

[0:00.00.] Hi, I'm a computer scientist and an economist from Scotland, and about 17 years ago me and another colleague wrote a book which in English was called 'Towards a New Socialism' and which was translated about nine years ago into Swedish. Since then a number of translations have appeared in other languages as well.

At the time we wrote that book we were concerned with the crisis in the Soviet Union, because the book was written maybe from 1989 to 1990 and we were concerned with the crisis associated with perestroika, and wanted to say how could an economy like the Soviet Union get out of the crisis in was in. So it was a book about how could a fully developed socialist economy work better. Now, obviously the Soviet Union collapsed and there aren't these fully developed socialist economies in the world today, with the possible exception of Cuba. The question started to be asked by people who were translating the book into other languages like in Czech and things, what are the steps to get to that sort of economy that we were talking about now. So [in] the talk I'm giving today I'm trying to combine two different things, because there was two talks I was originally asked to give, and I'm now trying to squash them both into one talk.

I was asked to give a talk about ideas of leadership and democracy. I was also asked to give a talk about a transition program towards socialism in the European Union that was published in Berlin in March of this year [2010]. So the latter part is the ideas that were put forward in this at the Rosa Luxemburg Institute in Berlin this year.

The background. I'm going to talk about what are the ideas that the socialist and social-democratic movement had had about what democracy is and about the nature of leadership since the start of the Communist manifesto written 150 years ago, 160 years ago. And then I'm going to look at how can we deal with how to have a transition from the current economy we have to a socialist economy, immediate measures to change the economy. So let's look at the ideas that were in the Manifesto of the Communist party.

When you read that now, it seems at once familiar and at the same time, slightly strange in some of its parts because in particular when you read these phrases here, "the communists don't set up a separate party" that appears quite contrary to what happened in the 20th century when communists definitely set up separate parties. Now, in the program we put forward in Berlin we're trying to say that essentially the differences between those who call themselves communists and those who call themselves social-democrats are temporary historical phenomena of the mid-20th century, and that one should take a long historical view of the development of socialist thought which doesn't stick just to the [unclear] boundaries that seemed so relevant at one time. And that is very much the spirit in which the Communist Manifesto was written. Now, it's often said, that the idea of the avant garde, an avant garde party came into the socialist movement with Lenin, but it's clearly not the case, because if you read this section of the Communist Manifesto, it's quite clear that the idea of the communists forming an avant garde was already there in 1848. That is definitely a statement of the avant garde principle.

And if we look at what was set as the immediate goals of communism, the first is actually the constitution of the working class as a class, the constitution of the proletariat as a class. Now, that is the idea that the proletariat didn't exist as a class, except through political action. What existed was a large number of people in the same economic and social circumstance, but only becomes the class to the extent that it engages in politics, that it engages in politics with a common interest. So they're talking about the constitution of the proletariat as a class and thus as a political party, and a political party in the sense of a section of the body politic that contends for power. the first step of the revolution of the working class is to raise the proletariat to the position of the ruling class and to win the battle for democracy. Now, we have to ask what is meant by that, "winning the battle for democracy", and I think there's been a historical re-writing of what is meant by that, where people have forgotten a part of the original meaning.

The language in which Marx and Engels wrote is steeped in classical terminology. You cannot understand

the way Marx wrote except by realising that he was a classical scholar. He knew his ancient Greek and Roman sources. The term 'proletariat' is a Latin term, the term 'democracy' is a Greek term, and the meaning that the word 'democracy' has now, in common bourgeois usage, is quite different from the meaning that the word 'democracy' had 160 years ago. 160 years ago the general view of what democracy meant was that it was mob rule. If you look at the sources on which this is based, if you look at the Greek sources, what does Aristotle define democracy as? He says democracy is not rule of the majority. Democracy is rule of the poor. Aristotle says it's just a coincidence in one sense that because the poor are everywhere numerous and the rich are few, democracy is also rule of the majority. But the essence of democracy is that it is rule by the poor. And in the original sense of democracy, the sense that the ancient Greeks used, the sense that Marx was familiar with – its meaning is much closer to Lenin's term, or the later Marxist term, 'dictatorship of the proletariat'.

Now let's look at how this idea developed as we move in from the Communist party to the first social-democratic parties, and we look at the Erfurt program of German social democracy and how that understood democracy. It [unclear] two of the key demands in the Erfurt program, so they're saying, "direct legislation through the people by means of proposal and rejection". In other words they're not talking about a parliamentary republic, they're talking about a state where the people directly rule themselves by means of all laws being put to the people, being proposed by the people, not by politicians, and being passed by the people in a general vote. So the idea of democracy that early social-democracy had is still that of ancient Greek democracy, of direct rule by the people, not rule by parliament. The only point where they're saying that parliament and election have a role is elections of magistrates and the settlement of questions of peace and war – emergency questions like that might have to be settled by an elected assembly. Taxes and laws were to be settled by the people as a whole. There are some points where this is less radical than ancient Greek democracy. Ancient Greek democracy restricted election to the election of military officers, and there's no demand here for the election of military officers.

[0:9.38.] If we move to Russian social-democracy, we see already a watering-down of the radical ideas in the Erfurt program, although Lenin presented himself as a very orthodox follower of the Erfurt program. The program that the Russian social-democrats adopted is essentially a demand for the type of constitutional structure that became general in Europe after the second world war, of republics with an elected parliament being sovereign. Having a single legislative chamber is a slightly more radical demand, not all places have a single legislative chamber, but it is basically a model of electoral democracy. Now, that is not the original model of the Erfurt program. In terms Marx understood democracy and in which Aristotle understood democracy it is very questionable whether you could say what the Russian social-democrats under Lenin were demanding in 1905 was a democratic system.

The ideas that Lenin had were sharply influenced by the Russian revolution and the first world war, and the ideas that most of the left that descends from the communist left have of democracy are very heavily influenced by Lenin's modification of the Russian social-democratic program in 1917. This is the key section that was changed. Much of it is similar: the abolition of the standing army, universally armed people's militias. What is introduced that's new are three things. First, that parliamentary representation will be gradually replaced by soviet institutions. Secondly, the representatives must be subject to recall, and thirdly, that representatives will be paid no more than an average worker's wage. Those three objectives which were written into the Russian social-democrat program in 1917 are the orthodoxy that the communist movement and the extreme left have followed ever since. Now, I'm going to argue that they're actually very inadequate principles and dialectically contain their own negation.

Let's look at the principle of recall. This was derived by Lenin by looking at the experience of the Paris commune, and it was incorporated in the Soviet constitution and remained a part of the Soviet constitution till the overthrow of the Soviet Union in 1991, but also exist in surprising places like the state of Arizona in the United States that has this built into its constitution. And in the election that has just taken place in the United Kingdom all the major political parties, right and left said

they were in favour of the right of recall of parliamentary representatives, and that is almost certainly going to be written into British law.

Now, it is of some use, but it is mainly of use in dealing with manifest incompetence or corruption. Individuals who are manifestly incompetent or corrupt can be replaced. The reason why it is of limited use is that in order to effect the right of recall you actually need to get an awful lot of signatures. You need to mobilise maybe 10 % of the electorate to sign a petition asking for a re-election. That may be worthwhile, it may be of some advantage, but my contention is that wherever this exists it doesn't radically change the class character of the political system. It's mainly a control on corruption.

If we look at soviets or people's councils, these are bodies which certainly at the base level, at the local level contain mass participation in a way that you don't get in electoral democracy of the sort that exists in a country like Sweden or Britain. It is certainly arguable that the level of political participation by the general public in a country like the Soviet Union in terms of the number of people who participated in political bodies was higher than in the West, even up until the final collapse of the Soviet Union. But we have to ask: when do soviets arise? Historically they've been thrown up under very specific circumstances when military autocracies are overthrown, are defeated in war. The key examples are the overthrow of Napoleon III in 1871 by the Prussian army, and that military defeat discredited the imperial state and led the people's militias in Paris to take up arms to defend the city. Petrograd in 1917, or one could say St. Petersburg 1905, both brought about by Russian military defeats. The instability in Germany in 1919 and in Austria-Hungary, again brought about by military defeats. The last occasion that soviets, or something like soviets, were thrown up in Europe was in Lisbon in 1975 when the fascist regime in Portugal had lost a series of colonial wars and the army mutinied, and that created the circumstances to the soviets. And this is an absolutely crucial factor: they only become revolutionary institutions if there's an army mutiny. Army or navy has to mutiny. If the army or navy doesn't mutiny you don't get a revolution the soviets or workers' councils remain temporary institutions with little power. And the other thing is: even if they come into existence they only lead to a change in state power if they are actually led by determined insurrectionists. The Commune was successful due to the efforts of the Blanquists in the leadership of the Commune, due to the efforts of a group that had dedicated themselves for years to the idea of armed insurrection. And similarly the success in Russia 1917 - whereas in Germany in 1919 there was a failure, in Hungary 1919 there was a failure - it was because the Russian revolutionaries had dedicated themselves to the idea of insurrection and overthrow of the state. They were able to make use of the situation which came into being.

Now, I'm going to take an example here from physics. I don't know if you've ever tried this, but you can go home and try it. Get yourself a polystyrene cup and put cold water in it and put it in a microwave for about 60 seconds, maybe a bit longer. After this tip a spoonful of Nescafe into it. What will happen is that the water will suddenly boil over when the coffee granules hit it because you super-heated the water above its boiling point and you put the coffee granules in, and it nucleates and starts to boil. Revolutionary situations are like this. External events, for example the privations of war and the suffering that comes from war, raises the emotional energy of the people. Then something apparently minor, a march for bread that's fired on by the cossacks, [unclear] the nucleating event and suddenly the stored emotional energy bursts out in a turbulent event. So the whole thing contains at once a deterministic element, there has to be the build-up of emotional energy due to privation and hardship. But what happens after that is chaotic and indeterminate and turbulent. What happens after that is unpredictable.

[0:18. 30.] The Leninist idea of a communist party being the workers' general staff can only be understood in terms of the mindset which was brought on by the first world war. There you're in the midst of a titanic conflict, nearly every country in the world is involved - all of Europe, South America, China, Japan, the United States, they're all war. And in that the economies are devoted to the task of destruction and overcoming one another, and they're led by general staffs. Now what that war taught was what has now become a military truism, that no battle plan survives first contact with the enemy. The Schlieffen

plan to envelop Paris was all very well on paper, but in the chaos and turbulence of the real war soon proved to be failed. And a political party that goes into a revolutionary situation with a fixed program like the Schlieffen plan is bound to fail. It was only because the Bolsheviks were able to come up with concrete answers, economic answers to the problems people faced and understood what the imperial general staffs of Europe took four years to learn: to win in a war you have to encourage initiative and flexibility in a changing situation. They adapted to the changing situation, adapted very rapidly, and adapted more rapidly than any of the other political parties [unclear] in Russia and ended up the dominant party.

I don't know whether people can see this, I've tried to draw a picture of the soviet structure, the structure of the Soviet constitution in the first years of Soviet power. These circles here represent about a thousand ordinary people, these people, each thousand people, were entitled to elect someone to the local soviet, local neighbourhood soviet. These local soviets then sent deputies to the all-Russian congress of soviets. Local people elected someone to the local soviet, the local soviet elected a delegate to the all-Russian congress of soviets. The all-Russian congress of soviets – thousands of members – then elects two hundred people to the central executive committee of the Soviet Union. The central executive committee then elects seventeen people to the council of people's commissars who effectively form the government. There's one, two, three, four levels of elections here before you get to the government. And what this system of indirection, of indirect election does is give an enormous advantage to a well-organised political party like the Bolshevik party. Suppose the Bolsheviks made up one in a fifty or one in a hundred of the Russian population. They're much more likely to put themselves forward as volunteers at this local level. They're much more likely to get elected at this level. Once they're in this level, the other Bolsheviks are much more likely to nominate them as the person to go forward. You get what in maths is considered an exponential process, a multiplicative process of probability. So the probability of an ordinary person who is not a member of any political party ever ending up in the council of political commissars runs down to practically zero, whereas the probability of that being dominated by one political party approaches one. Just the maths of it means that it is almost inevitable that one political party was to be completely dominant in the council of people's commissars. It's a matter of chance whether that was going to be the Bolshevik party or the Socialist Revolutionaries, it could have gone either way; as it happened, it was the Bolshevik party. If it had become the Socialist revolutionaries, we would have never heard of Lenin, he would have disappeared from history. As it is, it was the Bolsheviks that won. Now I've covered that.

Now if we look at the stages that Russia has gone through. Starts off as a Czarist monarchy. In the very early stages of the Russian revolution you have a soviet democracy of the type they are talking about in the RSDLP program. Extremely rapidly, certainly by 1918, it becomes a Bolshevik aristocracy in the sense of the original Greek use of the word aristocracy. The original Greek root [unclear] for the word aristocracy meant rule by the best, rule by the wisest and the most conscious. That is essentially what the Bolshevik party took themselves to be, the wisest and the most conscious representatives of the working class. It became a Bolshevik aristocracy. It then degenerated into a revolutionary monarchy, where essentially power was held by one person, Stalin or Khrushchev. Eventually it became a bureaucratic oligarchy, and has now become a plutocratic oligarchy, an oligarchy of money. The question is not the surprise that soviet democracy collapsed, it was bound to collapse, it was bound to lead to aristocracy. We then have to ask: why did that aristocracy lead to a monarchy? Why is it so often the case that revolutions have ended up with monarchies? When I say monarchy, I'm meaning in the Greek sense again, with 'mono' meaning single ruler. It doesn't mean they have to call themselves king, they can call themselves First secretary of the communist party, they can call themselves President of the United States, it's still a monarchy.

There's several reasons for this. One of them is that from the point of view of the plebeian classes only a strong man with dictatorial power can hope to suppress the power of the rich and the existing propertied classes. That was the appeal of Caesar, that was the appeal of Napoleon, and that's partly the appeal of Stalin. Secondly, external enemies, the danger of war tends to militarise the state and

raise the position of commander-in-chief of the armed forces to a critical position. We see this particularly in Cuba or Korea, where constant threat from the United States leads to a monarchical system of government – in fact, in both those cases to hereditary monarchy.

In addition, if you have a highly concentrated system like the council of people's commissars you have very powerful individuals who are very self-confident, very well educated, who argue with one another and there's a danger of instability. And all such political states with a cabinet system of government end up generating a prime minister or first secretary who dominates and breaks the deadlock. All of these things happened Russia. You needed to break the deadlock, there was a threat of war, and if you consider the popularity that Stalin had even after the fall of the Soviet Union, it's because people thought Stalin would sort out these oligarchs for us. The strongman would deal with it.

[0:27.11.] If that road fails, where do we go now? I think we have to a very long view of history. If you were looking at the world in 1820, after the fall of Napoleon, after the defeat of the French revolution, after the restoration of monarchy and autocracy across Europe you would think that the enterprise to set up bourgeois democracies or bourgeois states had failed, but it was a matter that the bourgeoisie had not yet found the form of constitution that would allow them to rule stably. In the future we will look back at China and Russia and say, OK, these were false starts. They were like Napoleon, they were like Cromwell, they were revolutionary movements which changed the society but they didn't find the stable form appropriate for the rule of that class. It's worth looking to the past when you do this. Our view of history should be limited to the 20th century, it shouldn't be limited to the bourgeois epoch. We should look at the whole of recorded history. When the American revolutionaries were trying to establish their state – and that is the stable form of bourgeois state that has survived – they looked at historical models. And there were two models available for them, there was Rome and Athens. They had to choose between these, and it is actually no accident that they chose Rome, that the United States constitution is largely based on the Roman ideas of constitution – it's a republic, it's not a democracy. It was constructed as a state by slaveholders who saw what had been the most stable slaveholder state in the past: Rome. And they modeled their state on that.

But there's another model, and that's the Athenian model of direct democracy, and the Greeks, over a period of hundreds of years, developed mechanisms to prevent aristocratic domination of the state. The first point was that there was no representative democracy. All political decisions had to be taken by the people as a whole by plebiscite. The plebiscite of course if a Roman term, but the power of the Roman plebs to exercise the plebiscite was very limited. In Greece all laws were passed by the assembly. This is exactly what the Erfurt program had been demanding in the 1880s. Secondly, the executive functions of the state were implemented by a randomly selected council, not by an elected body. The Greeks believed that only if you chose people at random – they actually used random number generators – could you guarantee that the council was unbiased and representative of the population as a whole – or representative of the citizens as a whole, because they're not the same thing. If you think how a polling organisation tries to determine public opinion, if a polling organisation wants to know what the public opinion is, do they go to the Swedish parliament and ask the opinion of the Swedish parliament? No they don't, they take a random sample of the population and ask that. If you had that kind of constitution now, the role of political parties would be radically different. They would no longer exist primarily as a body to mobilise support for a group of politicians. Their main job would be to mobilise public opinion towards specific ideological or social objectives, and the people who join the political parties would be joining just because they believe in it. They'd not be joining because there's covert calculation of their political careers: "if I join this party and work my way up, I can become prime minister". They'd be joining because they believed in it.

No movement which aims to change the world can do that unless it has a strategy, and strategies have to be tied to the political and economic structures that exist at the moment, and how to change these in ways that are favourable to the social class that the movement represents. And this means that you

have to have a constitutional program and you have to have an economic program. This was understood by early social democracy. It has been forgotten essentially since the second world war by both the communist parties and the social-democratic parties.

First point here is that classical social democracy and to a large extent the communist parties as well were based around the nation state. The communist philosopher [Louis] Althusser goes so far as to say that political parties are part of the state's ideological apparatus. All political parties then existing were part of the legitimation mechanism of the state. But the nation state is no longer actually the focus of political power that it once was. In Europe the coexistence of the EU and the nation state means that nation states are no longer economically self-governing, and secondly, the prospect that was once held that if a social-democratic party or a communist party took power in one country it could install a socialist economy in that country. It's unrealistic, given the scale of modern production.

Back in the 1960s, Russia and Britain thought they could compete with the United States on almost any area of industry. In aircraft industry, what have you? Later it was realised that it was impossible, and in Europe for instance now only an all-European aircraft industry that can mobilise the technology to build modern airliners. In the EU at the moment the whole system is in crisis and it is very much up in the air as to whether it will survive. The problem is that the monetary union has deprived the nation states of economic control. Sweden and Britain are different because we raise our public debt in our own currencies, but any country that has joined the monetary union raises its public debt in euros. If the public debt is raised in krona or in pounds, what it is being raised in is pieces of paper that the state itself prints and in the end the state can always print more of those to solve the problem. The British state has done exactly that. The Irish state is not allowed to print euros. The United States raises its debt in dollars, and if it runs into problems financing its debt, it just prints more dollars. Greece, Portugal, Ireland – they can't do that. And when you have systematic inequalities between net exporters like Germany and importers and Greece and Portugal, certain states are bound to run a public sector deficit. If they run a public sector deficit, in the past they dealt with that by raising it in their own currency. Now they can't do that. In consequence the social and welfare provisions of the whole of Europe are now at ransom to the interests of the rentier classes in the creditor states.

[0:35.48.] I'm going to quote here from Abraham Lincoln:

"Any people anywhere being inclined and having the power have the right to rise up and shake off the existing government and form a new one that suits them better. This is a most valuable, a most sacred right, a right which we hope and believe it is to liberate the world."

What that basic democratic principle says is that people have a right to rebel, they have a right to overthrow the existing system of government, and the only way out of this, other than a degeneration back into national competition and to the kind of bloodshed that stained the 20th century, is to radically democratise the whole of the European Union and allow a democratic people's assembly to raise taxes which can redistribute income from one part of the Union to another. Unless that happens, the kind of crisis that's affecting Portugal, Spain, Greece at the moment will become general. If one was to apply the principles of the Erfurt program which, remember, was written in the time of Bismarck, in the time of autocracy in Germany, if one was to apply it to Europe now, you'd be saying that we need a sovereign people's assembly chosen at random from the citizens of Europe. We need taxes that can be raised by that assembly, that can be voted on by all the people of Europe, that the people of Europe can propose new laws and new legislation of any type which can then be voted on by the people as a whole. The only way you can do this would probably be to have a constituent assembly. This kind of thing could never be settled by negotiations between nation states.

What kind of economic measures would you need? You'd need democratic control over the European central bank. Instead of it being run essentially by bankers, it would have to be run by ordinary citizens, have

a supervisory board run by ordinary citizens and perhaps with economists appointed by the parliament. If we are to abolish the tyranny of debt, abolish the power of the rentier class and finance capital over Europe you'd have to announce a general debt jubilee, you have to outlaw the payment of interest. At the moment, essentially, the European and American monetary authorities are being forced to do things like this: they're being forced to devalue the debt, they're devaluing it by quantitative easing. They're reducing the rate of interest close to zero in order to keep the economy going. But within that you see the keys to the real solution which is to get rid of debt altogether, to get rid of interest altogether. The European central bank should be placed under a legal obligation to stabilise the euro in terms of labour, you should print on euro notes how many minutes this actually represents. Currently a euro represents about two minutes of labour, average European labour. Two minutes' labour creates a value of one euro. We should be moving towards the sort of economic system that Marx advocated in his Critique of the Gotha program, where instead of money we use non-transferable labour credits.

In general the communist and social-democratic movements in the 20th century thought property was the essence of socialism, gaining control of the means of production was seen as the essence of socialism. I'm saying that's a misreading. The essence of socialism is abolishing the relation of wage labour. It is the abolition of wage slavery that is the key goal. And again I'm going to say that the historical precedent here was the most successful revolutionary of the 19th century, Abraham Lincoln, in the abolition of slavery. A constitutional amendment in the United States abolished slavery. The entire system of social relations on which the slave society had been based became unsustainable when the legal relation of chattel slavery was abolished. If the legal relation of wage slavery is abolished, the entire structure of capitalist civilization and exploitation falls.

Again, a quote from Lincoln:

"Labour is prior to and independent of capital. Capital is only the fruit of labour and could never have existed if labour had not first existed. Labour is superior to capital and deserves much higher consideration."

What would that actually mean? It would mean that the law must recognise that labour is the sole source of value added. That is scientifically the case: capital doesn't add any value, labour is the sole source of value added. Therefore the employees have both a moral and should have a legal right to all the value they add, and these rights should be enforceable by the courts. One of the key lessons of ancient Greek democracy is that when the people take hold of the courts of law, then they rule. So long as the courts of law are run by representatives of the upper classes, then the upper and propertied classes rule. So you'd need labour courts to be run by juries drawn from workers and judges elected by workers. Employees should therefore have the right to elect the majority of the board of any firm.

Now, these things don't actually take anyone's property away. They don't violate the protection of private property that's written into the European constitution. They just assert a higher right. They assert the right of labour not to be exploited, they assert one human right is higher than another. They don't take anyone's property away, shareholders would still have their shares, they'd just receive no income from them.

About the cancellation of debts. The basic cause of the current crisis was the extension of debt excessively as a relation to national income. And this inevitably occurs if you have a class who derived a majority of their income from capital. That class cannot consume all the income it receives. If it doesn't consume it, it saves it in the banks. If it deposits the money with the banks, somebody has to borrow it. The cause of the debt is the saving, the cause of the debt is the accumulation of credit. These are two sides of the balance sheet, one is inextricably associated with the other. The European banks had become insolvent by 2008 and it's quite clear that many of them still are insolvent. Should the banks have been bailed out, or should they be allowed to fail? From the standpoint of the working class it is undoubtedly

the case that the banks should be allowed to fail. The overwhelming majority of ordinary depositors with the banks were already protected by bank deposit insurance schemes which ran up generally to the order of 30 000 euros per person. Very, very few people keep credit balances in the bank worth more than 30 000 euros. On the other hand, there are huge credit balances in the banks held by the millionaire class, and the bailout of the banks was actually a bailout of the deposits held by the millionaire class which would not have been protected by the state deposit insurance schemes, had the banks failed. It was of no benefit to the majority of people, the majority of people's savings were safe. It was the millionaires and billionaires who would've lost, if the banks failed.

We should be calling for the cancellation of all debts, both public and private, other than three classes of debt that should be preserved. Firms should not be able to renege on back wages to workers; people should have up to one year's average income guaranteed in the deposit guarantee schemes; and companies and rich individuals should not be able to get out of the back taxes [unclear]. All of the debt should be cancelled, that includes credit card debt, mortgage debt, the state debt.

What would the effect of that be? The heavily over-levered firms, heavily debt-burdened firms would be able to resume economic activity. State finances would become solvent again. Consumers would be able to resume spending since they wouldn't be so heavily indebted. The banking system paradoxically would become much more liquid, since its ratio of liabilities to reserves in the form of deposits with the central bank would become much better, and the power of the rentier class would be broken.

So, in summary. I'm saying that the struggle for direct democracy is the lost memory of social-democracy. People forget what it stood for originally. The old forms that people have been obsessed with, the parliamentary republic or the soviet republic, are not appropriate to the 21st century. You could have direct democracy now easily with the mobile phone, everyone can vote easily on things, you don't have to gather everyone in the town square of Athens – you can have a virtual town square. We must win the battle for democracy in the original sense, if we are to make progress.

[0:47.07.] Questions and answers.

[A question about whether Athens is the only possible reference in terms of democracy, hasn't the human species lived hundreds of thousands of years in conditions of primitive democracy, in hunter-gatherer societies? Or what about the North American Iroquois? Is Athens such a good example, women couldn't vote, they had slaves etc.? And secondly, is it really possible to democratise the European Union? Shouldn't we rather smash it and build some kind of socialist EU?]

OK, I'll try and answer that. You're correct to say that tribal society is in a sense democratic. What was unique about Greek democracy was that it was a democracy within a class society, within a society where there were contrasting class interests between the peasantry and the slave-owning class, and Unlike Rome, it was the peasantry that dominated through democracy. It was the peasantry and the artisans that dominated. Now you're quite right that there were four categories of people who didn't have the legal rights: children, women, foreigners and slaves. Now, no-one is proposing that we restrict political rights now. The point is that you take what was positive about that, which was the idea that – as CLR James put it – any cook can govern. Anybody is suitable to be chosen to be on the governing body, you don't need special qualifications to rule. Choose people at random and let them decide. So that is the positive lesson. Obviously I'm not proposing that we introduce slavery and other Athenian laws like that.

On the issue of the European Union. Think back to how the social-democrats in Russia and Germany were operating. At the time of the Erfurt program the German federation had just been established, but it had been established under very undemocratic terms. They could have had the option of saying, oh, we'll smash the German federation and go back to Bayern and establish socialism in Bayern and Württemberg. They didn't say that. They recognised that the ruling class had established a union and they would contend



power in that union. If you look at Russia, they didn't say, let's smash it up into lots of small states, they said, OK, we'll give them the right to self-determination, because when they actually tried to have self-determination against socialist government it turned out to be not a good idea. So effectively they stood for the territorial union. I'm not saying that you keep the institutional structure of the European Union, but I am saying that it would be a disaster for the working classes of Europe if Europe is not united, if it's not a Union. And you change the constitutional structure, but to break it back up into nation states would be a disaster, and one must oppose any tendency to demonise the European Union that at the same time lets the nation state off the hook, because the nation state is worse.

[[0:54.25.] A question about direct democracy. What about Switzerland, don't they have direct democracy, and yet isn't it a pretty normal conservative bourgeois state?]

Democracy doesn't guarantee that the working class will rule. What it does is that it provides the most favourable conditions for the working class movement, it provides the least obstacle to the working class exercising power. You cannot offset the actual class structure of the society. If the class structure of a society is not favourable to the workers' movement, then it will not succeed even if it's got democracy. You could take examples from the United States where [there's] states which have very democratic constitutions as well, and because the overall class structure is not favourable and the ideological structure is not favourable. It doesn't mean that the working class rules, but it is preferable to have a system which, were the working class to be conscious, it can exercise its power that way.

[[0:56.00.] Question: I don't have this is fresh memory, and it's along time [since] I read it, so I might mix up things. But you claim that this is in Marxist tradition, right, this whole presentation..?]

I'm certainly claiming that the economic presentation is Marxist, and I'm claiming that the political presentation is the same as the proletarian left of the German social-democratic party pushed.

[Question: OK. Well, this whole idea with labour time receipts, didn't Marx in The Misery of Philosophy criticise Proudhon for these ideas and again Engels in Anti-Dühring against Eugen Dühring, this thing that it's just an equivalent, there's still an exchange, but the thing that we want to do is to socialize production and we want to establish use values that can't be bought and sold? Of course it's a transition, but I mean..]

You have to distinguish what Marx criticised and what he saw as positive. He criticised Proudhon, but he supported Owen. Owen also advocated labour tokens. The difference was that Owen advocated it under a system of the associated producers running society, rather than independent small producers. Now, the idea of establishing labour token economy here only becomes non-capitalist if wage labour is also abolished and in the long term if the tokens are made non-transferable. Talking about Owen's system, Marx said that Owen's labour tokens were no more money than a theatre ticket is money. The point is they don't circulate. Ultimately labour tokens would be issued by society to each individual in proportion to the number of hours they work. You receive back, Marx says, from the common stores goods which require the same amount of labour, and he says yes, this does still rest on the principle of equality that bourgeois society is based on. But there would be a long historical period during which that will exist before you move to a state where some other principle can occur. Now, we can see that in the case of information goods - like music from the web or free software - you can move to the free distribution now. But it is an illusion to think you could move to unlimited free distribution of goods which require environmentally limited resources. You can't do that, you have to have some proportionality between the effort someone puts in and what they get back.

[[0:59.32] Question: What happens if someone works faster or better than someone else, are they going to get the same payment?]

Marx says that if someone works faster or better, they get a higher income, they're actually doing more labour and therefore they would have more income, and therefore any principle of equality like that still rests on the inequality between human individuals; that some individuals, as Marx says, are stronger and swifter than others, and therefore they would have more income than others. But he says he'd move to a principle of "to each according to his need". Now, people often misinterpreted that "need" to mean free distribution. It doesn't mean that. It essentially means that if someone has a larger family, if someone is ill or disabled, [if] there's some objectively determinable need, they get compensation for that. But that is something which the labour movement has already won, in principle at least, in Europe – not in the United States, but in Europe most welfare states recognise the principle of need and distribution of need in a number of fields, in medicine and education etc. So the principle of need is not the critical thing, social-democracy has won that in many places, but what it hasn't won is the abolition of exploitation.

[1:01.06. Question: Isn't there a danger about electronic money going around?]

That's why I say that Marx's idea of labour credits is that they're non-transferable. There's an account that you get through your labour [with] which you can withdraw goods from the common stores, or proportional to it. But you cannot use it to exploit other people, you cannot use it as capital. It's marked with your name on it, in that sense. It's just a matter of software, whether the software allows transfers.

[1:02.36. Question about David Schweickart, market socialism and its criticism.]

He's [the guy in the audience] asking whether I'm familiar with Schweickart's work on market socialism. I am. The first stages of what I'm proposing would not cause any objection by Schweickart, I don't think. I see in the longer term market socialism as being an unstable social form. You may initially establish worker-owned firms, but unless the European trade union movement push that to a rapid process of merger and the formation of European industrial syndicates, like a single European syndicate making yoghurt in which [unclear] and all the other yoghurt enterprises go into, a single European syndicate of railway workers dealing with all the railways, a single syndicate of airline workers running all the airlines, and abolish competition between sections, then there is a danger that independent cooperatives can regenerate much of the dynamics of a capitalist economy. So, unless the stage of cooperatives is a transitional phase to what Marx called the free association of the producers, the voluntary merger into great syndicates, then I don't think that it would sustain itself for more than about 50 or 60 years. It would generate the kind of tendencies which eventually occurred in Yugoslavia.

[1:04.38. Questions about general strike and strike committees, a lot of it inaudible; skepticism about "mobile phone democracy" replacing soviets etc. ; in the end there's a question about exploitation rates that Cockshott and Cottrell calculated for Britain 20 years ago, is there more recent calculations?.]

There was a lot of questions there. David Zachariah, who's here [in the audience], I think has done calculations for Sweden for the exploitation rate, so you could speak to him, he has done calculation of labour values here. So, I'm passing the buck here. But there's obviously occasions when worker's councils have formed during general strikes, in big strikes. These are distinct from the soviets, though, because they're not organs of state power. They only become organs of state power when they're armed and command military forces, and that those military forces can enforce the will of the soviets and shoot anyone who doesn't go along with it. Ok? The soviets in Russia could line the whites up against the wall. None of these other ones could do that, they weren't organs of state power. I think it is dangerous to extrapolate from a temporary organisation which doesn't have state power to a constitution of state power as the power to shoot people. And you can see the difference between a strike committee and the soviets when you look at Kronstadt.

[1:09.08. Question: When you talk about direct democracy and the planned economy and so on, this is very

much up here [i.e. on an abstract level], what kind of mass movement, what kind of party, what kind of dynamic do you want to bring this forth, you have to have some sort of...]

It is very difficult to say how you can produce change at a... society of a whole continent, the scale of a whole continent. But my feeling is that unless you have a vision of where you want to go, you'll never get there at all. As to stages, I would think that it is essential to form a single European socialist or left party that stands in the European elections as a single party, rather than as national parties affiliated to one another, and that you have to win the ideological battle for the principle of democracy. You have to make people think that yes, we could change things, we could rule ourselves, we don't need politicians to do it. I think that is a very big obstacle, because the United States has redefined democracy to be democracy in the American way, and it means a particular kind of government form, and that's not what it originally means. That's a big ideological obstacle to overcome. So I think you actually need a European socialist party that has a program of radical democracy as its prime goal, and an attempt to win people other than just the working classes to that, because radical democracy has a broader constituency of potential support than just the working class. But beyond a very general statement like that I wouldn't like to say.

[1:11.50. Question: I think there was another question you didn't answer, from the former guy, what about this mobile phone democracy, that it is somewhat atomistic, you don't get much interaction and talking between people, collective interaction.]

Some of these are real problems of scale. There are decisions which have to be made which are not local decisions. It's easy to say, OK, we will get the people within a village or a small town together to debate something. When you say you're going to get the people of even a country the size of Sweden together to debate a major national issue, you can't get them to do it locally. If you attempt to build it on a local basis and then through a series of indirect levels what you're actually doing is building a hierarchical structure of concentration of power when you want to devolve power to the mass of the people. I see no reason why you can't have debates, public debate between random audiences, randomly selected audiences, where the issues are debated on TV channels and people can vote afterwards. If you look at actual elections, the only interesting part of an election, is the comments of the studio audiences in the debates. If you have these debates without politicians at the front, but just people sitting in a circle with no politicians at the front, and debating the issue, I think that's the only way that you can overcome the problem of scale of modern society. We're not living in tribes, we're not living in individual city states, we need to do things differently, but we must learn the lessons of what has failed.

[1:13.48. Question: When you have a huge planned economy, one of the major problems can be the gathering of information to make wise decisions. Do you have any advice how to achieve that?]

At one level, it's a technical question. The technical means of solving it is obviously there with modern communications and internet technology. The actual details of all inputs to every production process that goes on in the industrial world are recorded in the local computers of the companies that are ordering the parts. But commercial secrecy means that what's gathered locally is not publicly available, so a way to deal with it is you'd have to break down the commercial secrecy which exists and make this information openly available. And this is one of the great aims of [Victor] Glushkov, who was the Soviet computer pioneer who in the 1960s tried to persuade the Soviet Union to build what we now understand to be the internet. And he advocated things which now seem obvious, that in libraries and in public places there should be computer terminals where people could go to and look at any information. He was saying that all the information of the economy should be recorded on what is essentially an openly available internet. And I think basically that Glushkov was right, that is the way to go.

[1:15.39. Question: If I understand correctly you said we should not abolish private property but rather we should put our energies in abolishing wage labour. What are we to do with private property?]

Well you have to ask yourself what does the private property amount to in the absence of the right to exploit labour. Let's suppose you're a rich resident of Savannah [in Georgia, USA] in 1860 and you own shares in slaves on the slave plantations, ok? You can trade in those shares. And this did happen. As soon as slavery is abolished, your shares become worthless because they're the paper representation of a social relation which no longer exists.

[Question: But what about entire islands that are owned by families, and..]

There are actually three exploitation mechanisms that current society rests on. One of them is the direct exploitation of wage labour. The second is the exploitation of people through debt, and the third is rent, being able to charge rent for land. Ideally, one might want to nationalise all land. There are certain political risks for doing that if you are wanting to win support on a large scale in an area where a significant number of people are peasant farmers. You don't want to drive the peasant farming population into the hands of reaction by threatening to take their land away from them. So a more effective policy is to introduce what the land reform movement in the United States used to call full site value taxation, whereby you introduce a tax on land which is proportional to the rent that would be obtained on that land, proportional to a hundred percent, so effectively you confiscate rent incomes.

[Question: You mean to say that the more land you own, the more tax, a kind of progressive...]

Scotland still has a feudal pattern of land ownership, there's a small number of aristocratic families, dukes and earls, who own most of the country. They obtain their income by charging rent from tenant farmers. And if the tenant farmer gets an EU grant to improve their land, the duke will up his rent saying, oh, you're getting money from the EU now, well you're getting 2 000 pounds this year from the EU, your rent's going to go up by 2 000 pounds. Now, that right to levy rent on land should be effectively neutralised by saying, we'll tax it to the hundred percent. So that you don't actually take the land off them, he can nominally retain it but he doesn't retain any income from it or power over it. That is just a political concession, you don't want to give the right the propaganda gain of saying, they're going to take your house away from you, these socialists, they're going to take your land away from you, they're going to take your car away from you. If you say you're going to abolish private property, that's what the right will say. You want to abolish exploitation. Put it that way, and who can say that it's a good thing to keep exploitation? If you say, I'm going to abolish private property, lots of people raise that as a bogey-man and it's a political risk to do it that way. You have to concentrate on what you want to achieve, not the form you want to achieve it on. You do it in a way which makes it the most difficult for the right to make propaganda against you. You want to achieve that effect, but you don't put it those terms.

[1:19.55. Question: You say the the European union is the alternative for Europe. I think the Union is highly undemocratic and [expensive/expansive], and it's going further and further away from socialist thought, and we also have the nationalistic parties [..]. so I wonder how can you say that the Union is the alternative for Europe?]

The current constitution of the EU is radically undemocratic in that the parliament has very limited powers, it cannot initiate general legislation, it doesn't elect the commission from among its members, it cannot raise general taxes etc. And it's even aside from the limited nature of parliamentary democracy. But what I'm saying is that you have to focus on the geographical area that constitutes a unified economy and unite the working classes within that area for common rights and common goals which can only be achieved now at that scale. No individual nation state now can hope to stand up to global capital, you can only do that at a continental level. And to promote a strategy of saying, we will go it alone in Greece as the KKE says, I can understand their incentives to do that, but it would never work in the long run, that any independent country that claims to have a socialist government and tried to do that would be under such pressure from international capital that it would be unable to really have a socialist economy

internally, that only by having a really large scale can you do it. China has a chance to do it, it's so vast. If there's a political movement in the left in China, then it could do it, no one could really stop China. But Sweden, Britain, Ireland, no, it's not viable on that scale.

[Question: But how are we to change this? All over Europe socialist and social-democratic parties are losing elections.

[Moderator: That is a big question, we can't go into that.. Perhaps one more question, then we have to wrap up I think.]

[1:22.54. Question about the importance of psychological transformation of people, wouldn't old structures reconstitute themselves, if there's no psychological transformation as well, even if you've changed the external conditions?]

I think the social values which would come to dominate in a different type of society would be different, but it's difficult to speculate exactly in what way before you have experience of it. But I think there's a risk that has been taken in the past by people like [Che] Guevara who in emphasizing new socialist morality want to make psychological change overcome the barriers of institutions and go beyond what the institutions can do. The risk if you do that [is] that you become like the Christian church, teaching people to be virtuous in a world that forces them to be otherwise. Unless you create a society that favour virtue..

[Question: I don't mean any global priesthood, but it seems to me that we need to reorganise our psyche as well, and I don't know if this reorganisation of the external conditions is enough. Obviously there's a need for, let's called it a spiritual or psychological transformation. Would you agree?]

Whenever there is a serious revolutionary movement – and we can take three [examples]. If we take the English revolution, associated with that was a very strong ideological movement which took a religious form at that time. If we look at the revolution in Iran, again there was a spiritual, ideological movement which takes religious form again in that time. If you look at the Cultural Revolution in China, there was a very serious attempt then again to change psychology. So any major social revolution certainly generates attempts to change psychology. Now, how successful they are in the long run, I don't know, but it's an inseparable part of the process, I agree.