PREFACE

Pour years after the collapse of 2007-08, it is fair to say that crisis has become the new normal for hundreds of millions of people. Not only have jobs been hard to find, they increasingly fail to provide the income and security that workers had come to expect from employment during the postwar era. Added to the huge numbers of the unemployed is the 'precariat', the growing segment of the working population in jobs that are temporary, low-wage, and without benefits or protection. Conditions that were once associated with the informal sector in the developing world are now becoming truly global.

Meanwhile, there is a lot of talk in the media that we are in the midst of an economic recovery. There is something to this. Banks are flush with cash, profits in manufacturing are on the upswing, and no one can fail to notice that the stock market has bounced back. But while profits are flowing again, the traditional signs of a new cycle of accumulation are hard to find. It isn't entirely surprising, then, that every little bit of bad news sends the markets into a temporary panic – as if everyone is waiting for the proverbial axe to fall. Even within the ruling classes, confidence in this recovery doesn't run very deep. Clearly, if there is a recovery, it is coming in large measure through the transfer of the costs of the crisis to the working class. And this is why the press, even while trumpeting the economic rebound, laments that to most working people, it doesn't feel like a recovery. What it feels like is a crisis that refuses to abate.

As if the structural shift in both the level and the pattern of employment wasn't enough, the crisis for working people is compounded by the political offensive unleashed by the ruling classes. In the advanced capitalist world, unions, pensions, health care, education – virtually every component of welfare capitalism is either being rolled back or dismantled, all in the name of economic necessity. The audaciousness of this programme would be impressive were it not so devastating. It is not just being proposed as a temporary measure to ride out the economic storm. We are witnessing the onset of permanent austerity in the advanced capitalist world. The consistency with which states have turned to this strategy betokens the remarkable degree

of consensus within the ruling classes. Across North America and Europe, in state after state, the message is the same – the age of social insurance, of public supports, of protection from the market, and steady wage increases, is well and truly over.

This attack on working people isn't being launched by conservatives alone, though parties of the Right certainly comprise its sharp edge. Wherever they are in office, traditional social democrats have fallen in line with programmatic austerity as the only viable exit strategy from the crisis. And where they are in opposition, they have done little to forge an alternative agenda, much less lead the fightback. If anything, the leaders of social democratic parties have gone out of their way to distance themselves from the mobilizations against austerity. As we write this Preface, their dedication to proving their mettle as managers of the bourgeois order is most conspicuously on display in Greece, but this crisis has clarified that as the main ambition of social democratic leaders everywhere.

The popular resistance that has taken shape on this bleak political terrain is by no means unimpressive. Even while it has not been able to turn the tide, the resistance has been real, and it might be deepening. Who could have imagined that bucolic Wisconsin would be engulfed in a massive social upheaval, which would trigger a weeks-long takeover of the state capital building in Madison, and climax in the largest demonstration in the state's history? No less remarkable are the *Indignes* occupying the city squares in Spain, the strikes and massive demonstrations that have convulsed Greece, and the imaginative sit-ins of the UK Uncut movement as well as the hundreds of thousands of British public sector workers who have taken strike action. Most politically significant of all, of course, has been the wave of rebellions across the Middle East that have broken what appeared to be impenetrable dictatorships. What all of these mobilizations have in common is that they embody a rejection of the neoliberal offensive – whether its latest incarnation, as in Greece, or its accumulated devastation, as in Egypt.

Yet every one of these resistances has only served to reveal the continuing impasse of the Left, and its limited strategic and organizational resources. Defensive resistance alone cannot take advantage of the opportunity that the crisis creates. A common response of the Left when the financial crisis exploded in the US in the fall of 2008 was a Michael Moore-type populist one: Why are you bailing the banks out? Let them go under. This was, of course, utterly irresponsible, with no thought given to what would happen to the savings of workers, let alone to the paychecks deposited into their bank accounts, or even to the fact that what was at stake was the roofs over their heads. On the other hand, an even more common response from the Left

was about asserting state responsibility: This crisis is the result of the government not having done its duty: governments are supposed to regulate capital, and they didn't do so. But putting the issue this way created a fundamentally misleading impression about the role of the capitalist state. The United States has the most regulated financial system in the world, as measured by the number of statutes on the books, pages of administrative regulation, and staff engaged in the supervision of the financial system. But that system is organized in such a way as to facilitate the financialization of capitalism, not only in the US itself, but in fact around the world. Without this, the globalization of capitalism in recent decades would not have been possible.

It was indicative of the Left's sorry lack of ambition in the crisis that calls for salary limits on Wall Street executives and transaction taxes on the financial sector were far more common than demands for turning the banks into public utilities. In fact, most the Left's recommendations were advanced as technocratic policy advice and presented as a means of stabilizing capitalism, rather than using the crisis as an opportunity to educate people on how capitalist finance really works, why it doesn't work for them, and why what we need instead is a publicly owned banking system. Of course, the sort of bank nationalizations undertaken in the wake of the fallout from the Lehman collapse -- with the lead of Brown's New Labour government in the UK being quickly followed by Bush's Republican administration in the US -essentially involved socializing financial capital's losses while guaranteeing that the nationalized banks would continue to operate on a commercial basis at arm's length from any government direction or control, beyond seeking to maximize the taxpayers returns on their 'investment'. As the essay in last year's volume of the Register on 'Opportunity lost: mystification, elite politics and financial reform in the UK' put it, this really represented 'not the nationalisation of the banks, but the privatisation of the Treasury as a new kind of fund manager.'

The most important reason for taking the banks into the public sector and turning them into a public utility is that this would remove the institutional foundation of the most powerful section of capital today, thereby changing the balance of class forces in a fundamental way. But the ultimate point of this, of course, would be to transform the uses to which finance is put. We cannot even begin to think about solving the ecological crisis that coincides with this economic crisis without the Left returning to an ambitious notion of economic planning. The allocation of credit is at the core of economic planning for the conversion of industry as part of directing, in a democratic fashion, what gets invested, where it gets invested, how it gets invested.

This, the 48th volume of the Register, was conceived as a companion

to last year's volume on 'The Crisis This Time'. We observed there that economic crises can be turning points which present political opportunities, and pointed to the fact that, so far, it was the ruling classes that were taking advantage of the political opening, not the Left. This volume deepens that analysis in range a ways, not only in terms of broader regional coverage that extends from Latin America to the Middle East to China to Europe, but also by probing the place of the city in capitalist crises, and the new accumulation strategies that feed on both the public sector crisis and the climate crisis, while still portending a new age of austerity. It also takes better measure of the state of the Left in the crisis, not least by a way of a symposium of three essays on what the Left's response should be to the Eurozone crisis. The next volume will take up the challenge of developing socialist strategies for the 21st century.

We want to thank all of the contributors to this volume while as usual indicating that neither they nor we necessarily agree with the various arguments that are presented herein. We also owe thanks to Ruth Felder and Shana Yael Shubs for their translation of Claudio's Katz's essay. Many of the essays in this volume can be traced back to the Socialist Register workshop on the crisis at York University in February 2010, and we are grateful to all those who made that possible and especially to Alan Zuege, Adam Hilton, and Justin Panos for the work they put into this volume in particular. And we are as always very appreciative to Louis Mackay for his cover design, as well as to Adrian Howe and Tony Zurbrugg of Merlin Press for all their efforts on behalf of the Register. Finally, we thank our contributing and corresponding editors for all their help in planning the two Register crisis volumes, and we are delighted to announce that Gilbert Achcar and Adolph Reed are joining the editorial collective.

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