



Economic Democracy

POVERTY AND PRICE, ENVIRONMENT AND COST

– Dave Kerin

When movements institutionalise we suffer from one overarching negative:

The movements become dependent for their existence upon the problems, which brought them about in the first place, remaining ongoing.

This is not the result of particular personalities or leaders at the head of various movements. Rather, the problem is systemic.

Once systemic approaches and norms, custom and practice are established then, of course particular personality types, backgrounds, factional alliances and personal relationships become important. It is noteworthy that certain similar people, with certain character traits float to the surface of the institutions, depending upon the institutional framework governing the work of the organisation.

Organisations should be structured for struggle, they should educate for struggle, and renew the organisational lifeblood through constant struggle. If that does not happen then whole worlds of busy lives, policy development and planning occur which we can mistake for the real world, but which offer few solutions to real-world problems.

This deeply factional, illusory world is a highly contested terrain, which adds to the appearance of realism. Factional life inside political organisations which do not exist for the struggle is a case in point, and especially the Labor Party.

That politics, whether party-based, industrial, environmental or community becomes less and less able to deal with the substantive issues.

The reason is that the politics itself is, by its nature, an acceptance that the substantive issues can never be finally and conclusively dealt with.

We are told that conservatives will “never allow it”; hence “any realistic politics” must never broach the structural issues around the power of those who benefit from the social arrangements which are causing the problems.

The strengths, the social and industrial weight embodied within working class communities is seen, at best, as a force which may be rallied onto the streets at times, in protest. However, clearly, we will not protest our way out of what lies ahead.

While social movement institutions must inevitably go on protesting, our struggles must also mature and begin as rapidly as possible to move towards the new social structures of worker-owned and controlled social enterprises.

The participatory democratic option must be modelled, it must be proved.

We must move from protest as our primary function towards actual democratic change within the economy.

The so-called “free” market is a production process constrained by the interests of a minority of owners and shareholders from allowing participation by the majority, who are limited to the acts of production and consumption.

The damage done to Australia by the market economy is nowhere more evident than in the manufacturing sector.

A market which has been artificially freed-up for employers and investors, through deep regulation of labour (to the point where many of the functions of an organised labour movement within a representative democracy have been criminalised) has resulted in the distortion of any realistic notion of value.

Capitalism must have large numbers of people globally who are unable to access its benefits. Only a minority can ever benefit, otherwise concepts like profit and the irrational ways in which the capitalist market determines value, worth and priorities, becomes obsolete. Under capitalism free to live out its nature, what people have is declared to be of worth more **because** others cannot have it. Further, it is bad enough when it is valued against something humankind does not need, like gold, but worse when there is no standard at all.

In the developing and colonising nations across the twentieth century notions of value were affected by struggles around independence and rights, because rights cost. If it is accepted that workers have a right to a wage which allows them and their family to survive, and consume at a first world standard, then we see unearthed a major contradiction at the heart of capitalism:

Capitalism seeks to drive down the cost of labour while at the same time needing to sell goods which it pays to have produced. Inevitably capitalism must organise to have different groups of workers on different levels of income. Some will successfully consume, some will subsist and others will starve.

So far in the twenty-first century we have seen a return to an economics without fundamental rights to organise as a working class, even in what used to be the first world.

Around the world and in Australia conservatives have gone on the attack in a radical restatement of original free(sic) market capitalism and away from tariffs and protection.

Our problem as Australians is that tariffs and a protected Australian capitalism lay the basis, as in all developed capitalist economies for our rights to: “frugal comfort” (Harvester Judgement, 1907), relief from some of the worst excesses of the class war (albeit only temporary) on up through housing, personal transport, healthcare, pensions, etc., to a level which no progressive social theorist of the 19th Century and early 20th Century would have thought possible under capitalism.

Indeed, in an entirely connected way, for the vast majority of the world's people those conditions remain out of reach **because** of capitalism, **because** initially of the tariff walls and protection, then **because** of the "free" market.

First world nations did so well **because** third world, colonised countries did so poorly. The neo-liberal, "free" trade agenda being no longer based upon the nation state, is establishing a first, second and third world sector within every country on the planet.

Every country sees the same pressure from corporations to disconnect their nation from its rights, its publicly owned assets and its culture, in return for investment.

In Australia since 1977 and the introduction of the Secondary Boycott law 45D&E, we have seen our governments move backwards away from rights-based economics. Workchoices, the Building Industry Improvement Act and now Fairwork Australia, all based upon 45D&E, stand us in the shadows of the 1930's, their feet astride the bones of all who died defeating fascism.

The Secondary Boycott laws (45D&E), Enterprise-restricted Bargaining, the outlawing of strikes, Workchoices, the BCII and Fairwork Australia have seen workers' solidarity gradually criminalised in ways in which employer solidarity is not.

As stated before, the process of regulating and criminalising the activities of organised labour has occurred at the very same time as owners and investors have been encouraged to litigate against workers. Why?

There is great fear around a truly free market. Underpinning the belief that workers in unions because they are not owners and are therefore merely "recipients" of the market's benefits, and not fundamental stakeholders in it, is fear. What is the fear based upon?

The major ideological positions taken by capitalist theoreticians since 1917 have related to destroying any movement by Labour which took up the question of economic democracy.

To accept democratic economics is to see owners and investors in their true, relative numbers. The power of capital to do what it wishes with "it's" wealth is defined as a right by capitalist theoreticians, whereas it is a mere privilege in the view of economic democrats.

It is true that in an economic democracy the market will skew, as workers' vested interests are voted forward.

However we will see a truer, indeed a freer market, a truer reflection of the needs of the vast majority as economics continues its evolution towards democracy.

Unions of course, imperfect as any human organisations are, have always represented the democratic voice of workers within the economy, to varying degrees. Unions have provided a beginning stage, some semblance of a democratic space within the Australian economy.

This is the basis for the fear which has engendered far right legislation and too-meek Labor Governments willing to compromise with and even use bad law, as in the 1980's and 1990's attacks by the Hawke and Cain Governments, or the current example of the Gillard Labor Party's willingness to use the Building Industry Improvement Act. It is the fear of disinvestment and unelectability.

Further, the problem for the Australian people is that our representative governments have been largely superseded, our rights as citizens taken by rapacious, outside economic forces which owe no allegiance to Australian workers.

Growing numbers of Australians, across traditional divides, are saying "No!" to a model of globalisation which reduces our sovereign, national rights and our individual human rights as workers, in return for payment financial and ideological to a minority of capitalists, if they promise to stay.

A growing, industrially insistent, significant minority of Australian workers is moving to oppose the attempt to destroy rights as the basis for work, and to replace those rights with other imperatives.

They are beginning to investigate their rights, where they come from, why they evolved in the ways they did, where that evolution may take us, and indeed just what it is we wish to achieve with our rights when we do win them.

The new union organising drives are progressively being framed by the bigger, substantive questions about national directions in jobs and environment, and the sort of democracy we want for Australia, as much as by consumer concerns.

Indeed a growing number of workers, especially in manufacturing, have learnt through bitter redundancy battles that Governments are locked-in to the economic interests of undemocratic corporations. Evidence of this could not be clearer than the debates around the 40% mining tax.

These corporations and Governments continue to build upon the unstable, sandy soil of a massive service sector, currently hovering around the 80 percentile of all Australian jobs, combined with resource extraction.

Counter to that particularly the young are demanding a movement which can counterpose:

- Wealth creation manufacturing jobs in the new sustainable industries,

- Central control under democratic management of resource-use to survive climate change,
- The use of the entire national energy towards the survival of, then a sustainable future for, the whole nation,
- The development by workers and our unions of a strong social sector of the Australian economy, linked to the workers' movements in other countries.

How do we build and position a labour movement which can move beyond protest at what is **not** being done, towards a labour movement determined to lead by example in setting the benchmarks for what **must** be done.

The drives to recruit, especially younger workers, to a consumer unionist model are not working on the sort of scale required by the demands of circumstance. People want more. Early union drives asked people to risk everything when they owned nothing; modern union drives ask people to risk what they have, when what they have accrued is amassed through massive levels of working class debt.

Early union drives were done within a context of ascendant capitalism, albeit with cyclical crises inherent. The modern union drives are done in the context of a declining capitalism where the military is the largest industry and the illegal drug trade is the second largest industry in the world today (UN Report). Further, a new extinction-scale, environmental imperative is acting upon capitalism, with the full impact only beginning to hit in the 2008/09 structural crisis.

Indebted workers in casualised and contracted jobs service their debt week to week.

Notions of fairness in rights and entitlements traditionally fought for by us in unions, the end point of which is consumption, are not convincing the young to join unions.

Like all previous generations of Australian workers this generation will risk all, when circumstances dictate. Currently circumstances dictate an agenda of society wide change towards economic democracy which can be part of climatic solutions; the young especially are beginning to demand this.

The problem for humankind now is that growth-based economics, no matter which social system frames it, is unaffordable.

It is unaffordable because the real price of things, which is accrued as a generational debt up to and including mass extinctions, is now being called in. This is happening now.

An economics which relies upon profit was always going to destroy the environment, because ***the environment was always merely a part of the production process and laws governing its use, a cost.***

Now, destruction of the environment itself is profitable because of the ensuing investment in Repair. Worldwatch Reports have documented, since the late 1990's, that **Repair** is one of the highest areas of growth in the world economy. Investment in militarism is the highest.

Damage in order to reap the profits out of repair, versus various forms of carbon trading to deal with climate emergency, is therefore a deadly contradiction lying at the heart of modern capitalism.

At question is the notion of growth itself. Let's consider the nature of the crisis for capitalism at the moment, the Global Financial Crisis (GFC):

- Capital accumulation is becoming too expensive
- Through the shrinking of the resource base of the planet
- And the inability of first world workers to earn enough to purchase at the levels required by capitalism, and,
- The growing, organised urge by workers in the cheaper labour economies towards a bigger share of the wealth they create,
- Has led to the growth of fictitious capital, a feature of which is to sell debt as though it were a commodity.
- That, combined with the rise of carbon trading, presents yet another lot of **problems for capitalism in relation to the size of return on investment.**

Renewable energy sources, like computer technology, await a set of property relations which are social and collective, which are participatory democratic, and which therefore profoundly reflect the collective nature of production.

At stake is the conflicted heart of capitalism itself. At the moment, on life support, capitalism can continue exhaling its poison until we finally agree that it cannot provide for the basic needs of humankind, and turn off the machine.

Marx stated that: "Labour is **not the source** of all wealth. **Nature** is just as much the source of use values (and it is surely of such that material wealth consists!) as labour, which itself is only the manifestation of a force of nature, human labour power."

In light of that profound piece of marxian wisdom, it is concerning that damage causing environmental catastrophe and war provide some of the only remaining areas of growth, outside of the Chinese economy, for global capitalism.

The task of a democratic economics is to base economics upon the satisfaction of needs, arrived at in turn through democratic means. That is the only path to sustainability.

The environment crisis is a systemic crisis which has its roots in the very economic structure itself. In the truly deep meaning of the phrase, the environment crisis is a class question.

Private capitalists competing with other groups of private capitalists cause dirty water and air because healthy environments cost too much, within a solely capitalist framework.

We can never eliminate conflict, as contradiction is the motor of change. A democratic economics will still see conflict; what will change are what we conflict over and the means by which we deal with that conflict.

Inevitably we will see a different, sustainable set of vested interests arise.

One of the as yet unmet set of vested interests which working people have is for clean air, clean water/healthy seas and healthy, safe environments for us, our children and other species.

The massive amount of planning and infrastructure necessary to insure such a vested interest is unaffordable for capitalism, because the returns for private investors will not be there; just witness the run down in mass transit to see the result of corporate, investor-driven ownership of massive infrastructures; first maintenance drops off, then service, as invested capital seeks to cut costs to cope with the lack of return.

For the same reasons that capitalism is unable to profit greatly from massive rail, power and health infrastructures which are accessible and affordable, so capitalism will be unable to provide a healthy ecosystem. Combine that fact with the experience by working class communities over the 20th Century with economic planning, and we see the need for democratic inputs into any social sector of the economy which we set up.

Planning based upon public as distinct from privately-owned science will clearly define problems around resource extraction, production methods and techniques and population. If we ration democratically we can begin to halt and then reverse the environmental crisis.

We can also create more time and space in our lives, where they are currently crammed with activities in pursuit of environmentally destructive, unnecessary and wasteful commodities. That is one of the strengths of democratic economics; we have the capacity to meet the needs of everyone while re-learning the skills to live in community.

Long term debriefing out of the cult of consumption means replacing life-denying social behaviours with life-affirming time and space, shared together in art, culture, music and the shared meal.

The environmental imperative beginning to act upon the global economy and all cultures now, is driving us to change. The change already is heading us towards a state capitalism due to the “freeing-up” of capitalism after the “collapse of communism”. When capitalism was free to exploit in the ways it wished and at the rate it wished to, and when that combined with the effects of the new environmental imperative upon growth-based economics, the continuing crisis from 08/09 was inevitable. It has only started.

The answer has been to move towards a state capitalism, as capitalism did in the 1920's and 1930's in Italy and Germany. The danger for all of us is that the state capitalism we are witness to, where the American Government owns 61% of General Motors, will by necessity devolve into a neo-fascism. If Barack Obama will not go there, then North American media tells us there are politicians who will; Newt Gingrich and the new, pastel-coloured fascism awaits.

The choice will become even starker: A barbaric fascism where the privileges of a minority are protected, or a participatory-democratic, independent and cooperative Australia with an ecologically regulated, mixed economy and a strengthening social sector.

The latter model is achievable, must be achievable, as fascism means death to millions through eco-destruction. We must start towards that participatory democratic model now if we are to avoid catastrophe. How do we start?

Right now in 2010/11 unionists in Victoria are working to establish manufacturing social enterprises, joining with local councils, faith-based communities and neighbourhood organisations. These union-supported social enterprises will manufacture the green technologies for Australia.

Under this plan ultimately all union members will be eligible to be equal owners in the social enterprises, collectivising the new green manufacturing jobs, collectivising purchase from those plants, moving us towards a social sector of the Australian economy.

Union members, Superannuation/Pension Funds, Local/Regional Governments, and labour movements around the world, in partnership can build a sector which can produce socially, to answer social need.

We can provide the new green-collar jobs in the new green industries for our young people. Similarly, **we** can deal with youth homelessness and lack of housing for battered women, because we can build that housing; that needed housing for our young people and our dispossessed women can be socially constructed and socially owned.

A social sector based on green-collar jobs will grow in support across Australia's labour movement, faith-based communities, and environment movement because a social sector has a vested interest in jobs **and** environment. Such a sector is clear that we must **work** our way out of ecocrisis.

Drawing on traditions as diverse as the monastic communal traditions such as the Benedictines through the Middle Ages, indigenous and tribal cooperative work and distribution models, democratic and socialist models, the modern era Catholic Distributionist cooperative models such as Mondragon, we use that which works and reject that which doesn't.

Private capital, in its drive to reduce the cost of labour and hence increase profit, will continue to export Australian jobs and to externalise their environmental responsibility to countries like China and Thailand. It will continue to import manufactured goods, in an act of criminally intentional denial of the fact that we will, eventually and always, pay the full environmental cost; this vandalism is far worse than the deliberate campaigns run by capital over the effects of Asbestos and cigarette smoking.

In fact the environmental crisis will tend capitalism to further reduce the cost of things over which they have control, such as labour. The pressure on them to move wealth creation, i.e. manufacture, to the depressed labour economies, will increase.

The only wholistic alternative combining jobs, environment, affordability and social justice rests in a social enterprise model.

WE BECOME WHAT WE DO

Social theorists have maintained that the end point in the cycle of alienation is alienation from the self. That is, alienation from the ability to remain/become interconnected.

There is a constant struggle between the lessons which experience teaches us arising out of our interconnection such, as solidarity and cooperation, and its opposing ideal that fulfilment lies in separation, fascism being the ultimate example.

The irony is that as capitalists make profit through the commodification of humans, they attempt to ***purchase*** that very spiritual fulfilment which is only possible in interconnection, in a life lived as though the ***dynamic interconnection of all life*** were true.

We cannot separate need from who we are, nor who we are from the ways we meet our needs, from economics. We become what we do.

The environment therefore is not a bunch of disconnected resources, there for exploitation by us in order to produce goods for a market. Rather the environment is an important component of who we are. We do it every second, just breathing, moving and through use of our senses. We continuously co-evolve within our environment through our constant, unstopping interactions with every thing.

Consciousness is experienced subjectively, but only as is a book when you read it; consciousness is existence acting upon itself and is a function of interconnectivity; it is entirely collective, as indeed is the existence of the book.

When we act to meet our needs ***within*** the environment, having regard for what we produce, the collective way we produce both socially and technically, whether we produce it at all, where we live and the rules by which we live, then we live consciously,

where ***there is a dialectical relationship between our awareness of the world and the world's awareness of us, in other words, fulfilment.***

The very practical linking of jobs and environment in a worker-owned and controlled social enterprise provides a convergence of democratic ends and means, a realignment of self within the whole where work is fulfilling, its outcomes meeting real needs which are truly social and, therefore, authentically personal. Need therefore links through work to economic democracy and environmental sustainability and, when it does, it induces happiness because we become those new activities.

Part of need therefore, is the need for justice. The “look the other way” culture, the alienating culture which is in denial of environment and consequently in denial of parts of who we are, also denies the other.

When our social action is framed by such thinking and people hit hard times, then at best we welfarise the other.

Although the ability to provide welfare comes from labour there is no social control of its use. Instead the State risks generational separation and caste, generational poverty and addictive cycles.

This is not to advocate an end to the safety net, as that is all there is at this time in history. ***It is simply to state the obvious truth that welfare does not eradicate the need for it.***

It is when we combine collective, cooperative production (which we have largely, regardless of social system) with a collective, cooperatively-owned sector of the economy that we can build housing which the homeless help to construct; build entirely green housing projects owned collectively by workers in their unions; create our aged care facilities where people can see out their time surrounded by life.

Social justice is a need we have, and we must produce it through our labour. Otherwise our labour will remain an alien beast in our presence, dehumanising us.

Nothing which we fabricate is made by an individual if we look across the whole cycle of its creation.

All fabrication is social and every thing before and after it is fabricated, is interconnected.

When we fabricate we shift the ways in which everything is interconnected. Justice is where, when we shift the ways in which we interconnect, we are mindful that we are fabricating the social and do it according to values emanating from our interconnectivity. Injustice is where we do not.

Our lack of awareness in our relations with the rest of nature, added to the powerlessness felt by those who work to correct the damage we have done to the natural/fabricated infrastructure, calls for quick honest consciousness-raising and bold action.

Given the extent of the crisis, as outlined by David Spratt and Phillip Sutton in their book "**Climate Code Red**", we have little time in which to act if we and the bulk of other species are to survive.

Ideal solutions involving a deepening, participatory democracy within a mixed economy which has a massive social sector owned and controlled by social enterprises, must still be established where we can. However we do not any longer have the time available to us to rely solely on our preferred options.

In order to survive there are some immediate policies which need to be adopted by Government. Socialist governments like those in Cuba and Venezuela at the moment offer strong pointers to a way forward if the world's people and the majority of species are to survive.

In 2006 a UN panel investigating the size of the carbon footprint found that Cuba was the only country in the world which had a carbon footprint, which if we all replicated would see the planet survive. We all need to learn from Cuba, while developing and strengthening our own uniquely multicultural, Australian culture.

The science is telling us we need a global 65% reduction in emissions; part of this reduction to be a 90% reduction in Australia and other developed economies by 2050.

These are just some of the sorts of measures which an Australia Government should enact in the economic and legislative life of the nation –

- **Regulation towards Socialisation (nationalisation with community input into planning) of the Mining and Energy Industries** to eradicate the competition between brown coal and renewables and to use the entire value of the wealth of those industries for the common good.
- **Massive centralised investment into geo-thermal** in Australia's centre, with energy to be piped to each State, with job creation in Solar, Wind and Water **manufacture, installation, maintenance and power generation**. That investment to be organised through **Public Social Partnerships (PSP's)**.
- **Establishment of a National Shipping Fleet** with massive investment in specific manufacture and crewing, and ongoing support for Sail freight.
- **Massive job creation through PSP's in water harvesting manufacture, R&D and installation; mandatory installation on all buildings**.

- **Regulation of all food production:** organic, local (backyards to be farmed and permacultured) Large scale farming to move to organic through gradual regeneration of land.
- **Socialisation of Rail, Tram and Bus Transport, with also a National fleet of Biofuel Trucks:** New track; east-west/north-south efficiencies; all line haul freight to rail; freeway systems converted to rail, tram and bus through major infrastructural spending.
- **All curriculum,** primary, secondary, post-secondary to postgraduate studies to include: sustainable food production, solar, wind and water studies, practical eco-studies which lead to species conservation and regeneration.
- **In all of these measures, the active encouragement by governments for the development of Cooperatives as a popular mode of production. The strengthening by governments of a social sector of the Australian economy, resting upon workers and farmers cooperatives. Assistance by governments with the global linking of such a cooperative, social sector.**