

Crisis and Social Revolt: The North American Left Sputters

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In a context already marked by food and energy crises, global capitalism has been enmeshed in a financial and economic crisis since 2007. Even as tentative signs of recovery appear in 2010, the impacts of the financial dislocation are going to be long-lasting. The crisis has raised the delegitimation of neoliberalism as an ideological defence of capitalist free markets and policy framework for states. Business and government elites are doing everything they can to reconstruct the neoliberal project.

The cracks in neoliberalism over the course of the crisis would seem to provide the opportunity for a new correlation of social forces to emerge and an alternate development model to be posed. But it is anything but clear that these are unfolding. A series of revolts have erupted over the last few years – sporadic rioting and occupations across the capitalist world and general strikes in France and Greece in the early phases of the crisis and more recent public sector and general strikes in Ireland, Portugal and Greece. However, this social turmoil has often remained relatively isolated and sporadic in Europe, growing in pockets of Africa, and all but non-existent across Asia and elsewhere. In North America, there has been almost a sense of working class resignation after the Obama election demobilization, the defeats and concessions of the UAW and CAW at the hands of GM and the auto companies, and the inability to form a mass movement around foreclosures and housing beyond defensive actions of civil disobedience.

This rather mixed political landscape led the French socialist journal, *Actuel Marx* (Numéro 47, “Crises, révoltes, résignations,” Avril 2010 at netx.u-paris10.fr/actuelmarx), to ask a number of historians, sociologists, philosophers and social movement actors their assessment of recent developments. What are the social mediations and power structures that seem to be containing the crisis and that are, instead, impeding collective mobilization? Can the weakness of social struggles be explained by the effects of neoliberalism and its crisis? Under what conditions might the political dynamics of revolts extend beyond their own spontaneity? The interview with Greg Albo, professor of Political Economy at York University, is presented here.

In your area, what state are social struggles in? What are their specific forms?

To assess the state of current social struggles in North America, we need to begin with the crisis and what has been its character and social form. Although the crisis has brought a major shock to economic growth, the patterns of uneven development characteristic of the neoliberal period have been remarkably re-

silient. Several central imbalances remain in place: between zones of structural trade surpluses and deficits; between growing productive capacity and the distribution of purchasing power; between fiscal demands on states and taxation levels; between the levels of indebtedness of working class people and income flows to meet interest payments (from employment but also from collapsing house prices and pension values); and between the volume of credit claims in financial markets and the amount of value being created in the productive economy.

In this setting, several possible scenarios need to be kept in mind. If, for example, the emergency credit and state supports to bridge the imbalances stop being provided too early, the rapid realignment would likely reinforce the economic crisis. This would raise the panic amongst capitalists seen across 2008, and this would be the so-called ‘double-dip’ recession. In such a double-dip, it is not impossible that a potential catastrophic turn in the crisis could ensue, with a radical destruction of capital values to rebalance these relations. The government authorities would, of course, attempt to bring a halt to such a spiral, but it would much more difficult to reverse. The decision to not quickly reverse fiscal stimulus and monetary policy so far in 2010 suggests that this remains a real concern.

A second plausible scenario is a prolonged period of stagnation. The economic imbalances prove quite intractable within the context of the current deflation, with private sector investment failing to pick up, and thus government deficits persisting. Indeed, most economic actors and zones of the world remain committed to their current strategies and invested capital (such as East Asian and German export strategies, finance capital opposition to taxation and regulatory reform, manufacturing and governments and service sector companies preferring to cut wages and extend precarious work). In this case, as long as credit is being provided, the imbalances persist, the capital is turned over and the economy stabilizes with the space provided by the emergency policy measures. But the blockages to sustained accumulation also remain in place. A period of prolonged stagnation might then unfold as past investments and debt obligations cannot be completely shed and thus a new basis for new accumulation established. As seen in last G20 meetings, and the most recent IMF outlooks on the world economy, this possibility, too, cannot be completely discounted, even after a few quarters of stronger growth.

There is also another possibility, and this one must be taken most seriously as it what governments – especially those in North America – are attempting and how current class struggles are being shaped. In terms of imbalances, there are now attempts to coordinate a measure of rebalancing, particularly between East Asia and the U.S. via raising American savings rates and Chinese

consumption levels, and this will become the focus of the G20 meetings this summer. It is likely that the economic authorities will do everything possible to continue to socialize the risks generated in financial markets and the bad debt of banks inside the states into very long debt structures. As well, the economic authorities forge new institutional mechanisms to oversee financial markets and re-establish demand conditions without altering the fundamental role that finance and credit have played over the period of neoliberalism. Instead of adjusting financial markets or reversing neoliberal tax shifts, the central capitalist states are focused on having the working classes bear the brunt of these efforts through reduced wages, pensions, services, and regressive taxes.

It needs also to be acknowledged that the rollbacks to workers in the auto, steel, rubber, and electronics sectors is allowing space for renewed workplace re-organization. With the political defeat of the unions in these sectors, the conditions to extract value from workers have improved, at the same time that there is a significant devalorisation of the oldest vintages of the capital stock. In this scenario, accumulation might well pick up, as long as effective demand also revives and the imbalances are improved. But it also cannot be ruled out that the imbalances are again reproduced in new forms, and neoliberalism has pulled this trick several times since the early 1980s. It cannot be ruled out. But if the underlying sources of the imbalances remain, credit has to start flowing again at a rapid clip, and a new bout of financial speculation is all but unavoidable, and a new phase of neoliberalism evolves. This is what ensued after the 1980s savings and loans crisis, the 1990s Asian crisis and the 1990s dot.com meltdown, and it would be foolish to rule out such a prospect after the sub-prime mortgage explosion.

In all these scenarios, the balance of class forces of 'late neoliberalism' has appeared strikingly resilient. The union and social movements in Canada, Quebec and the U.S. do not support these measures, of course, given their class content. But neither have any of these movements been able – or even much in the way of attempted – to mobilize an opposition to it. Indeed, given their state of disorganization and demobilization, they fear even worse.

This is not to say that different levels of class conflict will not occur. Yet through the course of the crisis it is difficult to identify the modes or sites in which the workers' and social movement are beginning to demonstrate the ingenuity that might reverse their decline and set an agenda of opposition to having workers pay for the crisis rather than the bankers and speculators.

The high points of political opposition remain the varied general strikes that erupted in Quebec, Ontario and B.C. against neoliberalism in the 1990s, the anti-globalization movement in Seattle a decade ago now, and the electoral mobilization for the Obama presidential candidacy. Sporadic forms of resistance to neoliberalism have continued to emerge across the financial crisis, most vividly seen in housing squats and takebacks in the U.S., and scattered factory occupations across the 'rustbelt' of the U.S. and Canada. But it needs to be recorded that a new anti-neoliberal

movement has failed to emerge. The leadership of the North American union movement seems barely conscious of the need to set itself on a radical course of organizational and political renewal.

What is the impact of the financial and economic crises on these struggles? Are there new struggles because of the crisis? Have they taken a specific orientation? Have you noticed any confluence?

Without a major organized political reaction from the union and social movements, the economic recovery is stumbling along in North America: further financial market collapse has been blocked, demand is stabilizing, industrial profits appear to be recovering and last quarter growth for 2009 exceeded all expectations. However, all this is coming with more authoritarian political relations within the state and especially within workplaces – authoritarian tendencies that have been implicit in neoliberalism from the outset. The lesson learned by many sections of the North American ruling classes has not been one of market failures, but the possibility to even further re-write collective agreements and to find new ways to prop up the neoliberal state. Rather than witnessing a shift in the balance of class forces toward workers and popular movements, the course of the crisis has favoured the capitalist classes.

In the failure to invent new political forms in the course of building opposition to neoliberalism, the worst features of the inherited forms of political opposition have been reinforced – the reassertion of 'business unionism' and the vulgar lobbying of legislators for subsidies or narrow changes to legislation as the focus of political work for examples – across North America. In a word, social struggles in Canada and the U.S. are in a terrible state. They are having difficulty fighting back existing demands for concessions and wage austerity, after the cave-ins by the UAW and CAW in the auto sector; and they are far from adequately organized for the coming battle over public sector cutbacks as government 'exit strategies' start to fall in place. The social movements (particularly around health care and ecology) and unions (notably in the auto and educational sectors) are waging purely defensive battles, often in the process conceding major ideological and political ground. The disorganization of workers, social movements and the Left has been a central objective of neoliberalism from its beginnings. It has hard not to see renewed impetus to this strategy by governments and corporations.

It is a combination of anger and frustration that lies behind the spontaneous outburst of direct action amongst housing and poverty activists (in Miami, Vancouver, the Great Lakes region, in particular) and among shopfloor workers (Republic Windows workers occupation in Chicago, the Ford UAW workers' rejection of further concessions, or the sustained strike of miners in Sudbury or locked-out service workers at Cadillac Fairview in Toronto).

There is also a growing realization among more and more grassroots activists and shopfloor militants that things must change and new political alliances and forms of organization explored.

The social coalitions, social forums and network politics, that have substituted for organizational-building in North America for some thirty years now, has not provided the political resources to challenge neoliberal modes of rule even in the midst of the most severe crisis of capitalism in seventy years. Anarchist politics, and its cognate in autonomist Marxism, still appeal to those who see localist strategies as responses to the dislocations of neoliberalism. They have clearly lost their appeal, as the events of the crisis have so clearly shown the concentrated power of capital and state cannot be evaded by alternate communities or struggled over in the search for an anti-neoliberal politics. The beginning probing for new organizational poles, explicitly anti-capitalist and more politically ambitious, can be seen in dissident groups of autoworkers and teachers, in the Palestine solidarity movement, in migrant rights organizing, in the multiplication of reading groups on *Capital*, in the shedding of the legacies of 1917 and so forth. These are the most hopeful signs we have seen in a generation.

The crisis we are experiencing is very serious and has world-wide dimension Yet, we do not notice any grand resistance movement against the social forces that have led us to this situation. How do you interpret that?

A number of structural transformations over the period of neoliberalism have altered the organizational foundations for Left politics: the changes in the nature of employment toward more networked production processes and fragmented services provision; the increasing international circulation of capital; the internal differentiation and stratification of the working class; and the eclipse of so many of the cultural and political resources of working class communities. The Left has suffered major historical defeats, for good and ill, in the end of authoritarian communism and the realignment of social democracy with the ideological embrace of much the neoliberal critique of the state in favour of market processes, and acceptance of neoliberal distributional relations. With the fragile political space that the Left has historically occupied in North America, this has been an especially marginalizing set of experiences.

These developments have undermined working class capacities in terms of workplace organization, political leadership of oppositional forces and ideological inventiveness. As a consequence, for more than two decades, Left politics has oscillated between extremes. On the one hand, a 'politics of chaos,' under a blended leadership of autonomists, anarchists and the social left, all committed *a priori* to 'horizontalism,' loose organizational practices in encompassing coalitions, and anti-power, anti-party politics. This stance has dominated social movements. As much as anything else, this politics reflects the disarray of Left forces. It is small size, concentrated in urban centres and is unable to challenge state power apart from efforts to combat particular initiatives being forwarded by neoliberals. On the other, short-term political calculation to avoid further social erosion has come to dominate unions and large social organizations, a notable case being the large North American environmental groups. They have often reduced their politics to the vulgar level of negotiating with the state within the policy terms of neoliberalism.

In the brief moment these varied organizational tendencies came together to fight globalization, it seemed a new period of Left organizational creativity might unfold. Instead, the events of 9/11 and the economic slowdown from 2001 reinforced divisions. Both the social movements and the unions, and even more so the remnants of the organized radical Left, were driven into a further spiral of defeat and organizational setbacks. In Canada, where efforts to form new radical political capacities were launched, and a long history of forming important social coalitions existed between unions and community groups, the political terrain for the Left became rather barren (except for some solidarity work around Palestine and the unique case of Quebec Solidaire). The story is somewhat different for the U.S., but the outcome is much the same (with some successes in community organizing in the big cities and the various mobilizations of Latinos and other large immigrant groups).

Thus, apart from episodic demonstrations, annual social justice fairs, the day-to-day work of unions and activist civic organizations, there exist few organizational nodes that might provide the foundation for an anti-neoliberal alliance to emerge to organize mass struggles over the course of the crisis. Nor is there anything like an organized radical Left forming, grounded in socialism and Marxism, with a developing political practice that might animate building such fightbacks.

In day-to-day struggles, as well as the big political issues of the day, the North American capitalist classes have had their way in defining the features of the crisis, policies for limiting the damage to their property and rule and the terms for who will pay for the crisis in the 'exit strategies.' The beginning battles over public sector cuts – already dramatically unfolding in California and in a number of urban centres in North America – will test whether the developing recognition to experiment organizationally will crystallize into new community-based class struggle organizations.

What is the effect of these struggles (or of their absence) on the politics put forward to counter the crisis? Are these politics haunted by the prospect of a revolt or, on the contrary, do they underestimate it?

The failure political resistance to emerge on a mass scale to date leads to a number of points – points that are severe on political optimism at this moment but necessarily realistic from where the Left must begin. First, as far as North America is concerned, it is far too early to proclaim that neoliberalism has come to an end. As an ideology of 'free markets,' the financial crisis has thor-

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oughly discredited it, and many of its' administrative principles have broken down. Remarkably, finance capital seems to have emerged politically still at the centre of power through the crisis, and the distributional norms of social polarisation and wages lagging productivity advances neoliberalism seem to not be not just resilient but being intensified. A most striking feature of the fierce debates about how to address the financial crisis has been the way the manufacturing capital in North America, although undergoing profound restructuring in the auto, electronics, pulp and paper and steel sectors, has offered no policy alternative to the strategies of Wall Street and Bay Street. There is a measure of political dissent in Ottawa and Washington amongst the New Democratic Party and the Democrats. But at this point, it is pure fantasy to see significant cracks in neoliberal hegemony, under the political leadership of finance capital, that might reshape the political terrain.

Second, the power of the capitalist state is being used to contain the crisis, kick-start accumulation, and underwrite a credit expansion and the economic imbalances of neoliberalism in a new form. The political and policy effort – by conservative, liberal and social democratic governments at the national and subnational levels in Canada, Quebec and the U.S. – is concentrated on reconstructing the neoliberal political project. The Federal Budget just released this March in Canada, and the provincial budgets that followed, have been most revealing of these intentions.

Third, it is quite conceivable that rather than shaking the confidence of the ruling classes, the lack of political resistance is widening the political and policy space for them to pursue their ambitions more aggressively. We may well enter a more authoritarian phase of neoliberalism. The ghosts of the revolts of the 1960s and 1970s that have always haunted neoliberalism remain a real presence. This is less in the threat that they pose today than in the stiffening of the determination of the ruling classes to resolve the crisis on their own terms.

Fourth, the exit strategies being proposed so far all have the working classes paying for the crisis, particularly via increases in payroll taxes on wages and consumption taxes, wage austerity and lowered pensions and public services. This is a very aggressive, militant and confident strategy being put forward by the ruling classes. Alongside the intensification of work, these basic 'economistic' issues of social class will be a central area of political conflict in the next few years, and they will increasingly intersect the political struggles over race, gender and migration.

With the crisis have you noticed any new rivalry amongst the dominant classes? Or are they between other social groups? At an international level? Do you think that the food and ecological crisis could be more federative?

Competitive rivalries within and between national capitalist classes are always a feature of capitalism in every epoch. So are forms of political and economic co-ordination, which become increasingly important as the socialization of capital increases and the world market deepens. The state plays an increasing role

not in opposition to markets nor in developing its own autonomous role, but in continually evolving new strategies and tactics to provide the political conditions for capital accumulation.

Similarly, geopolitical co-ordination evolves as capital internationalizes and states become increasingly inter-penetrated, fundamentally altering the political alliances in national power blocs. The management of this crisis has shown a key feature of contemporary imperialism. Even in the context of acute geopolitical rivalries, and intensifying international competition over the production and distribution of new value and where the burden of financial losses will be spatially displaced, new forms of coordination could materialize beyond the capitalist core of the G8 group of countries, but also to expand, on the one hand, to the G20 group, and, on the other, to form new bilateral operational modes between China and the U.S., the two central actors in the world market.

The political consequence of all this needs to be registered: there has been no significant disunity amongst the main fraction of capital – between industrial capital and finance, between foreign and internal (national) capital, and between big and small capitals. They have all seen their political stake in the resolution of the crisis in a way which reconstitutes neoliberal hegemony. This is remarkable given what we know of the history of major crises in the past. The North American Left needs to come to grips with it. Partly for what it says about the current political struggle and the dashed expectation that has forever plagued the Left that economic crises are necessarily moments of political advance. And partly for what it says about the perpetual and ever elusive search for a progressive wing of the capitalist classes to align with – a dubious heritage of the North American communist parties and a defining attribute of the NDP in Canada and left Democrats in the United States.

In this context, the socialist Left in North America must be actively fostering the formation of new political agencies. One necessary aspect of such an engagement is class reformation through revitalization of unions, and the linking of unions to workers in new sectors, the struggles for gender and racial equality, and the marginalized outside 'normal' work processes. A second is actively experimenting in organizational convergence between the remnants of the independent Left, social movements, and the sections within social democracy that remained committed to a transformative project. Third, these organizational developments need to be grounded in the building up of educational, communicative and cultural resources. This is indispensable to forming the political identity necessary for a 'new socialism' for the 21st century. Finally, the wage and work concessions being demanded in workplaces and the public cutbacks being discussed in the various 'exit strategies' provide a huge opening for political struggle and a programme for forging new alliances.

The realism about the current setting needs to meet the optimism of what is possible in building a post-neoliberal order and an anti-capitalist political movement in North America. The financial crisis has demonstrated all too vividly that this project is now an imperative. **R**