is continuing to be a live issue e.g. look at Arthur Scargills' visit to the Climate Camp in Kent. Coal and the environment look set to be newsworthy issues for years to come. The European Elections will also be held in the summer too. 2009 will also see a very important anarchist congress in London, on the 6th and 7th of June.

There are going to be interesting developments over the next year, locally, and nationally. There were signs of a new wave of pro migrant anti racism struggles becoming a dominating feature for our movement, and there have been actions and struggles including anti climate change possibilities. Both of these issues are not reducible to economics, and thus cannot be determined by economics, which is why the parts of the left who want to dominate working class politics have been weak on these issues. Although

motivation for campaigning can vary from ultra green hippy utopian liberalism in environmentalism, to a basic human rights position for migrants, it is the economic effects, real or perceived, of some struggles that can be a major influence on working class people.

What will determine the development of these struggles are attempts to generalise these campaigns as issues within the working class multitude, which means going beyond what exists and current comfort zones. However, the global wave of food rioting in response to the Credit Crunch is already ushering in new protest dynamics in many countries, which have quickly gone well beyond much simplistic nice Liberal anti globalisation and towards working class valourisation.

The problem with the previous wave of anti globalisation protests, regardless of how good the struggles were, and we say this not to detract from the older struggles but to grow the next wave of struggles to situations pregnant with general working class emancipation. Was that they did not appeal and involve the working class multitude enough.

The struggles and working class resentment that will build up in response to these *Credit Crunched times*, offer perhaps the way to help join up all these struggles into a mass movement. This is not to subsume humanity or the earth into economics or reduce campaigns to economics, but to recognise the serious global constraints and materiality of the struggles. In short, people do not appear 'as if by magic', but through the context of mass experience and the resulting negativity, which they reflect upon. In short, the commonalities of experience provide the potential links and necessary positive solidarity to supersede capitalist limitations. This will involve much effort linking the struggles together and making clear that it is through practical solidarity exchanged with persons and groups known and unknown that the next movement may emerge. Let us do it, together.

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A New Era of potential opens before us

Perspective from a working class point of view on the financial crisis

The scale and scope of the financial and political crisis will be explored and relevant conclusions drawn. This is a tale of greed and dishonesty like you have never heard before. Things can never be the same again. A crisis, which took political and economic elites all around the world by surprise, has ushered in a new International era. The exact balance of forces, values, and characteristics within the new equilibrium to be reached is yet unclear.

The era of working class left defeat, which was symbolised when the Berlin Wall fell in 1989, is over.

However, the death of this Neo Liberal capitalism is something to be greeted as an opportunity, not a victory. It is of course, the working class, with its ever-growing aspirations, that around the world was prepared to go into debt in order to try to secure a lifestyle for itself, which has been partly responsible for the economic turmoil. All we can say is 'good'.

Repeatedly the left and anarchists have said that capitalism is unstable, that it is not as secure as it pretends, that capitalism has NOT won for all time, and we were right. Capitalists are vainly trying to say that it is not to blame, that 'we shared in the good times' so do not get rid of us in the bad. However, they need some more humility than this, because those who played the game, who had the good times, who were prudent, are going to the wall. Whilst those who are to blame for the mess, such as 'Fred the shred' and his £900K a year pension, are looked after. If it is a game as the capitalists claim, why do they not suffer with the rest of us when the game is over? Instead, they are actually not in the game with the rest of us, they start and are beyond the finishing line! It is this sense of injustice (Choonara, 2009) that is fuelling **rage** felt across the world.

Nevertheless, this is merely
one of the 4 horsemen of the apocalypse, the other 3 are;

- The end of US led imperialism, in terms of aggressive imperialist wars for oil and in terms of the US being the prominent host and exponent of neo-liberalism, the damage it has done has finally come home to roost. The era of IMF financial and US military muscle as the carrot and stick of global capitalist command and control capability are over, though there will be struggles to come. This includes the end of the dollar as the financial powerhouse of the world economy.
- The developing new centres of financial and military power that were previously seen as the periphery must be a prominent part of any attempted new financial global equilibrium at the core. The battle over these areas, the *Bric* nations (Brazil, India, Russia and China) their resources and their loyalty is often a major cause of crisis.
- The environment, and in particular this means energy needs and demands, and resource usage. This is the battle over the necessities of life and the total discrediting of the capitalist growth strategy and paradigm. Put simply, the unrestrained use of resources is no longer politically sustainable or environmentally tolerable.

Let us gloat once more, we were told comrades **that we** - the working class and our trade unions - were to blame for capitalism's failure. We were never responsible for the 1970s crisis, but we certainly did not create the gargantuan crisis that now grips the world. After all the boasting about how great capitalism is, it has been found out as hollow, the **Grim Reaper** has finally used his scythe and culled the fat cat capitalist grin, the cat is smug no more.

When the Banks go tumbling down

The never ending 'boom', because they had abolished 'bust', was absurd lies, the fallaciousness of this, and the consequences of it must never be forgotten. It was enabled because of profound ignorance of capitalism and its history, something that every honest democrat must seek to correct, or is the 'honest democrat' an oxymoron?

All around the world bankers and brokers looked with disbelief at their monitors, as new depths of economic decay were reached.

Nobody has been able to describe or understand the potential ramifications of what has happened. The warning signs were there; Northern Rock was nationalised in the UK and in the US Fannie Mae & Freddie Mac were too, to save capitalist institutions. The crisis has become one of the most radical reshapings of the global banking sector, as governments and the private sector battle to shore up the financial system following the disappearance of Lehman and Merrill as independent entities and the \$85bn government rescue of AIG. HBOS, Bradford and Bingley, Lloyds, the list is never ending and neither is the scale of the world financial problem.

This is at a time when for the past 30 years workers have been the ones who have been made to pay for capitalist profits, with fewer jobs, poorer services, the theft of industries which once were nationalised - some people call this 'privatisation', and constant disciplinary warnings about how 'we cannot afford it'. In reality, this meant that after looking after the rich and political classes there was nothing left for anybody else. Profit was privatised, the real costs however, were shared amongst us all - the costs were 'socialised'. The looting and asset stripping of the state impoverishes us all

The state is the collective capitalist here, 'state-capitalism' (Kilman, 2008). The heated debate over the exact nature and the nuances, gradations and refinements of concepts within state theory (Jessop et al) has been of little value in helping left responses to this crisis. When it mattered in crisis, the state was clearly the market state, if at other times it is a chameleon like changeable one with different characteristics existing at the same time.

We raised our glasses as bank after bank has been forced to recognise its own role in the politics and economics of the playground. However, rather than attacking bankers with the police, as they did with the miners, the banks have instead been bailed out, the bosses given fat cat payoffs. Industry of the working class was given no subsidies and has been allowed to collapse at home to line the safety net for the 'industry' of the rich around the world. It should be appreciated that many 1000's of financial workers are being mercilessly given the order of the boot, though these are often those who bought into capitalist ideology. Their proletarian immiseration they are shrugging their shoulders over so far although some are also raging, it will be interesting to see the limits of their

newfound proletarianisation and if they reach class-consciousness. The resulting characteristics and types of this emerging class-consciousness is yet to manifest itself, and it certainly has not been described or theorised.

They do not know

Shockingly, each attempt to alleviate the crisis was found out very quickly when confronted by ever worsening financial evidence - Northern Rock, recapitalisation of the banks and the latest measures too. All governments are like rabbits staring into the headlights of the economic abyss for 2 reasons. Primarily, because the scale of the financial problem is massive, unfamiliar and in large part hidden and emerging only slowly, if it ever does at all because the balance sheets of banks, corporations, hedge funds and other financial institutions have and are trying to hide it.

Secondly, the crisis has left the economic and political elite, like the Emperor of old, with no clothes. All the policy and ideological assumptions of business and government over the last 30 years has been undermined, thus we are left with a generation of leaders with no alternative theories and perspectives - they are flying blind. This crisis, has barely started, its length is unknown, its depth is uncertain, and the struggles to come are unknown. The timing of when the crisis bites and the complexion is also unknown. What is certain *is that capitalism is seeking to recover new growth equilibrium, i.e. a perspective and practices for more unlimited growth.*

Let the Market Decide

It is the speed with which this crisis has landed which has also left the political classes unprepared, they could not imagine that they could be wrong and so did not prepare. Unlike in the 1970s when the New Right, with its think tanks and finance, was prepared to fill the vacuum. This time, there are no ready made and easy to adopt alternatives and the left has been found wanting.

The previous crisis, one of oil shocks, debts, and the IMF marked the end of the post war boom and the social democratic era in the

1970s. Its ramifications were the birth of Neo Liberalism, the discrediting of the state and the creation of gigantic markets, with markets becoming the panacea for all ills.

Back to the future

All of this is reminiscent of previous capitalist crisis and bubbles that burst. In the early 19th century, economic liberalism stumbled onwards through different severe depressions, and eventually the start of a more just way of organising society was reached. Marx described the pottery industry and one capitalist with a sense of decency - there are not many - pleaded with the state to make child labour illegal, because the industry could not do it itself. This example tells you all you need to know about the real nature of capitalism. There are examples that are more recent. The continuing tragedy of Asbestos, when business knew it was harmful for 100 years, has already killed too many people and is set to kill thousands more in the UK, at a gradually increasing rate for the next decade at least. Asbestos was only made illegal throughout the European Union in the past few years.

The Reg Herring

The Regulatory Red herring

There are mutterings from the right, far right and left/social democratic elites about regulatory failure and new regulation¹, but this is a *Red herring*, and we have a duty to point this out. That capitalism and its in built tendencies towards expansion at all costs, and a driving force of the systems dynamic, are the cause of the FINANCIAL ARMAGEDDON. There have been crisis, bubbles, runs on banks and so on many times before. It is because capitalism cannot be planned that causes crisis, any regulation imposed will always have its loopholes and can be avoided.

No amount of pseudo hard talking from expedient politicians is going to change the essential nature of capitalist expansion, that if it sees a potential new market, new way of making money or both it will do so

¹ "Come to order", Carr (Business Affairs editor), p.21, in "The World in 2009", published by London: The Economist.

regardless of the regulatory structure. Existing regulatory practice is *de regulation*, as it has been since Margaret Thatcher became Prime Minister, business always says let the market decide, and even in the post WW2 capitalist heyday there were ways around supposedly hard tax regimes which 'taxed the rich till the pips squeaked'. They did this by expanding perks; gifts, expenses, and entertainment budgets for corporate clients. Wade (2008) indicates that New Labour and Gordon Brown were a key part of the credit crunch as they encouraged limited regulation, and the FSA was always a diffident regulator in the Great British tradition. With existing examples of business compliant bodies, such as the Health and Safety Inspectorate, to use as the example to imitate and model themselves upon for engagement with business, this is the 'Heroic Well Meaning Failure' model of Great British institutions.

Lord Turner, the new head of the Financial Services Authority, is promoting entirely the wrong approach to regulation, and with him in charge it really will be *business as normal*. Turner says "we will pay more than necessary to attract the correct quality of people from outside. Poachers turned gamekeepers are very attractive to hire"². How do these people get these jobs, and it should be asked about Lord Turner too.

Simple, it is the secret handshakes, the old school ties, and the political elite moving the deck chairs around on the Titanic, but doing nothing other than business as normal, but trying desperately hard to make it look like something is changing. Putting bankers in the FSA does nothing but encourage the reactionary British banking culture. Nobody is going to change his or her backgrounds values, the old school tie networks, give up on their business and friendship networks, and so on because Lord Turner says they will. Putting bankers in the FSA is like putting foxes on guard in the chicken shed. The capitalist light blinds these people, they are not ignorant, but their mental faculties are constrained because of years of reactionary practices within preordained and safe worlds, they are cosseted people, the entire political and banking elite.

² Lord Turner, quoted in "Britain in 2009", page 36, published by the Economic and Social Research Council.

Credit Crunch Starting Point?

Lapavistis (2008) indicates that it was the loosening of the credit regime in response to the 9/11 attack on the Twin Towers that was a starting point for the credit crunch. This has important differences with lending in the past, which was a more personal affair. Technology has enabled quantification of risk and straightforward deskilling of the lending process. Once a loan has been granted the banks proceeded to treat this as an asset, the debt repayment to come was the real value, and then they sold on the security of this in innovative ways, bundling together the different loans;

"this is was 'securitisation' is about – selling bits of paper that give rights to interest payments accruing on separate loans... Other financial institutions would also use cheap credit to buy the new securities. Still other financial institutions would combine several of these securities to create even more complex, 'synthetic' Collateralised Debt Obligations... it did not take long before just about all major financial institutions across the world found themselves holding securities that contained bits of subprime mortgages" (Lapavistas, 2008, 14).

One further important point is that the classical Marxist model of crisis, where the companies would borrow, expand, and be unable to sell their products and therefore be unable to cover its liabilities, is not taking place. The current crisis is following a different trajectory and the impacts with the real economy are not predictable and will unfold as time progresses.

Industry to the Third World

After World War 2 the working class of the UK and elsewhere forced a higher living standard and welfare out of the rich, and as a result the rich basically wanted rid of organised workers and welfare as the 20th century wore on (see Parenti for the USA). However, they also forgot that if you take jobs away from people then there is little or no work and money around to buy capitalist goods. Thus, with the endless cutting of budgets, grants, standards, and benefits they decided that they should loan the working class money to short circuit the system and increase the speed of cash flows. So instead of workers creating real material things, which improved life and could be bought and

sold, profits increasingly became dependent upon nothing other than financial pluses or minuses. It was not real economic growth; it was virtual money.

Business decided, including parts of manufacturing industry, that they could increase profits by increasing financial dealing. More and more business competed to lend out more and more money, to ever-riskier groups of people. The example of Burberry workers from South Wales, who fought long and hard in 2007 to stop job losses and factory relocation, as the company tried to improve profit rates, was found not simply hollow in practice, but wrong, it was bad capitalist practice. Burberry profit rates and share prices fell and the company issued a profit warning in January 2008.

It was a credit driven boom, which could only be financed, by increasing risks. It was in part, enabled and accelerated by the technological big bang, when the stock market was computerised on 27th October 1986, the preparations for which started in 1983. Trading levels escalated 1500% to £2496 billion in 2006 from a mere £161 billion in 1986. Deregulation was Thatcher's' mantra, and currency exchange controls were the first thing to go when she came to power. This circuit was driven ideologically because the participants, the bankers, believed their own neo-liberal economic ideology, that the system knew no limits and it could regulate itself. They had won and socialism had lost, it was the 'end of history' as one stupid capitalist ideologue said. Therefore, when the economy was expanding, this self-fulfilling prophecy and economic boom seemed to be never ending for them. Minor errors, such as the late 1990s' Asian Tiger slowdown and the 'dot com industry' bubble bursting were explained away without any further questioning of the system. The Emperor could not check his own clothes.

The economic slowdown was to come when the limits of the system were reached, when sources of new capital to expand could no longer be found, as some defaulting on mortgages had begun. Slowly at first, and gathering momentum in 2007 and early 2008, it was to become a gigantic snowball as the system collapsed in September 2008. The 15th of September saw the Lehman Brothers bank failure, on nearly the anniversary (16/9) of Black Wednesday when the £ tumbled out of the European

Exchange rate mechanism in 1992. The sight of mighty capitalism brought to its knees by its own internal logic failing to provide stability ended an era of greed, recklessness, and meaningless self-indulgence. It ended cataclysmically, as 'virtually every indicator of economic and financial relationships exhibits characteristics of cardiac arrest'³.

Recent Origins of the Crisis

At the root of the current crisis is global uncertainty caused by regime change, the previous 1930s depression was Britain's growing inability to continue its role as the world reserve currency and the worlds leading financial power. This culminated in the collapse of the gold standard in 1931, precipitated by the Invergordon naval mutiny. It was only after WW2 that the US was to become sufficiently dominant that it could replace Britain and act as the mainstay of a new global financial system with the dollar at the heart. **We are in a similar time of transition now.**

The Dollar was at the financial heart of Bretton Woods, the post war financial growth and full employment agreements. Wade describes as "embedded liberalism... which sanctioned market allocation in much of the economy but constrained it within limits set through a political process" (2008, 5). Bretton Woods ended on 15th August 1971 when Nixon ended the parity of the dollar and gold. Dollars had been printed to pay for the Vietnam War, but this caused financial tension that could not go on forever – the dollar was losing its value *because* so many bills had been printed. Gold traders were no longer willing to finance the US war dream.

In 2009, the US is no longer strong enough to act as the world's financial centre⁴, but there is no obvious successor. Other countries of the world have grown in capability such as Brazil and India, but the main contender for the crown, China, is not ready to take the title. This uncertain future is part of the motivating course of the current crisis.

³ El-Erian, M, Financial Times, 4.12.2008

⁴ The current crisis marks the end of an era of credit expansion based on the dollar as the international reserve currency, Soros, FT, Dec 15 2008

The end of the Post WW11 social contract and the Bretton Woods (1944) trade agreement that designed a system of fixed currencies and tight controls on capital movement. Comprising of Fordist labour relations and Keynesian economic policy in the 1970s ushered in a new period of money management, which came to be known as Monetarism and forever associated with Milton Friedmann. National economies started to open up to foreign investment, and from conservative beginnings corporations underwent rapid evolution. From parochial beginnings, nationally rooted, companies began to trade more with and base themselves in other countries; they established copycat sites and chains of production to evade national trade and import tariffs. They began to subcontract different parts of the production process too. The new corporate practice sought to optimise the value that could be added at all stages of the production process.

Relocation Relocation Relocation

This was done by measuring the total costs of each component part and deciding which parts of the manufacturing process could be profitably continued in its existing factories, which factories would be closed, where new factories would be opened up, and where parts of the process were too costly and savings could be made by sub contracting. The elements of the total costs of these are the labour costs, the raw materials, the cultural capital (skill levels), mechanisation costs and support, and associated marketing and transportation costs depending upon where the location of the final assembly plant would be. **Naomi Klein** (No Logo, 2000) made her name by investigating the reality of these global production chains, and her dissection of the reality of the brand is important, as it is the concept of the commodity and a marketing tool that is driving corporate expansion, still.

Another example of changing capitalism is share ownership, in 1981 only 3.1% of traded shares were owned outside of the UK, by 2006 this figure had become 40%. Similarly, UK individuals owned 54% of all shares in 1963, 28.2% in 1981 and merely 13% in 2006. These are capitals changing trading ways and they do affect the material and cultural world we are live in.

In Britain the New right of Keith Joseph et al were the prominent exponents. Attempts to increase profit rates with the white heat of technology had failed, and for the first time the oil producing cartel OPEC flexed its muscles internationally. One example of these processes at work is FDI (Foreign Direct investment), this is where a company invests and develops in another country. In 1980 total FDI globally by big business was \$54 billion, by 1990 it was \$230 billion, and in 2000 it was to become \$1216 billion. These sums regularly dwarfed the economic importance of nation states.

Labour strength had forced capital to look for exceptional measures to increase their profits and so New Right economics was born. High interest rates had produced a recession in the US, and Thatcher in the UK pursued 'de-flationary' policies that also caused a downward economic multiplier. Attempts to overcome this failed and deep slumps and unemployment were experienced, which Norman Lamont said were 'necessary'. This caused and is still causing deep resentment, as whole industries and communities were left to decay. The regulations that were the infrastructure of post-war reconstruction were torn to pieces. Apart from Oil revenue Thatcher was able to finance a new middle class (an ideological voting bloc of sufficient size) with the proceeds of sales from previously Nationalised Industries.

The already mentioned technological revolution hastened the flow of capital to milk the purring Asian Tiger economies, however, this was to cause a late 1990s recession with its epicentre in Thailand, as workers had increased their bargaining power and real wages. Increasingly they were unwilling to pay off the interest to the USA et al. The recessions' effects interacted within the global economy producing downward pressure on raw material prices as demand lowered. This too had a knock on effect; countries that relied on the finance raised for their balance of payments could no longer afford the interest payments demanded by the World Bank and IMF, who had imposed 'free market economics'. However, this was a bastardisation of the term and in reality this meant the plundering of the nationalised public sector and its assets and the planets natural resources. It was to be the synergies created by managerial capitalism and new financial capitalism, which caused the systemic crisis for capitalism as a whole, which has been described thus;

"that although the system has changed as a result of financialisation... financialisation has resulted in a new hybrid phase of the monopoly stage of capitalism that might be termed 'monopoly finance capitalism'."

It is arguable that 'Oligopoly finance capitalism' would be a better title, and using the example of food production supplied by the ETC group, we (you and me) can see that;

- 10 seed companies grew to control a half of the global seed trade
- 10 bio-technology companies grew to control approximately 75% of world biotech sales
- 100 food companies control approximately 66% of total global market share.

The top 10 corporations in 2007 had total revenues of \$2435 billion, larger than the GDPs of Britain, Italy, France or Germany. This is where the large transnationals operate as banks themselves, as credit relations are essential for growth anywhere around the world. Harman (2009) indicates that in previous recessions that large companies were not those who went bankrupt, it was smaller ones, because larger companies could cushion the impact of part of its trading operation being unprofitable with money from the other parts which still were. Smaller companies do not have this luxury, and this is more important as the big corporations have gotten even larger with expanded international production chains. This will condition and mitigate how the global financial trauma is felt.

At this point it is also important to add that 'state-capitalism', originally theorised by Dunayevskaya as a level of permanent state intervention that originated in the New Deal (USA in the 1930s) and more recently by Kliman (2008) has to be taken into consideration. The New Labour government has expanded the amount of workers in the state by hundreds of thousands (some in part through Labours' *New Deal*), this de facto state capitalism also ensures a level of business as normal. Harman is correct to point out that 70 years of this state capitalism means that this crisis is not the same as the 1930s slump.

Corporate profits in the financial sector in 2004 were \$300 billion, while \$534 billion was the total for all nonfinancial domestic industries; this is approximately 40% of the domestic corporate profit. When it is recognised that this figure had been less than 2% of entire corporate profits a mere 40 years earlier it is possible to recognise a dynamic tendency and new financialisation direction of capitalism at work (sic). This must not blind us to the data however, Choonara (2009) points out that;

"the final 3 months of 2008 saw the worse contraction since the depths of the crisis of the early 1980s. The decline was not led by the financial sector but by manufacturing – in other words the real economy is also in meltdown... [it] is not simply a financial or banking crisis. **It is a systemic crisis of capitalism**" (emphasis added).

Choonara identifies a level of the crisis here and there certainly is a very serious structural crisis underway, the resulting policy that has so far been utilised by the government is Choonara indicates as being insufficient to solve the general economic malaise because it is *not just* a financial crisis. That they have not found realistic policy yet does not mean that it cannot be found, although there is a serious possibility of a great depression. Transferring the privatised Keynesianism (also known as Monetarism) that succeeded the Keynesian economic policy in the post WW2 years to the state merely postpones debt crisis and creates ever-increasing bubbles. Privatised Keynesianism (Lapavistas, 2008) is where individuals took the responsibility for borrowing to expand the economy from the state, and at the end of 2008 UK personal debt had almost risen to £1.5 trillion, more than twice the level of the National Debt.

What was happening and was being encouraged was no less than a regime change to get rid of those 'ungrateful workers', their industries, their communities and their solidarity. It was said that it was the postindustrial age and finance as part of the burgeoning service sector led the way, increasing in size by 7% per annum. The term that describes the change from a Keynesian industrial welfare state to today's regime, is **Financialisation**. This comprised of privatisation on several fronts, and de regulation.

The state was increasingly marketised, it became the market state, they measured the price of everything and the value of nothing. It is

clear that by breaking up the nationalised industries and the institutions of working class solidarity such as the building societies, demutualization, that the working class was being collectively dispossessed legally. Many regard it as theft of the resources and investment in society. When this stake in society has gone, where is the motivation for people to behave as if the society is being run in their interests especially when the only people to benefit by demutualization are the chairmen and directors of these firms as their pay rocketed 293% and savers rates became lower.

Financialisation describes the new world because all markets have been opened up, there are now a plethora of different companies advertising for your trade for just about everything. Stresses have been magnified as you are targeted for trade by many different companies. The World Wide Web has enabled increasing advertising and marketing drives, for power supplies, car insurance, mobile phones, mortgages, loans and on and on. This "Financialisation of Daily Life" (Martin, 2002) encourages "households to behave like businesses, businesses to behave like banks, and banks to behave like hedge funds" (Blackburn).

World Trade Organisation

The demonstrations against the G8 and other institutions of world capitalism in the late 20th and early 21st century now look even more politically significant. These symbolised a new movement that was going beyond the old left by using more open and anarchistic tactics and organisation, and being the first demonstrations against capitalism in this era. It was against the new structure of world capitalism that the world's grass roots were to campaign against and part of this was the *World Trade organisation*. This is important for many reasons, including the fact that it is the only international body whose authority the USA accepts – so we can guess who really controls the appointments of staff.

The fall of the Berlin Wall and the Eastern bloc as a whole opened up new markets; their financial regimes became controlled via regulations enforced conditionally for loans. Walton and Seddon (1994) have described the wave of food rioting around the world

in response to these policies. Therefore, the economic lesson learnt by the economic powers, banks, administrators and others was that the free market will live forever, standards do not matter, and responsibility could be ignored. When Russia defaulted on its loans the economic world was in chaos, and the crisis continued to spread to Latin America, where regimes fell due to popular pressure.

Building the Crystal Palace⁵

Meanwhile in the advanced capitalist core new technology companies were seeing their shares skyrocket as venture capitalist invested their newly found or invented money into the 'Dot com' world. This bubble burst with spectacular effect in March 2000, when it was finally realised that higher profit rates could not go on forever as more individuals and companies increasingly wanted part of the action. The era of the New World Order which George Bush senior invented, effectively perished when the principal funder of George Bush junior, Enron, collapsed. Followed by WorldCom as the limits of fictitious capital and their dodgy accountancy measures were breeched. A financial journal described this most appropriately;

"A brilliantly inventive generation has harnessed computing power and financial theory to transform the world of finance. Trillion dollar global markets have sprung up on the back of techniques for converting loans, interest payments, default risk and who knows what else into new securities that could be chopped up and repackaged in mind boggling combinations, sold and resold" (Economist, 20.10.07).

The open market policies had led to both the supply and demand for capital to include people in the new free capitalist dream world, the high life so avidly sold to people by the marketing industry; the glittering glitterati so avidly photographed by paparazzi populated the pages of pap magazines. Credit for all, including those without any capital or income at all, was to be the fatal undoing of the imaginary world of a conflict free rich capitalist dreamland. In 2006, 20% of all new US mortgages were to 'sub prime borrowers', these were people without documented income and included people on welfare benefits, and allowed by the Federal Reserve (the national bank of the USA).

⁵ This is a metaphor for capitalism; beautiful, shiny, but ultimately fragile.

These people wanted to share in the glory days of free market capitalism they were constantly told about, demonised by, and lured by very low introductory interest deals and ever-growing house prices. House Prices had risen by 124% between 1997 and 2006. However, this could not go on forever;

"Financial assets of all sorts, from credit card receivables to companies debt repayments, had been turned into securities that could be bought and sold. Mortgages, both sub-prime and mainstream – were no exception. Lenders no longer needed to keep loans on their books, but could sell bundles of them to banks and investment funds at home or abroad. Properly designed, these complicated instruments could be stamped 'AAA' by helpful rating agencies. And like any other security, the could be used as collateral by their lenders. By divorcing the lenders from the risk of default, securitisation reduced their incentives to look carefully at their borrowers... And no one, least of all financial regulators, could be quite sure who in the global financial system was on the hook for which risks"

(Economist, 20.10.07)

Housing central to the growth and maintainance of the Market Illusion

Deregulation and the enabling of freer markets, firstly via privatisation 'sell offs' and then by laws which made it easier to make money, housing became a national obsession. Something to invest the windfalls from privatisation of other state assets or demutualization in, it was seen and encouraged as a sound investment with lenders falling over themselves to offer credit. 'Buy to let' could fund your retirement or your kids through university, and second homes became increasingly fashionable. Despite occasional blips, the upward boom in housing prices seemed never ending. Thus, Housing was an essential part of the credit cycle that enabled Neoliberalism to deliver high wages, secure employment, new leisure opportunities, the prospect of a secure retirement with money, dynamic and technologically advanced consumer markets, and a population, or *at least a voting bloc of sufficient size*, which had a vested interest in keeping the status quo. It was the end of credit controls in 1982

that enabled markets to exploit, i.e. make high profits, on debt. Credit cards were in their infancy then, but increasingly mandatory today with approximately 60% of the adult population with at least one. This was all different to the post WW2 Keynesianism that delivered security through secure employment and growing wages, and guaranteed pensions.

Smashing the Crystal Palace

It was to be on the 9th August 2007, a day that will go down in history, when the world economy suddenly became grid locked. It was to be not only a wall of the capitalist Crystal Palace that came tumbling down, but all walls, the ceilings, battlements and flag! Previously there had been unparalleled economic freedom, and when the system could no longer sustain itself panic grabbed the world stock markets. As it still does to this day.

The Debt Mountains that built up over the years was the neo liberal reluctance, or capitalist blindness, which forgets that those with little money cannot buy the trappings of capitalist society, that capitalism wants us to. During the post WW11 full employment era, there was mass production for mass consumption, enabled by work for all. However, by ending this relationship capitalists do not appear to have thought through their own economics. Who is going to buy the goods when industries have been closed down and shipped abroad, and wages lowered because of labour discipline? The answer that the debt mountain disguised for a generation was debt, principally credit cards and mortgages, the privatised Keynesianism.

The increasingly irresponsible corporations, which had no national loyalty but just pursued profit by increasing profit margins and super exploiting labour in less advanced countries, encouraged the growth of debt. In the process, whole countries have been transformed and new industrial powers created in China and India, India is also a key service provider. A new generation of capitalists had learnt that state force at home and abroad that disciplines labour (e.g. Warrington, Miners strike NUM, Wapping, Falklands, Iraq) could also guarantee profits on individual loans through repossession. However, even bailiffs cannot recover value/money that is just not there and the sub-prime mortgage non-payment crisis became ever more critical. American banks announced hundreds of billions of unrecoverable

debt, followed by French and German banks who declared their involvement. Then the World crisis exploded one Thursday in August 2008, with the European Central Bank amazing the world the next day by downloading 95 Million Euros into the worlds money markets, and then the US Federal reserve bank followed suit.

Make no Mistake

This is the first truly great world crisis of globalisation, and it was not like there not enough warnings. 3 Eastern economies capsized (South Korea, Thailand, Indonesia) in the Asian crisis due to the lack of regulatory control, Argentina experienced financial turmoil, and Mexico in 1995 suffered a financial crisis when production fell by 15%. However, the growing economic power of the *Bric* nations will continue and the gap between the richer and poorer lessen⁶. The ineffective financial regulation and cronyism by Brown has also compounded the British problem, and some humility here would have reaped some political rewards above the plaudits he received for his enthusiasm for Neo Keynesianism displayed last autumn. For years the Financial Services Authority annually warned of the consequences of banks policy and practice, HBOS was over stretched and too dependent upon borrowing from secondary markets. Brown ignored it. Blissfully ignorant of the scale of the problem they were about to unleash upon an undeserving world.

With the discrediting of the bankers and traders as embodying the public interest, they have been proved to be dangerous and irresponsible risk takers motivated by self-serving greed. If only we had managed to inflict upon capitalism the damage it has inflicted upon itself, and let us be clear about this, as Marx would say, capitalism creates its own destroyers. We did not expect they would come from their own side though **did we comrades?** If this recession elongates and deepens into a depression, like the 1930s, then Marx will become indispensable reading for everyone, not just the 'usual suspects'.

⁶ "A New Economic Order", Mittal, P. 134, "The World in 2009" published by London: The Economist.

The scale of the problem is yet unknown⁷ and has not reached the bottom, more banks will go to the wall, more financial problems for different companies will manifest in the real economy with job losses, and these losses will increase the homelessness issues created by existing mortgage reposessions. House building has virtually stopped. The struggle and vision of the future direction of the world capitalist economy is a working class issue and it is vital we participate in all struggles released by this **FINANCIAL ARMAGEDDON**. Choonara (2009) notes that crisis also creates fear and anger amongst workers, but this emerges in cultures which are already in motion, and these cultures can be but are not necessarily progressive; "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past" (*The 18th Brumaire of Louis Bonaparte*, p.15). The task for socialists is to engage at all levels towards generalising and linking the struggles through practical and reciprocal solidarity.

Our new era of potential that is now opening up is because the capitalist dragon is dead. No longer does it deliver financial security and prosperity, or even the illusion of it, to the multitude. Millions are threatened by the parting of the ways of responsibility and markets, with tens of thousands staring immediately at the financial abyss and their loss of security, and with potentially millions more affected. The promises of security, rationality and responsibility by Neoliberalism have been found out as hollow, they are a fraud as much as the debt quagmire. The ideology that gripped a nation and other nations of the world has been shattered, and just as the scale of debt is unknown, so are the political consequences and changes ahead. It is up to progressive forces everywhere to participate and make society into a more egalitarian one everywhere.

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Policing is a controversial subject and unfortunately destined not to go away. This **next article** will examine the origins of the police in order to put current disputes in context. These disputes over policing involve; police accountability, brutality, corruption, public order policing. Within social struggles it is the attitude to the police which gives rise to concepts of fluffy V. Spikey, Hippies, Liberals and state socialists V. 'ACAB', and always leads to the splitting of the movement because of inadequate theorisation of the issues involved.

Genesis of the Police

Significantly, the 'all coppers are bastards' position identified with the Black Bloc, Class War and others is a false construction. At first sight this position rejects all forms of control and policing, but this is *not* the political beliefs of the people associated with these groups. Instead they prefer forms of self regulation and self policing displayed by oppressed groups from the UK, Europe and around the world. The issue really is whether the police really are merely 'workers in uniform', or whether they are the paramilitaries of the authoritarian state. As we will see later that both sides are present – hard and soft, the iron fist in the velvet glove - and the collective police personality is Janus faced (two faced).

To start our investigation of the current police it is necessary to start at the beginning of capitalism, in the great transition from feudalism towards industrial capitalism and the rule of a new governing class. Redefinition of law was the first stage of bourgeois leadership (Linebaugh, 1993), including summary jurisdiction by magistrates during the 18th century, and rationalisation of the law by Sir Robert Peel, Home Secretary in the 1820's. The new agency to enforce this capitalist law was the police (Emsley, 1997, in Maguire, Morgan and Reiner (eds) 1997, Ignatieff, 1978), and from 1828 the penitentiary was to be the new recipient of "the new volume of petty arrests by the police" (Ignatieff, 1978, 185). However;

Eighty Five percent of their arrests in the 1830s were for vagrancy, prostitution, drunkenness, disorderly behaviour, and common assault, while only 15 percent were for indictable offenses, most of these being petty larceny and pickpocketing... the new police were not... successful in detecting or deterring burglaries, robberies, and other major crimes (Ignatieff, 1978, 185).

The law and the police were employed as an ad hoc modernising force, and aimed at the entire industrial working class instead of its' periphery. A feature, that remains until far into the nineteenth century, prior to 1840 virtually all methods aimed at enforcing discipline over the working class were punitive and suppressive (Lea, 2002). As time progresses, the by now confident bourgeoisie pressed on with encouraging the new arbiters of official morality to rule working class areas, making labour accept the habits necessary to work for capital;

The imposition of the police brought the arm of municipal and state authority directly to bear upon key institutions of daily life in working class neighbourhoods, touching off a running battle with local custom and popular culture which lasted at least until the end of the century [Cohen, 1981, describes this process in the first decades of the 20th century]... the monitoring and control of the streets, pubs, racecourses, wakes, and popular

fetes was a daily function of the 'new police'... [this was] a direct complement to the attempts of urban middle class elites... to mould a labouring class amenable to new disciplines of both work and leisure (Storch, 1976, 481).

This is part of an overall strategy of governance and the building of a new social order including different disciplinary arenas e.g. asylums, police, factories, poor law, workhouses, welfare, prisons, and schools (Ignatieff, 1978, Knott, 1986, Porter, 1994, Longmate, 2003, Wilson, 2002, Kennedy, 2004), all linked in a myriad of ways to the regulation of the economy. It was Jeremy Bentham whose utilitarian ideas and designs influenced the police, prisons, and workhouses, and he "*in fact as well as spirit may be seen as the father of Victorian real politik*" (Wilson, 2002, 38). Industrial capitalism and its superstructure thus matures', creating new contradictions that the bourgeoisie has to overcome with new forms of dominance. Part of this political environment was a general fear of the dangerous classes in the nineteenth century by the wealthy and powerful (Lea 1997, 2002, Storch, 1975 in Fitzgerald et al, 1981, Stedman Jones, 1971, in Fitzgerald et al, 1981). Who argued in cataclysmic terms that unless a new force of social discipline was imposed upon the masses then chaos would be the result (Thompson, 1968, 617).

It was not simply that there was a need to control the new trade unionism, though this was very important (Royal Commission on Constabulary Force 1839, in Storch, 1975, in Fitzgerald, 1981); the new Metropolitan Police was deployed as a de facto riot squad throughout the 1830s and 1840s, to the Rebecca disturbances, and elsewhere (Emsley, 1997, Radzinowicz, 1968, in Fitzgerald et al, 1981). The working classes in general were the chief opponents of the introduction of the police (Wilson, 2002), however, it was because of a weakening in relations between masters and men that control of the workers when they left the factory gate became an urgent issue. "*The working class neighbourhood was both unwholesome and potentially dangerous*" (Storch, 1975, in Fitzgerald 1981, 87, also Lea, 1997) for those in power at the time as; "*One consequence of the creation of... free labour' was the appearance of its concomitant, 'free leisure'*" (Storch, 1976, 495). There was no ruling class agreement on the administrative structure of this new disciplinary police, but;

there were few quibbles about the mission the police were created to carry out in working class districts... [they became] modern bureaucracies of official morality (Storch, 1975, in Fitzgerald, 1981, 89,88)

This new capitalist discipline was;

Placed amongst the working classes to monitor all phases of working class life – trade-union activity, drinking, gambling, sports as well as political activity. The overall mission of the police was to place working-class neighbourhoods under a constant and multifaceted surveillance (Storch, 1975, in Fitzgerald, 1981, 90, also Golby and Purdue, 1984).

Further;

Police functions must be viewed as a direct complement to the attempts of urban middle-class elites – by means of sabbath, educational, temperance, and recreational reform – to mold a labouring class amenable to new disciplines of both work and leisure (Storch, 1976, 481) Emphasis added.

The new policing of working class recreation and space led to a virtual cessation of outright conflict with the police which had included many spectacular riots down to smaller scale affrays, leaving a hidden level of social activity not dissimilar to the spaces of resistance Scott (1991) describes. In some areas a permanent police presence could only be established with the permanent aid of the military, most descriptive terms for the police from the period see them as 'unproductive idle parasites'. Apart from their very appearance that often insulted the poor because of their good clothing and footwear. It was their aggressive attitude; actual aggression, arbitrary brutality, and several other police practices merit consideration;

Most disturbing of all was the imposition of the hated 'move-on system' as a standard item of police policy. The coming of the police signalled a closer monitoring of working class drinking patterns, the openings and closings of pubs and beerhouses, and an entirely novel and uncustomary surveillance of the entire range of popular leisure activities: drinking, brutal sports, footracing, fairs, feasts and other fetes. The police came as unwelcome spectators into the very nexus of urban neighbourhood life (Storch, 1975, in Fitzgerald, 1981, 103).

Storch (1976) considers the police to be the cutting edge of the wider effort to impose new social relations (also Cohen, 1979, Wilson, 2002). This varied in different places and at different times. In Manchester the council banned certain working class recreational forms in 1843, and in Leeds in 1836 the council forced public houses to close, and forbid the playing of sports. Both of these led to police action and conflict with the local population, and because of other incidents like these the police were considered; *"an alien element in the community and a daily source of both major and petty annoyance. Policemen continued to be beaten all through the nineteenth century"* (Storch, 1976, 493).

Cohen remarks that Islington was amongst the last places to give up its irregular and informal street economy, partly due to the late penetration of Islington by religious and other improving agencies; *"The great watershed [of working class toleration of the police] which occurred in the 1914-18 period for Islington, undoubtedly occurred in many industrial areas by the late 1870s and 80s"* (Cohen, 1979, in Fitzgerald, 1981, 124). Gradually, through different police acts and other modernisation the Home office achieved more control over the police, and this was a *"significant development in central government control"* (Emsley, 1997, 67) paralleling the rationalisation and centralisation of the prison system (Ignatieff, 1978).

To accomplish legitimacy, the police tactically and selectively enforced some

universalistic laws in public places to enable business and capitalists and their managers to circulate. Whilst accommodating and tolerating certain working class habits, working class people did have their lives partially improved through better enforcement. If the police had only guarded the rich; *"it would have been impossible to introduce them into the streets of London"* (Ignatieff, 1978, 186). They practice expedient toleration to this day - combining welfare ideology with repressive functions (Robins and Cohen, 1978), it is a dual personality, Janus faced.

There were selective drives aimed at suppressing the working class presence and at things that were seen as fomenting wider resistance. Perhaps policing of the traditional workers Mayday comes into this category? It was in the 1920's that Islington police made large numbers of arrests for street football that wasn't illegal in itself, and clamped down on those betting on 'pitch and toss'. This combined with further improving *"legislation against street trading by juveniles [and] the stricter enforcement of elementary school attendance after the war"* (Cohen, 1979, in Fitzgerald, 1981, 123), and economic changes helped to recompose working class lifestyles.

Taylor (2004) argues that though the Middlesbrough police faced *"a degree of popular hostility that was not to be found anywhere in mainland Britain"* (2004, 756), when they started operating in 1855, and a degree of acceptance was obtained from at least 'respectable' society during the last quarter of the nineteenth century. It was the popularity of street betting that was to provoke widespread hostility when the police attempted to regulate in the 1890-1910 period. The morals of the community conflicted with 'official morality' in other issues too.

In the first decade of the 21st century the police are an increasingly harsher social force, the technology on offer today means they can inflict far more harm and control than was previously possible. They intrude into far more areas of social life, and the police numbers have doubled in the last 30 years. None of which has improved society.

The social struggles to come necessarily will come into contact with the first physical line of defence of the capitalist state, and that is the police. It is necessary to be aware that they are not and never will be on our side, even though they try to appear to be sometimes, and they can never be any part of an anarchist, autonomous, or communist future. As always, we have to build our own systems of self-policing without police, which are already in process, for all our futures sake.

Solidarity without prejudice

"Real prisoner support, if it means anything, is about expressing the same instinct and supporting all those on the inside who are fighting the common enemy..."

John Bowden, Prison No. 6729
HM Prison Glenochil, King OMuir Road,
Tullibody, Scotland FK10 3AD

Should a decision to politically support and build campaigns on behalf of particular prisoners who are engaged in a struggle against the prison system be wholly contingent upon the type of offence that preceded their imprisonment? Are some prisoners, no matter how politicised they've become whilst in prison and committed to the struggle, unworthy and undeserving of support because of lifestyles, forms of behaviour and criminal activity engaged in prior to arrest and imprisonment?

When it comes to supporting the struggle of "social" prisoners or those imprisoned for offences other than the overtly political (although it could be argued that in a capitalist system where the overwhelming majority of those sent to jail are inevitably from the poorest and most disadvantaged sections of society, all prisoners are in some way political) is it okay to support those who are originally convicted of, say, crimes against property but definitely not those jailed for crimes like murder, extortion and even rape? Are some prisoners on account of the crimes that put them in prison so irredeemably beyond the pale that absolutely nothing they subsequently do or become can ever qualify them as worthy of political support and solidarity? On this issue should we bury our differences with the police, judiciary and capitalist media and concur with their endlessly propagated view that some individuals convicted and sent to jail for seriously violent behaviour and the most "wicked acts" should be forever demonised, despised and permanently excluded from the human race?

Most prisoners in fact first enter jail for offences and forms of behaviour almost wholly associated with a life time experience of poverty, disadvantage and abuse, and are for the most part products and casualties of a grossly unequal and class ridden society. Obviously some people find their way into jail because of behaviour that was criminally entrepreneurial (the "career criminal") and violently predatory, but these are a small minority of the overall prisoner

population, and in the case of the "career criminal", especially, the least likely to jeopardize early release by becoming politically active in prison or being associated with politically radical groups on the outside. The fact is that the prisoners more likely to become involved in confrontation and conflict with the prison system are those initially imprisoned for chaotically violent and rage-fuelled offences.

The revolutionary black American prisoner George Jackson once wrote in a letter to a friend - "I was captured and brought to prison when I was 18 years old because I couldn't adjust. The record that the state has compiled on my activities reads like a record of ten men. It labels me brigand, thief, burglar, hobo, drug addict, gunman, and murderer." Jackson of course was transformed by his experience of imprisonment into a politically conscious prisoner leader and dedicated member of the Black Panther Party before being murdered by guards at San Quentin prison in 1971.

Amongst prisoners themselves the diversity of offences that initially landed them together in jail is quickly subsumed in a common experience of repression and collective adversity, and apart from the traditional hatred of serious sex offenders, prisoners are completely non-judgemental of one another's crimes and bond quickly in a common struggle for survival.

Brotherhood and sisterhood amongst prisoners that organise and fight back is a real imperative and heart felt dynamic. Possibly in the enclosed world of prison populated by what ordinary society considers outlaws and law breakers and guarded over by individuals often prepared to brutalise, maim and occasionally murder in the interests of absolute control, "normal" values of behaviour and morality become inverted and corrupted; or maybe in conditions of extreme repression, struggle and survival, what originally put a person in jail matters nothing compared to the infinitely more important need to stick together and collectively resist a system that treats them all as something not fully human and undeserving of basic human rights.

Inevitably, there is conflict and division amongst prisoners that is often fostered by the guards for the purpose of exerting greater control, and some prisoners enter into a complicity with their jailers which creates a diffused suspicion hindering trust and solidarity, but during moments of collective and open rebellion the most natural and powerful tendency amongst prisoners is to band together and develop a new relationship, whoever and whatever they may have been during their moments of freedom.

Political activists on the outside who feel dubious about showing support for prisoners because of their original crime should maybe consider this: when prisoners revolt and fight back they are subjected to the cruelest and most vicious repression

because isolated and stigmatised by the state and deionised by the media, conditioned and manipulated "public opinion" largely endorses the behaviour of the prison system when it brutalises prisoners back into line. Refusing to recognize and support the struggle of prisoners purely because of their pre-prison lives is tantamount to taking the side of the system against them and suggesting they get all they deserve; it also suggests ingrained middle class prejudice and fear of working class folk devils and tacit recognition of the legitimacy of the prison system.

That some prisoners, no matter how brutalised and brutalising they might have been before their imprisonment are radically changed as people by the experience of prison and sometimes embrace revolutionary politics to their very core is undoubtedly true. Yet to deny such prisoners any recognition and support when they politically fight back is also to deny the possibility of profound change in such people as a result of struggle. In fact, prison can and often is a crucible for radical change and a deep politicisation of some prisoners, and as in all areas and places of extreme oppression and resistance prisons by their very nature do produce revolutionaries and individuals who single-mindedly fight back. In the U.S. radical black groups, like the Black Panthers and Symbionese Liberation Army, were actively and theoretically guided by prisoners and ex-prisoners; George Jackson, Eldridge Cleaver, H. Rap Brown, Malcolm X etc., were all radicalised in prison following conviction for crimes such as robbery, rape, drug dealing, pimping and serious violence.

It is easy for those who have never experienced extreme poverty and discrimination, never experienced imprisonment and the inhuman brutalisation that takes place there, to be moral purists about the behaviour of people that have – it's a middle class inclination and attitude based on ignorance, arrogance and a distaste of the poor, and it pervades the characters of some individuals who claim to retain not a trace of their middle class conditioning, like some "anarchists".

Obviously prison isn't full of nice people and there are individuals on both sides of the divide in jail, both guards and prisoners, who are so seriously de-humanised by the system. It's difficult to imagine them living safely amongst ordinary people in the community; although whether prison as an institution, the chief cause of their de-humanisation, should exist to constrain them is another issue. The issue here is that by its very context and the nature of the environment struggles that take place in prison will be represented, instigated and organised by people originally sent to jail for often the most destructive and violent forms of behaviour, that's what initially put them there and it's what the state uses to justify its brutalisation of them for ever afterwards. The organisers

and leaders of most major uprisings in the U.K. during the 1960s, 70s and 80s were all people that the state and media described as "psychopaths", "terrorists", "gangsters" and "murders", individuals that some strictly principled anarchists would no doubt deem unworthy of any expression of support and solidarity.

In prison, as in all places where repression is extremely sharp edged and survival hard, struggle is not an abstract concept or idea, it is a basic necessity of existence and an all important imperative of surviving with dignity and integrity, and it informs one's instincts about, above and beyond everything else, who the true enemy is.

Real prisoner support, if it means anything, is about expressing the same instinct and supporting all those on the inside who are fighting the common enemy.

Mayday sends Solidarity Greetings to all Prisoners

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qualified worker who knew their worth. It is not just your pay that suffers from casualisation: without the proper training and familiarity you could be injured or even killed.

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Your boss who gives the orders at work pays your agency well for your work. But you won't see that. The agency will work as hard as it can to keep your wage low, so it can keep the difference. For example you might get paid £7.50 ph, but your agency charged the client £10. On top of this obvious rip-off they can take extra charges for 'admin' or 'finding you work'. Neither of these are genuine, and rarely legal. Once they have found you a job, what other work do they need to do? Why do bosses use agencies, then, when direct employment would be far cheaper? Because although they would save a fortune on the hour, they would be liable for sick pay, holiday pay, insurance and all the normal responsibilities of an employer. Instead they split these with an agency, who will encourage you to register as 'self employed'. This makes it all a lot easier to get rid of employees they don't like – your client does not have to give a proper reason or severance pay, they just call the agency who will tell you there is 'no more work at the moment'. This means bosses wield far greater strength than they would if they employed people directly. They think they can push us around and get away with it. Not for much longer...

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