

Main resolution of SEP (UK) Congress: “The political tasks of the Socialist Equality Party”

7 January 2013

This congress takes place in the midst of a systemic failure of the profit system that once again threatens humanity with catastrophe. More than four years on, it is apparent that the financial crash of 2008 marked a turning point in world history comparable to the first decades of the 20th century, with all its implications. What began in the United States with the failure of Lehman Brothers has become an economic pandemic that has engulfed the entire globe.

There is no peaceful or easy way out of this crisis. No reformist palliatives will suffice. Only the mobilisation of the international working class for the overthrow of capitalism can provide a way forward. The task before the Socialist Equality Party is to assemble the cadre of a new revolutionary leadership with significant support among workers, youth and the most selfless sections of the middle class, in advance of the inevitable eruption of major class battles that lie ahead.

The off-loading of the multi-trillion-pound losses of the international banks onto state balance sheets threatens the economies of entire countries with bankruptcy. The claims that China and other growth economies could provide a counterweight and the impetus for a global economic upturn have been shipwrecked by their reliance on exports to US and European markets that are in the midst of a protracted slump.

These same processes have exacerbated the contradiction between the globally integrated nature of capitalism as a world system and the nation-state structures within which it is historically rooted. This is destroying the basis for international coordination and stability between the capitalist powers, leading to the re-emergence of virulent nationalism and inter-imperialist antagonisms. A new period of wars and revolutions has begun.

The bourgeoisie everywhere is seeking to extricate itself from its crisis through a social counterrevolution, aimed at a radical restructuring of economic and class relations. For all the talk of “change”, the re-election of US President Barack Obama has immediately signalled a bi-partisan offensive to impose trillions of dollars in cuts to health care and other social programmes. The same demand for spending cuts and the gutting of social provision is made by governments of every political hue, despite warnings that this could trigger a global depression of extended duration.

For decades, the European Union was held out as a progressive social and economic alternative to “Anglo-Saxon capitalism”. Today, the reactionary character of the efforts to unite Europe on a capitalist basis is manifest in the endless round of savage austerity dictated by the “troika”—the EU, the European Central Bank and the International Monetary Fund—and imposed by governments without any democratic mandate or, in the case of Italy, installed without reference to the electorate.

The fate of workers across the continent is anticipated in Greece, where conditions not seen since the Nazi occupation are re-emerging. Yet faced with mass unemployment, the collapse of health and education provision and levels of poverty that have left hundreds of thousands dependent on soup kitchens, the ruling elite sadistically demand even greater “sacrifice” on the part of the working population, while they plan the creation of Special Economic Zones to profit from new, ultra-low wage levels.

Such conditions are by no means confined to Greece or the other so-called PIIGS that includes Portugal, Italy, Ireland and Spain. Rather, these countries set the benchmark for a brutal transformation in the conditions of life for working people that is being effected throughout Europe, the realisation of which can only be achieved through police-military violence and authoritarian forms of rule.

The realities of this new world situation must determine the orientation of workers and youth in Britain. The worsening crisis of global capitalism is bringing to a new peak of intensity social and political antagonisms that have been maturing in Britain for more than three decades. Beginning under the Conservative government of Margaret Thatcher in the 1980s, the process of “financialisation” led to the divorcing of the accumulation of profit from the production of goods and services in favour of rampant and uncontrolled speculation. This has left the UK extraordinarily reliant on a highly leveraged financial industry resting on a mountain of fictitious capital, with bank assets as a percentage of GDP at 500 percent—five times the ratio in the US.

The entire apparatus of the state has been subverted and co-opted by an elite that accrued its vast fortune through the deregulation of the financial markets and the looting of formerly state-controlled assets. The rapacious demands of this financial oligarchy have bred criminality at the apex of society and infected the entire body politic. Wall Street was the epicentre of the global financial crisis of 2008, but the London subsidiaries of US institutions were utilised by the world’s banks to carry out the worst forms of frenzied speculation, as the capital was transformed into an on-shore tax haven and the hub of every financial scam the world over.

It was in order to protect the fortunes of the super-rich that Labour began measures to shore up the banks that have cost in excess of £1.2 trillion since 2008. This massive subvention has almost doubled the national debt—from 46 percent of GDP to 84 percent—which is increasing by £2.3 billion every week. This vast scale of indebtedness means that the Conservative/Liberal Democrat coalition’s £155 billion programme of cuts, which includes the privatisation of vital services such as the National Health Service and education, and a systematic attack on welfare benefits, is only the beginning of what is to come.

Even before the global economic crisis, the UK had become a cruel place for working people. Between 1977 and 2010, the share of earnings for the bottom 50 percent fell from 16 to 12 percent, while the real wages of the poorest fifth were almost halved, and those of middle-income earners declined by more than a third. At the opposite pole of society, the income of the richest one percent more than doubled to 15 percent.

Just one year into government austerity, in 2011 available disposable household income plunged to its lowest level since 1921. More than 14 million are in poverty—almost a quarter of the population—with half of these in “deep poverty”. Official unemployment is rising towards three million, including over a million young people. One person in ten has been thrown out of work at some time since 2008, and those who have managed to find new jobs have suffered an average pay cut of 28 percent. The numbers employed in part-time, insecure, low-paid jobs have reached

a record high of more than eight million. The money clawed from working people is funnelled directly into the coffers of the super-rich, with the top 1,000 richest people now worth a record combined total of more than £414 billion.

The social powder keg produced by rising inequality exploded in the inner-city riots of 2011. Those who took to the streets were working class youth, denied a decent education and any prospect of work. But both the right and nominal left of the political establishment denied that there were any social causes for the urban unrest, blaming a “criminal” and “feral” underclass that they insisted must be dealt with ruthlessly. The state repression that followed—more than 5,000 people arrested and draconian sentences handed out for the smallest of crimes by kangaroo-style courts meeting 24-hours a day—foreshadows the response of the ruling class to any form of mass opposition to its attacks.

Nowhere has the political decomposition and corruption of British society achieved a more complete form than in the Labour Party and the trade unions. Like its counterparts the world over, the labour bureaucracy in Britain responded to the global integration of production by abandoning its national reformist programme. In power from 1997 to 2010, Labour stood at the centre of every criminal enterprise—from the fixing of the Libor rate to the illegal activities of Rupert Murdoch’s News International and, above all, its waging of a war of aggression against Iraq. Today, Labour local councils are imposing the measures demanded by the coalition, while the party nationally has made clear that in government it would be just as committed to austerity, wage freezes and pay cuts.

The sole function of the trade unions is to police their captive membership and prevent the development of a social and political movement against capital. Throughout Europe, the trade unions collude with their respective governments in imposing the diktats of the troika. Since the coalition came to power, national action by the unions in the UK has consisted of a few protests that were quickly run into the ground and abandoned. The unions today do not function as defensive organisations of the working class. Rather than protect their members against redundancies, pay cuts and greater exploitation, they work with the government and corporations to implement them.

More than three decades of uninterrupted betrayals have led to a collapse in union membership, from a high of 13.5 million in 1979 to around six million today—just one fifth of the workforce. The typical trade union member is now a university graduate working in one of the professions. In contrast, unionisation amongst the most exploited workers is virtually non-existent. So moribund are the unions that membership among 16 to 24 year olds stands at less than five percent.

Profound social processes, rooted in the growth of social inequality, have determined the rightward lurch of the Labour and trade union bureaucracy. In the UK, the overwhelming preponderance of low pay means that entry into the top 10 percent of earners requires a salary of just £55,000, and £115,000 for the top one percent. The salary of every major trade union leader places him comfortably in the top 10 percent. When bonuses and perks are included, most are closer to the top one percent. The trade unions’ involvement in pension funds, insurance schemes and extensive property holdings gives them an additional vested interest in raising the level of exploitation of the working class and the dismantling of its past social gains.

The relationship between the trade unions and the mass of the working class, including their own members, has been shown in South Africa. There, the eruption of the class struggle has proceeded through an insurrectionary movement against the African National Congress-aligned unions that have a major stake in the mining industry. As proved by their support for the massacre of striking miners at Marikana, these organisations will stop at nothing to defend their capitalist paymasters.

An essential precondition for breaking the stranglehold of the trade union and labour bureaucracy involves arming advanced workers and

youth with an understanding of the specific role played by the pseudo-left tendencies and the social interests they serve. These organisations are neither left nor socialist, but constitute a tendency within bourgeois politics.

There have been repeated mass protests in country after country against austerity, involving millions of workers and youth. Again and again, however, all such efforts to defeat the onslaught of the ruling class have been frustrated by organisations such as Syriza in Greece, the Left Bloc in Portugal and the New Anti-capitalist Party in France. They disorient and politically paralyse the working class through their claims that the bourgeoisie can be persuaded to change course and that Keynesian-style reflationary measures are sufficient to restabilise capitalism.

The Socialist Workers Party and the Socialist Party hold up Syriza—an amalgam of former Stalinists and middle-class groups—as a model to be emulated by the so-called left in Britain. They are lauding a party that functions as the essential political prop of capitalist rule in Greece. Now the largest opposition party, its leader, Alexis Tsipras, has opposed any struggle to bring down the hated New Democracy/PASOK/Democratic Left coalition government—pleading instead for the troika to re-negotiate its debt repayment schedule and pledging loyalty to the EU and opposition to any withdrawal from the euro zone. In the event of the government’s collapse, Tsipras has offered “to take over the reins” and implement troika dictates in a way that ensures that the EU and Greece’s creditors “do not have to pay more”.

The full implications of the unswerving loyalty of the ex-left to the bourgeoisie and its state institutions was made explicit by Daniel Cohn-Bendit, leader of the European Greens, who demanded the strengthening of the EU in order to “more emphatically defend *our interests* against economic and political great powers of the calibre of China, India, Brazil, Russia or the United States” [emphasis added]. This is a recipe for austerity at home and trade and military war abroad.

A sharp warning must be taken from the growth of the Golden Dawn in Greece. Under conditions in which popular opposition has been confined to strikes and protests, and the “left” is associated with support for the EU and maintaining social order, the fascists can pose as the opponents of the bankers, Brussels and the Greek political establishment. This has enabled the state to cultivate Golden Dawn as a means of channelling social discontent in a reactionary direction and as shock troops to attack the working class. Outside of the independent political mobilisation of working people there will be a similar growth of the far right throughout Europe, as is already the case in Hungary, the Netherlands, Denmark, Finland and France.

The bourgeois character of the pseudo-left groups is not changed by their advocacy of the “anti-capitalist” politics of movements such as Occupy Wall Street, Occupy London and the Indignados in Spain. The anarchist conceptions of “self-organisation” and “horizontalism” provide a useful platform for their own opposition to Marxism and hostility to the building of a revolutionary party based on the working class. Moreover, though they attracted support amongst workers and youth, these movements articulate the social discontent of middle-class layers which seek to overcome their own precarious situation by securing greater access to the wealth presently monopolised by the top one percent.

The pseudo-left share this goal of a limited redistribution of wealth, rather than a struggle to end capitalist exploitation. The same social impulse animates their espousal of various forms of identity politics based on gender, ethnicity and sexual preference, invariably couched in demands for employment quotas, positive discrimination and access to state funding. It is the means through which the pseudo-left seek to defend their privileges and secure their advancement within the existing social order.

This also accounts for the universal embrace of Scottish nationalism and other separatist movements in Catalonia and throughout Europe by the pseudo-left. All talk of the setting up of innumerable small states as a step

towards socialism is a transparent lie. It is employed solely to conceal their alliance with a section of the regional-based bourgeoisie seeking control of strategic assets such as North Sea oil in the case of Scotland, and to establish direct relations with the global corporations and banks based upon low tax regimes that demand the gutting of essential services. At a time when the maximum unity of the working class is paramount, they deliberately set out to divide workers along national lines.

The SEP anticipates an enormous development of the class struggle in the next period. It undertakes to make a determined turn to the working class, supporting and encouraging every expression of opposition to the rapacious demands of the government and the corporations. It advocates and encourages the formation of new organs of class struggle independent of the trade unions, such as action committees, that encompass broad layers of workers and youth to defend jobs, wages, health, education and other social and democratic rights. It advances transitional demands that connect this fight with the struggle for state power and the formation of workers' governments. Together with our comrades in the Partei für Soziale Gleichheit (PSG), the SEP fights for the overthrow of the EU and its constituent governments. It insists that the United Socialist States of Europe is the only conceivable form in which the working class can exercise its rule in a continent that is so economically integrated.

While the capitalist crisis creates the objective basis for revolution, however, it does not resolve the problem of political orientation and leadership that is necessary to finally settle accounts with the bourgeoisie. The fate of the mass revolutionary movement in Egypt contains vital lessons for the working class. A nationwide strike wave and protests involving millions in Cairo, Alexandria and other major cities succeeded in bringing about the downfall of Hosni Mubarak. But in the absence of a genuinely revolutionary leadership, the ruling class was able to rely upon its political defenders to derail the mass movement and preserve its rule through the formation of an alliance between the military junta and the Muslim Brotherhood.

The working class can fulfil its role as the agent of the socialist overturn only to the extent that it is made conscious of its historical responsibility as the bearer of a new and higher social order and is able to delineate its independent interests from all other social forces. The development of socialist consciousness means instilling in the most advanced workers and youth an understanding of the international character of the class struggle and the socialist revolution. It requires the assimilation of the strategic experiences of the working class over the twentieth century, as they are contained in the history and theoretical heritage of the Trotskyist movement—above all its decades-long struggle against the domination of the working class by the petty-bourgeoisie.

This congress takes seriously Trotsky's advice to the revolutionary forces in Spain in April 1937: "It is necessary to break—sharply, decisively, boldly—the umbilical cord of bourgeois public opinion. It is necessary to break from the petty-bourgeois parties including the syndicalist leaders. It is necessary to think the situation through to the end. It is necessary to descend to the masses, to the lowest and most oppressed layers. It is necessary to stop lulling them with illusions of a future victory that will come by itself. It is necessary to tell them the truth, however bitter it may be. It is necessary to teach them to distrust the petty-bourgeois agencies of capital. It is necessary to teach them to trust in themselves. It is necessary to tie your fate to theirs inseparably. It is necessary to teach them to build their own combat organisations—soviets—in opposition to the bourgeois state."



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