



Two Worlds Collide

**power, plunder
and resistance
in a divided
planet**

by Alan McCombes

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Introduction

THE ROAD TO GLENEAGLES

NOT SINCE ELVIS Presley's gyrating hips scandalised respectable society in the 1950s has a pop star provoked such panic. In an editorial which only stopped short of proclaiming *Apocalypse Now*, *Scotland on Sunday* on 6 June 2005 warned of "beleaguered Scottish cities", a "mushrooming threat", a "crisis on British soil".

Some people might momentarily have jumped to the conclusion that Osama bin Laden was about to release a deadly cloud of anthrax over Arthur's Seat. In fact, the evil villain who is terrorising newspaper editors of a nervous disposition is no turbaned terrorist nor mustachioed dictator, but ex-Boomtown Rat and hero of Live Aid, Bob Geldof. His appeal for a million people to march in Edinburgh has been portayed in some quarters as as the war cry of a megalomaniac tyrant, out to ransack our capital city with a horde of savages in tow. In truth, Sir Bob is a supporter of capitalist free trade, a knight of the realm and a member of the Africa Commission set up and chaired by Tony Blair.

Geldof's rage appears to be genuine and born out of bitter contempt at the compacency of politicians. Targets set in 2000 to tackle starvation and halt the spread of AIDS across Africa will not now be met until 2150. "We're a joke, we are a complete and utter disgrace," Geldof fumed in the debating chamber of the Scottish Parliament as senior politicians squirmed with embarrassment.

Just before Christmas 1984, Geldof fronted the Band Aid single in response to the Ethiopian famine. *Do They Know It's Christmas?* touched the soul of millions of people. The song provided the soundtrack to harrowing and degrading images of emaciated children, and ignited a global bonfire of humanitarian sympathy for the plight of Ethiopia. Exactly 20 years later, at Christmas-time 2004, the song was re-released, lyrics unaltered, as famine swept Ethiopia's next door neighbour, Sudan.

Back in the days of the original Band Aid, there was still widespread political naivety about the causes of famine and poverty. The song, written by Geldof and Midge Ure, conjures up an image of Africa where "*nothing ever grows, no rain nor rivers flow*".

In fact, rain does fall, and rivers do flow. The Blue Nile flows through Ethiopia. And crops grow all across Africa. In the year of the catastrophic famine, Ethiopia was a net exporter of grain.

Today, 80 per cent of starving children in the Southern Hemisphere live in countries that have food surpluses. Africa is not a poor continent. Its problems are not caused by geography, but by politics and economics. According to a recent survey by the aid organisation, Voluntary Service Overseas, two-thirds of people in Britain believe Africa is dependent on the West.

The startling truth is that, for every pound transferred in aid to Africa, between two and three pounds come back to the West in the form of debt repayments and unfair trade.

The success of Live Aid and its various spin-off charities such as Comic Relief show the generosity of ordinary people and their desperation to offer help and solidarity. But measured against the sheer magnitude of the problem, such symbolic acts of charity are as effective as spitting at a raging forest fire.

A few weeks after this year's Comic Relief Red Nose Day had raised £15 million to tackle poverty, *The Sunday Times* published its annually updated league table of greed, the Rich List 2005.

A glance at the statistics puts into perspective the pittance raised by such charity extravaganzas as Comic Relief. One thousand people in the UK now have a combined personal wealth of £250 billion. Even more shocking is the fact that this super-rich clique saw their wealth grow by £48 billion during the previous year - or the equivalent of a Red Nose Day every two and a half hours.

On a global scale, the amount of wealth swilling around the planet is truly awesome. On 11 February this year, a snapshot of the assets of the world's 691 billionaires by *Forbes* magazine revealed that their combined wealth was worth £1.2 trillion - enough to pay Africa's total debt burden 85 times over.

Then there is the global spending spree on death and destruction. In October 2001, I travelled to the North West Frontier Province to report on the political and social repercussions of the bombing of Afghanistan.

Over the previous 20 years, millions of refugees had flooded over the porous border separating Afghanistan from Pakistan, their homes and villages destroyed first by Soviet tanks and bombs, then by mujahedin warlords, then by American and British bombers. They lived - and still live - in indescribable squalor, in vast refugee camps and disease-ridden shanty towns.

I visited one of these camps, about an hour's drive from the frontier city of Peshawar. With a population of 50,000 upwards, it was as big as Falkirk or Kilmarnock. But in contrast to Falkirk or Kilmarnock, in this township there were no streets, no houses, no shops, no electricity, no running water; just miles of cheap plastic and canvass to provide shelter, amidst overflowing open sewers.

The hospital consisted of a single large tent, a bundle of blankets and some out-of-date medicines. Malaria, TB and other deadly diseases were rampant. Crying mothers cradled fever-ridden children in their arms. Almost every day, some of these children would die, their families unable to afford the five rupees - less than 5p - fee for

a hospital appointment. Meanwhile, an hour's drive away in the Hindu Kush mountains visible on the western horizon, the B52s were roaring overhead, carpet bombing villages in the most murderous, destructive and expensive wild goose chase in history.

Each of these B52 bombers had cost more than the annual GDP of Afghanistan. Every cluster bomb raining down on the mountain villages had cost a minimum of £7500. Some of the most expensive Tomahawk cruise missiles had cost half a million pounds a throw. And here, almost within earshot of the bombs, children were dying for the sake of a few pennies or pounds.

In that opening chapter of the 'war on terror', the most powerful military machine the world has ever seen managed to defeat a country which had two aeroplanes, a handful of paved roads, no telephone system and an average life expectancy of 40 years.

In the course of overthrowing the Taliban, US bombers slaughtered more Afghan civilians than were killed in the Twin Towers. But what they failed to do was "bring back bin Laden on a platter" as the US Vice President had pledged. Nor did they destroy his al Qaeda organisation, which is now active in 95 countries and stronger than ever before.

With the absolute wisdom of hindsight, defence analysts admit that the bombing of Afghanistan and the overthrow of the Taliban now looks like "a complete strategic failure". Aid agencies warn that at current rates of reconstruction, it will take 90 years at least to rebuild the country. As we now know, Afghanistan was just the warm up. We also know that 11 September 2001 was only an excuse.

Back in 1938, Orson Welles unintentionally sparked off waves of panic across the USA when he broadcast *The War of the Worlds*, a spoof news report based on the HG Wells novel which describes a Martian invasion of America. But this was like a harmless April Fool gag compared with the grand hoax that led 65 years later to the extermination of over 100,000 civilians in Iraq.

Everyone now knows that there was as much likelihood of a Dalek invasion of the Earth as there was of Saddam Hussein unleashing weapons of mass destruction against Washington and London. The other excuse for the war on Iraq was even more mind-bogglingly far-fetched.

The secular tyrant, Saddam Hussein had always been a sworn enemy of the religious fundamentalist, Osama bin Laden. Invading Iraq to crush al Qaeda made as much sense as bombing the Vatican to sort out the Real IRA. We know now that the war on Iraq was planned long before 11 September 2001.

Back in 2000, the Project for a New American Century published a chillingly prophetic secret document called *Rebuilding America's Defences*. The document noted that the end of the Cold War opened up a "strategic moment" of opportunity for the US to stamp its power and influence on every corner of the globe.

It suggested that that America needed "some catastrophic and catalysing event - like a new Pearl Harbour". Proposing a new US military takeover of the Gulf, the document suggested that "the unresolved conflict in Iraq provides the immediate justification". Sadly for the people of Afghanistan and Iraq, these ravings were not just the harmless fantasies of a bunch of crank academics and retired generals. They were a blueprint for the future, drawn up by some of the most powerful people on the planet.

Membership of the Project for New American Century includes US Vice-President Dick Cheney; the Defence Secretary, Donald Rumsfeld; former Deputy Defence Secretary and now head of the World Bank, Paul Wolfowitz; George Bush's brother, Jeb; plus a host of other influential figures at the heart of the US government.

These are the Attila the Huns and the Genghis Khans of the 21st century. They represent the political wing of transnational capitalism. Their ultimate goal is the total domination of the world and its resources. But this is not the 19th century, when the British ruling

classes could wade unchallenged through oceans of blood to carve out an empire that spanned five continents.

There are times when the whip of conservative reaction terrifies people into submission. But there are other times when it rouses people to revolt. The barbarous and bloody wars in Afghanistan and Iraq have failed to silence dissent.

These acts of mass murder have instead exposed the unconstrained greed and depravity of the rich and powerful, and further inflamed world opinion against corporate capitalism.

At this year's G8 summit in Gleneagles, while political leaders are wrangling over what minuscule proportion of their wealth they will spend on aid, another 90,000 children will have starved to death.

Those marching through the heart of urban Edinburgh and the back lanes of rural Perthshire to Make Poverty History will come from all walks of life and will represent a vast spectrum of political opinion.

Churches and charities, trade unionists and eco-warriors, socialists and conservationists, farmers and animal rights activists, feminists and fishermen, human rights campaigners and small shopkeepers, nuclear disarmers and asylum seekers - all united in their abhorrence of inequality, their hatred of militarism and their anxiety for the future of the planet.

A few will be there for their own cynical reasons. Whenever a bandwagon starts to roll, you can guarantee there will be a queue of politicians, celebrities and businessmen waiting to clamber on board. Rich businessmen whose personal wealth could feed Africa for a generation will no doubt donate handsomely to Third World charities - after first making sure that the TV cameras are rolling as they write their cheques.

Some of the celebrities who will play the Live 8 gig in Hyde Park have a less than dazzling track record of fighting for progressive causes. Four of the British megastars booked to appear are worth £1.2 billion - three times the total annual spending budget for

Afghanistan, with a population of 30 million. When another of the top acts, Mariah Carey, visited Shanghai last year, she was accompanied by 60 pieces of personal luggage and 350 pairs of shoes.

The involvement of pop megastars will help to heighten the mood for action on world poverty. But it is ordinary people fighting to take control of their own lives - from the sweatshop factories of China to the cotton fields of Africa, from the jungles of Mexico to the housing schemes of Scotland - who will change the world.

Before we can change the world, we have to change our own communities, our own cities, our own countries. For the Scottish Socialist Party, that means fighting for self-determination; for a genuine democratic republic; for a socialist Scotland that will resist and defy the forces of globalisation and corporate capitalism and build links with all those fighting injustice across the planet.

From its foundation in 1998, the SSP has campaigned unceasingly against poverty and inequality, in Scotland and across the world.

The SSP is a broad and diverse party encompassing all shades and hues of anti-capitalism in Scotland. You may not agree with us on every detail. But if you share our basic principles we'd ask you to join us in the fight for a socialist Scotland and a socialist world.

In the embattled early 21st century, there is no hiding place from politics and struggle. Back in the 1930s, the American socialist writer James Cannon issued a challenge to those who preferred to steer clear of politics. "If you want a quiet peaceful life", he said, "you chose the wrong time to be born".

Seventy years later, we live in a world that is more dark and dangerous, more unstable, more viciously divided than ever before.

As this pamphlet tries to explain, it doesn't have to be this way. We can make poverty history. We can make war history. We can make nuclear weapons history. We can make racism history. We can make exploitation history.

It won't be swift and it won't be easy. But it can be done.

Chapter One

THE HIGH PRIESTS OF CAPITALISM

WHEN IT WAS built in 1924 by the old Caledonian Railway Company, the Gleneagles Hotel was described as “the eighth wonder of the world”. Like the modern Royal Family, the 1920s aristocracy regarded Scotland as a tartan wonderland, a romantic playground of mountain splendour teeming with deer and pheasant.

The new hotel was hailed as one of the most luxurious in the world. Its elegant lawns extended over 830 acres - an area three times larger than Glasgow’s Gorbals, where 50,000 people were packed together in crumbling, vermin-infested tenements.

In the backstreet slums of pre-war Glasgow, Dundee, Edinburgh and Aberdeen, the plush new hotel set among the rolling hills of Perthshire represented an alien world of privilege and opulence. Nowadays, a room in the hotel’s Royal Lochnagar suite costs £1600 a night - the equivalent of almost three months salary for a full time worker earning the national minimum wage.

The hotel is owned by Diageo, the 11th largest company in the UK. The company controls a vast range of alcohol brands including Smirnoff, Guinness, Bailey’s, Harp, Red Stripe, Bell’s, Johnny Walker, J&B, Bushmills, Talisker, Morgan’s, Gordon’s, Pimm and Kilkeny. George Bush may be a reformed alcoholic and a bible thumping Christian to boot, but he will certainly approve of Diageo’s commitment to free enterprise and global capitalism.

Last year, the corporation made a profit of £1.87 billion from selling booze in 180 countries across five continents. It is interesting, and perhaps no coincidence, given the agenda of this year's summit, that Diageo is one of the biggest multinational corporations operating in Africa.

As an 80 year old symbol of the power of wealth, it is fitting that Gleneagles should host the 2005 G8 summit. But the magnificence of the hotel was not the only reason for the choice of venue. Up until a decade ago, the gatherings of the world's superpowers generally took place in the heart of the great cities of the world, arousing little outside interest beyond a sprinkling of financial journalists from the heavyweight press.

In 1991, for example, the G7 summit was held in the centre of London. Not a stone was hurled in anger, not a slogan chanted in outrage, not a placard waved in protest. The summit could have been discussing the plot of the latest Hollywood blockbuster for all the rest of the world cared.

But that began to change in the 1990s. The first serious stirrings against the global capitalist machine began in the jungles of Mexico on New Year's Day, 1994, the day that the North American Free Trade Agreement, NAFTA, came into effect. On that day, the Zapatistas - a band of rebel guerrillas unknown to the outside world - captured four cities and countless villages in the mountainous Chiapas region. Their manifesto combined defence of the political and economic rights of the indigenous peoples of Mexico with a far-reaching critique of global capitalism in its entirety.

By the end of the 1990s, dissent against the power of global capital had spread across continents, even extending into the belly of the beast itself, the United States of America, with mass demonstrations in Seattle and Washington. There later followed a wave of protest across Europe, from Genoa to Gothenburg, from Prague to Barcelona. Along the way, the movement against global capitalism

began to fuse with the peaceful mass uprisings across the globe in opposition to the barbarous brutality of American and British military power against the Muslim world.

Today, the world's ruling elite, like the French aristocracy of the 1780s, is under siege. There is not a strip of land anywhere on the planet where they could now meet undisturbed by protest. Gleneagles is not the most remote part of Scotland, by a long way. But neither is it Glasgow or Edinburgh. Its secluded rural location was chosen because it's easy to shut off from the outside world.

"They live behind steel and bullet-proof glass, machine guns and spies," wrote Jack Warshaw in *No Time For Love*, the 1970s protest song. He could have been describing the leaders of the G8 today.

In the biggest security clampdown Scotland has ever seen, around 12,000 police officers will protect eight men, at a cost of around £100 million. There will be total ban on all plane, train and vehicle movement around a vast area of Ayrshire as the G8 leaders arrive at Prestwick Airport.

When George W Bush touches down at Prestwick Airport, he'll be accompanied by a fleet of Galaxy C-5 planes, carrying armoured limousines and the helicopters that will take Bush and his entourage to Gleneagles. There have also been reports that 2000 US marines will be stationed in Scotland for the duration of the summit to protect the Texan mass murderer.

When he visited Edinburgh before the Gleneagles Summit, Bob Geldof had this message for the G8 leaders:

"If you have the attitude of doing nothing, then don't come. But if you come with the intent to stop this open wound, you will be embraced and remembered throughout this century."

No doubt, there will be sanctimonious speeches at Gleneagles expressing sorrow at the tragedy of starvation in Africa. All G8 Summits are gigantic PR exercises, allowing political leaders to parade their humanity before the world's media.

In 1995, the forerunner of the G8, the G7 (before Russia was invited into the club) met in Halifax, Nova Scotia. The declaration agreed at the summit stated: “An overriding priority is to improve the plight of the world’s poor”. It further pronounced: “We place top priority on action to safeguard the environment.”

A decade later, we know the “plight of the world’s poor” is more desperate than ever before, with a billion people living a handful of rice away from starvation. We also know that, since that Halifax summit, the G8 countries have acted to “safeguard the environment” by spewing into the atmosphere five times more carbon dioxide per head than the rest of the world.

Most of the faces at the top table have changed over the past decade. Instead of Bill Clinton and John Major, we have George Bush and Tony Blair. But the aim of the game remains the same.

The new G8 leaders may have their disagreements from time to time, most spectacularly over the invasion of Iraq. But all of them accept unquestioningly the philosophy of neo-liberalism.

In the book, *Arguments Against G8*, Bob Crow, the leader of the railworkers’ union, the RMT, makes an astute observation about the ideology we are up against, the ideology of the G8.

“Neo-liberalism seems such a nice word. To many people, the word ‘liberal’ conjures up a picture of reasonable, if slightly other-worldly, people in Hush Puppies bending over backwards to be nice to each other.”

As he goes on to explain, there is nothing remotely nice about neo-liberalism. It is an ugly philosophy based on naked class warfare waged by big business against the working class and the poor.

Some of the G8 leaders pretend that neo-liberalism can be given a makeover. Tony Blair, for example, has taken to wearing a Make Poverty History wristband. His New Labour rival, Gordon Brown, is even hailed as the saviour of the world’s poor, a kind of Bob Geldof in a dark blue suit.

In the run up to the G8 summit, the Chancellor, echoed by a posse of sycophantic celebrities and newspapers editors, hailed a new deal on debt as a “historic breakthrough”. Under mass pressure from below, finance ministers from the world’s richest governments had been persuaded to throw a few more crumbs from the top table.

Most people glancing at the headlines or listening to the news bulletins might have been left with the impression that the the Third World debt mountain was about to be liquidated.

In fact, this was a piece of financial trickery that would have turned the Enron accountants green with envy. Strip away the hype and the spin and it emerges that the package is worth just £800 million a year over the next three years - in contrast to the £14 billion a year aid flow that the Africa Commission has asked for.

It is barely 3 per cent of the £25 billion a year that the charities and churches insist is needed to make poverty history.

Gordon Brown talks of “making globalisation work for all” - for the poor as well as the rich, for the environment as well as for the multinational corporations, for the workforce as well as for the shareholders.

The Chancellor may be the son of a Church of Scotland minister, but if he ever does manage to pull off this feat, it will make the miracle of the loaves and the fishes look like a simple conjuring trick.

For Gordon Brown and Tony Blair, aid is not a gift to be handed out generously, like a birthday present; it is a carrot to be dangled in return for favours, like a bribe.

In Zambia, the finance minister hailed the new debt package as a “fairytale”. Unfortunately, the Zambian people won’t be living happily ever after. In return for Western aid, Zambia has been forced to privatise its copper mines. This will mean hundreds of thousands thrown out of work in a country where 45 per cent of the workforce is already unemployed, life expectancy is 33 years and there are over 500,000 orphans living on the streets.

On the face of it, the world's poorest countries may not appear to have much to offer in return for aid. In fact, they are awash with lucrative natural assets ripe for plucking by European and American multinationals.

Water, for example. A decade ago, the people of Scotland fought off an attempt by the Tory government to privatise the water supply. No-one has since dared resurrect the proposal.

New Labour might not feel confident about privatising Scottish water - but it has no such qualms in Africa. According to War on Want, the government has given over £100 million of aid money from the taxpayer to consultancies such as the Adam Smith Institute and KPMG to persuade the poorest countries to privatise their assets, including their water supplies, while British corporations hover like vultures on the skyline.

Adam Smith International, for example, an extreme right wing consultancy, was given over £500,000 in aid money to promote water privatisation. The company spent half that cash on producing a pop song and video called *Privatisation* which was played repeatedly for several years on Tanzanian radio:

“Our old industries are like dry crops and privatisation brings the rain. When the harvest comes, there is plenty for everyone... When people come here with new ideas, God blesses Tanzania. When people invest in our nation's future, God blesses Tanzania.”

In they came, the people with new ideas and investment, in the form of Biwater, the British-based multinational water corporation. Unfortunately, God did not bless Tanzania.

Water privatisation proved to be a disaster. After two years, in May 2005, the Tanzanian government cancelled the contract after the UK water pirates failed to install the promised new pipelines and the quality of the water deteriorated.

The aid offered by Tony Blair, Gordon Brown and the other G8 leaders is similar to that offered by the boy scout who helps old

women across the road while furtively stealing their purses. The neo-liberal view of the world demands that all obstacles to the growth of wealth should be dismantled. Regulation of big business should be kept to a minimum. Taxation should be held down to allow the rich to amass as much wealth as possible. Trade barriers should be dismantled. Public assets should be sold off to private investors.

Economic growth should be encouraged at all costs, whatever the environmental consequences. And eventually, the rich will spread their blessings to every corner of the globe, lifting the grateful poor out of their misery.

This is the “trickle down theory” of wealth, first expounded by the hated former Tory Prime Minister, Baroness Thatcher. As a scientific theory, it’s up there with the belief that smoking makes you healthy. Under Margaret Thatcher’s rule, the rich grew richer than ever before. But the number of people living in poverty multiplied three times over. In Britain, and across most of the world, the gap between rich and poor has grown relentlessly wider since the 1970s. Instead of trickling down, wealth has cascaded upwards.

It’s not necessary to have a PhD in economics to understand the reasons why. Wealth is created, not by stockbrokers, currency speculators, shareholders, venture capitalists, company directors, or property dealers.

It is created by ordinary people, working in factories, offices, mines, mills, farms, trains, buses, boats, planes, docks, restaurants, shops, oil rigs, hospitals, schools and countless other workplaces.

One reason the rich have grown richer over the past 30 years is that they have perfected the art of exploitation. They can now move their factories like chess pieces across the map of the world, pitting country against country, continent against continent.

It works on the same principle as a reality TV game show, where the contestants humiliate themselves to win the prize, perhaps by

eating a live rat or pulling out their own teeth. Except that, in the global marketplace for cheap labour, it's not individuals but national states which degrade themselves by offering the lowest wages, the most draconian anti-union laws, and the most minimal health, safety and environmental standards.

The profits pile up, but the only things that trickle down to the workforce are hunger, illness and exhaustion.

The rich are also growing richer by paying lower taxes than ever before - again, at the expense of the poor whose hospitals, schools, pensions and welfare systems are stripped to the bone. In other words, the rich grow richer by robbing the working class more efficiently than ever before.

Another reason the rich grow richer is by plundering natural resources over which they have no moral right. In a new, updated version of the Klondyke gold rush, the multinational corporations have grabbed every piece of nature they can lay their hands on, from the timber forests of the Amazon to the oil wells of the Caspian Basin, from the fish in the Atlantic Ocean to the rivers and lakes of Africa.

And none of that booty ever trickles down, because trickle-down economics is a myth. It's like justifying a mugging on the grounds that some of the stolen cash might eventually trickle back to the victim.

Demonstrations and protests on the streets won't stop the mass mugging of the poor by the rich. But they do serve a powerful purpose. They shatter the façade of consensus in favour of free market capitalism. They show there is dissent over what kind of world we want to live in. They help change the way people think.

Action on a mammoth scale can even intimidate the godfathers of global capitalism into making some panic-stricken concessions to alleviate the worst suffering of the poorest people.

At least that would be a start. But it would only be a start.

Chapter Two

FOOTLOOSE AND FREE

THE WORD GLOBALISATION first entered the dictionary in the 1960s. For most of the next 30 years, it remained an obscure piece of jargon, usually found only in the footnotes of obscure economics textbooks. But the process which the word describes has a long history. In a simple form, globalisation has always existed, almost from when the first primates emerged from the jungles of Africa, and began to travel northwards.

The Roman Empire is a classic example of an early form of globalisation, driven by economics, as was the Chinese Empire, which in its heyday stretched from the Mediterranean to the Pacific.

But it was the rise of the British empire in the 17th and 18th centuries which prepared the ground for the later emergence of multinational capitalism. One of the earliest precursors of the modern multinational corporation was the Hudson Bay Trading Company, founded in 1669. It's headquarters were in London, but it controlled the Canadian fur trade. At its height, the company's commercial empire extended over three million square miles of territory and one third of the earth's surface.

A more sophisticated prototype multinational corporation was the East India Company. Based in London, the company presided over the colonisation of India, founded Hong Kong and Singapore, controlled the production of tea in India and China, took over the tex-

tiles industry in Bengal. For a time, the company even employed Captain Kidd to combat piracy on the high seas.

In *The Wealth of Nations*, written in 1776, Adam Smith used the example of the East India Company to demonstrate how monopoly capitalism destroys liberty and social justice.

Using brute power, including the staging of coups and the installation of puppet rulers across the East, the company was able to control supply and demand, buying up goods cheaply and selling them for a handsome profit.

In the 1780s, the East India Company took advantage of a drought in Bengal by buying all available grain and driving prices up to levels beyond the reach of ordinary people. This in turn triggered a terrible famine in which up to 10 million people perished - early victims of the economic machinations of multinational capitalism.

But the modern form of capitalist globalisation only began to take rudimentary shape from the middle of the 19th century, as result of two spectacular technological advances: the invention of the steamship and the laying of telegraph cables down on the sea bed.

This in turn paved the way for a huge upsurge in world trade and a new golden age of imperialism. By the late 19th century, US giants like Coca-Cola, Pepsi, Kodak, General Electric and Goodyear had emerged to dominate their home markets and extend their reach across the globe. In the 1880s, the biggest factory in the world, reputedly, was the Singers Sewing Machine Factory in Clydebank, which employed 5000 workers in a six-storey building sprawling over 48 acres.

As far back as 1848, Karl Marx and Frederick Engels - the founders of the anti-capitalist movement - had already begun to sketch out some of the elements of what became known in the late 20th century as globalisation.

In the introduction to his entertaining and penetrating biography of Karl Marx, the *Guardian* journalist Francis Wheen describes

how the more he studied Marx, “the more outstandingly topical he seemed to be. Today’s pundits and politicians who fancy themselves as modern thinkers like to mention the buzzword ‘globalisation’ at every opportunity - without realising that Marx was already on the case in 1848.

“The globe-straddling dominance of McDonald’s and MTV would not have surprised him in the least. The shift in financial power from the Atlantic to the Pacific was predicted by Marx more than century before Bill Gates was born.”

Even George Soros - the famous billionaire currency speculator - has hailed Karl Marx and Frederick Engels for their “discovery of globalisation”. He said: “They gave a very good analysis of the capitalist system 150 years ago, better in some ways, I may say, than classical economics.”

Marx and Engels wrote their pamphlet, *The Communist Manifesto*, in a world without cars, without aeroplanes, without telephones, without radio or TV. In the 1840s, computers, the mobile phone, email, the world wide web, high speed air travel, space exploration, satellite TV - all of this would have been beyond the powers of even the most imaginative writer of science fiction.

Yet in outline form, the two socialist philosophers raised the general idea of a future socialist world. They even went on to found the first ever global anti-capitalist organisation, the First International.

In essence, capitalism remains the same system as ever before, driven by the same motives and governed by the same economic laws. The changes that have taken place over the past 30 years are quantitative changes, changes of degree, rather than qualitative changes.

To draw an analogy from the natural world, capitalism has not evolved from a chimpanzee into a human being. It retains the same essential attributes as it did when Karl Marx wrote *Capital*, or even when Adam Smith wrote *The Wealth of Nations* a century earlier.

But it would be foolhardy to underestimate the sheer scope and scale of the new capitalist globalisation. Just as the steamship and transatlantic telegraph cables opened up a new phase of globalisation in the late 19th century, two late 20th century innovations propelled capitalism across new frontiers: containerisation and information technology.

Before containerisation, which began to take off in the 1970s, each item of cargo had to be manhandled individually, piece by piece. Ships would spend up to 10 days in port to be unloaded and reloaded by regiments of dockers. The move toward containerisation - with standardised rectangular steel, aluminium and fibreglass boxes - changed everything.

Only a fraction of the labour force was required to deal with the cargo coming in and out of ports. The turnaround time for even the largest ships was slashed to around 12 hours. It is a startling fact that the Port of Liverpool, which now employs just handfuls of dockers, handles more goods today than at any time in its history.

Containerisation opened up the possibility of the mass transportation of goods across oceans on a scale that would have been unthinkable just a generation before. It encouraged the building of supercargo ships, which are now up to 30 times larger than even the biggest cargo vessels of the early 1960s.

Then came the digital revolution, which accelerated at breakneck speed in the 1990s, allowing entire libraries of information to be transmitted instantaneously across continents. Not just information, but money could now be shifted across international borders at the speed of light. Financial markets now stretch around the globe and trade round the clock. Distances have shrunk dramatically. Goods are moved faster than ever before, in greater bulk than ever before, at lower cost than ever before.

We now live in a “global village”, according to the admirers of capitalist globalisation. It’s a cliché - and like many clichés, it’s

way wide of the mark. In a real village, people can generally come and go freely. In the global village, capital can come and go freely. But people can't.

But corporations are footloose and fancy free. They can flit cheerily from one country to another. They can shut down their factories like matchboxes and reopen them on the other side of the world a few weeks later. The rich can threaten to pack their backs and jet off to live abroad if anyone dares to suggest that they should perhaps contribute a little bit more in taxes. But for the billions living in starvation and poverty, it's as easy to flit to another part of the 'global village' as it is to fly to the moon.

Invariably, the countries which could offer a refuge from starvation and persecution keep their gates locked and bolted, with flashing neon signs screaming out: 'Go Home You Scrounger'. By an interesting coincidence, the people in charge of the keys and the guard dogs are the same people who issue orders demanding that all barriers to the mobility of big business be bulldozed. What we have in the 21st century is globalisation for the rich - and incarceration for the poor.

There is another word for globalisation which is rarely used in the media and never used by the politicians in charge of the globalisation project. That word is imperialism.

"Some will rob you with a six gun, some will rob you with pen" wrote Woody Guthrie, the American folk singer of the Depression. Rather than fighting with armies and navies, the political and business elite who rule the world today prefer to conduct their looting of the world with platoons of accountants and economists armed with computers and telephones.

That's providing they can secure the compliance, either active or passive, of local rulers. But when the stakes are high - and there is no more valuable commodity in the world of the 21st century than oil - they are not averse to reverting to the old ways.

In 1942, George Orwell wrote an essay analysing the poetry and politics of the celebrated bard of the British Empire, Rudyard Kipling. Orwell observed how Kipling could never quite understand that “an empire is primarily a money making concern.”

In words that could equally apply today to some left-leaning apologists for the wars on Iraq and Afghanistan, Orwell wrote of Kipling: “He believed imperialism was a sort of forced evangelising. You turn a Gatling gun a mob of unarmed natives and then you establish the rule of law which includes roads, railways and a courthouse.”

Imperialism in the 21st century may have renamed itself. But the globalisers of the 21st century are driven by exactly the same motives as their imperial ancestors: plunder, profit and power.

Confronted by the juggernaut of global capitalism many people naturally feel despondent. These corporations are so monstrously powerful that they cannot be beaten. What’s the point of trying to redistribute wealth in this country - they’ll just run away with their bags of loot, leaving a trail of desolation in their wake.

That’s the fear many people have about fighting for political change. They’ve been blackmailed into subservience. Don’t even think about taxing big business, or raising the national minimum wage, or introducing controls on pollution - you’ll just provoke the bully into behaving badly.

But the best way to deal with a bully is to stand up to them, to resist their threats, to call their bluff. As the Irish trade union leader, James Larkin, once said: “The great only appear great because we are on our knees.”

The multinational corporations only appear invincible because working people are intimidated by power and wealth.

Politicians, economists and newspaper editors worship big business with the same adulation that football fans display towards their chosen team. Day in, day out, they drum home the message that investors are “the wealth creators” of our society.

Most people are baffled by the mysteries of the stock exchange. They don't have degrees in economics. They don't read the business pages of the *Financial Times*. When they're told every day by experts to be grateful for the benevolence of big business, they tend to shrug their shoulders and accept the myth.

But that's exactly what it is - a myth. It is working people who create capital, not the other way around. World trade would grind to standstill tomorrow if seafarers, railworkers, lorry drivers, and dockers stopped working.

Communications systems would collapse instantly without electricity workers to keep the power stations functioning, or telecommunications workers to keep the phone lines open. Without teachers, civilisation would eventually collapse. Without health and pharmaceutical workers, the world's population would be decimated - and the plagues that would sweep the globe would strike down the rich as well as the poor.

Without firefighters, cities would be razed to the ground. Without cleansing workers, water workers and sewage workers, disease would bring industry to a standstill. Without agricultural labourers and food processing workers, the G8 countries would soon be levelled down to the condition of Africa.

But what if we had no kings or queens, no landowners or aristocrats, no stockbrokers or shareholders, no currency speculators or property developers, no advertising gurus or media moguls? How would that affect the way the world functions? Would anyone even notice the difference?

Many people would say no. But they'd be wrong. It would make a difference. If those responsible for starvation, war, inequality, global warming and the destruction of our eco-systems were rounded up and herded onto a spaceship bound for the moon, it would make a difference alright - the world would soon become a safer, fairer, more civilised place to live.

Chapter Three

THE TRIANGLE OF GREED

SEATTLE IS ONE of the most socially divided cities in the Western world. A census conducted in the year 2000 discovered that the richest quarter of households in the city had an average income of over \$100,000 dollars. The poorest quarter of households in the city had an average income of \$11,000.

The city is the birthplace of Bill Gates, Amazon.com and the Boeing aircraft. In the dying days of the 20th century, it also became the birthplace of a new form of protest. The Battle of Seattle, a chaotic 100,000-strong demonstration against globalisation, was largely organised via the World Wide Web. The internet uprising had begun - and it rapidly spread across the globe.

In Scotland, the focus of protest this summer is the G8 Summit. Outside of Peterhead Prison, it's not often that so many high-ranking criminals can be found gathered together under one roof.

But in Seattle, the target of the protest was not the G8 but the annual meeting of the World Trade Organisation. This is one of a triumvirate of shadowy organisations which are, in effect, the enforcers of global capitalism. The other two are the International Monetary Fund and the World Bank.

These three institutions wield awesome power over the daily lives of billions of people. In recent years they have forbidden national governments from outlawing child labour. They have prohibited the pro-

duction of cheap generic medicines to tackle deadly diseases. They have upheld the rights of rampaging multinationals to desecrate the natural environment.

They have forced national governments to privatise their national assets, slash public spending, reduce labour costs and turn their local economies into happy hunting grounds for big business corporations. In the Third World, their decisions have starved children to death, driven women into prostitution, aggravated the Aids crisis, bankrupted Third World farmers and annihilated native industries.

Under their rule, a country like Cameroon has been forced to spend 36 per cent of its budget on debt repayment to wealthy bankers, and just 4 per cent of its budget on social services. Cameroon, incidentally, is one of the countries excluded from the latest debt relief package.

So why do these institutions have so much power to mismanage the world economy? Who gave them the power? Who elected them and when were they elected? And how do remove them from power if we disagree with them? The short answer to all of these questions is that the three main global economic institutions are above and beyond the reach of democracy. We never voted for them in the first place, and now we can't get rid of them. Take Tom Scholar, for example. "Tom Who?" you may well ask. And it would be a fair question.

Tom Scholar might sound like a fictional schoolboy - but he is in fact Britain's executive director on the two Washington-based economic super-quangos, World Bank and the IMF. Tom Scholar's salary is paid by the British taxpayer.

Yet even Westminster MPs are kept in the dark about the decisions and statements he makes in the secretive, twice-weekly meetings of the two organisations. Britain's man in Washington even has immunity from the new UK Freedom of Information legislation.

In April 2005 the Third World charity, the World Development Movement, requested access to statements made by Scholar. They

were refused. As an official of the IMF and World Bank, Tom Scholar is bound to secrecy by the anti-disclosure policies of the two institutions.

Both the World Bank and the IMF operate in tandem and are organised along exactly the same lines. On both bodies, the five wealthiest nations - the US, the UK, Japan, Germany and France - have ten times more voting power than the entire African continent, with 44 countries and a total population of 800 million.

The IMF and the World Bank act as a kind of global moneylender and debt collector combined. Like most loan sharks, they exploit the desperation that is born of poverty, and impose conditions guaranteed to create even deeper desperation and poverty.

They call these conditions “structural adjustment programmes”. Under these programmes, indebted Third World governments are forced to balance their books by slashing public spending, privatising their assets, tearing down tariffs, cutting price subsidies on basic goods, raising interest rates and giving multinationals a free reign to behave as they please. It’s a form of extreme Thatcherism applied to countries which are already in the grip of mass destitution.

In the novel by Quebecois writer, Gil Courtemanche, *A Sunday at The Pool in Kigali*, set just before the genocidal civil war in Rwanda, a journalist confronts an IMF official. He tells him that in an office in Washington it all seems logical. But in the real world of an African hospital, the econometric curves on a faraway computer screen translate into a living nightmare.

“You begin by charging admission fees... The cost of medications goes up because structural adjustment devalues the local currency... staff reductions come next... you charge for meals, medications dressings... A structural adjustment hospital is a place where one pays for one’s death.”

The journalist then blames the structural adjustment programmes of the IMF for worsening the AIDS crisis across Africa.

“When I was visiting the Ivory Coast I discovered that since they’d introduced fees for high school education, more and more young girls were turning to occasional prostitution... this caused the AIDS rate to skyrocket in the principal towns of the country.”

Recently, the IMF and World Bank have tried to alter the jargon to make the poison more palatable. In a truly Orwellian example of language manipulation, structural adjustment programmes have been turned into “poverty reduction strategies”. It’s like a serial arsonist describing himself as a firefighter.

The remorseless injustice promoted by these institutions is frequently obscured under a dense fog of impenetrable jargon and confusing initials - WTO, IMF, TRIPS, TRIM, GATT, GATS, DRB. For most people, it’s like peering into a bowl of alphabetti spaghetti.

To illustrate the absurdity of the jargon, *The Guardian* carried extracts from a recent document published by the World Trade Organisation. One random passage states:

“The EU is in the process of negotiating regional agreements with ACP countries under the framework of the Cotonou agreement. The EU is also negotiating an agreement with MERCOSUR. EFTA has signed an FTA with Mexico. They include the removal or reduction of non-tariff barriers, through harmonisation or mutual recognition of product standards and conformity assessment procedures.”

The founding text runs to 600 main pages. But on top of that there are another 20,000 pages of supplementary detail. This founding document was democratically ratified, we are told by Westminster and other state parliaments back in 1995 when the institution was set up. What we are not told is how many MPs actually ploughed their way through the equivalent of around 100 books filled with dense footnotes written in impenetrable language. As its name suggests, the role of the World Trade Organisation is to write and enforce international rules on trade. But it does this, not as neutral umpire, but as partisan supporter of untrammelled free market capitalism. The day the WTO

stands up for the world's poor against the world's rich will be the day that George Bush announces his conversion to Islam. One of the WTO's most important recent agreements, the General Agreement on Trade and Services (GATS), aims to gradually "remove all barriers to competition in the services sector".

Under GATS, all public services in every country in the world except the police, the army, the judiciary and air traffic control will eventually be thrown open to the mercy of "market forces". Almost all human activity will be potentially up for sale. Already multinational corporations are greedily licking their lips in anticipation of gobbling up water supplies, hospitals, schools and 150 other public services, especially in the poorest countries of the world.

Another agreement, TRIPS - Trade Related Aspects of Intellectual Property Treaty - protects patents, copyrights and trademarks at the expense of human lives. The agreement upholds the "right to profit" of the global pharmaceuticals corporations by banning national governments from producing their own cheap, life-saving medicines. The WTO is also used by multinationals as a battering ram to dismantle local and national environmental safeguards. In the WTO's book, legislation to protect the environment is a "barrier to trade". To make it easier for multinational corporations to exploit natural resources, the WTO is now attempting to deregulate logging, fishing, water, energy and other industries.

No one would seriously dispute the necessity for trade among nations and across continents. Without international trade, people in Scotland would never drink tea, coffee or wine, or eat oranges or bananas.

But trade for trade's sake leads to the absurd merry-go-round of exchange where in 1998, the UK imported 61,400 tonnes of poultry from the Netherlands - and exported 33,100 tonnes of poultry back to the Netherlands. In the same year, the UK imported 240,000 tonnes of pork and 125,000 tonnes of lamb - and exported 195,000

tonnes of pork and 102,000 tonnes of lamb. It also imported 126 million litres of milk - and exported 270 million litres of milk.

This bizarre international game of pass the parcel is not confined to agriculture. For example, there are 144 different brands of bottled water produced in the UK. Meanwhile our supermarket shelves are stacked to the ceilings with bottled waters from France, Sweden, the USA and Canada. It's even possible to buy water that is bottled at source in Fiji, then transported over 10,000 miles to the UK.

As well as contributing to climate change, the artificial explosion of international trade is fuelling the fires of Third World destitution. European supermarkets are laden with produce from Africa. You can buy green beans from or mangetout from Zambia, a country so destitute that life expectancy is just 33 years.

Until recently, Marks and Spencer's stocked small plastic trays of baby vegetables: asparagus shoots, miniature corn, and baby carrots. The vegetables were grown in Kenya. The plastic trays and packaging were manufactured in the UK than flown over to Kenya. The vegetables were then arranged on the tray and cling wrapped by women and children in Nairobi. Finally, the artistically arranged packages were flown back to London, a round trip of 8500 miles.

Economists and politicians usually portray this global bazaar as an equal contest played out on a level playing field. Economic borders are torn down, regulations are dismantled, and everyone can join in the game. It doesn't matter whether you're a small local business, an independent farmer, or a gigantic multinational corporation - you all play by the same rules. Surely that's fair and square?

In practice it's as fair and square as tearing down the cages in the zoo that separate the lions and tigers from the zebras and llamas. Make no mistake about it - the IMF, the World Bank, the WTO, the G8 - all of these institutions are on the side of the big beasts of prey of global capitalism. Expecting them to behave in the interests of the poor is as naïve as expecting the tiger to make friends with the zebra.

Chapter Four

CAN THE MONSTER BE TAMED?

“IF YOU CAN’T beat them, join them” - that’s the unofficial motto of a multitude of ex-socialist and labour politicians across the world. Gordon Brown, for example, in an earlier life edited *The Red Paper on Scotland*, where he lashed into multinational capitalism and even attacked the SNP for “rejecting class warfare”.

Now he tells the Scottish Labour conference: “There is no escape from change, no comfort in standing still, no shelter in protectionism... In the new economy, there can and will be no time for the old complacencies, no place for the old inflexibilities, no room for the old resistance to change, no room for outmoded ways of working, no room for old restrictive practices from whatever quarter.”

Some politicians are no doubt genuinely queasy about the morality of the global sweatshop economy. But they go along with it anyway, on the grounds that trying to control transnational capitalism is as futile as trying to control the weather.

They would never dream of suggesting that society as a whole should be free of constraints and regulations. They never argue that laws against drunk driving, or burglary, or assault, or murder, should be scrapped because people just disobey these laws anyway.

Laws that seek to regulate the behaviour of individuals are more or less standardised internationally. Different countries have different legal systems. Some of the details vary. But the basic laws are

the same. People are banned from driving under the influence of alcohol because it endangers the lives of others. Theft is illegal. Vandalism of property is outlawed.

But for big business, there are virtually no constraints. Governments beg multinationals to come and exploit their resources. They tear up rules and regulations that the corporations find inconvenient. They allow them to vandalise the environment, plunder natural resources, brutalise the local population and generally indulge in anti-social behaviour on a scale that that would make the average run-of-the mill ned gape with horror.

Over the past decade or so, there has been an international bonfire of regulations governing big business over the past decades. And still the clamour grows from shareholders and the company executives for any remaining bits and pieces of corporate constraint to be put to the torch.

Governments, meanwhile, are left sitting on the sidelines like referees who have been shown the red card by the winning team. They bleat that their role has been usurped; there is nothing to do except appease big business to stop it running off with the ball.

National governments never have a problem controlling the opposing side. Security for the Gleneagles summit will involve massed regiments of police, armed units, special forces, intelligence operatives, bodyguards and thousands of US marines. All of this will be organised and financed by the national governments - with Scottish Council Tax payers bearing the brunt.

The state might plead impotence when it's dealing with big business. Though not when it comes to dealing with trade unions. Business has to be freed of red tape, bureaucracy, legislation, regulation - anything which stands in its way. But working people are confronted by jungles of red tape, mountains of legislation, forests of constraints - all designed to prevent them resisting exploitation by business. There are laws against picketing, laws against striking,

laws against solidarity action, laws against almost any activity which allows working people to organise effectively.

Socialists are fighting for a different world. But we are not starry-eyed dreamers who live in a state of transcendental meditation waiting for capitalism to implode and a new world to rise from the ashes. We fight to change the world from below.

But we also know that, in the meantime, tonight and tomorrow night 800 million people will go to bed hungry. We know that the time bomb of climate change is ticking away right now - and within two decades it will be irreversible and uncontrollable. We know that exploitation carries on, every minute of every day in factories, mines, plantations, offices, call centres in every continent.

Socialists, greens, charities, anarchists, NGOs, trade unions, churches - the entire rainbow coalition that makes up the movement for global justice - may not always agree about what kind of world we want to live in. But what we can do is unite to force immediate action on poverty, inequality and global warming.

The immediate cancellation of all Third World debt, with no strings attached, would save countless thousands of lives almost instantly.

Those politicians who insist that it is impossible to wipe out the debts of the Third World are either deceiving the public or are unable to count.

One recent estimate put the total figure for Third World debt at £287 billion. It's a lot of money - but compared with the trillions swilling around on the stock exchanges in New York, Tokyo, London and other world capitals, Third World debt is a drop in the ocean.

Another proposal that has won widespread backing is the idea of a Tobin Tax - named after James Tobin, the Nobel prize-winning economist at Yale University, who devised the scheme.

The proposal involves a modest surcharge of between 0.1 and 0.25 per cent on all cross-border currency trade.

With trillions of dollars traded each day across international borders, a Tobin Tax set at these levels could raise between £50 billion to £150 billion year - which would then be ring-fenced to tackle poverty and global warming.

In theory, the tax could be imposed unilaterally, at national level, by any government with the political will to do so. But to come anywhere near raising the tens of billions of pounds that it could potentially deliver, the scheme would require multilateral agreements involving at least the European Union, the USA and Japan.

Another demand which has widespread support is the setting of rigid targets on climate change. With the planet facing runaway global warming and species extinction on a scale not seen for 65 million years, the ostrich-like behaviour of the world's most powerful political leaders is truly mind-boggling.

After eight years of tortuous negotiation, the Kyoto Protocol on emissions of greenhouse gases finally came into force in February 2005. Even this heavily watered down version of the initial protocol was too much for the USA to stomach.

The world's most ruthless exterminator of the eco-system has less than 5 per cent of the world's population, yet it emits almost a quarter of greenhouse gases.

A bottle of petroleum in the US remains cheaper than a bottle of water - a liquid that falls from the skies in colossal quantities every day. But don't expect the other global leaders to put pressure on the world's most out-of-control rogue state to act responsibly. That would be impolite.

The movement for global justice should also call for the scrapping of all nuclear weapons; and for the reduction and eventual abolition of the arms trade. The production and sale of arms, including the monstrosity of nuclear weapons, is a colossal drain on the world economy. It is also a tragic fact of life that it is the poor who fight and die in wars.

One immediate demand that could unify all those fighting for international justice would be for all public subsidies to the arms trade to be ended. In the UK alone, that amounts to £30 a year for every taxpayer.

Another rallying cry in the war against poverty should be freedom for trade unions. In a number of countries, including Sudan, Burma, Saudi Arabia and the United Arab Emirates, trade unions are completely banned. In others, including Indonesia, and China - which pretends to be socialist - strikes are illegal.

In most of the rest of the world, there are severe restrictions on the right to organise and strike. Yet the multinationals who operate in these countries are almost totally free of state interference.

There are many other demands for immediate action that could be fought for in a co-ordinated fashion internationally: for example, abolition of the notorious EPZs, Enterprise Protection Zones, where there is virtually no labour or environmental protection; an end to the dumping of subsidised goods from the rich north onto poor Third World countries; the creation of a new socially owned global bank to replace anti-democratic institutions such as the World Bank and the IMF.

In the future, as in the past, progressive reform will not be handed down from above, but will be driven from below, by the pressure of public opinion and mass protest. At the same time, it would be naïve to underestimate the ferocity of resistance even to moderate, commonsense measures such as the cancellation of Third World debt, the Tobin Tax, or action to curb global warming.

The movement for global justice represents countless millions of people. But on the other side of the barricades are powerful vested interests that will stop at nothing to preserve the status quo.

They include the global financial institutions, the multinational corporations, the arms traders, the oil barons, the media moguls, the supermarkets, and agribusiness.

These forces will be as resistant as asbestos when the heat is turned upon them. The elemental impulse of capitalism towards ravaging the planet and plundering the poor is not based on immorality or flawed psychology. It is driven by economic imperatives. Corporate capitalism is motivated by one goal and one goal alone - the maximisation of profit.

The salaries and bonuses of corporate executives and directors are determined, not by how socially responsibly they behave, but by the amount of profit they pile up, year on year. And, like football managers, if they fail to deliver, then come the end of the financial season they're thrown onto the scrap heap.

The crisis of our ecological system may well spiral out of control a couple of generations down the line. But that's not a problem the average corporate chief executive is likely to lose sleep over. After all, in the famous phrase of the mid 20th century economist, John Maynard Keynes, "in the long run, we're all dead".

The philosophy behind corporate capitalism is most honestly expressed by Milton Friedman, a Nobel laureate economist and the guru of the free market. Interviewed by Joel Bakan, author of the book *Corporation*, Friedman is scathing of the suggestion that business corporations should be socially responsible. Not a man to mince his words, Friedman says that "executives who choose social and environmental goals over profits - who try to act morally - are in fact immoral." In brutally candid fashion, he argues that corporate social responsibility is only permissible if it's good for business.

In the 1980s, the designer clothing brand Benetton invested heavily in sweatshops in apartheid South Africa. Meanwhile, it cultivated an anti-racist image for the benefit of the rest of the world; for example, producing a series of billboards and TV adverts showing black and white young people mingling together in harmony.

Today, oil companies promote their green credentials to gain a commercial advantage over their rivals, while systematically van-

dalising whole tracts of the planet. Designer clothing companies fake concern over Third World poverty while operating industrial concentration camps where children work for 14 hours in abominable conditions for pennies.

These are examples of what Milton Friedman calls “hypocritical window dressing”. Not that he disapproves of this cynical deceit; in fact, he recommends it.

Friedman’s views are not the rantings of a far right maverick. His candour is certainly unusual in the world of corporate capitalism. But his views are so consistent with mainstream capitalist ideology that they are even enshrined in corporate law across most of the world. All corporate executives are obliged by law to act at all times “in the best interests of the corporation”.

This means that they have legal duty to put the interests of shareholders above all considerations - including respect for the environment, fairness to their customers, benevolence to their employees.

They are, in effect, legally forbidden from exercising social responsibility, unless they can show that such actions will help maximise profits. Otherwise, social responsibility equals corporate negligence.

Socialists believe that if we want a world based on equality, justice, cooperation, fairness, sustainability and grassroots democracy, we need first to change the way people think.

Once upon a time, capitalism was a youthful force for progress, smashing down the rigid structures of feudalism which stood in the way of science, technology, education, art and philosophy.

Centuries later, capitalism has begun to resemble a fading rock star, who dreams of past glories while guzzling ever greater quantities of drugs and alcohol to feed his addiction. He may still be capable of knocking out a few old tunes and trashing his hotel room, but his music is increasingly out of tune with the changing world around him.

One reason why capitalism has turned so vicious is that it is stagnating. Capitalism today is not in as healthy a state as it likes to pretend. Since the 1960s, growth in world output - GDP - per head has slowed down decade by decade. It was slower in the 1970s than in the 1960s. It slowed down further still in the 1980s. It slowed even more in the 1990s. In the first five years of the 21st century the pace of growth has fallen even further behind.

To survive, it's not good enough for a business corporation just to stand still. Like a cyclist, it has to either keep moving forward or topple over. Sure, the biggest corporations are freewheeling downhill. But the rest are stuck pedalling furiously against a hurricane, and falling further and further behind.

Capitalism is a fragile, precarious system, in which fortunes can evaporate overnight. While investors are confident that their money will keep growing and growing, then they will keep investing and investing. But if they fear their money will start shrinking, they will pull out at the speed of light. It's happened again and again through history - most recently in East Asia in the late 1990s when entire economies collapsed like a tower of bricks in a game of Jenga.

There is no longer any room for enlightened, civilised capitalism. Social democracy with its extravagant spending on pensions, health, education and welfare has had its day. Now it's dog eat dog - and only the most savage rottweilers survive.

Today, we need to battle hard for any improvements, any reforms, any advances that can be achieved within the system. Every victory, no matter how modest, helps to alter the balance of forces and can pave the way for further victories in the future.

On the other hand, even if, for example, the debt slate was wiped clean, there would still remain a huge imbalance of wealth and power. Many countries would be given a fresh start and a welcome relief from absolute destitution. But like the force of gravity, the laws of capitalism and profit are remorseless.

Inevitably, the cycle would start all over again, driven forward by globalisation and technology at an even faster pace than ever before. That's why we need a long march towards a worldwide political reformation as vast in its scope and scale as the European religious reformation of the 16th century.

That movement began as a simple plea for reform. It turned into a revolution.

Chapter Five

LOCAL ACTION AND GLOBAL VISION

THE SMALL CARIBBEAN states of Cuba and Haiti are near neighbours. The stretch of sea that separates the two countries, the Windward Passage, is shorter than the stretch of sea that separates Shetland from the Scottish mainland.

Both countries have minerals and other natural resources. Cuba has cobalt, nickel, iron ore, chromium, copper, salt, timber, silica and petroleum. It also produces sugar, tobacco, citrus, coffee, rice, potatoes and beans. Haiti has bauxite, copper, calcium carbonate, gold, marble, wood and hydropower. Its agricultural sector produces coffee, mangoes, sugar cane, rice, corn and sorghum.

For almost half a century, one of these countries has organised its economy collectively. As a punishment, it has been subjected to a 46-year economic blockade by its giant neighbour to the north, the United States of America.

The other country has operated on the principles of the free market. As a reward, it was lavished with more than a \$1 billion in direct aid from the US over the same period.

So which country has a life expectancy of 77 years, compared with just 53 for its neighbour? In which country does a woman live 24 years longer? Which country has an infant mortality rate 12 times lower? Which country has a literacy rate of 97 per cent, in contrast to a literacy rate of just 53 per cent across the water?

The answer to all of these questions is, of course Cuba, one of the few countries where poverty and starvation are almost unknown.

In Haiti, 80 per cent of the population live in extreme poverty, on less than £1 a day. Half of Haitian children under five are malnourished. Unemployment in Haiti stands at around 70 per cent, in contrast to just 2.5 per cent unemployment on the island across the Windward Passage.

Haiti is an extremely poor country, even by Latin American standards. Its destitution has been magnified by the repeated interference of the US - most recently in February 2004, when it helped orchestrate a coup against the elected government of President Aristide after he began to stand up for the poor against big business.

But on every measurement of health, education, life expectancy, infant mortality, poverty and general quality of life, Cuba beats hands down not just Haiti, but Jamaica, the Dominican Republic, Honduras, Guatemala, El Salvador, Nicaragua and the other countries of Central America and the Caribbean.

That is not to suggest that Cuba is a socialist paradise. But it has defended some basic socialist principles, such as public ownership and wealth redistribution, in the teeth of decades of active sabotage by big business and the US government. Cuba has stood out heroically against imperial globalisation and deserves the support of all progressive and socialist forces across the world. But in an isolated enclave, only elements of socialism are possible.

Socialism is not only about eradicating poverty and inequality, or providing better health and education than capitalism can offer. Full-blooded socialism would mean a different way of living and working.

“It looks like it’s dying but it’s hardly been born,” sang Bob Dylan back in the 1960s. That could be a description of socialism over the past 15 years or so. Socialism is not dead or dying for the simple reason that it’s never yet been born.

Yes, there have been some experiments conducted under unfavourable conditions and with inadequate materials. But when an early experiment fails, or even goes badly wrong, like the first attempts at flying, that is no reason to abandon the entire project. If early scientists had given up their dreams and visions so easily, there would be no air travel, no mobile phones, no internet - and no *Big Brother* or *River City* either, because there would be no TV.

Some people don't like the word socialism, which they associate with failed states, bloated bureaucracies and outdated dogma. That is perfectly understandable: in the past all kinds of weird and not-so wonderful characters have dressed themselves up as socialists.

Some of them did so on the basis of a genuine misunderstanding of what socialism means; others cynically exploited the good name of socialism to make themselves popular with the poor and the oppressed. Even to this day the biggest state on the planet, with over a billion inhabitants, flies the red flag and describes itself as socialist while turning its cities into gigantic capitalist sweatshops.

Some people say that if Jesus Christ were to return to Earth and land in the Bible Belt of the USA he would swiftly renounce Christianity.

Equating modern socialism with the old Soviet Union, or modern-day China, is no more fair than equating Christianity with the witchhunts of the 17th century, or with the born-again mass murderer in the White House today.

Socialists do not pretend to have all the answers. We don't even yet know all the questions - earlier generations never had to worry about global warming, or nuclear weapons, or AIDS.

But socialists have an important contribution to make to the great debate about how best to safeguard the future of humanity and the future of our planet. It is not for us to dictate in advance the details of a future socialist society. As the French revolutionary, August Blanqui, once said: "Tomorrow does not belong to us."

Socialism in the future will be shaped and moulded by the generations who inherit the world that we create. But what we can predict with certainty is that socialism would mean an end to hierarchy, privilege, authoritarianism, elitism, deference, subservience. There would be no kings and queens, no titled aristocracy, no fatcat bosses, no masters and no servants. Socialism will be a society of full economic, social and political equality.

It will be a society of peace, where all human beings are equal. Eventually, words like racism, bigotry and sectarianism may even be erased from the dictionary, having fallen out of everyday use.

Such a society can never be built behind walls of separation. It could only be built through cooperation across nations and continents. It could only be created through sharing the resources of the planet, so that no single country could claim exclusive ownership of land, water, minerals or any other piece of nature.

Just as the multinational corporations have their own global institutions, international socialism would set up new world-wide organisations. But unlike the G8, the World Bank, the IMF and the WTO, these would be open, transparent, democratic and accountable.

As well as an overall world assembly, there would be probably a range of global councils, specialising in different areas of human activity - for, example, trade, energy, water, the environment, peace, employment, agriculture and food. Their role would not be to run peoples' lives, but to ensure harmony, co-operation and equality among nations.

An international council for employment, for example, might set an international minimum wage, as well as global health and safety standards. An environmental council could co-ordinate the war against global warming, setting enforceable targets on pollution and sustainability, and curbing waste and duplication of production.

A council for trade and industry could assist economic co-ordination across national borders, ensuring all nations have fair access to the

world's resources. Instead of encouraging the transportation of goods across continents, as the WTO does, it could shift the balance of economic activity towards local production for local use.

Our aim is not to replace capitalist globalisation with socialist globalisation. The last thing socialists want to create is a gigantic new mega-state run by a remote bureaucracy in Washington, Paris, Tokyo or London.

Genuine socialism will be based, not on grey uniformity, but on diversity and decentralisation. It will be constructed, not from the top down, but from communities and workplaces upwards. In a socialist society, democracy, in the true sense of the word - rule by the people - would flourish as never before.

International socialism would have nothing in common with the giant trading blocs now being constructed under capitalism. The European Union, for example, is run almost as a private club by the continent's business and political elites. Its purpose is not to bring ordinary people together in the spirit of friendship, but to create a vast marketplace where multinationals reign supreme, where profit is sacrosanct and where the peoples of Europe are forced to participate in a race backwards, a race to the bottom.

Rather than bringing harmony, forced unity from above will fertilise the soil for suspicion, resentment and conflict to proliferate like poisonous toadstools in a dank forest.

The entry of 15 new states into the EU, most of them offering dirt cheap labour and low taxes, will inevitably encourage capital to migrate from those countries which have higher wages, better working conditions and more advanced public services.

These states of 'New Europe', where wages are approximately one third of 'Old Europe', now offer the best of all worlds to transnational capitalism. They have an educated workforce and a reasonably well-developed infrastructure. At the same time, they offer sweatshop wages and conditions as well as bargain basement

tax rates. And on top of that, they now offer direct access to a lucrative continental free market.

The European Union is a cut-down version of the globalised capitalist free market. The double rejection of the European constitution in France and the Netherlands was a victory, not for the parochial, nationalistic right, but for left wing resistance against globalisation.

Certainly, France and the Netherlands have their own ugly little variants of the Union Jack waving, Rule Britannia singing xenophobes of the racist right in Britain. But for most No voters in both countries, this was about defending those elements of social democracy which still exist - pension rights, welfare and public services - against neo-liberalism and rampant market forces. This was a vote against corporate power.

There is a misguided interpretation of socialist internationalism which insists that bigger is always better. They defend the United Kingdom against those “narrow nationalists” in Scotland and Wales who are fighting to opt out of the imperial Anglo-British state.

They support a single currency for the whole of Europe, under the control of unelected bankers in Frankfurt, even if the price of signing up to the project is savage spending cuts, mass redundancies and privatisation of vital services. Some socialist hyper-globalisers have even suggested that the peoples of Mexico and Canada should seek to join the United States of America. This is shallow internationalism. Genuine socialist internationalism can only be only be built from below, in opposition to capitalist globalisation.

When the movement for global justice first erupted onto the world stage in the 1990s, it was not orchestrated by a worldwide network, but by a local, indigenous organisation, at the time virtually unknown outside the jungles of south east Mexico.

The Zapatista Army of National Liberation had declared an uprising in opposition to North American economic unionism in the

form of NAFTA - the North American Free Trade Agreement involving the USA, Canada and Mexico.

They denounced NAFTA as a “death sentence on the indigenous people”. They announced they were fighting for “work, land, shelter, food, health care, education, independence, freedom, democracy, justice and peace.” They took over an area spread over thousands of square kilometres and returned power to the thousands of local communities within the newly liberated zone in Chiapas.

Over the past 11 years, the indigenous people of Chiapas have worked with the Zapatistas to establish their own economy, their own self-governing councils, their own schools, their own rudimentary health service, and their own justice system.

Yet the Zapatistas are a model of outward-looking internationalism. They were one of the first radical organisations in the world to use the internet to build international links. Recently, they’ve even forged a close bond with Inter Milan football club, thousands of miles away. Meanwhile, in another part of Latin America. Venezuela’s radical left wing president, Hugo Chavez, has become the figurehead of the Bolivarian revolution now underway.

The name is derived from the early 19th century Venezuelan-born revolutionary democrat, Simon Bolivar, who led an armed struggle for the national independence of Bolivia, Colombia, Ecuador, Peru and Venezuela against the Spanish colonial empire in South America.

The stated aims of this Bolivarian revolution are, firstly, to defend the sovereignty of Venezuela against interference by the US and the multinationals; secondly, to redistribute wealth and land from the rich to the poor; and thirdly to transform Venezuela into a democratic, co-operative society. Chavez is frequently denounced, from right and left, as a “nationalist”. Yet he makes it clear that he wants to spread this Bolivarian revolution across the whole of South America using Venezuela as a model.

Chavez also recently called for the establishment of a worldwide anti-globalisation network. He said: “Let’s take this network everywhere we go, in the valleys, the mountains, the shanty towns, the workplaces, the universities, the military barracks and extend this network across the planet Earth.”

The anti-capitalist revolts in Cuba, Chiapas and Venezuela are not models which could be replicated exactly in Europe. They have characteristics which are specific to Latin America, and features which are even more localised. All three movements were baptised in soul-destroying poverty and grotesque inequality on a scale unimaginable in 21st century Europe.

What these examples do illustrate vividly is the link between local action and global vision. All three revolutions have taken as their starting point the need to defeat global capitalism at home. But they do not seek to quarantine themselves from the wider world.

The ultimate aim of socialism is to cleanse the world of war, poverty, oppression, racism, exploitation and hierarchy. One of the inspirational slogans of the movement for global justice proclaims that ‘Another world is possible’.

But how will another world be built? Where do we begin? How do we get from where we are now to where we want to be?

Astronomers might agree that the Big Bang theory is the most plausible explanation of how the universe was created. But we should not deceive ourselves into believing that a new world will be created in one single, cataclysmic upheaval.

There is no ready-made global state that can be instantly taken over by the worldwide anti-capitalist movement. The transnational corporations may have partially succeeded in creating a more unified market for goods and cheap labour than ever before. But they are a long way from uniting the world.

The nearest approximation today to an international society is the World Wide Web, which connects countries and continents via billions

of links. Yet the World Wide Web itself, while global, is also diverse, decentralised and fragmented. In this, it reflects the complexity of society as whole, which is a jumble of tangled networks comprising local communities, regions, cities, nations, continents, unitary states, multinational states, federations, confederations.

Despite - indeed, in response to - globalisation, the number of nation states is not shrinking, but growing at an accelerating rate.

So too are movements for national independence, national autonomy, indigenous people's rights, and defence of local languages and cultures.

The world will be changed, not in one global, symmetrical fell swoop, but by local communities and nations resisting global capitalism and spreading that resistance upwards and outwards. In the age of the internet and satellite TV, socialist change in a single country, no matter how small, will have instantaneous continent-wide and worldwide repercussions.

To change the world, we first have to break the chain of global capitalism at its weakest links. That's not narrow nationalism. That's internationalism - serious internationalism.

Chapter Six

CLEAR DAY DAWNING

HALF A CENTURY ago, the poet Hamish Henderson wrote a song in the broad Scots tongue which has become Scotland's alternative national anthem. *Freedom Come Aa Ye* confronts the historic role played by Scotland in the imperial conquest and subjugation of millions on behalf of the British ruling classes and looks forward to "the clear day dawning":

*"Nae mair will oor bonnie gallants
 March tae war when oor braggarts croosely craw,
 Nor wee weans frae pit-heid and clachan
 Mourn the ships sailin' doon the Broomielaw.
 Broken faim'lies in lands we've harried
 Will curse Scotland the Brave nae mair, nae mair;
 Black and white, ane to th' ither married,
 Mak' the vile barracks o' their maisters bare."*

In the 21st century, young Scottish soldiers from Scotland's most impoverished communities are once again killing and dying in foreign lands for the greed and glory of faceless, faraway men.

In the scenic waters of the west coast, just 30 minutes drive from the centre of Glasgow, sinister shadows glide below like black sharks. Except that these are a million times more deadly than any living creature. Each of these hulks is capable of erasing entire continents from the map. And they are controlled by the new Masters

of War in Washington DC and London. As our country dies on its feet, with thousands of square miles of empty lands and a population that is growing old, people who have come to make Scotland their home are locked up, then thrown out. Some of these people are fleeing torture. Others have come to earn money to feed their starving families back home.

Meanwhile, in this wealthy northern country, with oil, gas, water and electricity in abundance, pensioners freeze to death and children go hungry. In our poorest communities, life expectancy is on a par with occupied Iraq and is 14 years lower than the UK average. Even after a decade of economic upswing, across whole regions of our country real unemployment is between 20-30 per cent. In Scotland's biggest city, Glasgow, a quarter of the workforce is unemployed.

The gleaming new glass and concrete structure at the foot of the Royal Mile may be an architecturally spectacular monument. But, like an opulent opera house that is used only for bingo sessions, the visual appearance of Holyrood is misleading. It is a counterfeit parliament. It does not have the power to disengage from the Iraq bloodbath; or to rid the Clyde of nuclear weapons; or to welcome refugees fleeing torture and famine; or to raise the pitifully low state pension; or to unchain trade unions; or to force big business to pay its fair share of taxation; or to combat exploitation by increasing the minimum wage.

Most of the political left in Scotland who are challenging globalisation, including the Scottish Socialist Party and the Scottish Green Party, support full political and economic independence for the Scottish nation. That's not because we believe in isolationism or separatism. In the world of the 21st century, it would be no more possible for a small country like Scotland to lock itself away from the rest of the world than it would have been for Robert Burns to have boarded a 747 at Prestwick Airport.

In Scotland, petty parochialism is the hallmark, not of the independistas, but of the unionist political parties. They prefer a political arrangement that leaves the sophisticated grown-ups in London in charge of the big global problems such as war and peace, fair trade, famine, Third World debt, asylum and immigration. Meanwhile, freed from such distractions, Scottish politicians can get on with the pressing business of awarding PFI contracts, closing hospitals and electronically tagging teenagers.

For the mainstream political parties, the arguments for and against independence revolve solely around economics. Like accountants at a drunken office party, they brandish financial statistics as though they were Kalashnikovs. In one corner, the SNP insist that an independent Scotland would be a prosperous economic dynamo. In the opposite corner, the unionist parties claim that an independent Scotland would be more like a Tartan Tortoise than a Tartan Tiger.

Most people, naturally, are bamboozled by the claims and counter-claims. Clearly both sides can't be right. Either the SNP is trying to seduce the people of Scotland down the independence road with false promises, or Labour, the Tories and the Lib Dems are trying to scare people into sticking with the union.

The truth is, no-one really knows for sure. Trying to predict the future economic health of a nation which does not yet exist is like trying to tip the winner of the 2007 Derby. But that is not the point.

The 1320 Declaration of Arbroath states "It is, in truth, not for glory, nor riches, nor honours that we are fighting - but for freedom." If such a declaration was being drawn up today by the SNP, it would probably be hedged with caveats about the Barnett Formula, the fluctuations in world oil prices and the desirability of a lower rate of Corporation Tax.

The case for Scottish independence is not essentially about economics. It is about democracy. It is about freedom. It is about translating into 21st century vocabulary the impassioned plea of the leg-

endary Clydeside socialist John Maclean, who wanted to “tear Scotland out of John Bull’s blood-soaked empire”.

The modern left wing case for Scottish independence is threefold. In the first place, independence would mean a great democratic leap forward. Before the Scottish Parliament was established, virtually all decisions affecting Scotland were taken behind closed doors by a single individual - a kind of colonial governor general, hand picked by the Prime Minister in London.

The Scottish Parliament at least allowed some of that decision-making - for example over health, education, local government, justice, transport and the environment - to become more transparent, more subject to scrutiny and more accountable to the electorate. Independence would mean extending these democratic principles to all political decisions affecting Scotland, including decisions over foreign policy, immigration, civil rights, nuclear weapons, taxation, public ownership, pensions and benefits.

A second socialist argument for Scottish independence is that the break-up of the British state would deliver a severe body blow to Anglo-American imperialism. For a quarter of a century, Britain has been the most dyed-in-the-wool ally of the USA in its drive to colonise the planet economically and politically.

From the Thatcher-Reagan partnership of the 1980s, which blazed the neo-liberal trail, to the Bush-Blair axis of the 21st century, which spearheaded the military conquests of Afghanistan and Iraq, the double-headed transatlantic monster has spread destruction and misery far and wide.

A declaration of independence by Scotland may not slay the beast, but it would weaken it. The exit of Scotland from the United Kingdom would not just mean the British state seceding a big chunk of land mass; it would mean losing control of the country which contains NATO’s major nuclear arsenal, it’s strategic key air bases plus 80 per cent of European Union oil reserves. On top of that, the

rupturing of the 300 year old British state would be as potent in its historic symbolism as the tearing down of the Berlin Wall.

The third anti-capitalist argument for Scottish independence is that the political centre of gravity in Scotland is located decisively to the left of Britain as a whole. In the 2005 general election, the Tories emerged with the biggest share of the vote of any party in England; in Scotland, the traditional party of big business remains stuck on just 15 per cent.

Big business itself, on both sides of the border, is fanatically pro-union. At the time of the devolution referendum, the CBI polled the directors of the top industrial companies operating in Scotland. Of these, 80 per cent were opposed to any measure of devolution. Over 90 per cent were opposed to tax-varying powers. Almost all were hostile to independence.

From castle-dwelling aristocrats to absentee landowners, from media moguls to the military top brass, from the bankers of Edinburgh's New Town to the oil barons of Aberdeen, the Scottish upper classes are pro-unionist almost to a man and woman. One or two mavericks have broken ranks from time to time, but these are as rare as socialist millionaires.

Any move towards independence will inevitably bring the independence movement into collision with big business and the rich. That dynamic will polarise the independence struggle across class lines. An independent Scotland may not start out as a socialist Scotland, but from the start it will be moving in a leftward direction.

Pro-independence forces, including the Scottish Socialist Party, the SNP, the Scottish Greens and independents have already begun working together to help bring about the break up of the British state.

But socialists are clear that we are fighting for a different Scotland from that envisaged by the SNP leadership. Our aim is not to tear down the Union Jack and replace it with the Saltire so that giro's can be sent out by the Scottish Royal Mail; or so that Texaco,

BP, and the Royal Bank of Scotland can pay lower taxes. Our aim is to transform Scotland into a democratic, socialist republic that will defy the multinationals and become a focal point for European and global resistance to capitalism and the free market.

That might seem a highly ambitious goal, especially given the strength of forces ranged against us. Four big mainstream parties stand clearly and unequivocally for a continuation of capitalism. One of these, the SNP, wants Scotland to become an independent capitalist state, diluted with a dose of social justice. Not too diluted mind you - perhaps the equivalent of a teaspoonful of water in a bottle of malt whisky.

All of the four big parties repeatedly tell us that their most important priority is to “grow the economy”. They make it sound like a form of agriculture, like a farmer growing potatoes or cabbages. But what they really mean is that they want to pander to big business, to help them make more profits, to lavish them with incentives so that they will invest and “grow the economy”.

The problem is that it’s already been tried and failed. Big business has been pandered to year after year after year. Ten years ago, Scotland’s top dozen companies made a total of £5 billion in profits. Last year, the dozen most lucrative Scottish companies made almost five times that amount.

Measured by GDP and by the profits of big business, the Scottish economy has grown and grown and grown over the past ten years. But just as wealth never trickles from the multinational corporations to the Third World, neither does it trickle down from the North Sea or from the New Town to Scotland’s hundreds of thousands of low income households.

In fact, most of the money amassed by Scotland’s pampered big businesses are sucked out of the country and poured into the bank accounts of shareholders in London, New York, Dallas, Tokyo, Sydney, Frankfurt, Paris, Toronto and other cities across the world.

Of Scotland's so-called top 100 companies (ie companies with headquarters in Scotland) most are actually not Scottish companies at all. Exactly one third are subsidiaries of overseas companies. Exactly one fifth are subsidiaries of English-based companies. Of the remaining 47, 31 are owned by shareholders dispersed across the world, many of whom would have trouble finding Scotland on a map. Only 16 of these 100 companies are owned from within Scotland itself. Most of the Scottish media is controlled from outside Scotland, including traditional Scottish titles such as the *Daily Record*, *The Herald* and *The Scotsman*.

The Scotch Whisky industry is owned mainly by foreign multinationals. Marine Harvest, the biggest private sector employer in the Highlands and Islands is Dutch-owned. Even a company like Kwik Fit, in the past held up as a flagship for Scottish entrepreneurship, is now owned by the Detroit-based Ford Motor Company

It gets worse. The balance of power even within the private sector replicates the social divisions in society as a whole. At the bottom of the pyramid, there are more than 250,000 private sector enterprises. Most are minuscule: hairdressers, corner shops, self-employed plumbers and such like.

At the top of the pyramid, 100 large companies have an economic output equivalent to 60 per cent of the entire Scottish economy. But in the middle, the pyramid has eroded away to almost nothing. According to a recent study by the Royal Bank of Scotland, there are just 12 medium-sized companies remaining in Scotland.

Of the big companies, most are geared towards exports and overseas expansion, rather than providing goods and services for the people of Scotland. Scotland's biggest financial giant, the Royal Bank of Scotland, now employs 100,000 people; but only 19,000 of these are employed in Scotland.

This concentration of economic power has also led to diversification in reverse, with much of the Scottish economy now heavily

concentrated around the oil industry and the financial sector. Both these sectors are precariously dependent upon increasingly volatile world markets.

A socialist Scotland would be rebuilt on entirely different foundations. Its economy would be shifted decisively towards local production for local markets. The oil wealth of the North Sea would belong to the people of Scotland - and a sizeable chunk of the annual profits would be used to transform Scotland into the renewable energy capital of the world.

Under a socialised economy, there would still be thousands of small scale enterprises, including for example, restaurants, corner shops, hairdressers, fast food takeaways, window cleaners, ice cream vans, taxis, artists, musicians, local newspapers, local radio stations, printers, publishers.

But the major energy, construction, manufacturing, finance and transport corporations would be socially owned and democratically run. Overnight, the objectives of these companies would change. Their purpose would no longer be to make more money for distant shareholders, but to make life better for the people of Scotland.

Some people still believe that no economy can function without shareholders. The truth is, shareholders are as essential to the running of our modern society as the flu virus. The real wealth of a country like Scotland cannot be measured by accountants poring over company balance sheets. Our assets are our people, our natural resources and the enduring human creations around us.

Technology may have made it easier for money to be shifted around the world at the click of mouse. But there is no computer programme ever devised that can instantaneously transfer a railway network, or an oil field, or an electricity grid through cyberspace and across international borders. A bus company is nothing without roads and drivers. Even Scotland's renowned banking system is based upon the skills and expertise of tens of thousands of trained staff.

No-one would claim that the transition from a capitalist economy to a socialised economy in Scotland or anywhere will be simple and straightforward, like switching from one TV channel to another.

The transition from feudalism to capitalism was not easy either. It involved colossal upheaval and social revolution across Europe. The abolition of slavery was not accomplished by the flourish of a fountain pen across a legal manuscript.

It involved a long, protracted and, in some places, bloody campaign. In the US, it triggered a four-year civil war in which 600,000 people were killed in a country which then had a population of just 31,000. The equivalent today would be over a million killed in Britain.

Compared with the overthrow of feudalism in Europe, or the abolition of slavery in the US, the transition from a capitalist Scotland to a socialist Scotland will seem like a pleasant walk in the park.

But there will always be megaphone voices telling us capitalism can never be overthrown, not in Scotland, and not anywhere else either. These are the same people who tell us we can't cancel Third World debt, we can't end starvation in Africa, we can't do anything to stop the USA devouring the planet.

They are the same people who even tell us we can't bring too many people into Edinburgh to protest against G8 - that the city isn't big enough, it doesn't have the facilities to cope, it's full up. These are the same kind people Frank Sinatra sang about in the 1970s:

*“They all laughed at Christopher Columbus,
When he said the world was round.
They all laughed when Edison recorded sound.
They all laughed at Wilbur and his brother,
When they said that man could fly.
They told Marconi,
Wireless was a phoney.
It's the same old cry.”*

We reject the shallow impressionism of those who imagine that capitalism is the ultimate pinnacle of human civilisation.

Measured against a million years of human history, capitalism has existed for no longer than the blink of an eyelid. Only those who lack any historical imagination refuse to entertain the possibility that the system we live under is a temporary phase in human history, rather than the final frontier.

Socialists are not extremists or fanatics. But neither are we timid sycophants, nor mindless conformists. We stand in the proud tradition of those courageous men and women through the ages who have dared to think differently, who have dared to reject the values of their society, who have dared to resist injustice and oppression.

We want to change the world, not out of envy, or malice or revenge, but because the system we live under is a system based on violence, deceit and exploitation. It degrades humanity, physically and psychologically and now even threatens the very existence of the planet we inhabit.

“There’s a battle outside and it’s raging. It’ll soon shake your windows and rattle your walls,” sang Bob Dylan in his anthem of revolt, *The Times They are a-Changing*.

The windows and walls of Gleneagles, Westminster, Whitehall the White House, Wall Street, the City of London, the Pentagon deserve to be shaken and rattled.

But protest alone is not enough. We need to move from the defensive onto the offensive by creating a political movement in Scotland and worldwide that will not just shake the walls of capitalism, but will tear them down and build shining new palaces of freedom, justice and equality.

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