

Leo Panitch, Greg Albo and Vivek Chibber (editors), *The Crisis and the Left: Socialist Register 2012*, Merlin Press, 320 pages, hardback ISBN 9780850366815, £50.00, paperback ISBN 9780850366822, £15.95

The latest edition of the *Socialist Register* continues the theme of the 2011 edition and is again devoted to the continuing global crisis of capitalism. Historically the *Register* has always had, and rightly so, an international sweep but has often found room for the inclusion of a number of articles on British themes. It is with some nostalgic recognition that, perhaps, over the years, these have diminished. Could this be realistically justified on the grounds of the particularly uninspiring terrain the British Left has been forced to inhabit for the last few years? All three of the present editors are based in North America, where the sub-prime match lit the global debt conflagration, and certainly it is there that the Occupy Wall Street movement has demonstrated the power of innovative protest. The editors confront what they stress in the preface is the continuing audacity of the neo-liberal schema: the pursuit of policies, in the face of crisis, which are so draconic that they may yet inspire generalised unrest. They could even turn around the largely pedestrian and down-right cowardly response of social-democracy in most of Europe – witness the heartening mass

participation in the 30th November one-day strike in Britain.

Certainly the British situation deserves special analysis for the reason that, ever since 1979, it has been a test bed for the implementation of the neo-liberal agenda, under both the Conservative and New Labour governments. The Thatcherism of the 1970s and 80s sold off the utility companies and, with its cunningly divisive sale of council housing, induced a bubble in owner occupation, paving the way for rampant housing inflation and the consequent housing shortage. In fact the first article in the book is one by the Anglo-American political geographer and proselytizer for Marxian economics, David Harvey, who in an interesting and informative article traces aspects of the roots of the present crisis partly in the urban post-war expansion of the suburbs and urban development in general.

Harvey takes issue with some Marxist economists who, he considers, underplay the causal role of housing and the property market in capitalist crisis, preferring to concentrate on under-consumption and the falling organic rate of profit as the primary culprits. Land price bubbles have been a common feature of American economic history, and of many other nations. In the US, prior to the present crisis, we had the Savings and Loans débâcle under Reagan, the Japanese property bubble and, to round it off nicely, the sub-prime mortgage banking crash. In our own neck of the woods we have had the neo-liberal approach to housing foisted on us, with the 'freeing up' of rent control and the selling off of council housing, all of which helped to sustain a housing bubble until the banks realised that their number was up and had to go cap-in-hand to the governmental begging bowl. Harvey makes a very thoughtful case for adding urbanisation to our understanding of both boom and bust and shows how the continuing sub-prime crisis has led to a massive transfer of wealth from the poor to the rich.

This urban crisis suggests another area where the struggle for social redistribution of wealth and control over our own lives should take place, namely the built environment, through tenant groups and the like. We have seen this in action in the US with Occupy Wall Street groups going to the aid of sub-prime homeowners about to be evicted. Harvey also discusses the credit system and how it has the dual function of being a conduit for production, but is inevitably used for facilitating speculation and the accumulation of capital. In the US and elsewhere naked class warfare is being fought on one side by an alliance of finance capital, developers and construction companies against whose predatory practices the isolated home owner is no match. The article has a section on the Chinese housing and property boom, and here again Harvey notes the danger signals,

comparing it with Florida of the 1920s, which JK Galbraith has noted in his book *The Great Crash 1929*, ‘contained all of the elements of the classic bubble’.

Whilst much of Harvey’s piece draws upon the experience of the United States, the article by Ursula Huws has an added resonance for British readers, dealing as it does with the privatisation of the state itself, an ongoing process we are presently enduring. If privatisation is allowed to wrap its tentacles further around health provision, care of the disabled and the elderly, combined with the constant political clamour to cut our cloth to match our purse, it is only to be expected that eventually there will be moves towards a fully tiered system of provision with ‘top-up payments’ and only a basic service free. Both the Conservative and New Labour governments have proved innovators, within the neo-liberal paradigm, starting with direct privatisation of the utilities, moving on to the private finance initiative, compulsory competitive tendering, academies and ‘free schools’, and now for the finale – the privatisation of state institutions and, in particular, the NHS, itself a living example of a highly effective un-marketised non-capitalist enterprise. As the author puts it, within this shrinking state its purpose will be no longer to deliver services but merely to procure them, and she quotes the example of Suffolk County Council which is trying to put theory into practice by plans to reduce their present 27,000 staff to 300. There is, of course, the necessary ideological smokescreen, the rhetoric of the ‘big society’ and the ‘empowerment’ of local communities through truncated undemocratic membership dispensations; for example, foundation hospitals, and allowing charities to take over previous welfare functions of the state. The author observes that there is disagreement within the élite between those who are happy to have a large state, as long as it is profit-based, and the minimalists. This is an interesting article and the thinking behind it could be compared with Naomi Klein’s idea of ‘disaster capitalism’. The author concludes with an appeal for ‘new forms of organisation’ to combat the ‘globally-organised employers’. We could, perhaps, add to this the need for the existing organisations, namely the trade unions, to intensify their attempts to think globally and act locally.

An article by Nicole Aschoff on the collapse and resurrection of the United States’ motor industry, and its connection with the credit crunch and the continuing debt crisis, exemplifies the aggressive, amoral nature of modern higher management practice with its ideology of ‘creative destruction’. The ability of employers and government to seize the crisis as an opportunity to fulfil their ambitions (which in this case was a dramatic diminution of the power of the United Automobile Workers) and

make a drastic reduction in wages and conditions is covered chronologically in detail. The management succeeded in virtually all of its aims and the UAW policy of concessions did nothing to halt the mass redundancies, wage reductions and erosion of benefits. Additionally, the fall in trade union membership was not staunch and non-unionised foreign assembly plants and suppliers have, so far, remained immune to the blandishments of the UAW. Besides struggling to increase unionisation, the author recommends that the autoworkers look to placing themselves in the forefront of 'green technology development' to revitalise their struggle and presumably form an alliance with the powerful environmental movement in North America. The car industry in the US, and it may be a valid perspective for the European and Asian industries, is not to be viewed as one in decline but one of constant reorganisation and adjustment to the market, truly a process of 'creative destruction', but why must the autoworkers always be the victims of the necessary changes?

In this *Register* there are many more enlightening articles on aspects of the current crisis including the new American Poor Law, the contradictions of neo-liberal climate policy, China's position in the current mess, why Latin America has weathered the financial storm better, how Ireland and Eastern Europe have been affected and, perhaps oddly, an article on racial disparity in analytical texts which requires 67 footnotes and familiarity with a lot of US publications which, unfortunately, this reviewer does not possess.

There is a fascinating article on finance, oil and the Arab awakening, explaining the centrality of the Gulf States to American military power and wealth. The peculiar make-up of the population within the Gulf States, with its very high input of migrant labour, has not rendered it immune to the uprising in the Arab world. Although the coverage of such turmoil is hardly mentioned in the Western media, with the exception of Bahrain, savage pre-emptive repression of discontent has been the norm, particularly in Saudi Arabia and Oman. The article concentrates on the symbiotic relationship between the ruling élites of the US and the Gulf States, and the importance of the latter in recycling petrol dollars and world liquidity. For example, the increase in oil prices over the period 2002-6 has earned the Gulf States some *extra* £510 billion out of a worldwide total of £1.02 trillion.

The final three articles are taken up with the Eurozone crisis and what might be the alternatives for the Left in this context. Of course, the reader will be aware that the articles were written in 2011 and this is still, at the time of writing, very much an ongoing crisis. The most substantial of the pieces is by Elmar Altavater, author of *The Limits of Globalisation*, who

teaches at the Free University, Berlin. He sees the crisis as one of capital accumulation expressed in the huge imbalances in current accounts between 11 nations in deficit and six in surplus. The crisis follows a pattern: having started in the property sector, it moves to the banks, the banks pass it on to the government as sovereign debt and, finally, the working class is expected to pick up the burden. However, as banks protect their reserves and unemployment and inflation increase, the tax revenue falls and welfare payments increase, thus expanding sovereign debt. For the author 'there are only two paths in Europe right now': the collapse of the Eurozone or, alternatively, moves towards 'European statehood', and both present serious difficulties. He notes in this context the 'monsters' of the drama, the rating agencies, more powerful in influencing events than some governments.

The second article, by Costas Lapavista, sees the Eurozone as a weak link in the chains of capitalism, and capable of being broken if the Left adopts 'radical solutions', ditching the 'Europeanism' of more optimistic Left pundits. Out should go any pretence of converting the Euro into a 'good Euro', and the idea of monetary union should be abandoned as it is not possible to reform in the interest of the working class. Lapavista summarily dismisses issuing Eurobonds through the European Central Bank, commenting that the latter institution 'does not possess a magic wand to make debts disappear'. With this rejection he would appear to be in accord with some Eurozone leaders, Angela Merkel in particular. Possibly, he is not aware of comprehensive proposals made by Stuart Holland to revitalise the EU economy by using the European Investment Bank, which already issues bonds in its own right, as the vehicle for issuing Eurobonds (see *Spokesman 113 and 115*).

The final article, by Michel Husson, suggests that socialists cohere around what he calls 'a strategy of extension'. If a radical government of the Left materialises it would institute changes that might bring it into conflict with other EU states. Such a government would not seek to break up the Eurozone but should be prepared to work outside its rules and, if necessary, be prepared to abandon the common currency. Of course, this is all predicated on the basis that austerity measures illicit a response that transforms the present political map, both nationally and internationally.

As usual, the high standard we have grown to expect from the *Socialist Register* is maintained in what promises to be an interesting year in terms of possible changes. There could be radical change, but it is equally possible that we see an intensification of the trends towards barbarism, with war clouds again gathering in the Middle East. The Western power

élite may be faced with an economic crisis, but it shows no signs of changing course from the brutal economics of austerity and the hardly suppressed desire to intervene militarily whenever its interests are questioned. This edition of the *Register* helps us to understand events as they unfold and, hopefully, will help to guide our future actions.

John Daniels