cross currents in culture

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the Oil issue

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Texan Oilfield, USA, 1922.
Image courtesy of the Houston Public Library photo archive

All photographs on pages 7 - 11, 17, 26, 35, by Owen Logan

Over a Barrel

editorial

In 1982 one of the founders of the Organisation of Petroleum Exporting Countries (OPEC), Juan Pablo Perez Alfonzo, called oil the devil's excrement. The former Venezuelan oil minister warned that it would bring ruin: "Look around you. Look at this waste, corruption, consumption, our public services falling apart…And debt, debt we shall have for years. We are putting our grandchildren in debt." Now, very late in the day, economists will back up Perez Alfonzo's pessimism. There are also many anti-war activists and environmentalists willing to pinpoint this flammable liquid as the root of all evil. As we fall further into an ecological nightmare it certainly seems like a well placed target but what was compelling to us in preparing this special issue was the way the oil economy should push us towards crucial questions about economic organization and democracy.

While working for Occidental Petroleum, Timothy Halford was sent out to finance an impressive array of arts and cultural activities in Orkney. The goal of this generous public relations exercise, during a difficult time for the company, was to avoid a public enquiry into the establishment of the Flotta oil terminal. It was a close run thing. However, by ensuring very few formal rejections were received an enquiry was prevented. The extent to which public consciousness is dominated by an expanding public relations industry prompts candid reflections from people like Timothy Halford[1]. Many would agree with him that the ability to 'manage the message' is overcoming independent investigation in the media.

Big spending on promotion and advertising is not easy to explain rationally unless it's remembered that part of their impact is not just to 'sell' something but also to raise the costs of market entry for potential competitors. The same holds true in public discussion and politics. It should be far more disturbing that the political class denies the real scope of these issues and their implications for culture.[2] Instead, the Scottish Executive burdens our children with an empty propaganda that masks their disastrous fascination for 19th century solutions to 21st century problems. This is most striking in the reluctance of government to intervene in the face of climate change, which according to Nicholas Stern is "the biggest market failure ever."[3]

Through a series of extremely partial interpretations and costly promotional campaigns, the political class has helped to raise Adam Smith's "hidden hand" of the market above all others. Whether selling out social housing or the NHS, the common strand running through all tax funded information campaigns is their overriding commitment to propaganda rather than public discussion. Given this rationale it's no surprise that when the Scottish Executive seeks to turn our attention to energy and the environment we are left only to cycle through gridlocks, bow hopefully before corporate windmills and volunteer more waste to be recycled by migrant workers in China.

For some, the term 'neoliberalism' is useful shorthand for the normality of privatisation, the ideology of marketplace, and the myth that making money is the same as real wealth. However relevant it may be, neoliberalism is still an extremely sanitary bit of jargon, as John Foster reveals in his article on the fatal consequences of fuel poverty for the elderly in Scotland. In a world where countries are effectively re-colonised and common resources plundered, we appear to be entertained by media smokescreens, hi-tech trinkets, cheaper fashion and the sense that the world is a smaller place. Endless discussions about individual happiness and an epidemic in mental ill-health suggest that we are not as delighted as we might seem. Needless to say the world is not smaller and, as the result of our rapacious dog-eat-dog system, social relations and solidarity are squandered in the same way as natural resources. A great deal of life looks like a kind of temporary contract.

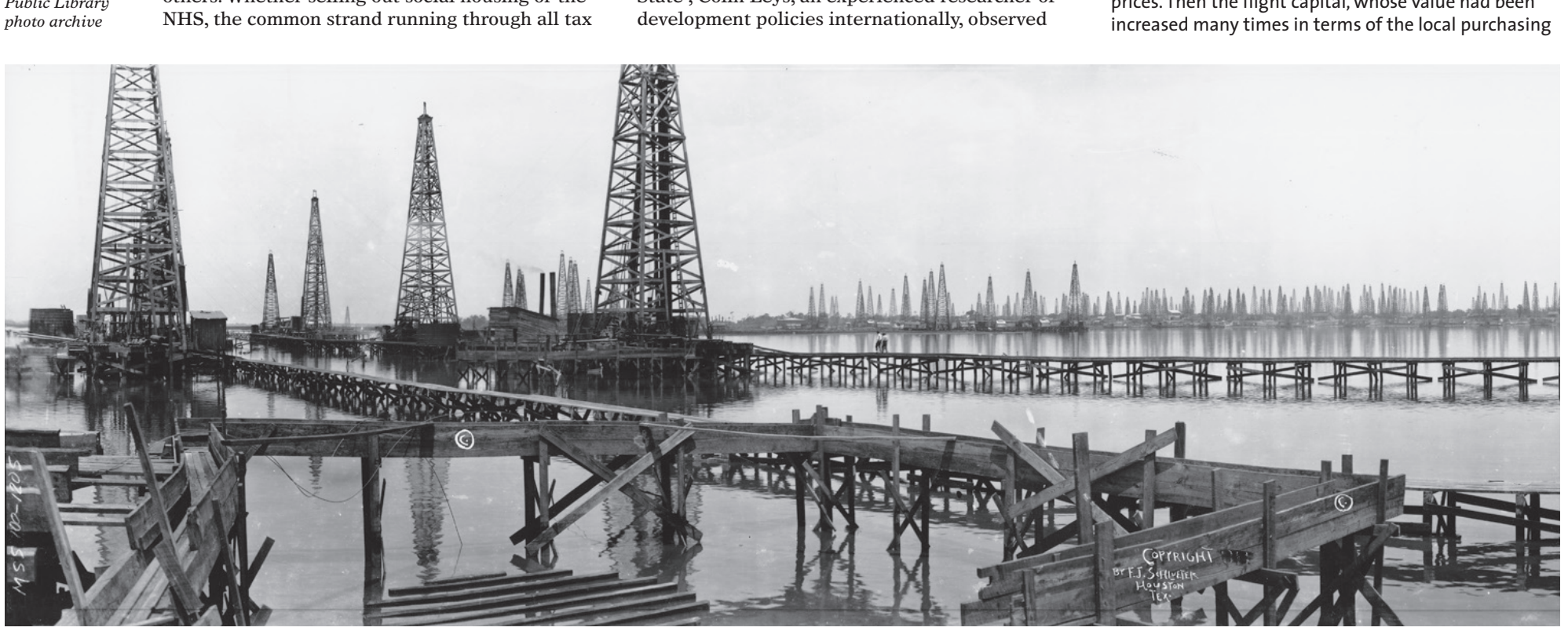
Thanks to oil, the Niger Delta has become a 'death economy' and people there, like Felicia Itsero, typically see little difference between the government and foreign oil companies. At the age of 67 Itsero said, "the story is too long and too sad" and she suggested that the Chevron company "should leave our community completely and never come back again".[4] Resistance, including women's naked protests, has been met with violent official reprisals, militaristic political threats, and the arrival of US military personnel in the Delta. However, it would be tempting to believe that the colonial pioneers who corrupted people with novelties, or what some more knowing natives called 'gee-gaws', have come home to ply their trade having at last succeeded in implanting their economic system everywhere else. There is evidence to suggest that the kind of tricks of hi-finance and public debt, easily played out with 'Third World' governments, have been updated and are perpetrated in the consumerist homelands of advanced capitalism.

Plundering the public sector is a costly business and in David Craig's investigation published last year the consultancy fees alone amount to some £70 billion.[5] In his 2006 article 'The Cynical State', Colin Leys, an experienced researcher of development policies internationally, observed that, "the policy regime of even a major post-industrial state like the UK is no longer as radically different from that of a 'banana republic' as most people in Britain imagine. The installation of management consultants in key government policy-making posts is not entirely unlike the installation of officers from the World Bank in the ministries of an African state. Structural adjustment is in progress in both." With each headline story about a 'cash crisis', brought about by one over-paid managerial regime and to be resolved by yet another, it looks as though we are caught in the phase of neoliberalism known as 'creative destruction'. Daniel Buck's article in this issue follows the process to its conclusions.

Of course the radical left do not have a monopoly in the penetrating criticism of these matters. Still, it may surprise some readers that Ron Paul, a Texas Republican, has been one of the most outspoken critics of the relationship between oil and the economic scams which underpin American imperialism. Ron Paul attacks the petrodollar system, whereby oil is traded in dollars, because it has allowed the Federal Reserve to make the dollar worthless in real terms. According to Paul, this leaves ordinary Americans soldiering on with entirely false optimism. However, the existence of mavericks, like Congressman Paul, hardly alters our perception of politicians, from Thatcher to Blair to Bush onwards all merging into something like a single power bloc – something which is signalled, at least, by the mass abstention from elections.

The touching friendship between Margaret Thatcher and the murderous Chilean dictator Augusto Pinochet is perfectly in keeping with the neoliberal development of our affairs being carried on by New Labour. The investigative economist R.T. Naylor describes the history of such statesman-like alliances being forged in a twilight world where mobsters and bankers rubbed shoulders with liberal politicians. After the fall of the Batista regime in Cuba, liberal governance was thought to offer safer repositories for 'hot money' flown out of countries to dodge accounting and taxation. However, what emerged was "the perfect loan back scam", spelt out here by Naylor:

"First capital flight wrecked the debtor-country finances, forcing emergency borrowing from the banks in which the flight capital was deposited. Then, to service the resulting debt, debtor countries were forced to impose severe austerity measures and massive currency devaluations. Then the banks through which the flight capital had passed forced the debtor governments to shed public assets at fire-sale prices. Then the flight capital, whose value had been increased many times in terms of the local purchasing



Goose Creek, Texas, USA. *Image courtesy of the Houston Public Library photo archive*

power by depreciation of the local currency, could go home again, laundered through an international mutual fund, to repurchase the public assets on the auction bloc."

When the World Bank implemented an international mutual fund in 1985, it was a scheme planned by Henry Kissinger and supported by President Reagan. As long as it has been traded in dollars, oil has never been far from this plotline with the 'petrodollar' settlement protecting the United States from its own methods of economic warfare. Following the invasion in 2003 Iraq was flooded with $12 billion from the US Federal Reserve. The highly dubious operation was recently defended before a US congressional committee on the grounds that the money represented Iraqi funds. However, the crisis-ridden dollar bill is anything but a neutral method of payment and indeed the phenomenal increases of public and private debt in the US depend on spreading dollars elsewhere. Traditionally, 15% of US treasury paper was held abroad, today it is 40%. However, as one financial consultant puts it, "the truth is that US fiscal and monetary excesses, which have been essential in keeping the global economy afloat in recent years are no longer tolerated in foreign exchange markets. The status quo is not an option. The only question is how the pain of adjustment is to be apportioned." [6]

In the US the pain is being redistributed to the poor and to the bewildered middle classes. Elsewhere, on top of economic meltdown and invasion, the threat of individually targeted repression still remains an indispensable part of financial globalisation. Why else have so many men like Pinochet escaped justice? Nevertheless, the more gradual reversal of democratic progress has been the ordinary backdrop that cloaks the rule of the money men. In his book 'A Brief History of Neoliberalism,' David Harvey notes that in the country that leads wars for democracy, legislation is actually determined by senators from 26 states with less than 20% of the population. Moreover, with elections orientated towards packaging a persona for public consumption, it is now argued that it would be pointless to try and separate the roles of 'commander-in-chief' and 'celebrity-in-chief.' In putting his thoughts into words, George W. Bush showed real audacity in this respect, but it was still underpinned in his 2004 re-election campaign by a 'war chest' of $140 million.

Bold facts like these support numerous arguments that point to the superficial democracy and the sort of gerrymandering that may be brought to light in many countries. But the same arguments only make real sense when seen alongside the financial institutions like the US Federal Reserve, the World Bank and the IMF, which are all beyond democratic control. Rather than a sign of mere resignation, the declining numbers of votes cast in national elections may be the foremost collective expression of where power really lies in the world. Although ethnic and nationalist politics command more attention under these circumstances, they obviously don't hold the answers and, in the UK at least, have failed to call out greater numbers of voters to the polls.

As Phil England points out in this issue, when it comes to petrolic economies the question that arises, especially for the middle classes, is not about the desirability of change but about where the political will can be found for it. Green political discussions have tended to ignore, or at least simplify, the history of social change and how it comes about. The most bitter question that could be found from the political history of mass-industrialisation is: why save the planet if it to prolong the unjust order of things that brought us to this juncture?

Because of these questions, we have paid special attention in this issue to the problems of trade unions in the era of neoliberal globalisation. If the world was divided into hemispheres and the 'Third World' was once the backyard of capitalism, things have changed. As workers are forced into competition with their staggeringly low paid counterparts and regions are held to ransom either by threats of disinvestment or by reckless promises of accelerated development, the critical question of who democracy is really for has become as obvious to a landless peasant in South America as it is to an oil industry worker in the North Sea.

In this special issue of Variant we travel between the southern tip of Argentina and the Western coast of Norway, and through the Middle East. So-called modernizing politicians like Gordon Brown have nothing in common with Latin American radicalism but they may well admire the corporatist aspects of Scandinavian social democracy. Yet throughout the 1920s and '30s, Norway, Sweden and Denmark were respectively the three most militant countries in the world. How far the Norwegian model for the oil industry, and the broader achievements there of social democracy, are connected to Scandinavia's history of militancy is a question few modernizing social democrats will consider as they uphold anti-union laws and head further towards limousine liberalism.

It turns out that the global market has numerous hidden hands which are anything but benign. As Adam Smith warned, business interests seldom come together without it ending "in a conspiracy against the public, or in some contrivance to raise prices." For an international political economist like the late Susan Strange, too many Marxists neglected the scale and impact of such profoundly unaccountable powers over the destiny of nations and possibly entire continents. Perhaps this was a consequence of a rather romantic devotion to the clarity of revolutionary moments, but as long as workers and ordinary citizens are held over a barrel by the supremacy of global finance, movements to democratize democracy, as began to occur in Venezuela, will be treated as nothing short of insurrectionary.

Notes

For an online version of this edition of Variant, and for updated content go to: www.overabarrel.info

A dedicated physical display is also available - email variantmag@btinternet.com or Owen Logan his215@abdn.ac.uk

1 Timothy Halford was interviewed for the "Oil Lives" oral history project based at Aberdeen University. This issue of *Variant* draws upon the interviews that were done with several people as part of that project.

2 This kind of evasion is only too evident ion the current bill on culture being put before the Scottish Parliament.

3 Quoted in Phil England's article in this issue.

4 'Why women are at war with Chevron: Nigerian Subsistence Struggles Against the International Oil Industry' by Terisa E. Turner & Leigh S. Brownhill, in *Journal of Asian and African Studies*, Volume 39, Sage (2004).

5 *Plundering the Public Sector* by David Craig with Richard Brooks, Constable (2006)

6 Quoted in *Post Washington, Why America can't rule the world*, by Tony Kinsella and Fintan O'Toole, published by Tasc at New Island (2005).

Cold Death by Neoliberalism
The Political Economy of Fuel Poverty

John Foster

Scotland has some of the worst statistics in Europe for winter deaths among older people. Most of these deaths do not happen dramatically. Hypothermia cases are rare. But many result indirectly. Strokes occur when the body compensates for lowered temperatures by concentrating the blood in the main organs – which are less able to cope when people are old. Bronchial illnesses are also much more prevalent. In the UK, "last winter, more than 25,000 older people died as a result of cold-related illnesses."[1]

Why should this be when Scotland has milder winters than the rest of the Europe? There are two immediate reasons.

The first is the poor standard of housing. The second is fuel poverty. The 2002 Scottish House Condition Survey found that 76 per cent of houses in Glasgow failed to meet housing quality standards. In ex-council stock the figure was 86 per cent. On top of this people are increasingly unable to afford to heat these houses.

Already in 2002, when gas and electricity prices were at a historic low, the Scottish Executive Fuel Poverty Statement found that 55 per cent of all older people were in fuel poverty – that is, having to spend more than 10 per cent of all income, including housing benefit and their winter fuel allowance, to heat their homes adequately. Excluding pensioners, 55 per cent of other households on benefits were also in fuel poverty.[2]

Since then fuel prices have increased by 77 per cent and the number of households in fuel poverty has risen from 282,000 in 2002 to 646,000 at the end of 2006. One third of all Scottish homes is now affected.

To adequately heat their houses, single pensioners dependent on pension credit have to spend 16 per cent of their income – in reality much more as their housing benefit goes direct to their landlord. Additionally, housing benefit is effectively capped with any shortfall having to be met by the individual. A single pregnant woman dependent on income support would have to spend 42 per cent of their disposable income.[3]

This is because energy is more expensive in the UK. Electricity users pay 75 per cent more than consumers in Finland or Spain, 55 per cent more than in Sweden and Austria, 46 per cent more than in France and 24 per cent more than in Germany.[4]

So, again, we have to ask why this should be – when the North Sea provides over 90 per cent of the UK's gas consumption and gas is a main source of its electricity generation?

It is this question which is the focus of this article. Our answer has a number of different layers but all ultimately come to the same thing: The UK's energy prices are far more exposed to market forces than those elsewhere in Europe and these market forces, especially in their current guise, are geared to profit maximisation over very short periods.

There are three main causes. The first is the privatisation of energy sources and their distribution. The second is the liberalisation of the energy market. The third is the deregulation of financial markets. All these have been carried much further in Britain than elsewhere and it is their interaction that has produced the current crisis.

Privatisation of energy sources and their distribution

The UK's energy sources were privatised between 1984 and 1990. These included coal, hydroelectric generation and the very considerable public assets in North Sea oil and gas. BP, 51 per cent state-owed, was the biggest producer. Britoil operated as the state-exploration and production firm. British Gas produced the bulk of gas output in the southern North Sea. The British National Oil Corporation created in 1976 had overall powers to purchase 51 per cent of all oil produced in the North Sea and, from 1982, would have had powers to impose depletion controls over private oil companies similar to those in Norway. Had these been used, the UK would still have had comparable reserves of oil and gas. All were privatised.

> ...while pensioners faced a 30% increase in energy costs, the North Sea operations of UK companies yielded a 42.9% return...

As a result, oil was pumped out of the North Sea quite profligately during the battle to break the power of the third world producers in the Organisation of Petroleum Exporting Countries in the 1980s. Much of the gas was just flared off. After that investment fell quickly and from the 1990s the big US and UK companies used their income from the North Sea to invest in the much more productive oil fields now available in the Middle East, Central Asia and elsewhere. Significant amounts of oil and gas remain but current investment levels make it unlikely that it will be fully extracted. Output is due to fall to half its peak level by 2012.[5]

However, the big oil companies continue to benefit. Global pressures on oil and gas supplies have made North Sea production almost uniquely profitable compared with other industrial sectors in the UK. This is shown in the figures released by the Office of National Statistics in January 2007. In 2006, while pensioners faced a 30 per cent increase in energy costs, the North Sea operations of UK companies yielded a 42.9 per cent return on capital.

Turning to the power industry, privatisation took place somewhat later, between 1988 and 1990. Here privatisation involved breaking up integrated gas and electricity systems into regional companies and separating the national grid from distribution.

Electricity privatisation was later described by a Department of Trade and Industry investigation as grossly favourable to the new private owners. The main academic study describes the profits of the new private companies as "massive" and far above the average for stock exchange quoted companies through the 1990s.[6] The new companies achieved this by selling off property assets, liquidating reserves and cutting the industry's overall workforce from 142,000 to 72,000.

It was the loss of these workers that did the most damage. If they had been simply surplus to requirements, then long-run efficiencies would have resulted. But this was not the case. They were the employees who possessed the knowledge and skills essential for maintaining the infrastructure – and also included a large slab of the research staff.

The 2004 Commons Select Committee on Trade and Industry concluded that there was now a "real danger" that the electricity infrastructure was deteriorating to a level where, as in the privatised railways, "it would take several years to repair". Professor Robin Maclaren, Chair of the Electricity Association Networks Board, told the committee that it had been company policy to "sweat" the gold-plated assets inherited from the publicly owned industry and to undertake only minimal maintenance. The Select Committee entertained serious doubts as to whether sufficient levels of skilled personnel remained within the industry to undertake the work now required.[7]

Levels of research and development also plummeted far below other comparable countries. In 2002 the UK was spending $68m on energy research and development against $70m by Norway, $89m by Finland, $336 by Germany, $523m by France, and $4,524m by Japan.[8]

The long-term result for the UK's gas and electricity industries has been under-developed and damaged infrastructures, high levels of energy loss, weak placement in renewable technologies and by 2006 inadequate generating capacity in electricity and inadequate storage capacity for gas.

Privatisation has, however, been very profitable for the investors, and remains so, and this brings us to the second strand of explanation: the impact of energy deregulation.

Liberalisation of the energy market

The neoliberal justification for privatisation is that it maximises consumer choice, ends state monopoly control and frees market forces to drive down prices through competition.

The problem in public utilities like energy supply is that such a market does not exist naturally and the government has to create it artificially and expensively. In the UK, this meant separating the ownership of the grid from generation and distribution and regulating both prices and investment. The regulator, Ofgem, assesses proposals for investment and then agrees to a proportionate price rise – calculating the return on capital very lucratively on the same basis as private finance initiatives.[9]

This, however, still leaves a quasi-monopolistic relationship with the consumer and this is compounded by another factor neo-liberal ideologists tend to forget, the tendency to monopoly in the private sector.

Throughout the last decade utility companies have returned a consistently higher operating surplus than the services industry generally and far more than manufacturing industry. This has had two consequences. The companies themselves have expanded very quickly into other areas and have themselves become targets for take-over. Their high and relatively risk free revenue stream is very attractive to big investors.

Scottish Power provides a typical example. Its asset base at privatisation was the generation and distribution network servicing central Scotland. Within a decade its profits had enabled it buy into power franchises across England, Ireland, Asia and particularly in the United States. By 2004, within a decade and a half of privatisation, over two thirds of its capital and employees were outside Scotland. Some of its more speculative investments in the US failed and its big investors started looking for a buyer that would maximise the value of their holdings. In November 2006, Scottish Power was sold to Iberdrolla, the Spanish energy and real estate conglomerate.[10]

Scottish Power's story demonstrates the degree

to which the income which should have been re-invested in Scotland's energy infrastructure and in developing new forms of carbon free energy went elsewhere. Today the eighteen energy companies created at privatisation have been reduced to six. Only two, Scottish & Southern Energy and Centrica (British Gas), remain as British companies.

So the net result of privatisation has been to create semi-monopolistic companies which are unaccountable to government while operating, to their own considerable benefit, within a government imposed framework which guarantees income but which also fragments energy supply, control of the grid and generation.

Deregulation of financial markets

The third strand of explanation concerns the impact of financial deregulation on how these companies operate and the way energy is traded.

In the decade after1979 the UK lifted all controls over the movement of capital and today the City of London is the world centre for trading in shares, currencies and commodities. Much of the capital comes from elsewhere, mostly the United States, and the operation of the City of London as a world financial trading centre has had a profound effect on the UK economy.

The ownership and control of British companies has always been somewhat exceptional. Elsewhere in Europe, as in Germany and France, the typical pattern is for one or two shareholders to control dominant blocks of shares in major companies, to hold these long term and to oversee long-term investment programmes. Often these shareholders are state governments and sometimes banks, often in turn part owned by the state or local government. Long-term, interlocking shareholdings, generally with a degree of regional accountability, tended also to lead to synergies with other regionally based companies.

The high productivity and success of French and German energy companies, like the state-owned Electricite de France or E.on and RWE of Germany, rest on these foundations.[11]

By contrast shares in British companies have always been far more actively traded on the stock exchange. Financial deregulation intensified this. Over a third of shares are now owned from overseas – most by US financiers and investment companies. Typically these investors will review their portfolios monthly. At any one time a company will have five or six big investors looking to the maximisation of investor value over the next twelve months.

Before it was sold Scottish Power went through two chief executives in as many years. They had no specialist knowledge of energy. Their training was as accountants and they had to respond to a handful of often very belligerent big investors wanting quick results.

However, in terms of the recent spikes in energy prices, it is another aspect of financial deregulation that has probably done most damage. The same financial institutions that speculate short-term in shares also do so in commodities. Increasingly they do so by betting on both future prices and derivatives that insure against risk. Recent studies indicate that the fourfold spikes in energy prices in 2001 and again in 2006 were significantly worsened by a flood of speculative money into the market.[12]

Elsewhere in Europe energy suppliers were far less vulnerable. France and Germany had integrated power companies with their own generating capacity. Usually these also have long term contracts for energy feed stocks. In Germany a big proportion is produced directly from renewables. The fragmented structure of the British industry left it much more vulnerable to market fluctuations. The separation of the grid from generation, and generation from retailing, amplifies market exposure and in part accounts for the scale of the price increases to consumers.

California experienced some of the more extreme consequences of a similarly liberalised energy structure in 2001. As in the UK, liberalisation was meant to guarantee maximum efficiency through full competition. But it was not proof against private monopoly power. One of the biggest generating companies, Enron, bought up many of the others. It then decided to take a big slab of its generating capacity out of commission for maintenance and bet heavily on electricity futures. Unfortunately for Enron, as the price of electricity shot up and parts of California suffered blackouts, the state governor imposed a price freeze and the company's debt overload took it into bankruptcy.

As far as Scotland is concerned, therefore, the fuel crisis seems to have three origins. Privatisation of oil and gas wasted the long-term potential of North Sea reserves and did considerable damage to the efficiency of energy production and distribution. Energy liberalisation intensified tendencies to monopoly and made the industry more vulnerable to energy price fluctuations. Finally, financial deregulation put the UK at the centre of speculative activity by capital on a global scale.

This seems to be the reason why, despite the UK's unique possession of its own large gas and oil reserves, energy prices are today so much higher than elsewhere in Europe.

Are things likely to get better?

Current projections do not look good. Retail fuel costs in Scotland are likely to come down somewhat from their current highs over the next few months and liquid gas imports from the Middle East may ease shortages by the end of 2007. But over the medium run, world energy reserves will come under extreme pressure. The current world output of 85 million barrels of oil a day is unlikely to increase much above 90 million (some commentators say it has already peaked). Yet the US government expects its domestic consumption to rise from 20m to 26m barrels over the next decade. The combined demand from India and China has doubled from 4m to 9m over the past five years and is likely to continue to increase at the same rate.

In these circumstances price spikes of the kind experienced in 2006 are bound to recur. The UK will be particularly vulnerable. By 2020 the government estimates that there will be a 75 per cent dependency on imported supplies of energy of which the biggest part will be gas.

Nor does it seem likely that the control of energy will become any less monopolistic. The British government is pushing strongly for the full implementation of the EU directive on energy that would dismantle state owned companies across the continent and again split control of the grid from generation and distribution. This is likely to intensify the growth of pan-European monopolies.

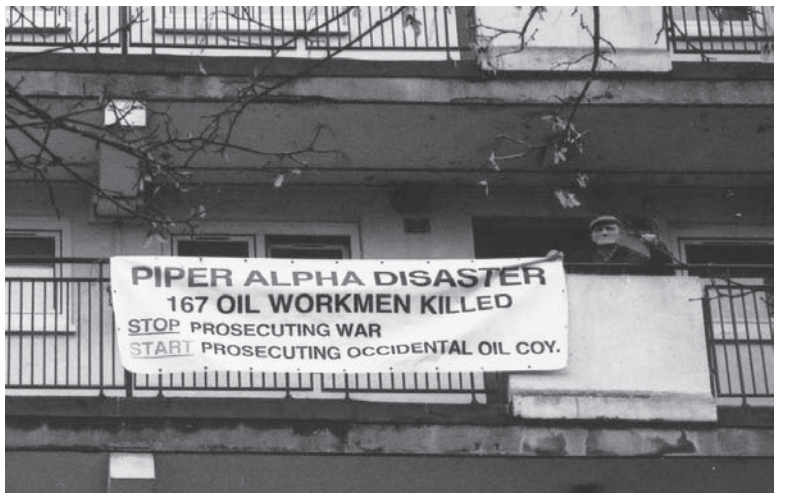
The government's main response to the crisis is to push for more nuclear power stations to replace those that will be phased out in the 2020s. But again the controlling companies have been privatised – the research and development arm as recently as two years ago – and a heavy price will have to be paid by consumers to subsidise what is a very expensive form of energy and to meet the costs of nuclear decommissioning.

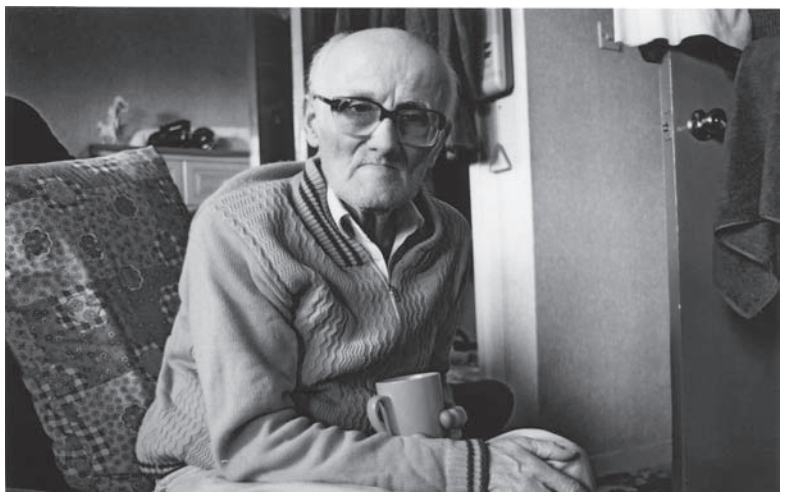
As far as Scotland is concerned, the Scottish Executive's June 2006 Response to the UK Energy Review stresses its commitment to renewables. It expresses the hope that the British government will increase the financial incentives for companies to expand their renewable portfolios from wind power to marine power, biomass and clean coal technologies. It also details its steps to combat fuel poverty by insulation programmes and the installation of central heating – so far extending to about 10 per cent of homes.[13]

But it does not state the obvious. Privatisation in energy has failed about as disastrously as it has in transport – and with probably far more lethal consequences for the future. If policy continues to rely on very large private companies with increasingly remote ownership, the problems can only get worse.

Tackling fuel poverty is best done locally. It requires community energy provision: combined heat and power plants, heat pumps (only really efficient on a combined locality basis) and micro-generation systems. To tackle the overall problem of ensuring cheap sustainable energy for the next generation, there needs to be massive planned investment immediately in research and development that can maximise the efficient and clean use of Scotland's remaining fossil fuels and harness its renewable energy.[14]

Neoliberal economics cannot do this – although it will certainly continue to deliver very high profits and more cold deaths for pensioners.





The late Gavin Cleeland, a campaigner and father of one of the victims of the Piper Alpha disaster.

Notes

1 http://www.helptheaged.org.uk

2 Scottish Executive Fuel Poverty Statement, 2002: paragraphs 3.3, 5.6, 5.9: some of the flaws in the government's approach to fuel poverty are outlined in Brenda Boardman, 'New Directions for Household Energy Efficiency', *Energy Policy*, vol. 32/17, November 2004

3 Energy Watch press release, 6 December 2006

4 Energy Advice, November 2006

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Living on oil under democracy
From Texas to Patagonia and home

Owen Logan

Oil is "fluid and fugitive" says one geologist. The description could be applied to an almost endless network of industrial adaptations, influences and affiliations which link oil – in our minds at least – to power more than energy. To understand something about this demands journeys. Stepping away from greasy ladders I felt I knew a bit too well, I went to meet people who could add something real to the characterisations which haunt the North Sea industry – especially its UK sector, where the industry's human resources have been described as "the same 50,000 arseholes who drift around the world", and where the UK media discusses the oil business as seriously as the soap opera *Dallas* being turned into a movie. On my journey I fell in with a Marxist-run bank, spoke to trade unionists who want to recruit the unemployed, met oil workers who risked covert execution for defending the environment, and encountered others whose otherworldliness to us reflects the way successive UK governments have made us partners in the rise of an American empire which now sickens the citizens of its homeland.

Rosemary Ryan, Houston, Texas.

Houston, USA

As a business and banking representative, Rosemary Ryan has spent a lot of time in places like the Hyatt Regency Hotel in Houston. It was an appropriate place to meet to talk about her life story interview recorded for the Oil Lives oral history project. Early on in her career she represented a special 'Petroleum Industry Yellow Pages' publication and this helped her to begin building an impressive range of international contacts. As a woman, however, she was an unusual presence in oil business circles and she dealt with this shrewdly. When entertaining clients, waiters knew her requests for a gin and tonic really meant only sparkling water with ice and lemon. The thought that Rosemary was drinking put the clients at ease, but as she says, "I had to be on my toes and they had to be comfortable and relaxed". Similarly, her restaurant bills were put aside so she could pay them in private, so sparing men an awkward moment when they would have felt obliged to reach for their wallets.

Rosemary was born in 1927 into a cosmopolitan Catholic family living in Mexico and her outlook has been influenced by life in both Latin America and the United States. Her mother's background was French and Spanish and her Swiss father, who had come to Mexico as a mining engineer, spoke seven languages. In 1930 the *Federales* came to their house where her mother was, against the law, celebrating Mass. The whole family was lined up to be shot. Her father saved them by arguing that far from adhering to the Mexican state's regulation of church activities, the unlawful summary execution of foreign nationals would turn out to be an international incident. By the time she was six her father had been murdered; the culprits were never caught and the family suspected he was killed in an act of revenge by the same *Federales* or their agents.

Twenty years after marriage, Rosemary went to work to help support her seven growing children. She remarks humorously that the family she produced attests to the unreliability of the rhythm method but she says that Catholicism has been in her family, and her husband's family, ever since they were "swinging from the trees by their tails". The way she puts this gives a clue to her political beliefs at a time when Darwin's evolutionary theory is countered in the United States by Christian fundamentalism in the education system. Government welfare is also being attached to 'faith based' projects which blur the difference between charity and what were once thought to be the duties of the state. However, Rosemary believes that there should be a firm separation between the functions of the state and religion, and she opposes the new conservatism in which a welfare state is regarded as an obstacle between the individual and God.

Rosemary feels it's "totally wrong" that the burden of taxation has been shifted away from big business and the rich and put on ordinary people. Her own business makes much less sense under this "irksome" system and she continues mainly out of loyalty to an old client. One of the reasons Rosemary never drank on business is that she was worried her lisp would become more pronounced and might annoy people. Today, although she is only drinking milk with her lunch, she is not shy at all and quickly points to foolishness at the heart of government and arrogant policies long associated with the Texas elite. In 1954 Republican president Dwight Eisenhower, wrote to his brother:

"Should any political party attempt to abolish social security, unemployment insurance, and eliminate labour laws and farm programs, you would not hear of that party again in our political history. There is a tiny splinter group, of course, that believes you can do these things. Among them are H.L. Hunt (you possibly know his background), a few other Texas oil millionaires, and an occasional politician or businessman from other areas. Their number is small and they are stupid".

In his famous 1961 farewell address, Eisenhower warned of the danger posed to US democracy by an oligarchy he eventually chose to call the 'military industrial complex'. By the 1970s, in a country bearing the costs of the Vietnam war, and feeling the impact of greater competition in the international market, the kind of people Eisenhower thought stupid were becoming more influential. Many people would say that the Texas based Bush family most faithfully represents the aims of this elite today. For decades their preferred solutions to the problems of the US have been ever greater technology in warfare and more sophisticated financial mechanisms allowing for the seemingly endless extension of federal debt while at the same time protecting the dollar as the world reserve currency.

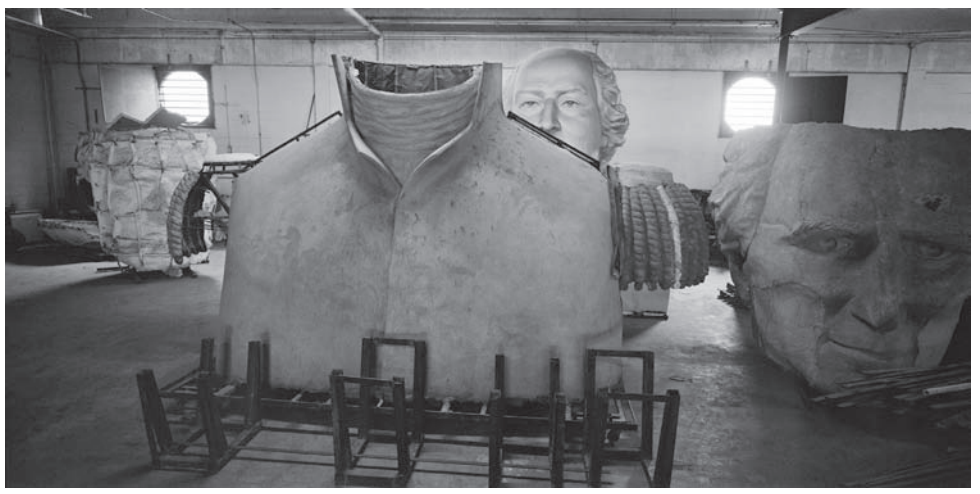
Rosemary went into the oil business in 1971, the same year Richard Nixon's government abandoned the country's commitment to backing the value of the dollar with a reserve of gold. Following Nixon's default there were a series of momentous capital outflows from the US but by 1975 they had been brought to an end by an agreement with OPEC ensuring oil would be traded only in dollars. To one of its critics, the 'petrodollar' settlement, which compels all countries to hold dollar assets, means that the US prints dollars and the rest of the world makes the things dollars can buy. Ironically, the increasingly taught lifeline for the dollar bill is now an economic game of double jeopardy between China and the United States. If such manoeuvring sounds like a bit of a swindle, Herman Kahn, the cold war warrior on whom the film character of *Dr Strangelove* was modelled, couldn't conceal his delight. The system of 'dollar recycling' had originally emerged from the arms industry and according to Kahn it was "the greatest rip off in history – we've run rings round the British Empire!"

The labour movement was weakened by the sort of paternalistic corporatism that Eisenhower thought was unquestionable and McCarthyism did a great deal to bring trade unions to their knees organisationally and ideologically. In the absence of a mass base for socialist politics, it's not surprising that the most audible criticism of the flaws in corporatism – the weaknesses that allowed it to subside under the weight of imperial ambition – come from a Texas Republican. In his February 2006 speech to congress entitled 'The End of Dollar Hegemony', Congressman Ron Paul said "unlike the old days, we don't declare direct ownership of natural resources – we just insist that we can pay for them with our paper money. Any country that challenges our authority does so at great risk". Paul argued that the war on Iraq and an aggressive stance against Iran and Venezuela, three countries which have tried to undermine the petrodollar system, will not prevent its collapse as more people understand that support of US imperialism is not in their interests.

Although not a proponent of Ron Paul, Rosemary also thinks her country is living on borrowed time. After her father's death her family went through hard times yet in many ways her life epitomizes the American Dream of hard work rewarded by upward mobility. But the US has not lived up to the promises of its 'manifest destiny' and in comparison with others it is now at the low end of the scale in terms of countries providing opportunities for all. Hurricane Katrina revealed a desperately fragmented society and the unwillingness of the state to protect its citizens.

Rosemary lost a house in Tropical Storm Alison and is prepared for more turmoil. She is among the 85% of US citizens who according to polls conducted by Duke University support environmental policies. Yet the essentials of global warming, the cause of increasingly destructive weather patterns, are still refuted by a cohort of market extremists in the United States. To a range of people, including former President Jimmy Carter, they are imposing a 'fundamentalist ideology' on the world. It was NASA scientist who led one of the most important international investigations warning that climate change would spin out of control unless strong corrective action is taken. This would entail the sort of state-led intervention not seen since the days of the New Deal but very few politicians, anywhere, will discuss the sort of emergency measures that are required. At an economic level these would surely involve regulating speculative markets as was done during two world wars. Instead with oil reserves in decline, disasters and wars only increase the frenzied profits of speculation.

It is estimated that one New York speculator made $15 million dollars from Hurricane Katrina. The United States has been called a vending machine democracy, shaped by the people with money to feed into the system and this may help to explain why a minority of Americans vote. Rosemary hopes that more ordinary people will vote but the sovereignty of the people in a democracy depends on more than their votes. It requires an egalitarian ethos in knowledge and communication (known to the ancient



Segundino Mamaní, Las Heras, Patagonia.

US Presidents, sculptor's workshop, Houston, Texas.

Athenians as *Isegoria*) and a popular empowerment specifically resisted by the Federalists who rose to power in the wake of the American Revolution. Alexander Hamilton, who desired centralized power and the minimum participation on the part of ordinary citizens, won a battle of ideas which Thomas Jefferson, who wanted a republic built from the bottom up, clearly lost. Now delirious under the influence of a strikingly enriched political class, the representative system in the US is in a state of denial about the legacy of that defeat. However, that same defeat seems to have had much less bearing on Native Americans (only hastening their total persecution) and in this sense George Bush senior was quite right when he dismissed the Kyoto Treaty by saying that "the American way of life is not negotiable".

Caracas, Venezuela

For "special meritorious conduct in the fulfilment of his high functions and anti-communistic attitudes", Dwight Eisenhower awarded Venezuela's dictator Pérez Jiménez the United States Legion of Merit in 1954. In 1957 Jiménez held a plebiscite to garner support for his rule at home. Rosemary Ryan was living in Caracas at the time and she remembers this because the vote was also extended to foreign residents. Translated from Spanish, her ballot paper read: "Yes, I do want to vote for Pérez Jiménez, or No, I will not vote against Pérez Jiménez". If this seems laughable, the choices on offer in the world today won't be seen any less absurd or outrageous in the future. With all the key decisions and most honestly educated discussion removed from the arena of citizenship, future generations have a high price to pay for our own round in the manufacturing of consent.

Much has been said about 'oil rich' Venezuela, its populist President Hugo Chávez Frías and the anti-imperialist insurrection in his country. Less is written about the hollow democracy that preceded Chávez's election in 1998 as an 'anti-party' president at the forefront of a movement not dominated by any single party or organisation. Venezuela's first 'anti-party' president, Rafael Caldera, a Christian Democrat who betrayed some radicalised election promises in 1993, no doubt helped turn decades of public disaffection with a corrupt and meaningless party system into the broad network of support for Chávez that still includes some of the president's most serious critics. Nevertheless, if there is a single idea that connects the disparate groupings that have lent popular meaning to the Chávez presidency it is that of democratizing democracy. Whether this will be sustained in practice following Chávez's 2006 re-election and his new call for a united party of the Bolivarian revolution is an open question, but the underlying shift towards democratisation began more than two decades ago. A two-party system of patronage politics had done little else but pave the way to economic collapse in 1983 and by 1989 had turned towards the enforcement of structural adjustment policies that typically reward those responsible for truly historic levels of mismanagement and further punish their victims.

In contrast, it is worth remembering that Norway was not the rich country it is today when the oil industry developed in the North Sea. With a nationalised industry its governments did not go on a spending spree but implemented depletion policies and saved revenue in a trust fund helping to protect the Norwegian economy from distortion. Regimes in countries like Venezuela did the opposite by enriching the middle classes who were prepared to cling to oligarchic power and anything that might have passed for economic planning was delivered by imperial hands or, in the terminology of one confession, by 'economic hitmen', while their willing local collaborators doggedly followed the rationale of 'trickle down'. Typically again, nothing of real worth did trickle down. When Chávez took office 45% of households were still living without potable water and 27% were without sewage services. His government has responded with traditional social democratic interventions (consistent with the reformist character of Venezuela's historic figurehead, Simón Bolívar) but in the face of the 'roll-back' of the state's social role going on everywhere, many people will argue that such interventionist policies now have a revolutionary significance. Nevertheless, it is perhaps an unhappy testament to the way state institutions are drowned in the upside down logic of capitalism that the most successful public interventions in areas like literacy and health in Venezuela have bypassed existing state structures, being organised instead as social 'missions'.

Banmujer

Possibly the only consensus to be found across the borders of different oil economies is that ordinary people in different places with varying histories seem to expect oil income to support an equitable and sustainable form of development. This common expectation has been misplaced in all but a very few cases. It's not so much that oil and democracy don't mix, but more that the oil economy reveals the exceedingly dubious nature of modern democracy.

Nora Castañeda is the president of the woman's development bank, *Banmujer*. By 1957, when Rosemary was pregnant with her fourth child and was looking askance at her Yes Yes Jiménez ballot paper, Nora – fifteen at the time – was becoming politicised in a secondary school with a reputation for activism. At university, on her way to being an economist, she was active in student and staff politics and today Nora describes herself as a Marxist-feminist. Of course it's difficult to imagine those two words coming together to describe the director of any other bank, and Nora has the capacity to confuse and surprise many of her adversaries. Asked by a representative of the World Bank what was the point of a woman's bank, she replied simply that "men have controlled all the other banks in the world". Indeed the bank's goals are not confined to women, the tens of thousands of micro-credits it lends to co-operatives, and its strategy to encourage interchanges between co-operatives to build a 'solidarity economy', means that its policies are small scale and structurally ambitious at the same time.

The people at *Banmujer* will argue persuasively that if Venezuela is to escape its historic dependency on oil, in a way that doesn't punish the people who were the victims of past economic squandering, then diversification should begin at the bottom and respond to ordinary people's initiatives. The bank's policy is geared towards building an economy based on co-operation rather than competition. Bearing in mind that, as a system of power, capitalism has a deep aversion to real competition, the bank's ideal might be a good definition of socialism. Nora would argue that women have long been forced to rely on co-operative strategies because of patriarchal irresponsibility. As the daughter of a liberal landowner who neglected his family but is revered for his public spirit, this kind of irresponsibility is very much part of Nora's story, and she points to her mother-in-law as an exemplary figure who she says was as "a struggler" and "a woman of the people". Perhaps an unexpected consequence of women's extra burden in this respect can be witnessed in the way that the bank gives loans on the strength of a "woman's word", and, contrary to the expectations of unsympathetic journalists, have always repaid their debts. More concretely though, loans are recovered because the bank also promotes repayment with the direct supply of goods to public sector bodies like schools, universities or health projects, and it's through the expansion of these and other non-monetary interchanges that a solidarity economy is conceived.

If solidarity emerges from social conflict, in the case of an economic strategy it will come from the competition to define the political arena and the character of a democracy. On a journey into the mountains West of Caracas, with Yadira Pérez and Aida Pompa, two of *Banmujer's* local staff, Carlos Izquiel, a local government official, remarks that it was once rare to find peasants who were socialists – now it is rare to meet one who is not. However there are no large co-operatives in the area and where they have been formed peasants have complained about the poor implementation of land reform.

Dorain Cadiz and her family live and work at a high altitude on a small-holding at Sanguijuela overlooking the hills that descend down to Venezuela's coast. As a member of a co-operative, Dorain got credit from *Banmujer* to develop crops and livestock. In her own way she began with the purchase of a single cow and she explains that the five members of the co-operative separated amicably after one year to form individual enterprises. This is not unusual and many small businesses are founded as co-operatives on paper only. Yet the combination of agricultural development loans, mass literacy, health and welfare programs, and the greater fiscal responsibility now given to citizens' assemblies, have all contributed to an obvious change in political consciousness. Although the redistribution of wealth may underpin this ideological shift, it is the redistribution of power that everyone on this journey thinks is the most important task now.

Although they are well attended here and women speak confidently in them, citizens' assemblies have not always been successful as independent political arenas. Whether they can exercise a real counterbalance to the electoral and representative politics of the state is a question that preoccupies a range of people in Venezuela. They hope that the talk of a "revolutionary process" is not providing a new gloss for corrupt politicians and bureaucrats who, having exhausted all other possibilities, began to drape themselves in red.

UNT

Oil has fuelled corruption across the American empire's 'client states', and Venezuela is no different. Without a purge of parasitical elements, different interests continue to operate behind the scenes of a popular movement for a more meaningful democracy. While the subversive intent of US foreign policy in Venezuela and its financing of vote buying there (through the fantastically misnamed US organization, the

National Endowment for Democracy) is all well documented, less striking is the way petty everyday corruption can undermine citizens' assembles as arenas of direct democracy.

Denyys Torres, an organizer in the National Union of Workers (the UNT confederation), hopes that this will change as workers become more confident and demand more in return for the support they have given to the Chávez presidency. The strength of UNT has come from its organisation through workers' assemblies which Dennys helped pioneer in the fertilizer company he works for. Emerging from the political wreckage of CTV, a notoriously corrupted union confederation whose leaders helped orchestrate

UNT offices, Valencia, Venezuela.

Denyys Torres and Orlando Chirinos, Caracas, Venezuela.

the typically unbeautiful military coup against Chávez in 2002, UNT has to a great extent replaced the old confederation and revealed its democratic vacuum. Many pundits habitually answer the shortcomings of liberal democracy with overarching accounts of a 'vigorous civil society'. However, the way media owners, managers, union bureaucrats and NGOs were instrumental in preparing the ground for what's been called a "civil society coup" to oust Chávez should expose the obvious: the notional civil society of so-called opinion formers only guarantees more political engineering, not more democracy.

The sort of dynamics that led to the coup are also played out against the new union, albeit on a smaller scale. In their Valencia office, under a portrait of a *companero* shot by the police under a previous government, UNT were holding their meetings last year to mobilise against what they described as a criminal frame-up of their activists. A factory owner is said to have employed gangsters in his company to perform his own kidnapping and in connivance with the local judiciary helped prosecute his factory's militants for the faked abduction. Demanding control in their workplace UNT called for the expropriation of the company, but, as in the state oil company, the avenues through which workers' control could develop in pursuit of a solidarity economy are deadlocked. This, and the issue of greater political autonomy from the government, is at the heart of some dramatic arguments within UNT.

Orlando Chirinos, who belongs to one of the Marxist currents in UNT, is a popular national co-ordinator often identified at the centre of the battles in UNT. He wants the confederation to be a clearly autonomous workers' movement able to challenge government and he has called for a new party to be formed at the moment Hugo Chávez seems to desire the consolidation of his own power through a mass party. Orlando can't remember at what point in his life he became politicised, even as small boy he was cycling to deliver pamphlets for his older sister who belonged to a guerrilla unit. Because of this depth of experience a great deal of faith is placed in the abilities of people like Orlando to provide accountable national leadership for UNT whilst preserving an open grass-roots organisation. That sense of trust may not be misplaced, however, UNT can't effectively challenge employers or the state without also building links between people who have been divided by 'Third World' conditions where a vast underclass exists beneath the relative, albeit meagre, privileges of industrial workers. For this reason radicals like Orlando want the new confederation to also represent the unemployed and cut across the boundaries of traditional trade unionism.

Whether leaders like Orlando, and rank and file activists like Dennys can help secure such a radical turn may be the most important question of all. Active solidarity between different workers has never been easily achieved and always hard to sustain over prolonged periods of struggle. With globalisation, capitalists have easily out-flanked workers' capacities with structural disinvestment from nations and the outsourcing of jobs being common threats wielded against organised labour. But in the creation of greater inequalities, globalisation also pushes exploitation and privilege into closer proximity, in turn ushering in new forms of segregation. To look at an emphatic example in Caracas one only needs to walk through the affluent district of Chacao, an opposition stronghold, and see the propaganda of an informal apartheid hinging on the fear of the poor and their forms of crime. Against this historically segregated reality, arguably the most radical feature that runs across the Latin American political landscape is the active desire to re-organise and create new spheres of unity.

Such radical responses may recall the ideas of people like Michael Bakunin in the 19th century, reigniting arguments about a limited scope of labour politics or indeed Leon Trotsky's theory of combined and uneven development with which he envisaged more advanced forms of solidarity emerging at the peripheries of advanced capitalism. In a more visceral recollection, Nora Castañeda points out that during the repression of the Caracazo, the 1989 popular rebellion, it was street criminals (maladoros) not the leftist parties who confronted the army and defended unarmed citizens at the cost of their own lives. Even with such chaotic scenes in mind, the by-product of the search for unity is the renewed attention to the practices of classical democracy. Without them, it is argued, there is little chance of extending the boundaries of solidarity and presenting an even more profound challenge to those who have long since perfected dispossession from above.

It is only too clear that the United States has projected its power abroad using the increasingly empty rhetoric of its representative democracy. The machinery of the state resists any duties to its high-sounding beliefs. The most popular official interactions with Jefferson's declarations on "life, liberty and the pursuit of happiness" are confined to putting people to death, mass incarceration and the pursuit of war. But what happens when people start taking democracy seriously may be the sting in the tail for an empire that enforces its downgraded modern version. Although it is not at all fashionable to remember it, and the political class on both right and left have either ignored or postponed its deeper implications, democracy depends on equality.

Nora Castañeda at Banmujer, Caracas, Venezuela.

General Mosconi, Argentina

General Enrique Mosconi was one of the earliest advocates of a nationalised oil industry outside of the Soviet Union. In 1922 he became the first director of the Argentine enterprise Yacimientos Petrolíferos Fiscales (YPF), one of world's largest public owned enterprises until its eventual privatisation in 1999. The oil town in Salta, in the North of Argentina, built by YPF and named after Mosconi, is also the place that many unemployed workers have looked to for an example of the possibilities of their self-organisation. The upper structure of a disused oil rig lies across a piece of scrubland not far from the town centre. Used as a shelter for a tree nursery, the saplings growing in its shade are part of a reforestation project and undoubtedly its image would be a green-washing coup for an oil company if the scheme didn't belong to UTD (Union de Trabajadores Desocupados), a *Piquetero* (*Picketers*) movement begun by redundant oil workers in 1996.

By collecting signatures across the town in support of their demands and blocking highways, UTD not only won the reinstatement of many of their jobs on full salary but like other *Piquetero* groups they went on to design and develop projects and co-operative enterprises including the construction of social housing projects. Two brothers, Pepino and 'Hippie' Fernandez, are among the most well known activists here, and Hippie is proud of the 'conceptual map' showing UTD's plans for the whole Mosconi area. Within a scheme for oil production and environmental protection the map includes housing, a popular university, schools, hospitals and sports facilities. It would be easy to dismiss what seems to be a rather romantically hand-drawn vision were it not for the fact that UTD are doing quite well in winning concessions to their cause.

At the base of all UTD's activism are the issues of the environment and public health. This goes back to UTD's foundations and the role of the Fernandez brothers in the organisation. It was the arrival of companies like Haliburton during the Vidella dictatorship in the 1970s that alerted Pepino and Hippie to the impact of the regime's drive for greater profits. New chemicals were used to speed up the production process and these seeped into the town's water supply with poisonous effects denied by the industry. When Pepino raised the issue as an employee in YPF he was told that he would be "cleansed" from the company – an ice-cold threat carried out against the many thousands of Argentinians who disappeared without trace over the years of military rule. Known for their persistence and courage in this respect, and a lineage of trade unionism in their family, the brothers were also among the first employees to join with unemployed workers at their roadblocks in 1998. At these blocks, several workers have been killed in confrontations with the full force of the militarised state. And although Pepino and Hippie no longer work in the industry, such gruelling episodes have helped UTD maintain and extend solidarity in Mosconi. The organisation has now returned to disrupting oil production in pursuit of their demands.

The extent to which *Piquetero* groups in Argentina have been successful in prising a wide variety of social projects from the government means that they have been accused of becoming incorporated into the logic of political pay-offs and of becoming a mere arm of the state. As a result some groups divided on questions of their democratic mechanisms and internal accountability. The Fernandez brothers are keenly aware of what Pepino says is "the prostitution of politics through welfarism" and in pointing to the rise of regressive taxes like VAT, he argues that UTD is concerned with "taking back what is ours". This attitude strikes a chord with other *Piquetero* groups who say that their best form of defence against corporatism is to always struggle for greater autonomy and not to cease militancy on different fronts. Of course were UTD a conventional trade union the scale of that ambition might become an obstacle, but in crossing between the unemployed and the employed by building a co-operative base for different workers, UTD is in a sense both legal and illegal. Indeed Pepino concludes a discussion about the questions of democratic organisation saying that you need "chaos and order in the same place".

After decades of suffering under both military and civilian governments, Argentina is a place where people from different backgrounds

are alert to the crucial difference between constitutional government and genuine democracy. If the country's popular rebellion in 2001 was overly celebrated (in part by those who ignore the profoundly undemocratic manoeuvring of international financial institutions) the hundreds of popular assemblies that sprang up, calling for

UTD tree nursery, Mosconi, Argentina.

Pepino and 'Hippie' Fernandez, Mosconi, Argentina

the entire political class to be removed from power, does attest to widespread public scepticism about the rules of the game for everyone not involved in high-finance. In 2002, polls suggested that 63% of the population did not believe in representative democracy. Of course this will include some who don't consider military dictatorship to be a manifestation of economic warfare but an answer to it. And as the return to minority government shows, pursuing democracy demands more than a convention of popular assemblies and requires the radical restructuring of the state through a permanent articulation of workers' and citizens' power. For the time being global financial institutions, the real home base of a cowardly, and therefore increasingly extreme form of economic domination are daily cancelling out the meaningful participation of all but the most confident and articulate citizens of any country.

Patagonia

If UTD in the far north of Argentina conjures a slightly romantic green tinged vision, of saplings grown under a disused oil rig, it's especially important to remember the obstacles to such a self-organised reality. In the south of the country the desolate looking Patagonian town of Las Heras is also monopolised by a near total dependency on oil. Indeed the industry has reduced the town's prospects so much that a local school teacher, Hector-Roul L'Euquen, blames it for an epidemic of teenage suicides. Segundino Mamaní arrived in Las Heras in 1984. Like other migrant workers he had heard about the money that could be made in the Patagonian oil industry but not the conditions or the bitter climate. He was elected as a trade union delegate in 2000. His union has pursued a popular campaign against the double taxation of pay – a consequence of a voucher system that makes up a substantial portion of workers' salaries. As a socialist, Segundino had comradely relationships with radicals in his Santa Cruz based union, Sindicato Petrolero y Gas Privado, but this relationship broke down. Ignoring the fact that they didn't have support from the mass of union members still waiting for a tribunal decision on the taxing of their pay, Segundino saw the minority grouping piecing together an unrealistically hopeful agenda and going on to pursue *Piquetero* tactics in an attempt to widen the terms of the dispute and create a link with the unemployed. A move that succeeded in bringing the dissatisfaction of the unemployed out on to the streets broke out into fatal violence, ushering in state repression, further alienating most union members from a broader politics. However, at a time when Argentina is alert to any shifts in the balance of power, what was in all probability an ill-conceived and poorly timed vanguard action was met by a media circus that sensationally greeted the symptoms of division as if another popular uprising was taking place. In fact the division between employed workers and the unemployed was driven home even more in Las Heras and the leadership of the union continues to be dominated by the mind-numbing corporatist logic articulated most tenaciously in Argentina by Peronism.

The frustrations in Las Heras could illustrate the truism that power structures are dismissed at one's peril, but this is a mounting problem for trade unions everywhere. As a young trade unionist in Chile says, "relationships are changing, people use each other, spend less time with their family. All they talk about is money, things. You have to be a Quixote to be a union leader these days!" Unlike several 'hard' *Piquetero* groups, the system in the vast majority of trade unions relies on the expertise of representatives on holding rather than sharing authority, and of course an emphasis on the micro-politics of the workplace that tends to cast a veil over the rest of life. This may well mean that unions are prone to the dwindling democracy that neoliberal governance enforces more generally.

It was impossible to find the union radicals in Patagonia to put their side of the story. But it's difficult not to conclude that instead of trying to jump-start a rebellion, had they been more concerned with the struggle for meaningful participation in their union and the sort of democracy evident in several 'hard' *Piquetero* groups, they might have found the broader basis for organisation that Segundino says was fabricated in great haste. Among the mass of union members who waited for 'due process' are people whose sons and daughters find the choice between life and death to be an ambiguous one. Facing the barren horizons of Las Heras the unemployed also commit suicide. However, as a preference to living pointlessly, suicide in fact places a very high value on life.

Coming Home

For the moment there are very few established labour movements that have taken the opportunity of the widespread democratic deficit to rethink how their constituency could be extended in the way that the story of UTD in General Mosconi might imply. Indeed it's the strength of that implication that really compelled a sobering visit to Las Heras at the opposite end of Argentina to see how conventional trade union and social movement tactics don't fit together with any ease. Writing about Brazil, Francisco De Oliveira says unions do not yet know how to operate in the restructured and atomised universe created by globalisation. Nevertheless, the political core of this problem for unions and social movements alike is still about the discomforts of representation and how they so easily hinder and corrupt the scope of politics in everyday life. As Oliveira jibes against Brazil's leftish political class, "All that is solid melts into jobs for the boys". Internally UTD may not be among the most rigorously democratic of *Piquetero* organisations, but their ambitious development helps to explain why it has been an example for others that are, and why trade union leaders like Orlando Chirinos in Venezuela look beyond the workplace to the mass of the unemployed, not simply to help them, but for their help in the assertion of an honest trade unionism.

It should go without saying that nobody need wait on the economic meltdown experienced in Argentina, or inspect the 'revolutionary process' spoken about in Venezuela, to consider the art of democracy and organisation. Less than half of Scotland's population voted in elections to their illustrious new parliament. According to polls however, almost 100% were against their semi-elected representatives voting themselves a £100 per week pay rise in 2002 when nurses were being told to accept the drastically less generous rise of £7 per week. Only one MSP voted against his own pay increase while another made the disarming aside that she was sure that 99% of the public would be in favour of beheading the members of the Scottish Parliament. Needless to say, that option wasn't included in the pollsters' more orderly orchestration of opinion.

Paying little more than token attention to inequality on our doorstep, UK trade union leaders have entered into unholy alliances in and out of workplaces. The big unions in the oil industry are bogged down by the mantras of partnership as their leaders adapt to a range of suspiciously unenlightened policies in relation to their industry and segregation among its global workforce. The smaller, so-called 'deviant' unions, see the machinations of the labour movement serving the interests of its own bureaucracy, not workers. Given their poor democratic standards nobody can be confident in the recent formation of a Euro-American super union – is this really going to confront the divide-and-rule power of multinational capital, or is it more of an administrative response to some steep declines in union membership? At worst it will be a convenient element in a foreign policy scheme plotted out by Zbigniew Brezinski in which Europe props up US imperialism as Texan style 'domination' runs out of steam. This might be an overly conspiratorial suggestion but an increasingly managerial administration of trade unions goes well beyond their industrial activities and makes them ripe for all sorts of abuse.

Under the umbrella of Make Poverty History, UK unions teamed up with companies like the arms manufacturer BAE systems and were content enough to exclude the Stop The War Coalition from the campaign – the outcomes of which could have been designed by the International Monetary Fund itself. Needless to say that organisation could never have popularised its awards for compliance so effectively. Unfortunately there were few people like Stuart Hodkinson of *Red Pepper* magazine who were alert and vocal about the dubious alliances behind such a diversionary pseudo-event as Make Poverty History, an event the head of Christian Aid remembers as "a celebration of celebrities".

In their own way, the development of grass-roots politics in Latin America is no less artful of course. But leaving aside the critical meaning of "chaos and order" to the UK where order prevails over more order, the classical issues of democracy have remained unanswered by both trades unions and parties of the left. The question of 'primitive democracy' was never simply regarded as an ideal by Marx and Engels, nor by Marxists who adapted their social theory whilst trying to keep faith with its philosophical basis. For Lenin it was the single most important form of power against bureaucracy so that "all may become bureaucrats for a time and that, therefore nobody may be able to become a bureaucrat". According to Jo Freeman, writing in 1970, the same ethos was re-founded in the women's movement which revived the ancient Athenian tradition of random rotation by lot as a response to the 'tyranny' of its informality – that deceptive openness that can be found today in 'horizontal' social forum politics. But ancient methods of democratic organisation have never survived well when removed from the world of work and practical needs.

Sadly, all the classical principles of democracy have now been put on hold by most self-declared revolutionaries in favour of centralised authority and fixed responsibilities, not to mention a fondness for leaders and gurus who are said to be required, however temporarily, for effective organisation and proper understanding. To a cultural critic like Susan Buck-Morss, the phenomenon of these 'mental labourers' is more like "a membrane that spans across the world like an oil slick, thin but tenacious, and capable of suffocating the voices of anyone speaking beneath it". Certainly, in mainstream circles much of the intellectual attention paid to the crisis of democracy has explicitly strived to dignify the growing 'non-sovereignty' of populations. However, if parties and trade unions were thought of as a couplet that might answer the political shortcomings of one another, coming home to Scotland, where leadership has fractured a lively socialist party and lost its trade union support, and where the trade union movement more broadly is withering on the branch of New Labour, one can't help wondering what the future really holds.

It is certainly worth pausing to consider the place of some old arguments. In 'State and Revolution', Lenin wrote:

Trade unions did not develop in absolute freedom but in absolute capitalist slavery, under which it goes without saying, a number of concessions to the prevailing evil, violence, falsehood, exclusion of the poor from the affairs of higher administration, "cannot be done without". Under socialism much of primitive democracy will be revived, since for the first time in the history of civilised society, the mass of the population will rise to taking an independent part, not only in voting and elections but also in the everyday administration of the state. Under socialism all will govern in turn and soon become accustomed to no one governing.

Even Lenin appears naïve in his sheer faith in the future, but more dangerous was his confidence in the Soviets offering "a higher type of democracy". It is doubtful they were sufficiently democratic and the opening they represented was certainly closed under the conditions of the Russian civil war. By 1920 Lenin was apologising for "a full-fledged oligarchy" by dismissing the arguments of the left opposition in the communist movement as "infantile" propositions. In Germany they were impatient with "a party of leaders" and called for a new union organisation, but, tellingly, Lenin argued that to try and break down divisions of labour through the working class movement and to embark on the "all-round development" and "all-round training" so that people can do everything as they would under "mature communism would be like trying to teach higher mathematics to a child of four".

There are plenty of arguments for the necessary evils of concentrated power, fixed duties and other inflexible forms of representation which have nothing to do with the battening down of hatches during a civil war. However, the arguments also tend to hinge on the idea that socialism is a battle that one day can be won and in the meantime sacrifices have to be made. A different view is that socialism reflects a much longer historical trend towards the completion of democracy and as such it lives and breathes in the atmosphere of that movement. For instance, it's very difficult to imagine enacting libertarian schemes like G.D.H. Cole's Guild Socialism without a truly democratic public consciousness. Time and again socialists have found themselves in an impossible position when having attained a measure of power through the means of existing democracy they face the impoverished political reality of its culture. And having made an uneasy pact with the system, they have few real policies against it. However, if socialism can learn anything from warfare, it must be that the most imaginative armies built entirely new roads in the heat of their battles and made their enemy's maps quite meaningless in the process.

Observing the ideological success of advanced capitalism in the popular imagination, the US-Marxist writer Fredric Jameson observed that "it is easier to imagine the 'end of the world' than a far more modest change in the mode of production, as if liberal capitalism is the 'real' that will somehow survive even under the conditions of a global ecological catastrophe…" The truth here should cut both ways. In socialist politics and in the labour movement internationally, many on the left will also conceive of the end of the world more readily than fight for some relatively modest changes in our means of organisation.

End notes

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Many sellers. One buyer.

Jake Molloy & Ronnie McDonald

Known as *bagong bayani*, or "new heroes", Overseas Filipino Workers (OFWs) make a crucial contribution to the Philippine economy. At any given time, up to 12% of the country's 80 million population is hard at work in a country other than Philippines. Currently 160 nations play host to OFWs including, since the summer of 2006, Britain's offshore oil and gas industry. Flexible, industrious, and frequently skilled, Filipinos are increasingly making their way into niche employment markets around the world.

Filipino OFWs are one of the biggest sources of stability for the economy of a country perennially known as the sick man of Asia. In yet another nation cut adrift in the global economy, worker's remittances – the money OFWs send back to their families, account for over 20% of the nation's gross national product and constitute around half its foreign currency earnings. Without OFW dollars, yen, pounds and pesos the country would quickly tip over into bankruptcy and the poverty endemic in rural and urban Philippines would deepen.

While foreign remittances keep the nation's huge economic deficit in check, the human costs cannot be disguised. Mothers who work overseas – 65% of OFWs are women – usually leave families in the hands of relatives or older siblings (the stay-at-home-father is a concept yet to gain acceptance in the Philippines). Spouses are often separated for the majority of their married life and many children live the emptiness of losing one or both parents to distant shores for years on end.

Booking your job

State institutions are directly involved in facilitating the foreign labour system through the Philippine Overseas Employment Administration (POEA), the ministry overseeing deployment of OFWs. Foreign principals must channel their manpower requirements through POEA-licensed private employment and manning agencies. Filipino workers aspiring to be OFWs are medically examined by government accredited medical clinics, and trade-tested and trained by training providers authorized by the POEA.

The agents charge service fees to the foreign employers and are permitted also to collect from workers a placement fee equivalent to one month's salary. Other fees normally charged to workers include documentation and processing costs, trade/skill testing, medical examination, passport, clearances, inoculation, authentications, health premium, and any other related costs.

Depending on country of destination, the OFW might see as much as the first three months' salary disappear in obligatory costs. In addition to the legally permitted charges, palms along the way may also have to be greased.

Diminishing returns

Various scams are occasionally reported, the most common of which is the amended contract. On arrival in the host country the OFW is presented with a new contract, the terms of which are grossly inferior to what was promised. In hock to an employment agent for fees, and faced with the option of immediate repatriation back to the Philippines, the aspiring OFW has a stark choice: accept the reduced terms or go home to penury.

In fairness, the POEA works hard to monitor and improve the welfare, human rights and protections offered to OFWs in host countries, and a variety of government-to-government agreements and protocols have been established to that end. Nevertheless, it has to be said that the Philippine Government is careful not to raise standards and financial expectations too high so not to price the Filipino OFW out of the international labour market. The Philippines is a low wage economy but its emerging competitors in the migrant labour scene, Vietnam for example, are ultra-low wage economies.

The Philippine Labour Code requires POEA-licensed agents to at least attempt to ensure that OFWs are paid no less than the minimum wage in the host country, where such regulations exist. Contracts of engagement must also incorporate all minimum statutory requirements of the host country including provisions for hours of work and paid holidays. These contracts in practice are often worthless.

> "It is disconcerting when the man working alongside you is paid a wage only a third of what you regard as the absolute minimum acceptable."

Meet your 'sweetheart' unions

Enshrined in the UN Convention of Human Rights, and monitored by the ILO (International Labour Organisation), all workers, including temporary migrant labour, have the right to be treated no less favourably than the native. But apparently not in the UK: Amicus and GMB officials earning a good union salary for servicing the needs of employers in the offshore oil and gas industry seem to have forgotten the principle – assuming they knew it in the first place. In 2006 Amicus/GMB signed an agreement expressly allowing for discrimination against Filipino workers employed on rigs in the UK offshore oilfield.

In June 2006 the offshore construction contractor AMEC hired through an agent 150 Filipino workers to complete the Buzzard oilfield hook-up. Another 200 were employed on other of the company's offshore UK projects. AMEC alleged that a skills shortage compelled them to look abroad because in the UK hardly a welder, pipe fitter or rigger was to be had. The purpose of a hook-up is to bring a new oil and gas production platform on-stream and the work is covered by the Amicus/GMB/Offshore Contractors Association (OCA) partnership 'agreement' covering various aspects of employment such as remuneration and redundancy selection.

Amicus/GMB officials, on signing the agreement, announced that they had achieved for the Filipino workers complete parity of pay and conditions in every respect with UK colleagues. This was lauded as a significant and welcome development, including by OILC the offshore workers' trade union not signatory to the so-called partnership agreement. The brouhaha claims made by the Amicus/GMB bureaucrats turned out to be untrue.

As a hook-up contract nears completion and first oil is imminent, redundancies among the construction workforce naturally result. A proportion of the hook-up workforce will be retained after the platform has entered its production phase to perform ongoing maintenance. The employment of personnel surplus to requirements is terminated in a process of phased down-manning except where a suitable similar position exists on another of the company's contracts.

Selection for redundancy, as well as the order in which transfers are made to alternative worksites, is done according to rules laid out in the Amicus/GMB/OCA "agreement" and in accordance with the relevant employment legislation. The usual regime of "last in first out" has a bearing on selection but comes second to the need to retain particular skills. The redundancy selection procedure needs to be fair, transparent and lawful, and above all applied with integrity. Getting it wrong can cause costly employment tribunal hearings and hefty compensation awards. The Filipino workers, on the other hand, may be run off without recourse to the provisions of the agreement and without statutory compensation, courtesy of Amicus/GMB.

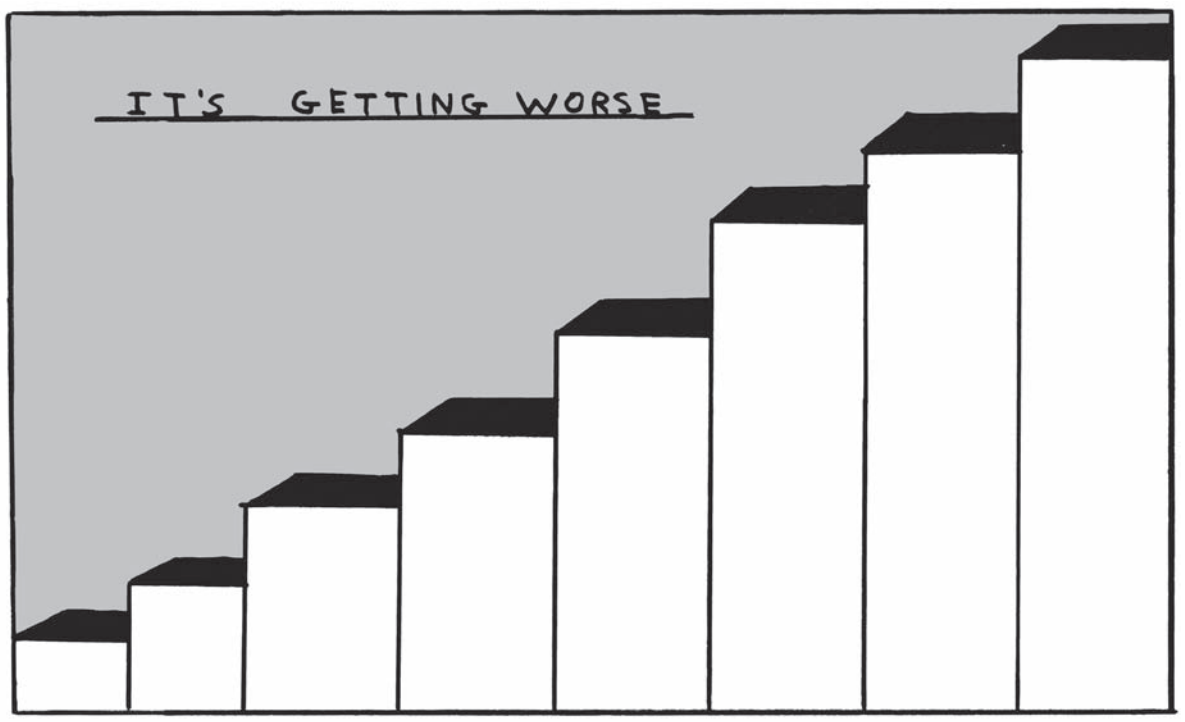
Foreign workers' entitlement to be treated no less favourably than the native, a fundamental principle of the UN Charter, is dispensed with to allow the Filipinos to be "prioritised". Institutionally discriminated against. They are sacked ahead of, and in preference to, other nationalities as part of Amicus/GMB partnership "agreement".

Of course, there are those who believe that the Filipino workers should never have been brought to the UK in the first place and it is therefore correct that they should be the first to go. Others see "skills shortage" as a cover for the real story which is that AMEC saw an opportunity to avoid the buggerance and expense of recruiting and inducting four or five hundred UK nationals for work in the UK oilfield when an off-the-shelf Filipino workforce was already available following the company's completion of the Bonga hook-up off the coast of Nigeria. Skills shortage is a complete Aunt Sally!

Whatever the truth, the Filipino OFWs are here and as such deserve to be treated no less favourably than the rest of us. The priority for Amicus/GMB was in the first instance to ensure that UK labour was hired. This they singularly failed to do. In fairness, the foreign hiring was almost certainly *fait accompli* by the time the union bureaucrats heard of it, and the most AMEC was prepared to offer was a face-saving form of weasel-words, allowing the officials to claim that parity of terms had been achieved and also to chant the mandatory mantra; "Safety will not be compromised". Two claims now known to be false.

Those who campaign for equal treatment for foreign workers are often accused of being hypocrites who in reality care little for the welfare of foreign workers. The accusation continues that campaigners' demands for parity are no more than a ploy to keep foreign workers out. The real motive is to raise the cost and effort associated with employing foreign workers thereby removing the incentive to bring them in. It is true that foreign worker numbers would drop as an intended or unintended consequence of equal treatment. But the temporary migrant workers who remained would at least enjoy the benefits of no less favourable treatment – a fundamental principle of basic rights established under the UN charter to protect all workers, domestic and foreign.

Every western democracy legislates accordingly. Discrimination on racial, ethnic, religious or nationality grounds is forbidden. The UN Charter says so, the European Commission on Human rights says so, and here in the UK the TUC agrees and the UK Race Relations Act makes it a criminal offence. Yet, here is discrimination incorporated into the terms of a so-called "partnership" agreement signed by Amicus and GMB.



Getting Worse *David Shrigley, 2007*

In an age of spin where safety is such and emotive issue, it was fascinating to watch the Amicus/GMB attempt to put a positive slant on their ineffectiveness and impotence in the face of employer dictat. Rightly sensing the potential for acute embarrassment, a press statement was issued claiming, with reckless abandon, that the unions had "negotiated an agreement on the use of non-UK labour" which required all personnel "be competent in the appropriate disciplines for which they are employed, consistent with the competence requirements that apply UK employees". They had negotiated nothing of the sort, as subsequent events proved.

Acting on concerns raised by offshore workers, OILC asked the Health and Safety Executive (HSE) to investigate inadequacies in the competence assurance systems on the AMEC contract. The HSE did indeed find that the management systems were incapable of verifying competence and achieving compliance with safety law. In early September, HSE informed OILC: "The Buzzard project has a significant number of Filipino together with numbers of UK-based "green hats" (persons not yet experienced in offshore work) ... your concerns appear to be justified ... AMEC have failed to demonstrate the competency of riggers on the project ... HSE [has been given] an assurance that where personnel are unable to demonstrate their competency they will not be allowed to work without suitably competent personnel being present. Thank you for drawing this to our attention."

Ironic that AMEC and its partners Amicus/GMB were so adept at identifying a skills shortage in the UK as a whole, yet failed to notice one under their own noses in the UK oilfield, apparently of their own making.

British workers on the offshore contracts have been treating their Filipino colleagues with courtesy and respect, and that is how it should be. Xenophobia is not evident. The attitude is that the Filipino lads are here for the same reasons as we are: to make a decent living for our families back home. But there is a strong feeling that the full rate should be paid for the job. It is disconcerting when the man working alongside you is paid a wage only a third of what you regard as the absolute minimum acceptable.

In reality the Filipino workers themselves will have to make the case for better treatment and until they do things will stay as they are. But the prospect of the Filipino workers rebelling is remote. For a start, they would be up against the Amicus/GMB partnership "agreement" that provides for their servitude.

The Filipino workers and the UK trades' foremen who supervise them have been warned on pain of dismissal that details of pay and conditions must remain absolutely confidential. The reason for the compulsory secrecy enforced by intimidation isn't hard to work out. In the meantime, reflect on the curse of sweetheart trade unionism: offshore workers, foreign or native, surely have the right to better treatment.

Nursing the debt

According to the International Labour Organisation in 2005 the number of jobless people in the world reached 200 million, 7% of the total labour force. The Philippines has a big slice of that, with domestic unemployment at 12%. Were every oversees worker to return home tomorrow the rate would more than double. Temporary foreign employment is the only realistic option for many and the Philippines is likely to remain the world's second largest exporter of labour after Mexico. Indeed, so fundamental to the economy has foreign employment become that the higher education system increasingly focuses on enhancing students' employability prospects abroad.

The Philippine health service trains more nurses than it could ever need. At first this was to compensate for the continuous exodus of qualified nurses leaving the country, but it is now part of a national strategy aimed at maximising the number of OFWs remitting earnings into the coffers of the Central Bank, thereby helping to service the nation's huge foreign debt of $50 billion. Another astonishing statistic illustrating the sheer scale and impact of foreign employment on Philippine society is that 2,215 qualified doctors went abroad in 2004 – retrained as nurses!

Monopsony

Proponents of neoliberal globalisation point to the benefits accruing to developing economies through increased mobility of labour. It causes wealth to be transferred from the rich nations to the poorer in the form of wages sent home, so we are asked to believe. The reality is that another facet of exploitation and impoverishment has been added to the burden already carried by the poor on behalf of the rich.

True labour mobility would be immensely beneficial to the temporary migrant, to the host economy, and to the economy to which cash is remitted. But what is happening here is inflexible labour mobility in which the transfer of wealth is deliberately constrained by monopsony employment. Monopsony is analogous to monopoly: the latter being the sole control of a commodity enabling the seller to inflate the price; the former, one single source of employment giving the employer the power to depress pay and conditions and, indeed, to decide if there should be any employment at all. Put simply, monopsony is the opposite of monopoly; it is many sellers facing one buyer.

The Filipino housemaid, employed on a pittance and midway though a three-year contract in an abusive household in Jeddah, contemplating the distant prospect of reunion with her three kids currently in the care of a grandmother in a Manila slum, is oppressed utterly by the unassailable power of her employer. Permission to be in the country is solely on the basis of her presence in that household and she may not seek employment elsewhere. Were she to leave prior to the expiry of her contract she would do so broke and without her passport and airfare home.

Slavery and bonded labour, still depressingly prevalent in many parts of the world, are outlawed by international agreement. Monopsony, on the other hand, remains legal and increasingly used to control and depress the pay and conditions of workers. The employer exercising monopsonistic power over a captured workforce wields the ultimate coercive weapon able to annihilate even the slightest notion of worker rights.

Our 400 Filipino colleagues working in the UK oilfield wear the chains of monopsony stoically. On the other hand, some of the natives are thoroughly ashamed that a link in this chain is the Amicus/GMB 'partnership agreement'.

Jake Molloy is General Secretary of OILC, the offshore workers' trade union, and Ronnie McDonald is its previous General Secretary.

The Fictitious Commodity

Andy Cumbers

"The question is not how men and women can be fitted to the needs of the system – but how the system can be fitted to the needs of men and women."[1]

When Tony Benn, Minister for Industry, turned the valve to allow the first oil from the North Sea to come ashore on the 18th June 1975, few would have predicted the shape the industry would take over the next three decades. In economic terms, it was obvious, even at this early stage, that the oil revenues would provide a much needed boost to the UK's broader economic fortunes and its flagging Balance of Payments position. In the political climate of the mid 1970s – with a strong and growing trade union movement – optimism abounded, that oil might provide the impetus for broader social change. Certainly, for Benn and many on the left of the labour movement, even the young Gordon Brown – who was then making his way as an emerging socialist politician – there was much debate about the prospects for economic democracy and public ownership. One of the key elements of this transformation was the establishment on a nationalised oil company, the British National Oil Corporation, to ensure that the benefits of oil were shared with workers and communities, rather than lining the pockets of the oil companies and their financial backers in the City.

In the fledgling North Sea oil industry itself, working conditions presented a more sobering reality as Tony Benn himself noted at the time:

Wednesday 16 July 1975

"Took the HS-125 to Aberdeen [...] We were then flown in a Bristow Helicopter down to the Graythorpe I platform. [...] The little community on the platform has its own satellite communication network, a heliport and all the necessary equipment [...] for the pumping of oil which goes 120 miles to Cruden Bay and then right down to Grangemouth. [...] In the middle of winter when the conditions are exceptionally rough, it must be absolute hell to work there.

At the Station Hotel in Aberdeen I met the inter-union Oil Committee and the North Sea Action Committee and they raised a number of important points, mainly about unionisation on the rigs. They cannot get union representatives on to the rigs and they are very anxious about safety. They say if they can't make progress, they are determined to black the rigs."[2]

Four years later, the election of Margaret Thatcher's Conservative Government was to set the scene for a very different kind of social transformation than that envisaged by Benn and the Left. The next two decades were to bring about a shift in the balance of power towards big business whilst at the same time leading to the emasculation of the trade union movement. Not only was there a mass privatisation of publicly owned institutions and assets – including the selling off of BNOC in 1983 – but there was also an assault on union power. The big set-piece battle was the 1984-5 miners' strike, but this was accompanied by a series of trade union laws which seriously constrained the rights of workers and their unions to organise. As one business commentator put it, somewhat euphemistically at the time, the Thatcher counter-revolution was first and foremost about restoring "the right of management to manage".

The harsh realities of working life in the North Sea

In the wake of the election of the Conservatives in 1979, the issue of workers' rights and union representation in the North Sea disappeared from the agenda. As is now well known, the result was an employment environment driven by the interests of multinational corporations, which coincided with the desire of the Government to pump oil out of the seas as fast as possible to prop up the ailing public finances. The broader context of the time was rising unemployment, the haemorrhaging of British industry and a deeply unpopular government. Oil revenues brought the Tories much needed breathing space and, following their re-election in 1983, on the back of the patriotic fervour of the Falklands campaign, they were to pay for the cuts in higher rate taxes (from 63p in the pound to 40p) that ensured two further triumphs at the polls in 1987 and 1992.

"Such machinations prompt the question: when does a trade union shift from representing workers to managing industrial relations?"

Meanwhile in the North Sea, the absence of basic workers' rights and union representation was to have savage consequences in an appalling health and safety regime – culminating in the Piper Alpha disaster and the loss of 167 lives in 1988, when a fire broke out on a production platform operated by the Occidental oil company. Whilst the safety regime has improved in the wake of Piper Alpha and the subsequent Cullen Inquiry, there continue to be concerns that workers are pressured to cut corners and under-report dangerous incidents.[3]

Alongside poor safety conditions (reflected in a recent confidential Health and Safety Executive report)[4] employment contracts themselves have remained largely unregulated, meaning that workers are prone to casualisation and fluctuating wages and conditions. A lack of basic employment rights means that many workers have little in the way of pension and holiday entitlement or severance pay. Perhaps the most pernicious management tactic has been the use of the NRB ('Not Required Back') practice, whereby it is widely held within the industry that 'troublemakers', particularly those suspected of being active unionists have been identified and blacklisted by firms. The workforce remains highly fragmented with the oil companies outsourcing much of the work to first and second tier contractors. Whilst the lucky few – working for the oil companies as permanent staff – enjoy a relatively privileged existence, the majority of the offshore workforce are employed as contractors, subject to the whim of oil market fluctuations. For some, this has meant a drop in wages when oil prices fall; as recently as the period 2001-3 wages for associate professional workers fell from £13.08 per hour to £11.40.[5]

The divide and rule tactics of the employers mean that workers can be paid very different rates for the same job. This was illustrated through two agreements signed by the RMT/TGWU unions, representing Grade 4 catering workers, with the Catering Offshore Trades Association COTA in 1998. Although the Agreements were with the same six employers, the workers on mobile drilling rigs received around £3,000 less in salary than their counterparts on production platforms. Whilst the latter also received a pension scheme with a 5% contribution from the employer, those on the mobile rigs received nothing.

The rogue traders of the labour movement

Offshore workers have become used to the callous indifference of oil companies and their suppliers. Two recent variants of the old "divide and rule" principle have included a growing tendency for contractors to register their workforce in "ghost" companies in offshore tax havens, as far away as Singapore, to avoid paying National Insurance contributions[6] and the increased use of low wage workers from the Third World to undermine the conditions of the existing workforce. Such tactics can fan the flames of racism and xenophobia, alongside perpetuating divisions among workers. Disgracefully, some union activists who have protested about the employment of foreign workers in such conditions have been accused by employers of racism, when the goal has been to secure workers the same rate for the job, independent of the colour of your skin or nationality.

What may come as a shock to some has been the connivance of the trade union establishment in the oil companies' nefarious practices. The election of the Labour Government in 1997 was heralded as a new dawn for trade unions and their workers, with promise of a new Employment Relations Act to provide basic rights long denied under the Tories. To the casual observer, two collective bargaining agreements between the AEEU (now Amicus), GMB and the offshore employers in 2000 appeared to confirm the mood shift in industrial relations. However, more seasoned campaigners rightly viewed these agreements with suspicion. Wasn't one of these unions – the AEEU – the self same organisation that was prepared to "undercut" other unions to sign "sweetheart" deals, guaranteeing no-strike agreements, with Japanese inward investing firms during the 1980s? Some of the phrases in the agreements sounded eerily familiar. For example, "union acceptance of management's right to manage", whilst others, such as the guarantee of a "Total Non-disruption Factor", represented a new spin on an old theme. Another older tendency at work was the total absence of any workforce consultation before the signing of these "voluntary" agreements.

Whilst the General Secretary of the TUC at the time, John Monks, lauded these new spirit of partnership abroad in the North Sea oil industry, as far as the workers themselves were concerned these Agreements were not fit for purpose. The no-strike clause and the lack of freedom to be represented by a union of your choice both infringed basic UN recognised human rights.[7]

The desire of union professionals for power and influence with employers and the government has won out over what should be the primary task of trade unions: providing independent representation for workers. Such machinations prompt the question: when does a trade union shift from representing workers to managing industrial relations?

The nirvana of the "Norwegian model"

For many in the UK, Norway has often been looked to as a more humane and decent model of oil development. They do things differently there. They have strong unions and good employment conditions. Wages are high and the 'two weeks on - two weeks off' system, of British rig life contrasts poorly with the recent Norwegian deal of 'two weeks on - four weeks off'. Norway has pursued a more sensible and balanced approach to oil development where corporate interests have been countered by a social dimension to oil. A nationalised oil company, Statoil, and a social fund

Kitchen table discussion at SAFE, Stavanger, Norway.

Rolf Engebretsen, former diver.

Kari Bukve, Secretary of SAFE, with Ingunn Vier Gabrielsen.

to use oil revenues for welfare and infrastructure spending have been acclaimed by many on the British and Scottish left as the model to emulate.

Norway has also had a better health and safety record than the UK with more trade union representation in safety procedures from the outset. However, Norway also had its own Piper Alpha, when 123 oil workers were killed after a floating hotel collapsed off the coast of Stavanger in March 1980. Nevertheless, it prides itself as the "gold standard" of the international oil industry and has developed considerable kudos for its social and environmental standards. Statoil, for example, was one of the first multinationals to sign a worldwide collective agreement with a trade union.

The Norwegian model did not arise because of some natural predisposition of the country towards humane and egalitarian development, but was shaped by one of the world's strongest and most militant labour movements in the period before the Second World War. In the period 1927-37, the International Labor Office in Geneva noted that the three Scandinavian democracies had the highest number of days lost to strike activity in the industrialised world.[8] Such labour strength underpinned the more human capitalism that emerged in Norway under North Sea oil. But, the oil industry is still fundamentally the same creature as it is in the UK. The bottom line is profit and, in the context of an increasingly competitive global environment, even left-leaning national governments and strong trade unions can be cowed by the threat of multinationals to invest elsewhere if labour costs are not kept down. In Norway, the desire to protect the reputation of its "social model" has led to some more insidious abuses of workers rights as two recent cases have shown.

The unsung heroes of North Sea oil

Few in the UK will have heard the name Rolf Engebretsen, but, along with a friend, his private investigation of a government cover-up in the Norwegian sector has been one of the most remarkable stories in North Sea oil history. Rolf, now 53, is a "retired" diver. Retired in the sense that he was forced out of the industry by brain damage and a disorder of the nervous system which meant that he failed his medical in 1992. Because of severe memory loss and the inability to concentrate, Rolf was unable to find another job. Even worse, Rolf's condition had not been officially diagnosed at the time so he did not qualify for any insurance or compensation from his employer. Rolf was not alone. Almost no diver in the Norwegian sector is fit enough to carry on working beyond their mid-forties. More seriously, 23 divers have committed suicide over the last decade whilst the death toll from accidents across the UK and Norwegian sectors is estimated at over 60.

Rolf and the association he formed to fight his campaign, the North Sea Divers Alliance, have shown that the state, oil companies and the divers' trade union at the time, NOPEF, colluded in the 1980s in the setting up of a diving standards regime that was fundamentally unsafe. Indeed, it was based upon US military standards during warfare rather than under normal commercial circumstances. Collapsing oil prices and the imperative to explore in ever greater depths in the North Sea produced an unholy coalition of the willing. In this case, those willing to sacrifice a few divers to keep the oil flowing and revenues coming in to the Norwegian state coffers. Divers were encouraged to go down to depths of over 300 metres for up to 10 hours – when respected medical opinion is that depths of 180m alone causes High Pressure Nervous Syndrome (HPNS) and fundamental long term health problems.[9] Subsequently, the Government has been forced to make an official apology and admit liability; legal proceedings have now been started to agree compensation for divers and their families.

If Rolf and the divers' story is a tragic one, that of another victim of the "Norwegian model" is equally heart-rending and horrifying in revealing the depths that state and corporate complicity can reach. In 1976, Ingunn Vier Gabrielsen was a twenty-one year old mother of two, when she heard that her husband, Axel, had died with six others in an accident aboard a life boat after the drilling rig they had been working on had itself capsized. For over twenty years, the incident was hushed up by Odfjell Drilling (the Norwegian company involved) and the state authorities. Ingunn and other relatives were told the accident was due to the negligence of the skipper of the vessel, so there was no possibility of a compensation claim. Attempts to meet with other relatives were frustrated by the company who refused to give out names on the basis that the bereaved did not wish to be contacted.

Left with no support and a wall of secrecy from officialdom, Ingunn spent the next twenty-five years bringing up two children on her own with little financial support. Traumatised by the experience, the accident was never talked about in the household. Until, that is, a chance article in a Norwegian men's magazine about one of the survivors of the accident. One of Ingunn's daughters saw the article and asked her mother for the first time, what had really happened to her father? The family began to investigate and were able to contact other families by adverts and the use of the internet. The family of the captain of the boat had also never discussed the incident. They had been told their father's negligence was responsible for the deaths of six people. As the families began to gather evidence of what really happened, it became clear that nothing could have been further from the truth.

When the Odfjell rig capsized off the Norwegian coast – less than one kilometre from the shore – the wintry conditions made it difficult for the lifeboat to navigate, resulting in it being overturned. The subsequent investigation revealed that the navigation equipment on board the boat was faulty; the battery powering the navigation system hadn't worked. Worse, an inspection weeks before had revealed this to the company but no replacement was ordered. The six men who lost their lives – including Axel – were sitting on top of the lifeboat to help the captain steer through the dangerous conditions. Not only was the lifeboat faulty but the capsizing of the rig itself could have been avoided. Further investigation revealed that, given the appalling weather conditions, the captain of the drilling rig had earlier asked for a pilot to be flown out to the rig to help guide it in to port. The company refused on the grounds of cost; later revealed at NOK 10,000 (about £1,000).

Not only did the company manage to avoid all responsibility at the time – the Government was asked to re-open the case in 2003 – but, in a macabre post-script to the story, they actually made money from the accident twice over. In the first instance they were able to make an insurance claim running into millions of dollars from the salvage of the vessel. Then, in a bizare twist, the damaged rig was sold to the offshore construction firm, Aker Verdal, to be converted into a floating production vessel.

The "fictitious" commodity and the "double movement"

The Hungarian economist, Karl Polanyi, once referred to labour as the "fictitious" commodity. Free market economists like to think of labour as a commodity like any other, to be sold on the market at whatever is the going price. When Margaret Thatcher famously proclaimed that there was no such thing as society, her indoctrination in free market thinking was laid bare. Such a "logic" has long been the justification for companies to exploit and abuse workers and their families in pursuit of profit maximisation.

Polanyi, in his most influential work, *The Great Transformation*[10], reminds us of the basic humanity of labour; the dignity, respect and rights that all workers are entitled to, which goes beyond a market logic. Workers are also part of families and communities. If the economic logic becomes "disembedded" from this social reality, society falls apart, the law of the jungle takes over, with the kind of tragic consequences that have occurred in both the UK and the Norwegian sectors of the North Sea over the past three decades. Polanyi's insight and the cases of Rolf and Ingunn also help us to understand why the exploitation of workers can happen in "so-called" social democratic capitalist economies such as Norway, as well as more free-market oriented ones such as the UK, when a market logic prevails over respect for human beings.

One of Polanyi's other great insights was what he termed the "double movement". He recognised that whilst free market forces will lead to the destruction of society, resistance will arise to these forces as people "refuse to act like lemmings marching over a cliff to their own destruction"[11] Thus there is a movement against the unfettered market as individuals and groups attempt to reign in the forces of capital. Not only is this expressed in the form of courageous individuals such as Rolf and Ingunn but in the North Sea this has given rise to new collective movements. In both the UK and Norway, grassroots unions have emerged to fill the void left by their increasingly market-friendly counterparts.

Back from the depths: the "double movement" in the North Sea

A critical element in the campaigns of both Rolf and Ingunn was the support of the Stavanger based offshore workers union, SAFE. Although a relatively small union, with just over 7,000 members, its willingness to fight for individual

rights against powerful vested interests sets it apart from more established unions who have either been subjugated by the might of international capital or are wary of surrendering influence with political actors in national governments. Two aspects of SAFE's organisation are critical in this respect. First, it is independent of any political party influence, and second, "we are a union of grassroots workers," in the words of one of its elected officers.[12] All the union's leadership is elected from the offshore workforce and subject to re-election every three years. In the early years the commitment to democracy bred a certain element of instability. As one member noted wryly to us in an interview ,"They used to say that the former organisation OFS eats its leaders because they kicked them out quickly."[13] The union also operates with the minimum of committees, with the key decision-making forum being the Annual Congress, at which anybody can be put forward for election from the Conference floor.

The democratic and participatory essence of the union – as an organisation both "for" and "of" offshore workers – drives both its desire for independence and its willingness to stand against established hierarchies. Indeed its small size and the integrity this lends it as a genuine voice for the grassroots, might be seen as its strength, rather than a weakness. This differentiates it from many larger trade unions in the oil sector and beyond, where a union bureaucracy with little attachment to the grassroots or knowledge of the realities of the workplace is emerging. Declining memberships have encouraged mergers to create even larger "super-unions" whose leaderships and officials become even further distanced from the workers they are supposed to represent. NOPEF, for example, recently merged with the NKIF (chemical workers union) to create Norway's fifth largest union with 46,000 members. On a grander scale, in the UK, the planned merger between Amicus and the Transport and General Workers Union will have over 2 million members; roughly a third of all unionised workers.

The opposing argument, made by mainstream union leaders, is that size provides power and the ability to influence political leaders. But the meek surrender of Labour Parties throughout Europe to market-driven politics over the past twenty years suggests otherwise. As one former General Secretary of an international union federation noted in an interview:

"Time and time again, the unions have put their back into electing a Labour Government and every time they have been sold down the river so my view has been largely 'forget about the politics and get on with the industrial logic and the politics will take care of itself.' Because the politics follows power and power at the moment is entirely in the hands of the multinational bankers and economists and that's why whatever government is in power, it can't deliver. And unless labour can find a means of confronting and dealing with power at the real level of its operation there's no way it will really survive in the long term."[14]

Unions that follow the logic of closer political liaison and sever their links with the grassroots membership do so at their peril.

SAFE's counterpart in the British sector of the North Sea is the Offshore Industry Liaison Committee (OILC). Despite being banned from the TUC and shunned by employers, the OILC has established itself in the industry as an independent voice for the workers. Like SAFE, it is a relatively small union with only 2,000 members in a workforce of around 15,000. Whilst it lacks the resources of the other unions, it does arguably have greater legitimacy among the workforce as the only specialist oil union. With the exception of the RMT, oil-related activities are a relatively minor part of the other official unions' activities. Thus, the OILC is the one employee organisation that is fully committed and embedded within the industry. It can also claim to be the union that is most activist-centred. This is reflected in its organisational structure which comprises an executive committee of one full time official, elected every three years, and six members who work full-time offshore. This contrasts with most of the other unions for whom the officials in charge of offshore operations seldom have any knowledge or experience of directly working in the industry.[15]

Since its inception, the OILC has developed a role for itself on health and safety issues with many of its members being elected as safety representatives on their rigs.[16] The OILC has used this route as a means to exert influence by voicing concerns about workplace issues which would otherwise carry the threat of dismissal. Additionally, through being more rooted in day-to-day operations in the industry, it is in a better position than other unions to 'blow the whistle' on industry malpractice and has consistently punched above its weight in drawing media attention to key issues. For example, it played a key role in exposing the failings of Shell to repair a hole on a corroded pipeline on its Bravo platform in 2003 which led to the deaths of two workers.

Despite the advances made by OILC and SAFE, they remain relatively fragile organisations dependent upon key activists who are prepared to put the time and energy into organising and campaigning beyond the workplace. In interviews, union officials and leaders have raised concerns about where the next generation of activists might come from. As one current activist noted:

"I think in the future we will have problems to find people who are ready to become leaders, working 2 weeks on and 4 weeks off and then during these 4 weeks sitting here in Stavanager and leaving the family maybe in the middle of nowhere in Norway and going forward and back every Friday and seeing the family only 2 days a week."[17]

An irony of the grassroots nature of the movement is that it has in the past relied upon the kind of sacrifices and conflicts with family life that many may increasingly question. There is also an issue of whether a younger generation, less steeped in collectivist traditions, will be prepared to tolerate such sacrifices. Developing an new activist consciousness, therefore, becomes a critical issue if grassroots unionism is to continue to thrive in the North Sea.

Spaces of hope and alternative visions

It is fitting that one of the most significant victories for workers rights in the North Sea in recent years was won by a group of North Sea divers, when in November last year over 900 divers and support staff undertook an unprecedented strike action in the UK sector of the North Sea, winning a forty per cent pay rise over two years in addition to extra holiday pay. Backed by their union, the RMT, the divers' success shows the potential for a more independent and militant unionism in making real improvements to working conditions, as well as in forging a more active union culture in the offshore workforce. In the context of the UK sector, it also embarrassed the "official" unions whose partnership approach and no strike policy have so far yielded little significant gain for the workers they purport to represent.[18]

Beyond winning such victories however, unions need to have greater ambitions. The well known Marxist geographer, David Harvey, once wrote that the point of utopias is "not to provide a blueprint for some future but to hold up for inspection the ridiculous waste and foolishness of our times, to insist that things can and must be better."[19] When the trade union movements first created political parties to campaign for workers' rights in the late nineteenth and early twentieth centuries the idea was that such Labour parties would help – to use a phrase of Polanyi's – to "embed" markets within more regulated and fairer societies. Increasingly, in the context of the early 21st century, relations seem to have been reversed. Union actions, despite protestations to the contrary, through pressure from governing Labour Parties, often end up "managing resistance" in the workplace in the interests of employers and the all powerful free market ideology. One trade union leader in NOPEF once boasted to me of the key role he had played in persuading the Norwegian Labour Party and union activists of the merits of the part-privatisation of Statoil. The same individual was shocked and angry when, a few months later, one of the first acts of the new board was to sell off a large part of the downstream operation, making hundreds of his members redundant.

In this respect, labour and trade union politics have always had what Marxist academic John Holloway terms a "schizoid" character, whereby:

"the class antagonism traverses us all, differences in the degree to which it is possible for us to suppress that antagonism. For those who benefit materially from the process of accumulation it is relatively easy to repress anything that points beyond [commodity] fetishism. It is those who are most brutally subjugated whether through the endless repetition in meaningless jobs or through poverty that excludes anything but the fight for survival in whom the tension is most tightly coiled."[20]

Living in a capitalist society, we are all compromised by the need to commodify our labour, whilst struggling for a better future. At the same time, trade unions cannot always be in opposition. The most successful union leaders are those that know when to fight their battles and when to seek compromise.

But, to be effective, a labour politics needs an alternative vision and surely one that continues to aspire to a form of society and economic system that, as the young Gordon Brown admirably put it "fits the needs of men and women" rather than the other way around. We might also add here, the needs of the environment. For, in embracing alternative visions, the grassroots unions of the North Sea need to confront some important dilemmas, such as integrating the continuing concerns of their members with the broader issues facing society. Climate change, the phasing out of fossil fuels and the transition to a low carbon economy are clearly paramount here, and oil unions are strategically placed to make a difference. Organisations such as SAFE and OILC can be rightly proud of their past achievements in developing independent voices and offering alternative visions, but the real battles lie ahead.

Notes

1 Brown G., 1975, Introduction: the socialist challenge in Brown G. (Ed) *The Red Paper on Scotland*, EUSB, Edinburgh, p. 19.

2 Benn T., 1989 *Against the Tide: Diaries 1973-6*. Arrow, London, p.419.

3 See for example a recent report for the International Labour Office: Forde C et al, 2005, *Good Industrial Relations in the Oil Industry*. Leeds University Business School, Work and Employment Research Division.

4 See Forde et al, 2005, 42.

5 Forde et al, 2005, p. 12. See also Cumbers A (2005) 'Genuine renewal or pyrrhic victory? The scale politics of trade union recognition in the UK'. *Antipode: a Journal of Radical Geography* 37 (1), 116-138 and Woolfson C and Beck M (2004) 'Union recognition in Britain's offshore oil and gas industry: implications of the Employment Relations Act 1999'. *Industrial Relations Journal* 35 (4), pp.344-358.

6 See *The Big Issue*, May 16-22, 2002, p.7.

7 Forde et al, 2005, p.41

8 See Childs M., 1938, *This is Democracy: Collective Bargaining in Scandinavia*. New Haven, Yalue University Press. Thanks to Owen Logan for drawing this study to my attention.

9 Todnem K., 2003, 'Stop deep diving' (translation from Norwegian). *Dagbladet* 30th October.

10 Polanyi K., 2001, *The Great Transformation*. Beacon Press, Boston, new edition.

11 Block F., 2001 Introduction. In Polanyi 2001, p. 9.

12 Interview, 17th August 2005.

13 Interview, 17th July 2006.

14 Interviewed on 29th March 2005 as part of ESRC project on *Global Justice Networks*. See www.esrc.ac.uk, research pages.

15 Graham Tran, for example, the main organiser for Amicus/GMB in the North Sea comes from a defence industry background, having worked at the Faslane nuclear submarine base in the west of Scotland. See Cumbers (2007).

16 The legal requirement for the workforce to elect independent safety representatives on each offshore installation was the most significant recommendation of the Cullen Inquiry on the Piper Alpha tragedy from an organising point of view (Woolfson et al 1997).

17 Interview, 18th July 2006.

18 See Forde et al, 2005, and also Cumbers, 2007, 'Employment relations and union recognition in the North Sea oil industry', *Northern Scotland*.

19 Harvey D., 2000, *Spaces of Hope*, Edinburgh University Press, p.281.

20 Holloway J., 2005, *Change the World Without Taking Power: the Meaning of Revolution Today*. Pluto, London.

"To be truly radical is to make hope possible, rather than despair convincing"

Phil England

Heat: How to Stop the Planet Burning
George Monbiot, Penguin/Allen Lane, 2006
ISBN 9780713999235

The Revenge of Gaia
James Lovelock, Penguin/Allen Lane, 2006
ISBN 9780713999143

Gaia fights back

Let's face it. We're in a mess. Ex-World Bank chief economist Nicholas Stern says climate change is the biggest market failure ever. That's one way of saying that an economic system that only values financial return on an investment and is incapable of accounting for wider consequences, is leading us toward ecological meltdown. The question now is just how big a mess are we in and can we still get out of it?

In his book *The Revenge of Gaia* James Lovelock is inconclusive about whether or not we have reached the point of no return on this journey to ecological catastrophe. Yet in the run up to the book's publication at the begining of last year, the 87-year-old ex-physician, inventor and Earth systems theorist was complicit in marketing spin that gives a different picture (check out the mock disaster flick cover of the new paperback edition). *The Independent*, for example, ran one of their campaigning front pages with the headline: 'Green guru says: we are past the point of no return'. Is that really what he says? In the opinion piece by Lovelock on which the Environment Editor bases his story, Lovelock's muddled thinking is exposed. On the one hand he says, unequivocally and without caveat: "The temperature will rise 8 degrees centigrade in temperate regions and 5 degrees in the tropics … before the end of the century is over billions of us will die and the few breeding pairs of people that survive will be in the Arctic where the climate remains tolerable". Then later he says: "Sadly I cannot see the United States or the emerging economics of China and India cutting back in time, and they are the main source of emissions. The worst will happen and survivors will have to adapt to a hell of a climate."[1] The implication here is that we could prevent catastrophe if we had the political will.

The truth is, Lovelock has no privilege to special knowledge that the rest of the scientific community do not have. What he has is a pessimistic vision of the political community's ability to get to grips with the problem in time. That's a subjective view, albeit based on the evidence of recent history.[2] What it ignores is the capacity for rapid change to occur in human societies.

A BBC Radio4 panel of experts was convened to discuss Lovelock's work and assess the book's key claims. Among the results on which the panel were unanimous was that: "It is likely that temperatures will rise by 3-5°C by 2100 *unless we act swiftly to cut greenhouse gas emissions and protect natural forests.*"[3] (My emphasis.)

What was striking was the level to which his fellow scientists shared his pessimistic view of politics; six to one supported the proposition that: "Politicians are unlikely to cut greenhouse gas emissions sufficiently until it is too late to prevent dangerous warming."

The panel were also unanimous in judging that Lovelock is wrong to give the impression that nuclear fission is our only realistic short-term solution and that, in the UK context, Lovelock is wrong to reject wind power. Lovelock talks about his book as "a wake up call." If that was genuinely his intention, then it's more than likely backfired. Rather than shake everyone from their stupor, surely the net result of his doom and gloom pronouncements is to make readers resigned and disempowered. There's nothing we can do. It's all too late. A self-fulfilling end-times prophecy.

The two degrees imperative

Meanwhile, cooler heads in science, policy and campaigning are rallying round the idea that 2°C global average temperature rise is the critical threshold that we simply must not cross. Beyond that the chances of irreversible, rapidly escalating global warming becomes increasingly likely. As the chief scientific advisor to the German government, John Schellnhuber, told me in an interview at the end of last year:

"Going beyond [2°C] is extremely dangerous. There's not a crisp level of temperature that is tolerable. It could be 2.2 degrees or 1.9. But we know we are moving into the red zone, if you like, when we go beyond two degrees. And beyond that we scientists cannot guarantee that these feedback loops I just described would not operate."[4]

These amplifying feedbacks could lead to what Schellnuhuber terms a "runaway greenhouse effect" where the upper level of predicted temperature ranges are more likely to be reached. Also, the seriousness of the impacts rises significantly beyond 2°C. According to the International Climate Change Taskforce:

"A review of the IPCC's Third Assessment Report and other peer-reviewed publications finds that beyond [2°C] the damage to ecosystems appears to grow significantly: 95% of coral reefs are unlikely to recover; other highly bio-diverse ecosystems and sources of regional climatic stability, such as the Amazon rainforest, are likely to be lost forever, and the planet's soils and forests are projected to become a net source of carbon. Also beyond that threshold, projections show agricultural losses extending to the world's largest exporters of food; the additional number of people at risk of water scarcity jumping by 2 billion; and global net economic losses taking place."[5]

The European Union have adopted 2°C as their ideal limit (though they don't yet have sufficient policies in place to play their part in achieving this), as well as the Stop Climate Chaos coalition of development and environmental groups in the UK[6], and the 365 campaigning groups that come together under the international Climate Action Network umbrella.[7]

Heat

If Lovelock has descended into woolly thinking (we need sunshades in space and to look after ourselves, not help more vulnerable others), untidy writing and pragmatic pessimism, then George Monbiot is the antidote. Now, more than ever, is the time to be demanding the (seemingly) impossible. To rip off a Raymond Williams quote: "To be truly radical is to make hope possible, rather than despair convincing."[8] In this book, *Heat*, Monbiot has sat down and done some good thinking about how we're going to get ourselves out of this mess. His point of focus is the UK and what we need to do to play our part in reducing carbon emissions globally to a level that gives us a good chance of keeping within the 2°C limit.

Is his target right?

His first task is to set an emissions budget that is in line with the best current scientific thinking. The UK government still talks about a cut of 60% in CO_2 by 2050, whereas Monbiot calculates that we need a 90% cut in CO_2 in the UK by 2030. The UK government figure is based on a Royal Commission on Environmental Pollution recommendation from 2000[9] that has long been superseded by the science. Even the UK chief scientist has admitted that it's not enough. Speaking at the end of 2004, David King admitted that "if we want to avoid these major impacts threatening the thermohaline circulation [which includes the gulf stream], the Greenland ice sheet melting, [then] we may have to increase that target perhaps to 80% by 2050."[10]

All photographs from: Support for Manor Garden Allotments Society, in Hackney Wick, whose future is in jeopardy due to pending eviction from the current site due to the planned Olympic Park. There are 80 plots which provide food for over 150 families in the summer.

lifeisland.org

The only other comprehensive "Can We Do It?" national policy plan that I'm aware of (there's nothing in the public domain to suggest that the UK government has attempted this) is the Tyndall Centre for Climate Change Research study 'Living Within A Carbon Budget', which was commissioned by Friends of the Earth with funding from the Co-op bank and published in September 2006[11] – around the same time as Monbiot's book. This established a plan for achieving what is set out in FoE's draft Climate Change Bill – that is, a cut of 78% in CO_2 by 2050. The Tyndall Centre action plan assumes that the current cross-party agreement on "60% or greater" CO_2 reductions by 2050 "rapidly transforms into a consensus on '90% by 2050.' However, more important … is the consensus over the mantra of '70% by 2030' as the period between now and 2030 is the one in which the steepest reductions in emissions must occur."[12] However, the authors point out that even this target may be insufficient to keep us within a two degree limit. In fact they note that "assuming current scientific understanding of the issues" the FoE target would equate to "only a

30% to 40% chance of not exceeding 2°C."[13] Later they note that "to have a very high probability of not exceeding 2°C would require a complete cessation of carbon emissions from today."[143] These probility estimates are based on recent studies by Malte Meinshausen that even made it into Nicholas Stern's report on the economics of climate change.[15] Another recent assessment has suggested, "that the UK's fair global allocation in 2050 would be in the order of 88-94% below 1990 levels."[16]

Monbiot, then, is clearly in the right ballpark. But such a target represents a truly Herculean task. It makes you wonder, even if we had the political will, could we achieve such an ambitious target? After taking a hard look at all the options available to us – and discarding many you might have previously put your faith in on they way – Monbiot thinks we can.

Consumer Politics

The first pillar of Monbiot's plan[17] is carbon rationing. This proposal has been around since 1990 but is now being taken more seriously by the UK government.[18] Under the scheme, every adult gets an equal carbon allowance that reduces rapidly in line with the national target. The idea seems to have some distinct advantages over a carbon tax. It could be more politically acceptable than a tax, conferring carbon literacy on every adult in the population and providing a massive demand for low carbon goods and services. And since the allowance is tradable, the scheme could help effect income redistribution: The rich, who generally emit more carbon, will have to pay for extra emissions credits – while the poor and those who have adopted a low carbon lifestyle voluntarily will be rewarded financially when they sell their surplus units.[19]

Monbiot envisages a closed system where trading is only between UK participants. But the government's current enthusiasm for offsetting schemes raises the concern that they might be tempted to include carbon offsetting in a carbon rationing scheme. This should be resisted since it will considerably weaken the scheme. Carbon offsetting would allow individuals to buy their way out of action at home by investing in projects that supposedly have a carbon saving abroad. Carbon offsetting is currently a voluntary option for individuals but institutionalising the system on a national scale as part of a mandatory carbon rationing scheme would scale up the problems that are already endemic with these schemes. Offsetting schemes are unmonitored, uncertified and have endless scope for exploitation by ruthless profiteers (many of the big name offsetters in the UK have been exposed). Benefits for local people range from the dubious to complete destruction of livelihoods.[20] Furthermore, inclusion of a carbon offsetting option would disable carbon ratioining's principle function of measurably reducing emissions in the UK in line with a national target.

Monbiot doesn't have any time for bottom up, citizen-led initiatives at this late stage. The Tyndall Centre, likewise, conclude that we no longer have the luxury of time: "The urgency with which we must make the transition to a low-carbon pathway leaves no option but to instigate a radical and immediate programme of demand management."[21] A parallel bottom up process would though, in my view, enhance the effectiveness of carbon rationing. Individuals are already getting ahead of the game forming into low-carbon action groups, unplugging from a mediated, consumerist existence and starting to experiment with the enhanced well-being offered by a life more local, more neighbourly, more healthy, with a stronger connection to the land, stronger local economies, enhanced appreciation of our own countryside and the joys of slow travel.[22]

Monbiot is clear, however, that carbon rationing is just part of the solution and needs to be accompanied by a full package of public investment, information and regulation.

Burning down the house

Home energy use accounts for about 30% of the UK total. There is no reason why the 1.2 million homes the government is planning to build by 2016 should not all be built to the German zero-energy 'Passivhaus' standard which dispenses entirely with the need for heating and ventilation systems. As to the 25.5 million existing houses, Monbiot suggests that private landlords should be obligated to make their properties energy efficient before they are able to rent them out. This seems reasonable, as landlords are already obliged to include certain safety features. For private owners, tough building standards that are properly enforced should be laid down so that energy efficiency is taken into account when they are refurbishing their homes.

A proliferation of gadgets and technologies is currently causing home electricity use to rise. Carbon rationing would make us more energy conscious but Monbiot also prescribes a "feebate" system, in which inefficient electronic goods are heavily taxed while efficient goods are given a tax rebate. In addition, excessively wasteful and non-essential technologies, such as old-style lightbulbs, patio heaters and garden floodlights, should simply be banned.

The reduced energy use that remains needs to be made as clean as possible. When I interviewed Monbiot back in October 2006[23] he had already revised the optimism he expresses in his book for the potential of "clean gas" technology (also known as "carbon capture and storage", and a big favourite of the fossil fuel companies). He now thinks this technology is not sufficiently ready to be employed. In the book he rules out nuclear energy on two counts: nuclear energy is hugely expensive[24] and goes hand-in-hand with nuclear proliferation. We should therefore scrap plans for a replacement of Trident nuclear missiles and for a new generation of nuclear power stations and invest the money instead in a massive programme of clean energy production. Exposing the low potential of some domestic renewable energy technologies (particularly micro-wind turbines on homes in an urban setting), he suggests that we should build big renewable energy projects where the wind and sun are most abundant and transport the electricity over long distance using high voltage direct current cables. We're talking windfarms miles offshore and solar farms in the Saharan desert. And to replace the burning of natural gas in our boilers, he suggests investing in a new hydrogen pipeline network.

In a possible lapse in his thoroughness, Monbiot appears to have insensibly dismissed the huge potential of decentralised energy. This is something that has delivered massive savings for Woking Borough Council, for instance, and remains the central thrust of Greenpeace's climate change campaign. A recent presentation by independent sustainability consultants SEA/RENUE to my local council, concluded that Woking-style large scale community combined heat and power installations (CCHP) would be the single thing most likely to deliver major cuts in greenhouse gas emissions in our area. The man behind the plan at Woking is now working for the Mayor of London to implement a similar scheme across London. Localising energy production in this way means that the 60% energy loss through heat at the point of production in our current centralised electricity systems could instead be used to heat homes.[25] Monbiot's brief discussion of this technology is not substantial enough to be convincing.[26]

Getting about

For road transport Monbiot does a demolition job on our hopes that biofuels might become a viable low-carbon fuel for road vehicles. He reveals that the small amount of biodiesel that is included in petrol station biodiesel-mixes is already causing significant problems. Palm oil biofuel plantations are causing rainforest destruction which is actually increasing CO_2 emissions. We simply do not have the landmass in the UK or Europe to support domestic production of enough biofuels to feed our cars, and, anyhow, the UK government has ruled out the restriction of imports.

Obviously we need to abandon the government's insane £11.4bn road building programme, which will just allow road vehicle numbers to rise, but at the same time we need to provide attractive and viable alternatives to the car. Monbiot notes that while, per passenger, the train is about seven times more efficient, coaches are about eight times more efficient. Consequently he supports a novel proposal for a new deluxe national coach network using dedicated lanes on motorways. Transport expert Lynn Sloman has calculated that 40% of journeys could be made by bicycle, on foot, or by public transport. Again, carbon rationing will help drive behaviour change. Sloman calculates that a further 40% of road journeys could be avoided if public transport and cycling facilities were improved. For the remaining unavoidable journeys, mandatory improvements in vehicle efficiency are needed. But Monbiot's big scheme is to have filling stations converted into battery leasing facilities with the batteries charged by the unused windfarm electricity generation that occurs overnight.

Like everywhere else in the economy, the 90% cut in CO_2 emissions needs to apply to aviation. Having investigated all possible alternatives and found them wanting, Monbiot concludes that it is no longer possible to enjoy long-distance travel at speeds that many of us in rich countries have become accustomed to in the recent past. So, rather than continue with the current expansion of airport capacity, it needs to be frozen and rapidly reduced. For those who enjoy the privilege, the time for second homes abroad and weekends in New York is over.

Timescale

The task seems formidable – particularly since a lot of relatively minor policy proposals that sound straightforward and commonsensical on paper have already foundered on the rocks of vested interests. To make action happen, we have to give government the political space afforded by an equally powerful civil society. As Monbiot concludes:

"Governments will pursue this course of inaction – irrespective of the human impacts – while it remains politically less costly than the alternative. The task of climate change campaigners is to make it as expensive

as possible. This means abandoning the habit of mind into which almost all of us have somehow slumped over the last ten years or so: the belief that someone else will do it for us."

There is an unparalleled urgency here and a plan needs to be put in place immediately. The Tyndall Centre note that although "there is little evidence that the UK is about to embark on an absolute and significant reduction in its carbon emissions … this is a situation that will necessarily have to change within the coming 2 to 4 years."[27] And later:

"It is an act either of negligence or irresponsibility to continually refer to a 2050 target as the key driver in addressing climate change. The real challenge we face is in making the radical shift onto a low-carbon pathway by 2010-12 and thereafter driving down carbon intensity at an unprecedented 9% per annum, for up to two decades. The urgency with which we must make the transition to a low-carbon pathway leaves no option but to instigate a radical and immediate programme of demand management."[28]

Action now, besides giving us a better chance of avoiding the worst, also makes the task easier. A number of models suggest "that delaying action would require greater action later for the same temperature target and that even a delay of 5 years could be significant."[29] Nicholas Stern also concludes: "There is time to avoid the worst impacts of climate change if strong collective action starts now … Delay would be costly and dangerous."[30]

Reasons to be cheerful

Remarkably, and bearing in mind the great inertia of the status quo, the speed of change is quite breathtaking if we care to stand back for a moment. In the UK a massive civil society campaign (in which virtually all MPs in the country were met by constituents) has forced the government to introduce a Climate Change Bill into the House of Commons later this year which will make emissions targets legally binding on government. This would have seemed almost inconceivable twelve months ago. That said, the government is considering legislating for a weak, outdated target that does not stand up to the slightest scrutiny. A target properly informed by the latest science needs to be the next campaign focus, and that quickly needs to be followed by a plan of action that is fit for the task.

What about the rest of the world?

Monbiot doesn't address the question of how we're going to get an adequate global agreement in time that has buy-in both from the US and developing countries. But our inaction and lack of practical commitment at home has actually held back the international negotiations. Our "Do as I say, not as I do" attitude has given us no credibility at the UN. The slowness of the rich world to move first – as it promised to do under the UN Framework Convention on Climate Change[31]– has actually harmed progress of the UN talks. China for example, a key player, constantly justifies its unwillingness to take on binding targets because it is waiting for de-industrialised nations to first take a strong lead. The US in turn, still uses the intellectually dishonest pretext that it won't act without China and India.

As an excuse for our poor record at home, UK government representatives still peddle the tired and false argument that "We're only two per cent of global emissions, so what's important is an international agreement." This argument perpetuates the buckpassing that has characterised and stymied the negotiations. Furthermore, the truth is that as the country where the industrial revolution started, historically we account for much more than 2%. Also this figure does not take account of the energy in the transport and manufacture of all the goods we import. In a sense, China's growth is due to the fact that the West has contracted out its manufacturing base.

In the Tyndall Centre plan, the assumption is that adoption by the UK of a strong target informed by the best current science and expressed as a cumulative emissions budget (the total amount of greenhouse gases we can emit over a given time period), and backed up by an adequate policy package, quickly leads to similar action within the EU. That in turn leads to an effective international agreement that finally contains targets in line with the science, rather than notions of political acceptability.

There are even encouraging signs in the US. Besides unilateral action on target-led greenhouse gas reductions at state and city level, and with control of both houses of Congress having swung to the Democrats, there are three climate change bills that campaigners are rallying around that would affect an 80% cut in emissions in the US.[32] There are also some serious legal challenges afoot there that could force the administration to act in the very near future.

The current state of the science means we can only talk in probabilities about whether or not a particular emissions target would keep us beneath the 2°C threshold. But, contrary to Lovelock's assessment, it also suggests that we still have a chance to avoid the worst and that the higher the goal we set, and the quicker we act, the more likely we are to avoid catastrophe. We have to maintain a positive outlook and brace ourselves for the challenges ahead.

Phil England is a freelance journalist and radio producer. His Climate Radio archive can be found at: http://coinet.org.uk/climateradio

Notes

1 James Lovelock, 'The Earth is about to catch a morbid fever the may last as long as 100,000 years' – *The Independent*, 16/1/07.

2 Recently, see for example: 'Britain tries to block European targets for renewable energy', David Adam, Environmental correspondent, *The Guardian*, 13/2/07.

3 For the full results see 'Climate Panel – The Verdict', http://news.bbc.co.uk/1/hi/sci/tech/5152590.stm; to hear the full discussion visit: www.bbc.co.uk/radio4/today/reports/science/lovelock_climate_20060706.shtml

4 John Schellnhuber interviewed 11/12/06 as part of The Two Degrees Show#11 which is archived at http://coinet.org.uk/climateradio

5 Simon Retallack, *Setting a long-term climate objective – A paper for the International Climate Change Taskforce* (IPPR, February 2005) p. 2. See also Bill Hare, 'Relationship Between Increases in Global Mean Temperature and Impacts on Ecosystems, Food Production, Water and Socio-Economic Systems' in Hans Joachim Schellnhuber (ed.), *Avoiding Dangerous Climate Change* (Cambridge University Press, 2006), pp. 191-9.

6 See their manifesto at www.stopclimatechaos.org/about_us/8.asp

7 See for example www.climatenetwork.org/about-can/index_html/three-track-approach

8 Quote by Raymond Williams used in Camp for Climate Action publication *Time Up* (2006)

9 RCEP's 22nd report, *Energy – The Changing Climate*, June 2000

10 Professor Sir David King in *Minutes of Evidence Volume II* (HC 130-II), Question 27, House of Commons Environment, Food and Rural Affairs Committee, 8/12/4

11 Dr Alice Bows et al, *Living Within A Carbon Budget* (Tyndall Centre, September 2006), www.foe.co.uk/resource/reports/living_carbon_budget.pdf

12 Ibid, p. 170

13 p. 15

14 Tyndall Centre, p.1164

15 *The Stern Review on the economics of climate change* – executive summary, p. 5 (HM Treasury, October 2006)

16 Dr Paul Baer with Dr Michael Mastrandrea, *High stakes: designing emissions pathways to reduce the risk of dangerous climate change* (IPPR, November 2006)

17 Monbiot summarises his key recommendations to government in 'Here's the plan' (*The Guardian*, 31/10/07) archived at www.monbiot.com/archives/2006/10/31/heres-the-plan

18 DEFRA Secretary David Milliband has publicly expressed enthusiasm about the scheme – for example, see Patrick Wintour, Milliband plans carbon trading 'credit cards' for everyone in *The Guardian* 11/12/06; Milliband commissioned a feasibility report on the scheme *A Rough Guide to Individual Carbon Trading – The ideas, issues and the next steps* (DEFRA/Centre for Sustainable Energy, November 2006); and the RSA has launched a half a million pound three-year programme to explore the idea. See: www.rsacarbonlimited.org

19 This may well be Monbiot's way of meeting transitional demands, but for an account of Green Capitalism's incapability of "solving the problems embedded in capitalist social relations of production and in capitalist production's exploitative relation to nature" see 'Garbage Capitalism's Green Commerce', Rogers, H., Coming to Terms With Nature: Socialist Register 2007, eds. L. Panitch & C. Leys.

20 See chapter four in Larry Lohman, *Carbon Trading — a critical conversation on climate change, privitisation and power* (The Cornerhouse, 2006) downloadable at www.thecornerhouse.org.uk/pdf/document/carbonDDch4.pdf; hear also the interview with Soumitra Ghosh as part of The Two Degrees Show archived at http://coinet.org.uk/information/climate_radio/2d9

21 Tyndall report, p.162 (see note 10).

22 See for example www.transitiontowns.org

23 For The Two Degrees Show archived at http://coinet.org.uk/information/climate_radio/2d3

24 A joint GLA/Greenpeace campaign estimates the cost of clearing up the last generation of nuclear reactors to be a staggering £70bn – see 'Mayor and Greenpeace *launch* nuclear poster campaign' GLA press release #667, 15/12/2006, www.london.gov.uk/view_press_release.jsp?releaseid=10209

25 See www.greenpeace.org.uk/decentralisingpower

26 George Monbiot, *Heat: How to stop the planet burning*, p.133-134

27 Tyndall Centre report , p19 (see note 10)

28 Ibid, p.162

29 Hans Joachim Schellnhuber (ed.), *Avoiding Dangerous Climate Change* (Cambridge University Press, 2006), Executive Summary

30 *The Stern Review on the economics of climate change* – executive summary, p. 27 (HM Treasury, October 2006). Note that Stern does not consider the steep cuts in CO_2 to be economically justified and many have rightly taken issue with this. His own analysis suggests that the economically justified targets he proposes are very likely lead us to exceed 2°C target with all the consequences that implies.

31 See UNFCCC Article 3.1 http://unfccc.int/resource/docs/convkp/conveng.pdf

32 Henry Waxman's Safe Climate Act and Senator Jefford's Global Warming Pollution Reduction Act.

The Ecological Question: Can Capitalism Prevail?

Daniel Buck

There are signs everywhere that the natural resources that provide the inputs for our material commodity economy are being used up faster than they are being replaced by the physical, biochemical and ecological processes that produced them in the first instance (the most salient example is oil, but why stop there?). Amid cries that we may have already reached 'peak oil', accelerating conversion of the world's tropical rain forests and all they imply to 'use values' in the present, rapid depletion of the world's fisheries, rising prices for metals and minerals, and a growing consensus among the scientific community that human-induced global warming is not only a fact, but that we may be approaching catastrophic 'tipping points', it is easy, logical, and even sane to arrive at the conclusion that this, surely, must be the crisis that finally will destroy the wild juggernaut of capitalism.

This is the 'ecological question'.[1] But these apocalyptic visions of resource exhaustion forcing capitalism's final crisis rest upon overly narrow understandings of what, exactly, constitute natural resources. Natural resources are posited to be out there, natural things that can be picked up, cut down, mined or otherwise gath ered, processed, and used. They are finite, and once used up will be gone. There is some hedging of this position, of course: forests can be re-planted, tin cans and bottles can be recycled. But this view takes resources to be strictly natural, rather than just as much social. That is, it overlooks how things found in the natural world only become useful to human societies in the context of particular socio-technical frameworks. It thus fails to adequately grasp technology and especially the dynamism of technological innovation and change under capitalism. Furthermore, these visions of final crisis tend to confuse particular manifestations of capitalism – that is, particular historical social formations – with capitalism itself, thus underestimating the flexibility of the beast. This short essay will unpack both of these assertions to argue that capitalism very likely will survive the 'ecological challenge', though this need not imply that the future will be rosy, utopian, or even based upon some kind of post-resource (as in post-industrial) political economy. Finally, the almost exclusive focus of the debate on the ways that capitalism must be regulated by the state into adopting solutions, should be shifted to take better account of the ways that capitalism could very well accumulate its own way to solutions – at whatever cost to humanity.

Market- or Price-driven Technological Change

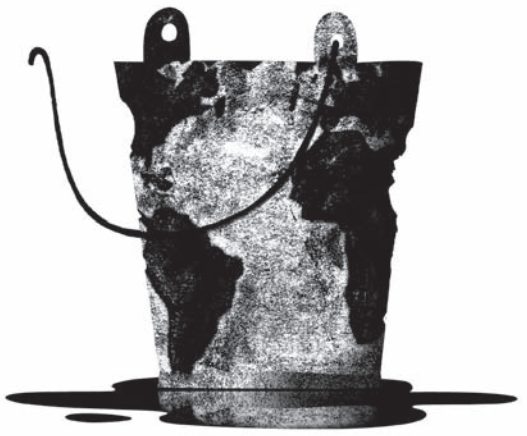
The simplest and most intuitive, though as we shall see fully inadequate, reason that capitalism will not fail due to resource exhaustion is that when something becomes relatively scarce, its price will tend to rise. This engenders a host of possible reactions, ranging from reduced consumption of a resource through simple economizing, to increased extraction from sources previously too marginal, difficult, dangerous, or for whatever other reasons too expensive. Timber will be cut further from roads or on steeper slopes, mines shafts will be dug deeper or following less productive veins, and so on. Higher prices also create new incentives to develop more efficient and cost-effective ways to extract and process resources, and encourage shifts to existing but hitherto more costly substitute resources or technologies. For example, recent rapid increases in oil prices have driven chemical companies to start looking at coal again, as a substitute for oil.[2] Or, solar and wind power technologies, far too costly when oil is selling for $9 a barrel (in 1998), start looking economically feasible when oil reaches $70.

These kinds of shifts, reactions to exogenous price shocks, are real and will play an important role in ameliorating the economic impact of increasing resource scarcity. But as oil becomes scarce and climbs above $100, even $400 or $500 a barrel, it will threaten the kind of radical time-space de-compression suggested by Elmar Altvater,[3] and with it the collapse of the vast systems weaving together industry, agriculture, and our cities and modern societies. Surely, then, such incremental adaptations and improvements on existing techniques will not be enough? At this point we are usually reminded of stories such as predictions in the late nineteenth century that the impending exhaustion of coal reserves would lead to the collapse of the industrial world – predictions made just before the discovery of petroleum. Can this civilization-saving discovery be replicated, or was that just a one-off? What miraculous new discovery will save us this time?[4]

The usual answer to these questions is that new scientific breakthroughs and technological advancements will save us. But the very story of the discovery of oil poses a prior question – why was it not discovered before? Since oil had been there all along, usually thought of as a sticky smelly nuisance, what was it about that particular time and place that produced its discovery? And for that matter, this notion about shifting to other technologies and resources in response to shifting price parameters, does it not also assume that those technologies are already out there, ready to be picked up and used? That those resources are already resources, that is, already 'discovered'? Is part of the problem our use of the word 'discovery'? Looked at this way, it should be apparent that the term natural resource is to an important extent an oxymoron, that something in the natural world only becomes useful to humans in the context of a particular socio-technical framework that can make use of it. And this puts the question of technology change back at the center of analysis.

Accumulation-driven Technological Change

While the dynamics described above are real and an important driver of change, they are 'weak' versions of technology change that misunderstand the centrality of technology to the capitalist mode of production. Part of the problem is that technology change is assumed to be external, exogenous, rather than an intrinsic part of the internal dynamism of capitalism itself. At the very heart of Marx's analysis of capitalism is labour, which is "first of all, a process between man [*sic*] and nature, a process by which man, through his own actions, mediates, regulates, and controls the metabolism between himself and nature."[5] We are thus reminded that all societies, in all places and times, have in common the performance of labour (which is always social labour in one form or another) on nature in order to convert it into the use values that people consume in order to survive,[6] at whatever socially and historically determined level of consumption.[7] All labour is thus social and ultimately related – no matter how distantly – to the conversion of nature to use



Notes

1 The 'ecological question' resonates with a long line of 'questions' or problematics within the Marxian tradition: Marx's 'The Jewish Question', Karl Kautsky's 'The Agrarian Question', and Manuel Castells' 'The Urban Question'.

2 *New York Times*, 18 April 2006.

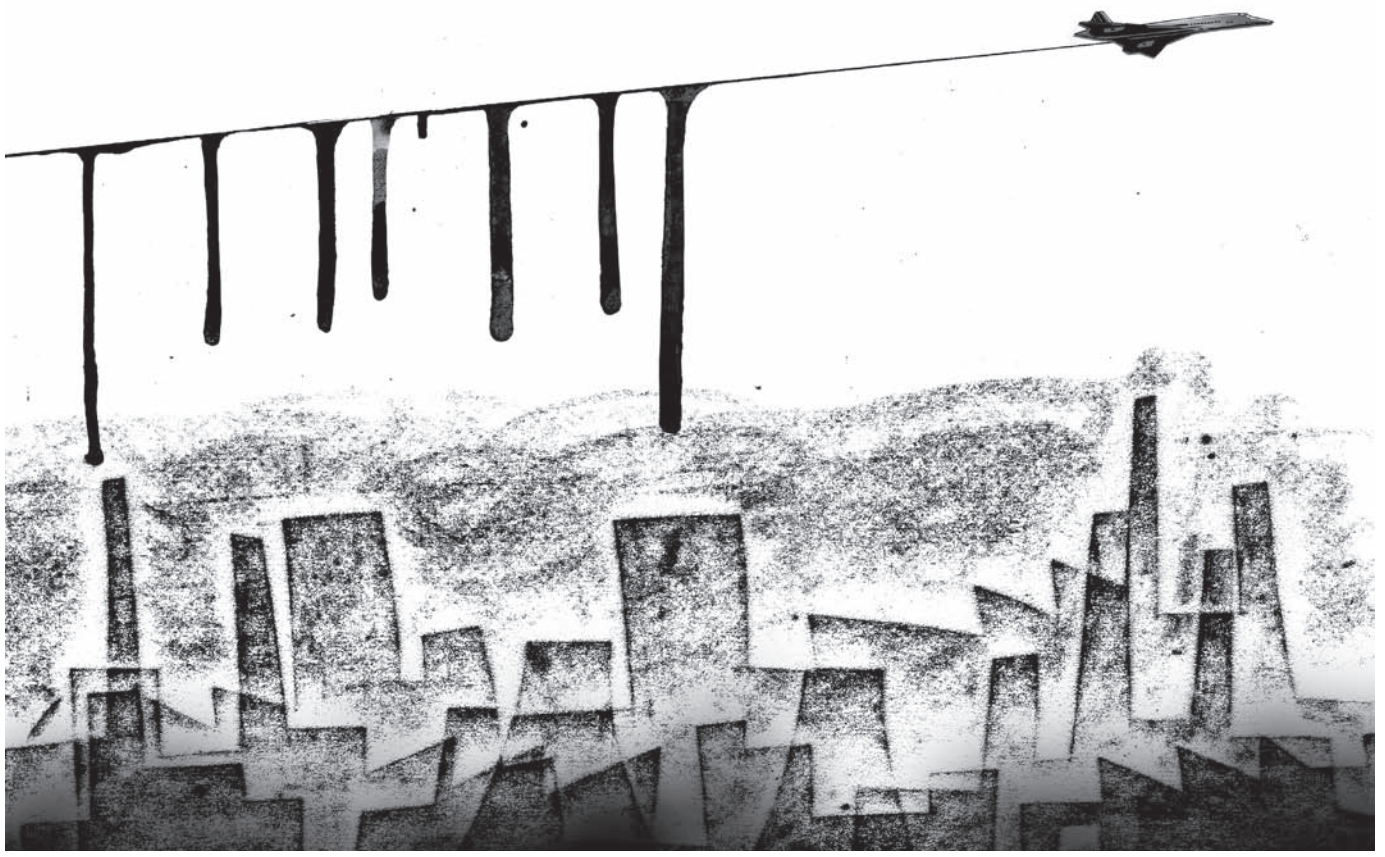
3 Elmar Altvater, 'The social and natural environment of fossil capitalism', in L. Panitch and C. Leys, eds., *Coming to Terms with Nature: Socialist Register 2007*, London: Merlin Press, 2006. The concept of time-space compression was originally developed by David Harvey (*The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*, Cambridge: Blackwell, 1989), building on Marx's depiction of the compulsion of capital to 'annihilate space by time'. As very astutely deployed by Altvater in this volume, time-space de-compression refers to the unravelling of the ways distance and time have been reduced and woven together by new and highly complex systems of transportation that rely primarily on cheap fossil fuel.

4 It would do well to keep in mind that while there must, indeed, be some finite end to oil, there is also a strong argument to be made that 'peak oil' is in important senses a myth. See Retort (Iain Boal, T.J. Clark, Joseph Matthews, Michael Watts), *Afflicted Powers: Capital and Spectacle in a New Age of War*, London: Verso, 2005, pp. 38-78.

5 Karl Marx, *Capital: A Critique of Political Economy*, Volume 1, Translated by Ben Fowkes, London: Penguin Books, 1976, p. 283.

6 Ibid., p. 290.

7 Ibid., p. 275.



values. At first glance it appears that Marx posited nature as out there, resources which human labour can 'appropriate' and convert to use values. But this human labour is not innocent or 'natural'. Several chapters later in *Capital* we read that "technology reveals the active relation of man to nature, the direct process of the production of his life, and thereby it also lays bare the process of production of the social relations of his life, and of the mental conceptions that flow from those relations."[8] So even though people "confront the materials of nature as a force of nature", this confrontation or activity is not only social, it is always already mediated, performed through, and indeed constituted by technology.[9] Further, this passage highlights how technology lies at the center of a web of dialectically-related components of a social formation (the components, in the most expansive sense, being technology, relations of man to nature, the forces and relations of production, and mental conceptions).

Social formations are always historical, and this leads us to an additional and even stronger sense in which technological dynamism is at the heart of capitalism. Capitalists must compete, and as Marx demonstrates in *Capital*, and more poetically in the *Communist Manifesto*, relentless competition forces them to constantly innovate just to avoid being thrown into the ranks of the proletariat. The bourgeoisie simply "cannot exist without constantly revolutionizing the means of production."[10] In this larger context, the limited notions of change depicted in the previous section appear as relics of the kind of narrow thinking produced by mainstream economic theories of perfect competition, where capitalists react rationally to shifting price signals in the market.[11] They manoeuvre to keep up or stay ahead of one another within a given framework of competition, generally by looking for ways to cut costs and develop cheaper ways to do the same thing – in short, more efficient ways to allocate existing resources. Change in this mode is reactive and thus strangely passive. It is incremental, and rarely changes the framework of competition, resulting instead in a falling rate of profit, to which capitalists react by again reducing costs. One problem with this is that it implicitly assumes that capitalists like to compete on a level playing field, that they actually believe their own hype about free market competition. But what any capitalist really wants is a monopoly, a solid and unassailable market position vis-à-vis the competition. One of the most assured ways to achieve that (short of friends in high places) is not by beating one's competitors incrementally within a given framework, but by transforming the framework, by breaking through to a whole new framework and gaining an absolute rather than relative advantage (if only temporarily, until the others catch up). The huge profits that can accrue to the agents of such transformations push capitalists to actively seek out new forms of absolute advantage by creating something new, whether new products, whole new ways of doing things (new forms of organization), new production processes or machinery… new materials…new resources….

So the real action in the game is not about the most efficient allocation of existing resources, but the creation of new ones. Relentless competition drives innovation in the strongest sense, which in turn spills over to transform other aspects of modern life: "constant revolutionizing of production, uninterrupted disturbance of all social relations, everlasting uncertainty and agitation, distinguish the bourgeois epoch from all earlier times. All fixed, fast-frozen relationships, with their train of venerable ideas and opinions, are swept away, all new-formed ones become obsolete before they can ossify. All that is solid melts into air… ."[12] Social formations, those webs of relationships constituting a kind of whole or totality, are thus always not only historical but also constantly in motion, hurtled along by the incessant waves of creative destruction unleashed by bourgeoisie innovation. And at the heart of any social formation is technology, or to be more precise, since a formation is always historical, a particular and particularly historical technological framework or set of scientific and technological knowledges and practices.

Frames Of Long-wave Development

Capital has at its core a logic of continuous self-expansion, and when the different components of a social formation work together in a synergistic enough fashion the formation expands.[13] This growth and expansion take the material and social form of long waves of industrialization of specific territories. In *The Capitalist Imperative*, Michael Storper and Richard Walker argue that at the heart of each long wave are one or more 'base technologies' that comprise a technological framework. Contrary to popular understandings, and myths of eccentric inventors and professors tinkering in their labs, innovations often occur in industry ahead of scientific understanding (the scientists then figure out why it works). Shifts occur when capitalists, driven by strong and unrelenting competition, make or deploy a series of greater and lesser inventions to break through into a new technological framework, creating whole new industries and opening up new possibilities in existing ones. Capitalists race to take advantage of the new opportunities, but these spread through industries unevenly. For each long wave of development over the last few centuries we can identify clusters of leading industries which are 'propelled by the unfolding possibilities of one or more base technologies' that define whole epochs of economic history.[14]

The history is complex and overlapping, but to give just a few overly simple examples: spinning,

8 Ibid., p. 493.

9 Ibid., p. 283.

10 Karl Marx and Friedrich Engels, *Manifesto of the Communist Party*, cited from *The Marx-Engels Reader*, Second Edition, edited by Robert C. Tucker, New York: Norton, 1978, p. 476.

11 This part of the essay draws heavily from Michael Storper and Richard Walker, *The Capitalist Imperative: Territory, Technology, and Industrial Growth*, Cambridge: Blackwell Publishers, 1989.

12 Marx and Engels, *Manifesto*, p. 476.

13 Harvey, *Condition of Postmodernity*; Storper and Walker, *Capitalist Imperative*, pp. 202-03; Robert Boyer, *The Regulation School: A Critical Introduction*, New York: Columbia University Press, 1990.

14 Storper and Walker, *Capitalist Imperative*, p. 199.

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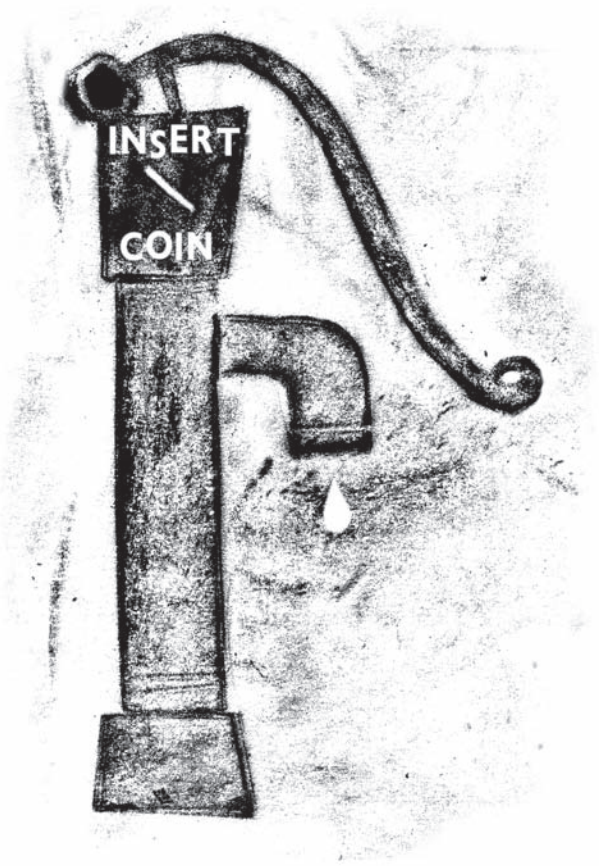


weaving, and iron smelting and casting helped usher in the Industrial Revolution; advances in machine-making transformed industrial technology in the second half of the nineteenth century; electricity, chemistry, and the internal combustion engine reworked everything again around the turn of the twentieth century; only to be transformed again by advances in electronics, petrochemicals, and aerospace and a handful of other areas in the post-war era. One of the most important leading edges of capitalist development in the last few decades has been the silicon/digital revolution, and we are still watching it continue to expand and play out as even the most mundane things are reworked around the new possibilities and capabilities of the new framework.[15] Soon we will all have toasters made with metal parts embodying machine-tool principles developed in the late nineteenth century, plastic components derived from the petrochemical revolution of the post-war period, and guided by programmed chips developed in the late twentieth century.

This view of capitalism as existing in the shape of particular, historical social formations that are in motion, constantly upset and driven forward as fierce and relentless competition forces capitalists to make breakthrough innovations that revolutionize production and unsettle social relations in waves of creative destruction, fits well with spatio-material histories of capitalism. Technological breakthroughs drive rounds of territorial expansion as the growth of leading sector industries literally produce regional economies, usually leapfrogging over regions produced in previous long waves to produce new ones.[16] Of course, a long wave of producing and competing within a given framework is desirable for capitals for a while, as they must put down the fixed capital and make large investments to viably produce and compete. But eventually the new possibilities inherent in a technological framework reach diminishing returns or are exhausted, and the tendency to equalization and falling rate of profit sets in. Once it does, the only real money to be made is by breaking through the current frameworks (this is not to imply that capitalists wait until a framework is exhausted to begin trying to develop breakthroughs), and the process repeats itself, usually developing along a whole new spatial trajectory. This often takes the form of industrializing new regions, though it can also take the form of re-industrializing and transforming previously industrialized ones.

The Survival Of Capitalism

So, will capitalism survive? We will answer in three registers. First, what do we mean by the survival of capitalism? Even the quick sketch in the previous section should illustrate that capitalism is not defined by or dependent upon any particular technological milieu or framework, or any particular source of motive power. It is, ultimately, about social relations. For Marx, machines making machines represented the epitome of capitalism, but not the essence. The essence of capitalism is commodities making commodities. The social division of labour and social relations featuring the separation of the proletariat from the means of production are thus analytically prior to machinery, and thus also to any particular source of energy fuelling mechanized production. Capital, as value in motion, does not care about what it makes, the machinery used, or the motive source. It cares only about its own self-expansion and valorization. Even if the post-oil economy fulfils the dystopian post-apocalyptic visions of a return to simple animal, human, and perhaps water and wind power as motive forces, we will still have capitalism as long as we have an industrial reserve army unencumbered by ownership or control of the means of production, as long as the production of commodities by commodities prevails. We must be careful not to confuse particular historical formations of capitalism with capitalism itself.

Second, apocalyptic visions of the final crisis implicitly assume that capitalism will end everywhere. But capitalism has never existed everywhere: its history can be divided between histories of its development in the core and its expansion into and incorporation of places once peripheral. Even in the core its conquest is not and never will be total. The first line of *Capital* begins "The wealth of those societies in which the capitalist mode of production *prevails*…" (emphasis added), implying that even in the developed core it only prevails, not that it is total. While there may be an internal tendency for capitalism to colonize and commodify all aspects of modern life,[17] even a cursory glance at the ways the line of commodification shifts with each reconstitution of the modern household,[18] and at how capitalism creates non-capitalist spheres outside and even inside itself on which to feed,[19] serve to illustrate that the capitalist mode of production, like Gramsci's hegemony[20], will never be total and complete. So, how deep and total a capitalism do we need to say it is still capitalism? Even in the event of a radical round of time-space de-compression, who is to say that large pockets of human activity will not continue to exist in which the capitalist mode of production *prevails*? Just because there is an expansionary logic intrinsic in the commodity form does not mean that capitalism cannot contract. And once it contracts, it will have larger areas outside itself in which to expand. But even the metaphors of expansion and contraction are ultimately too clumsy, belying the more complex ways that trajectories of uneven capitalist development territorialize, re-territorialize, and even de-territorialize places in an unconstant geography.

Finally, we come to the ways that capitalism may well accumulate itself out of, or through, an ecological crisis. The survival of capitalism need not be anywhere as stark as surviving pockets of people using antiquated sources of motive power to produce a limited range of inferior commodities for limited distribution. Capitalism is relentlessly in motion, constantly propelling itself forward into new technological frameworks and across space. New frameworks bring new long waves of development, and technological shifts have a way of creating their own demand. Creative destruction sweeps through the installed base of commodities, and everyone must update everything – it is still easy for us to remember the almost silent and only slightly annoying compulsion to switch from VCR to DVD machines, and to sense the coming switch from cathode-ray tube televisions to digital ones. It is just as easy to imagine how breakthroughs in fields such as nanotechnology, biotechnology, and

15 Ibid., pp. 199-202. See also Peter Dicken, *Global Shift: Industrial Change in a Turbulent World*, Third Edition, New York: Guilford Press, 1998, p. 148.

16 Storper and Walker, *Capitalist Imperative*; Annalee Saxenian, *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*, Cambridge: Harvard University Press, 1994.

17 Guy Debord, *Society of the Spectacle*, Detroit: Black and Red Books, 1977. See also Henri Lefebvre, *The Production of Space*, Translated by Donald Nicholson-Smith, Oxford: Blackwell, 1991.

18 David Goodman and Michael Redclift, *Refashioning Nature: Food, Ecology, and Culture*, London: Routledge, 1991.

19 David Harvey, *The New Imperialism*, Oxford: Oxford University Press, 2003.

20 ["By hegemony, Gramsci meant the permeation *throughout* society of an entire system of values, attitudes, beliefs and morality that has the effect of supporting the status quo in power relations. Hegemony in this sense might be defined as an 'organising principle' that is diffused by the process of socialisation into every area of daily life. To the extent that this prevailing consciousness is internalised by the population it becomes part of what is generally called 'common sense' so that the philosophy, culture and morality of the ruling elite comes to appear as the natural order of things. (Boggs 1976 p39)"] http://www.infed.org

genetic engineering will lead to not just new fuels and more energy-efficient products and industrial processes, but whole new realms of products made of materials and by processes we cannot yet imagine. And these new products and processes will create their own demand, will create new industries that will pull along whole ensembles of supporting services and businesses, and in the process will produce whole new regions (or re-produce existing ones).[21]

Already we hear people saying that the current, highly dispersed spatial pattern of settlement in the West is so completely predicated upon cheap energy that it will be unsustainable and have to be reworked with peak oil.[22] This sounds like a crisis, but from the standpoint of capital actually represents an opportunity – construction and new spatialization is a huge source and part of economic growth under capitalism.[23] All of that building will constitute new demand, and it will be built from new materials using new technologies, giving rise to new sets of industries that supply them, and new kinds of services that supply them in turn. New spatial forms create whole new markets for new kinds of goods – just witness the way suburbanization in post-war America went hand in hand with the elaboration of many of that generation's propulsive industries – automobiles, household appliances, food industries…[24]

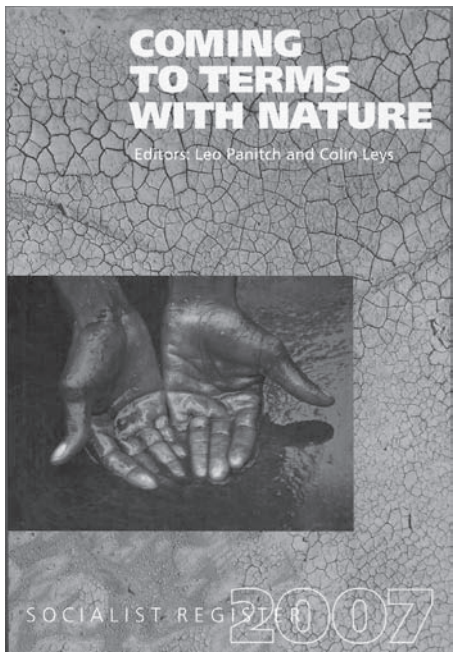
Some will argue at this point that shifts to new technological trajectories will entail the devaluation and write-off of massive amounts of capital already fixed in the physical landscape, in the form of our housing and building stock, freeways and transportation networks, and so on, and that the capitalist system could not withstand such a financial shock. But it is important to remember that economic landscapes are frequently swept away in periodic rounds of creative destruction, and that this process is internal to the dynamism of capitalism itself. Fixed capitals only matter in terms of the rate of depreciation. Capital as value-in-motion does not care what fleeting forms it assumes, as long as it valorizes and expands itself within (socially-determined) specified time horizons.[25]

Conclusion

Although we have become accustomed to a paucity of R & D investment in alternative energies, that will very likely soon change. Where will the investment come from to fund the research and experimentation for all of this technological change? Rising energy costs will open spaces for new investment in research and development. But more importantly and fundamentally it will come from capital itself, which, even in the form of the huge pools of accumulated value that the multinational oil conglomerates represent, ultimately does not care about oil, or any particular product line, place, or industry. It cares only about its own expanded reproduction.

This is not to put the whole burden on the individual capitalist. Another source of investment, and potential coordination of innovation, is the state. Karl Polanyi [in *The Great Transformation*, 1944], argued that society can fight back against the ravages of undue marketization. We usually think of members of the bourgeoisie acting individually in competition with one another, but we must not forget, as Marx himself shows, how they must act collectively at times in order to be able to continue to reproduce themselves as a class (enacting labour laws, education). Whatever one's theory of the state and its relation to the economy, society, and the bourgeoisie, even oil capitals are beginning to make noise about the need to develop alternatives (e.g. the Chevron ad: 'we used the first billion barrels in 125 years, the next billion will take only 35 years…and then it's gone'; or BP's rebranding of itself as Beyond Petroleum). The race for alternative energy sources – some of which may be cleaner, some may not – and the concomitant spillover technologies, has already begun.[26]

There is a strong case to be made that capitalism will survive. But the main point here is that analysis of the ecological question must begin with a more nuanced understanding of resources and technology, must move beyond the simple poles of techno-optimism (science, technology and human ingenuity will save us) and environmental pessimism (resources are running out).[27] And while capitalism may survive, this is not to say that we can safely embrace rosy visions of utopian futures and abandon apocalyptic dystopian ones. We can wonder at the marvellous inventions to come without forgetting the dark sides of new technologies: new technologies of control, surveillance, and exclusion; new contradictions, externalities, and pollutions that we cannot yet imagine (or that are imagined in only the most dystopian science fictions). Nor is this to envision a rosy democratic future, in which radical new technologies will make energy and food and water cheap and plentiful and available to all without effort. Technological breakthroughs create whole new areas of activity and possibility, new sites or commons, as technological developments that are internal to capitalism succeed in creating new terrains that are outside the circuits of capital, only to internalize them again through rounds of privatization, enclosure, primitive accumulation, and monopolization. The classic story of enclosures concerns the removal of the English peasantry from the commons, but we have seen many examples in recent history: the commodification of seeds,[28] water,[29] the Internet, engineered mice,[30] and the human genome. In the current construction of markets for carbon offsets and futures we may be seeing the incipient commodification of the very air we breathe, air which may be increasingly noxious for all those that cannot afford to purchase commodified and distributed clean air.[31]



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socialistregister.com

merlinpress.co.uk

21 Even our portrayal of technological change in this regard is not strong enough. We refer the reader to Neil Smith's explication of 'the production of nature' in 'Nature as accumulation strategy' (L. Panitch and C. Leys, eds., *Coming to Terms with Nature: Socialist Register 2007*, London: Merlin Press, 2006), for an even stronger version of the increasingly intense ways capitalism incorporates nature's own processes into production circuits.

22 China is increasingly emulating this spatial pattern with the rapid construction of highways, upscale suburbs and suburban shopping centers, all articulated with its propulsive 'pillar' automobile and household appliance industries.

23 Carol Heim argues persuasively that 'city-building' was a very significant driver of economic growth in twentieth century America. My argument about strong technological change echoes what she terms 'hypermarket forces': 'speculation and the search for large capital gains from property development and increasing land values. Such gains, rather than marginally higher rates of return from reallocation of capital and labor in production, are the incentive behind much city-building, suburbanization, and redevelopment or gentrification'. Carol E. Heim, 'Structural Changes, Regional and Urban', in Stanley L. Engerman and Robert E. Gallman, eds., *The Cambridge Economic History of the United States, Volume 3 The Twentieth Century*, Cambridge: Cambridge University Press, 2000.

24 Goodman and Redclift, *Refashioning Nature*.

25 David Harvey, *The Limits to Capital*, Oxford: Basil Blackwell, 1982.

26 Of course, in the present capitalist formation, innovation and technological change have become highly organized, institutionalized, and even industrialized in ways that go far beyond this simple schematization of single capitalists and the state. Institutions ranging from venture capital to university-industry partnerships and regional or even national initiatives actively strive to push the envelope. Academics and planners now pay considerable attention to the spatiality of innovation, that is, to the innovative potential of actors embedded in urban and regional networks that transcend individual firms. But heavy institutional and financial intermediation does not change the basic argument here, that the logic of capital accumulation is the single most important driver of technology change. For a just sample of what is now a very large literature, see Annalee Saxenian, *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*, Cambridge: Harvard University Press, 1994; Lewis M. Branscomb, Fumio Kodama, and Richard Florida, eds., *Industrializing Knowledge: University-Industry Linkages in Japan and the United States*, Cambridge: MIT Press, 1999; Storper and Walker, *Capitalist Imperative*; Michael Best, *The New Competition: Institutions of Industrial Restructuring*, Cambridge: Harvard University Press, 1990; Martin Kenney, *Biotechnology: The University Industrial Complex*, New Haven: Yale University Press, 1988; Manuel Castells and Peter Hall, *Technopoles of the World: The Making of 21st Century Industrial Complexes*, London: Routledge, 1994; William Baumol, *The Free-Market Innovation Machine: Analyzing the Growth Miracle of Capitalism*, Princeton: Princeton University Press, 2002; and Richard Florida, *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*, New York: Basic Books, 2003.

27 Our argument should not be construed as a cavalier dismissal of efforts to conserve resources or put a halt to global warming. Rather, it is a critique of certain strains of thinking about capitalism and its relationship to nature and sustainability.

28 Jack Ralph Kloppenburg, Jr., *First the Seed: The Political Economy of Plant Biotechnology*, 1492-2000, New York: Cambridge University Press, 1988.

29 Erik Swyngedouw, 'Water, money and power', in L. Panitch and C. Leys, eds., *Coming to Terms with Nature: Socialist Register 2007*, London: Merlin Press, 2006.

30 Donna J. Haraway, *Modest_Witness@Second_Millennium. FemaleMan©_Meets_OncoMouse™: Feminism and Technoscience*, New York: Routledge, 1997.

31 For just a glimpse at the kinds of politics and struggles that might accompany such a commodification, see Swyngedouw's account of the privatization of water in 'Water, money and power', in L. Panitch and C. Leys, eds., *Coming to Terms with Nature: Socialist Register 2007*, London: Merlin Press, 2006.

Oil tank construction. Port Harcourt, Nigeria

The Next Gulf

Simon Pirani

The Next Gulf: London, Washington and Oil Conflict in Nigeria (London, Constable, 2006) by Andy Rowell, James Marriott and Lorne Stockman.

A new generation of popular militia is taking shape in the Niger Delta in south east Nigeria, around demands for greater local control of the oil-rich region's natural resources. The most prominent organisation, the Movement for the Emancipation of the Niger Delta (MEND), is made up largely of young men from the Ijaw, the Delta's largest ethnic group. MEND's tactic of choice is kidnapping foreign oil workers: there were reports of more than 60 hostages being taken in 2006, of whom one was killed, one injured and all others returned unharmed.

The kidnappers' demands are aimed at the multinational oil companies, at corrupt local government, and at releasing arrested leaders. Those who in January this year seized 24 Filipino seamen (later released unharmed) asked Shell to pay $1.5 billion to the residents of the Bayelsa state in the Delta, "as compensation for oil production-related pollution". Those who took four Italian oil company Agip employees, three Italians and one Lebanese (later released unharmed), demanded the release from prison of militia leader Asari Dokubo and local politician Diepreye Alamieyeseigha; an accounting by "corrupt" state governments of what they had done with £1.2 billion worth of oil revenues accumulated since 2000; and that members of those administrations be barred from standing as election candidates.

The call to free Alamieyeseigha is an anomaly, a reminder of the complicated local politics of the Delta, which are hard to understand from a distance. He is the leader of a rebellious clique in the ruling political party led by president Olusegun Obasanjo, and wanted in the UK on charges of laundering millions of dollars. Nevertheless, the demands in general seem moderate to me, when I recall the Delta, to which I travelled in 2003. It was shocking not for its extreme poverty – no more or less mind-numbing than poverty I'd seen elsewhere – but for the fact that forty years of oil production had not made the slightest dent in that poverty. In many respects, it has made things worse. Oil spills poison water supplies for communities that rely on that water to live; the spills are not cleaned up properly and the effects last for years. Oil companies fund community projects that too often go wrong, that development agency staff view with contempt, and that add insult to communities' injury … while the money goes to local elites' foreign bank accounts or to buy guns for criminal gangs. While most people in the Delta – like most people in Africa – are without electricity, billions of cubic metres of gas that could produce electricity are instead flared, polluting rain clouds and damaging crops. (The gas comes out of the ground with the oil, and flaring, i.e. setting light to it at the wellhead, is the cheapest way to dispose of it – to date, the gas flared is "more than the UK's total natural gas reserves in the North Sea in 2004".[1])

Before going to the Delta, I read so many hundreds of pages of propaganda by oil companies, about what great neighbours they are to local people, that I started to wonder whether community groups and NGOs that monitor oil industry abuses weren't exaggerating a little, to make their just case to the outside world. The reality was actually far, far worse than their protests had conveyed.[2]

Take Umuechem, a 10,000-strong community near which Shell built an oil flow station. In 1990, after a quarter of a century of oil production, Umuechem still had no running water, electricity or secondary schools. When local people staged a peaceful protest under Nigeria's brutal military dictatorship, Shell managers requested protection from the protestors and the notorious mobile police responded by killing more than 80 people, including some dragged from hospital beds. They burned Umuechem to the ground, destroying 495 homes. There is a dispute about the exact order of events: Shell says some young protestors staged an occupation of the flow station before managers called in the heavy mob, while a Human Rights Watch investigation concluded it was the other way round. In any case, monstrous repression was heaped on this peaceful, impoverished rural community for demanding even a small share of the oil wealth.

I visited Umuechem 13 years after the massacre and four years after the military dictatorship had fallen. An official inquiry had by then ordered state compensation for the community, but not a penny had been paid. There was *still* no running water, no electricity and no secondary school. Shell had funded a water supply system, but it never worked, and women had to collect water from a polluted stream, the only water source. It's a typhoid risk, but their families have to drink something.

This humiliation, this cynical contempt for communities on whose land the oil was discovered, and this collective poisoning of the population, is the background against which, in the 1980s, protest movements arose in the Delta. These culminated in the confrontation between Shell and the Ogoni people that ended with the company withdrawing from the Ogoni region and the dictatorship executing the writer Ken Saro-Wiwa and eight other community leaders in November 1995. Two decades on, indignity piles upon indignity, the oil price has climbed higher, and young men in the Delta have taken to the gun.

Some join the politically-inspired militia such as MEND, which the Nigerian writer Ike Okonta calls "the violent child of the deliberate and long-running constriction of the public space […] in which ordinary citizens, now reduced to penurious subjects, can exercise their civil and political rights".[3] Others join criminal gangs that sabotage oil installations or steal huge volumes of oil from pipelines ("bunkering"), filling whole tankers offshore, and often adding to the environmental damage. Still others engage in ethnic clashes or are recruited by local elites to do their dirty work.

The web of connections through which the Delta is linked to the centres of world capitalism is the subject of *The Next Gulf*. Where Okonta and another Nigerian campaigner, Oronto Douglas, passionately set out the Delta's case against the oil companies,[4] the authors of *The Next Gulf* follow up with a survey of the connections, collusion and complicity of governments and markets in the north. They show how the oil companies' pillage of the Delta was built on a history of colonial exploitation: they argue that the 17th- and 18th-century "Atlantic triangle" (consumer

goods and guns from Europe to Africa, slaves to America, tobacco and rum to Europe) has been superseded by a more complex "new Atlantic triangle" – investment from Europe and the US in to Nigeria; oil and liquefied natural gas the other way; oil proceeds from the US to Europe; corrupt funds and capital flight from Nigeria to Europe. They show how the City of London and other financial centres not only fund the oil companies, but also provided the conduit for the looting of billions of oil dollars from Nigeria's state budget by the late dictator Sani Abacha and others, and the mechanisms used by lavish bribery schemes operated by oil company executives and Nigerian officials. They show how the oil companies, vulnerable in the global north to criticism of their barbaric behaviour in the global south, responded to the outrage of their employees, their customers and of public opinion over the killing of Saro-Wiwa with a cynical PR exercise that gave birth to the fraud of "corporate social responsibility". The authors provide both an overview and substantiating detail, down to the addresses of crooked lawyers and the career paths of Shell Nigeria's bosses, backed with references.

The book's final argument, alluded to in its title, is that the would-be masters of the universe in Washington DC – the State Department wallahs, oil company lobbyists, think tanks and neo-conservative consultants – are urging the US administration to consider a military build up in the Gulf of Guinea, largely with a view to safeguarding energy resources in Nigeria, Sao Tome and Equatorial Guinea. Moreover, they are being listened to, and there have been joint US-Nigerian naval manoeuvres. All this makes *The Next Gulf* vital reading for those in the north who feel themselves to be part of movements to change the world and challenge those who rule it, and who believe that that involves uniting with resisters and fighters in the south.

My question to *The Next Gulf*'s authors is about their hesitancy in analysing and contextualising the new form of imperialism they describe so well. There's no hint at what sort of ideas will enable us (I mean we, who want to change the world) to understand this imperialism and ways to resist it. They want their readers to hear what voices from the Delta say, and that's important; but their own conclusions are disappointingly vague: Rowell describes "the dreadful feeling that the international community had let Ken [Saro-Wiwa] down. I still believe that we failed him in his darkest hour" (p. 40). The international community of who or what? Obviously not the same one as the oil companies'. … Marriott writes: "This is our Empire. We were born in it, we inherited it, its comforts and cruelties. This is our Empire, ours to retreat from, and ours to dismantle. I try to imagine a life without oil".[5] In which respect is this empire ours? Who are "we"? *How* do we retreat from or dismantle empire?

Perhaps this is partly a generation thing. When I became politically active in the early 1970s, everyone told me that changing the world involved reading theory, and specifically, Marx and the Marxists. The activism that *The Next Gulf*'s authors are involved in – the alliance of environmental and social protest sometimes called the "anti-global-capitalism" movement – appeared in the 1990s, on the back of the USSR's collapse and the so-called "death of socialism". (The authors are prime movers in the Remember Saro-Wiwa campaign, and two of them are affiliated with Platform (www.platformlondon.org), a combative NGO that aims at "environmental and social justice".)

It's dangerous to generalise, but I'd say that some "anti-global-capitalism" activists, on the rebound from the alleged failures of grand socialist narratives, eschew theory for a let's-get-things-done approach. And they *do* get things done: many single-issue NGOs rooted in this movement are sufficiently tenacious, and expert, that governments and international institutions listen to, and fear, them. Nevertheless, a book about the economic and social connections of

"In which respect is this empire ours? Who are 'we'? How do we retreat from or dismantle empire?"

which the new imperialism is composed, bereft of analytical context and its concepts, has its cutting edge blunted. *The Next Gulf*'s authors don't need a lecture from me about the value of reading Marx … or writers on imperialism from the south, from Jose Carlos Mariategui and Walter Rodney to Kwame Nkrumah and Edward Said. Rather, I'll press my point with a couple of examples.

First, corruption and transparency. One of *The Next Gulf*'s strongest chapters gives an account of corrupt relationships (involving, specifically, payment of bribes, opaque disposal of revenues and laundering of funds alienated from Nigerian state) between oil companies, money markets and Nigerian regimes. The issue is not politically neutral: demands for transparency are used by the US and other great powers, and not only in Nigeria, to keep local elites on a tight leash. (The neo-con Paul Wolfowitz, now in charge of the World Bank, is accused by development experts of just such a use of the ideas of transparency and anti-corruption.) *The Next Gulf*'s authors quote Pamela Bridgewater, US ambassador to Ghana, on the need for oil industry transparency in order to enhance US energy security,[6] and point out: "Transparency thus [in her hands] becomes a means to an end, not an end in itself." Right. But then what is transparency for us, who want to change the world? I'd venture that it's not an end in itself for us either.

Do we believe that the state has a greater right than private capital to control revenues generated by oil production on land robbed from the Delta's people, at the expense of its communities and their environment, and against their will? Do we believe the megaprofits are more properly assigned to Shell's north American and European shareholders, or filched by corrupt Nigerian officials? I'm almost neutral on both counts. Transparency, though, *is* a powerful weapon for organisation by communities, whether in Nigeria or in the north, by oil workers, by campaigners, in the context of positing *our* control of resources against that of both state and private capital. One of the most interesting passages in *The Next Gulf* reports the National Political Reform Conference in Nigeria in 2005, where exactly these issues were discussed. Oronto Douglas called for "total resource control, which is about allowing the communities and the people to be in charge of their lives".[7] The Delta-based journalist Patrick Naagbanton said of greater derivation (a larger proportion of oil revenues going to local government): "My trouble is with accountability and good governance. It is OK to have greater derivation, but not if it is under the same governance system. Then there is no point, as the people will never see any of the money".[8] In this context, transparency makes sense as an organising issue. How that can be developed on an international scale needs to be considered in its proper context.

A similar point may be made about debt relief. *The Next Gulf*'s authors argue that, for governments and policymakers of the north, debt relief is "not only a tool for reducing poverty" but also "a tool for resource exploitation",[9] and that Nigeria's 2005 deal – which was loaded with the understanding that Nigeria would make its energy resources even more open to exploitation by multinationals – was very much a double-edged sword,[10] until then the most indebted nation in Africa. It's a point that needs developing, especially in view of the U2 singer Bono's politically obscene and widely-publicised assertion that the deal confirmed Tony Blair and Gordon Brown as the "Lennon and McCartney of development". How does the new imperialism use debt to keep the Nigerian and other African elites at its beck and call? What place does the issue have in the broader totality of relationships that enable the oil companies to trample Delta communities? How will these be challenged? What part can people in the north play? All this deserves a more robust analytical framework.

Simon Pirani is a journalist, covering oil, Russia and other things, and author of *Russian Revolution in Retreat, 1920-24: Soviet Workers and the New Communist Elite* (forthcoming from Routledge).

Notes

1 *The Next Gulf: London, Washington and Oil Conflict in Nigeria* (London, Constable, 2006) by Andy Rowell, James Marriott and Lorne Stockman, p.67.

2 I wrote a section on Shell's relations with Delta communities to a report by Christian Aid, *Behind the Mask: the real face of corporate social responsibility*. <http://www.christianaid.org.uk/indepth/0401csr/index.htm>

3 Full article at <http://www.blacklooks.org/2006/10/behind_the_mask_-_emergence_of_mend_in_the_niger_delta.html>. See also <http://www.pambazuka.org/en/category/features/38005>

4 Ike Okonta and Oronto Douglas, *Where Vultures Feast: Shell, Human Rights and Oil in the Niger Delta* (London, Verso, 2003).

5 *The Next Gulf: London, Washington and Oil Conflict in Nigeria* (London, Constable, 2006) by Andy Rowell, James Marriott and Lorne Stockman, p. 246.

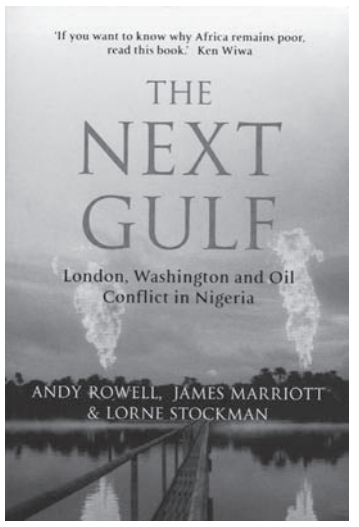
6 Ibid., pp. 187-188.

7 Ibid.,p. 219.

8 Ibid., p. 220.

9 Ibid., p. 186.

10 Ibid., pp. 226-227.



Platform: www.platformlondon.org

"Anyone can go to Baghdad; real men go to Tehran"

Muhammad Idrees Ahmad

"What does state mean?" questioned Antonio Gramsci, the Italian political theorist, "Is it just the state apparatus – or the whole of organized civil society?" In fact, he argued, State "is the dialectical unity between government power and civil society". The liberal democratic state relies on civil society's consent for its legitimacy. It therefore has to allow a sphere of non-interference in which ideas circulate and world views take shape. The endorsement that comes out of this seemingly free exchange of ideas gives legitimacy to the existing political order. Far from being passive observers, the ruling elite, through their control of mass media, ensure that their preferred world view remains dominant. Dissent, within notionally acceptable parameters, has a functional role: it helps sustain the illusion that civil society can be an arbiter of the state's destiny.[1]

In the lead up to the Iraq war, the antiwar movement itself became the contested space where ideas had to be contained, managed and neutralized, lest they undermine the tenuous support necessary for legitimizing the war. A carefully orchestrated media campaign set the terms of the debate – WMD; regime change; and democracy promotion. The conspicuous absence of oil in the mainstream discourse allowed plenty of room for non-conformist posturing; to triumphantly expose this egregious oversight without having to identify the sources of policy. "No blood for oil" read the popular slogan – this was a war for the control of Iraqi oil.

While the prognosis is accurate, the provenance of the policy is invariably misplaced. Any policy bearing on oil is identified, by default, with Big Oil (the leading oil companies). That there was no evidence that the industry lobbied for the war was of little significance. With its tendency to frame analysis in economic terms alone, the antiwar movement entirely overlooked alternative motivations for the war. In most instances this was deliberate, since, with the neocon vanguard of the Israel lobby beating the war drums, few wanted their reputations stained by incurring the reflexive charge of anti-Semitism that invariably accompanies mention of Israeli involvement. Instead, most reached for sanitised meta-theory: "It's imperialism, stupid", read one explanation. True, once again; but insufficient. Imperialism is an abstract notion; mere structure – it requires agency for its imposition.[2]

This left many perplexed: means were confused for ends (oil); and structure for agency (imperialism). A potentially powerful movement was thus reduced to a caricature of itself with empty slogans and cliché-ridden analysis that made the job all the more easier for the ruling elite. The antiwar movement ensured its own irrelevance.

The war party, on the other hand, was far more successful in organizing and centralizing elements of the civil society to legitimize its agenda. Gramsci's contention that the civil society is a constitutive element of the state was evident in the various lobby groups, think tanks and support networks that furnished and disseminated propaganda to built support for the war. With a case couched in exaggerated fears and emotive language, it succeeded in engendering the kind of jingoistic unreason that has enabled many wars of aggression.

The Israel Connection

Much has been written about and by the neocons: the former overlook Israel entirely; the latter speak of little else. Yet, when it comes to Left-analysis of the motivations behind the Iraq war, for the most part, the neocon connection to Israel received scant attention. Instead, many went sniffing for clues in putative neocon ideals: the moral dimension in foreign policy; the passion for spreading democracy; the influence of Leo Strauss; the exaggerated view of good and evil. Ho-hum.

There were exceptions: Robert Fisk wrote,[3]

> The men driving Bush to war are mostly former or still active pro-Israeli lobbyists. For years, they have advocated destroying the most powerful Arab nation. Richard Perle, one of Bush's most influential advisers, Douglas Feith, Paul Wolfowitz, John Bolton and Donald Rumsfeld were all campaigning for the overthrow of Iraq long before George W Bush was elected... And they weren't doing so for the benefit of Americans or Britons.

> A 1996 report, A Clean Break: A New Strategy for Securing the Realm called for war on Iraq. It was written not for the US but for the incoming Israeli Likud prime minister Binyamin Netanyahu and produced by a group headed by – yes, Richard Perle. The destruction of Iraq will, of course, protect Israel's monopoly of nuclear weapons and allow it to defeat the Palestinians and impose whatever colonial settlement Sharon has in store.[4]

James Bamford, John Cooley, Jim Lobe, Juan Cole, Scott Ritter et al have elaborated on this connection, yet it continues to be overlooked by the media. When USAF Colonel Karen Kwiatkowski blew the whistle on the fabricated intelligence coming out of the Office of Special Plans, few paid attention.[5] The OSP – set up at the Department of Defence by Douglas Feith, a Zionist fanatic – was working in concert with the VP's office (where David Wurmser, "Scooter" Libby and Iran-Contra felon, Elliot Abrams held trenches) and a similar intelligence unit at Ariel Sharon's office. Richard Perle, in the meanwhile was heading the influential Defence Policy Board, home to other influential neocons such as Ken Adelman and former CIA Director James Woolsey.[6]

The chorus was joined from the outside by a bevy of Middle East "experts" at the Washington Institute for Near East Policy, a spin-off of AIPAC, the main Israeli lobby group; the Saban Centre for Middle East Policy – set up at the Brookings Institution through a $12.3m donation from Israeli-American media mogul Haim Saban – headed by Israel lobbyist Marin Indyk; the Jewish Institute for National Security Affairs, home to Feith, Perle, Woolsey, Cheney, John Bolton and Jeanne Kirkpatrick; Centre for Security Policy, headed by Frank Gaffney; and Foundation for the Defence of Democracies, an organization with overlapping membership with all the aforementioned.

William Kristol, son of Irving Kristol, the father of neoconservatism, egged the administration on in his influential *Weekly Standard*. Kenneth Pollack of the Saban Centre received generous column space in the *New York Times;* his book, *The Threatening Storm*, was instrumental in selling the WMD threat[7]. Influential neoconservative columnists such as Charles Krauthammer, Max Boot, Robert Kagan and George Will deluged the media with articles and commentary ratcheting up fears of the mortal threat posed by Iraq. Newspapers frequently quoted individuals and research from these institutions without revealing the possible conflicts of interest.

The reluctant State Department was eventually overwhelmed by the deluge of propaganda emanating from these sources. In his biography Powell is quoted referring to Rumsfeld's team as the "JINSA crowd." The neocons in the Defence Department, according to the biography, "supported war against Iraq as the first step to replacing Arab despots with democratic governments that would sever their ties to the Palestinians, thereby enhancing Israel's security."

In Fisk's succinct summation, American-Israeli ambitions in the region were "entwined, almost synonymous". This was a war about "oil and regional control."

The Oil Factor

The unmitigated disaster that has unfolded since the invasion, among other things, has also increased America's energy insecurity – a case of a conflict of between US and Israeli interests (although most of US oil doesn't originate in the Gulf). Only last year, the new Iraqi government was renegotiating a Saddam-era oil contract with China[8]. The production has not even reached pre-war levels. American power in the Middle East, according to the Baker-Hamilton Commission report, is on the wane. Even as some Anglo-American oil companies rake in windfall profits from the astronomical rise in oil prices, their future in the region remains uncertain. In the Western hemisphere, the opening created by American entanglement in Iraq has allowed Venezuela to continue unmolested on its radically nationalist trajectory, inspiring many others in the region to follow suit. For the first time since the promulgation of the Monroe doctrine, Latin America is breaking free. Most importantly, most of this *was predicted* by the foreign policy realists who opposed the war.[9]

Chomsky is right to suggest that Iraq would not have been invaded, had its primary export been "lettuce and pickles"; he is wrong, however, when he suggests that the war is merely a continuation of long standing policy. The evidence he adduces is a six-decade-old statement by the State Department that recognized Middle-East oil as a "stupendous source of strategic power" and "one of the greatest material prizes in world history". The only recent example he offers is a post-invasion quote by Zbigniew Brzezinski asserting the strategic importance of Iraqi oil.[10] For this precise reason, in fact, Brzezinski *opposed* the war which he has referred to as "a historic, strategic, and moral calamity…driven by Manichean impulses and imperial hubris"[11] – so did prominent oil-men, such as James Baker, Bush Sr., and James Carroll (Shell). The reasons Chomsky offers in support of his argument were equally valid in 1991, yet he doesn't explain why Bush Sr., and Baker did not occupy Iraq.

The control of Iraqi oil and its subsequent privatization is a neocon idea conceived at the Heritage Foundation and the American Enterprise Institute. The aim, articulated first in a Project for

the New American Century policy document, was to flood the market with cheap Iraqi oil in order to break the OPEC monopoly – and, "to bring down the linchpin of Arab power, Saudi Arabia". Big Oil, on the other hand, has pragmatic interests; it has no qualms about dealing with authoritarian regimes so long as it ensures stable access. Access, rather than control being its priority, Big Oil had long lobbied for sanctions to be lifted (some favoured regime change); it eventually acquiesced in going to war insofar as it allowed it the opportunity to snatch lucrative concessions back from its Russian, French and Chinese competitors.[12]

In the event, the rising cost of the occupation, burgeoning insurgency, resistance from oil workers' unions and failed reconstruction soon made compromises necessary. American civil society may have supported the neocon war; it wasn't too keen on taking sides in an intra-elite factional fight. On Iraq's resources, the neocons temporarily gave ground to Big Oil. Plans for privatizing Iraqi oil were scrapped, replaced by new ones drafted at the James Baker Institute that called for the creation of a state-owned oil company. This plan mollified the oil industry which feared a repeat of the scenario following Russia's energy privatization that barred US oil companies from bidding for the reserves.

The Washington Insurgency

By early 2006, the situation in Iraq was dire (it will soon become the costliest war the US ever waged)[13], sending alarms through the ranks of the Washington elite. American hegemony was on the decline and Iraq seemed on the verge of break up. This outcome, while desirable for the neocons, as it increased Israel's regional hegemony (as envisioned by Yinon)[14] by eliminating a potential Arab challenger, was turning into a palpable nightmare for America as it could complicate matters for three of her allies: Jordan, Turkey and Saudi Arabia. American economic elites, who value hegemony over empire, felt their interests increasingly threatened. Under these circumstances, a bipartisan commission, comprising trusted guardians of American economic empire, was instituted in the form of the Iraq Study Group. Led by James Baker and Lee Hamilton, the commission issued its damning report in November that highlighted the occupation's failures, and attempted to foil neocon plans for Iraq's break up by recommending a unified federated Iraq. While urging the President to "restate that the United States does not seek to control Iraq's oil", elsewhere the report advised him to "assist Iraqi leaders to reorganize the national oil industry as a commercial enterprise".

The publication of the report was both preceded and followed by attacks from the neocons as it singled out the neocon-dominated Department of Defence for its role in the unfolding debacle, recognizing the centrality of the Israel-Palestine conflict to the region's stability and recommending negotiations with Syria and Iran.

The Quartet of Moderates

Saudi Arabia, which supported the Iraq war while publicly opposing it, is closely monitoring the situation in Iraq, concerned at that the rise of the Shia and the increased radicalisation of its own population. During Israel's war of aggression against Lebanon, along with Jordan and Egypt, it hastened to condemn Hizbullah. The Sunni Arab leaders of these countries, Patrick Cockburn observes, "were embarrassed by the success of the Shia Hizbollah in the war in Lebanon … compared to their own supine incompetence".[15]

For decades these states have positioned themselves as champions of the Palestinian cause (even as they continued undermined it through their secret dealings with Israel)[16]; rhetorical support alone earned some legitimacy for their corrupt, dysfunctional regimes. Iran's support for Hizbullah and Hamas, on the other had, and the defiant rhetoric of its president has exposed the inadequacy of their support. This has compelled even the king of Jordan to take time off from his Playstation[17] to issue ominous warnings of a threatening Shia Crescent.

Ever sensitive to changing winds, Israel moved to capitalize on these fears. Under US tutelage it proceeded to form a *de facto* alliance with a "quartet of moderates" of Sunni states, brought together by their common fear of the ascendant Shia. "Israel now sees its security as relying not so much on a US guarantee", says Mai Yamani, a Saudi commentator and the daughter of the former Oil Minister, "but on Egypt, Jordan, Saudi Arabia, and Turkey". Turki al-Faysal, the former head of Saudi intelligence and ambassador to US, met Meir Dagan, head of Mossad, while Bandar bin Sultan, the Saudi National Security Advisor, met with Israeli Prime Minister Ehud Olmert in Jordan.[18]

To roll back Iran's growing influence, the "moderates", along with other Gulf States, once again chose Palestine and Lebanon as their preferred battleground. In Lebanon, they started shoring up the Siniora government, which had ordered its military to stand down (with one of its Generals even serving tea to the invading army), as Israel proceeded to destroy half the country. Sectarian divisions were played on, as arms were shipped to the Sunnis and the Phalange, while amplifying fears of a likely Shia coup.

In Occupied Palestine Territories (OPT), the Arab states did little to prevent the starvation of the besieged population by acquiescing in the US-EU sanctions. Their hypocrisy was exposed when Iran became one of the few Muslim countries to reject sanctions and offer aid to the beleaguered Palestinians. Arab states countered by accepting a US-Israeli proposal to undermine the Hamas government by aiding its defeated rival, Fatah. Arms were shipped through Egypt to the gangs of Muhammad Dahlan, the Fatah henchman, and US-Israeli "advisors" started training them, with intelligence agencies of the Arab states setting up shop in the OPT.[19]

Despite the sectarian incitement, it appears that on the popular level, the Arab plan against Palestine has been a failure. According to an IPS report, a "face-to-face survey of a total of 3,850 respondents in Egypt, Jordan, Lebanon, Morocco, Saudi Arabia and the United Arab Emirates found that close to 80 percent of Arabs consider Israel and the United States the two biggest external threats to their security. Only six percent cited Iran." For all the scaremongering by hardliners like Benjamin Netanyahu, Ehud Olmert and Avigdor Lieberman, only 36 percent of Israelis perceive an Iranian nuclear attack the biggest threat.[20]

The New Politics of Oil

Thomas Friedman, the *New York Times'* columnist and establishment mouthpiece, may very well be articulating future policy when he writes: "the best tool we have for curbing Iran's influence is not containment or engagement, but getting the price of oil down in the long term". Tailoring his pitch to *NYT's* liberal audience, Friedman couches his proposal in environmental rhetoric, advocating "conservation and an alternative-energy strategy".

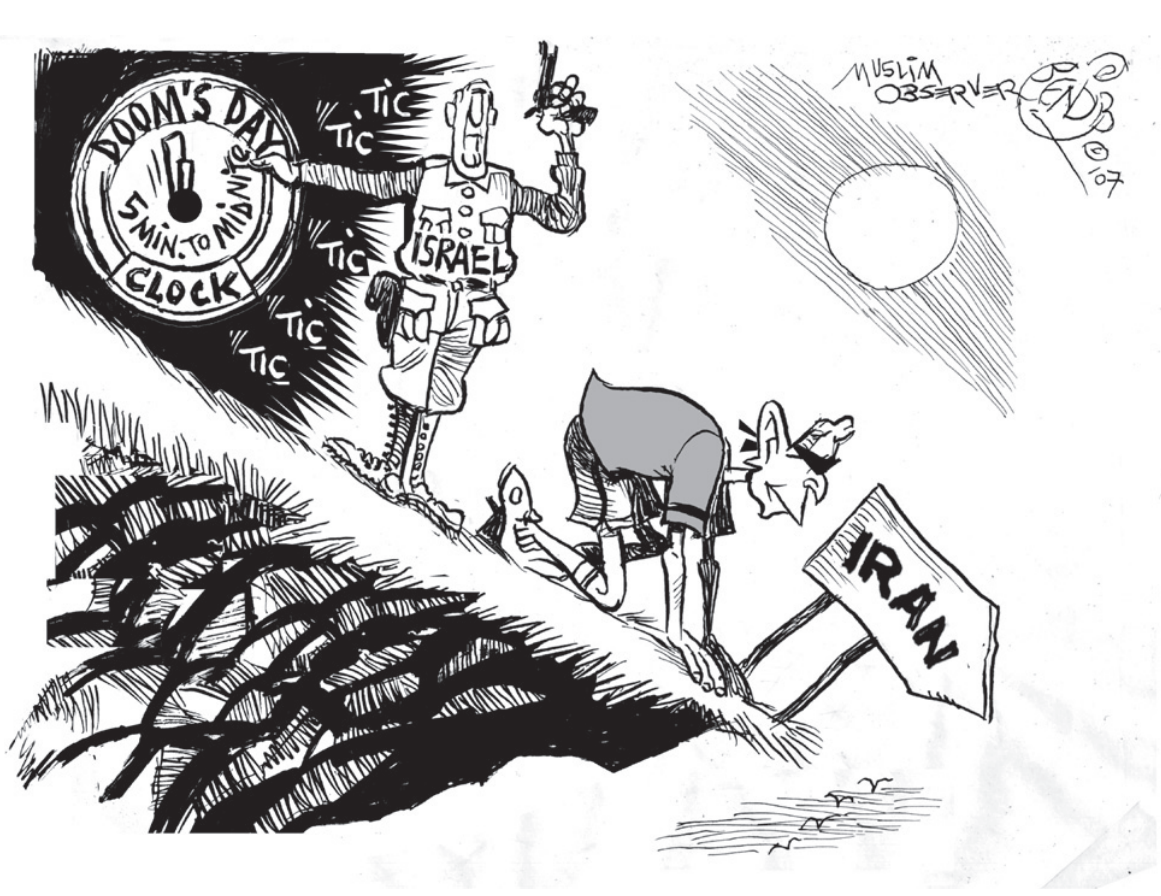
As it happens, such demands on the consumer may be unnecessary. Because of recent developments, according to the *Washington Post*, Saudi Arabia "is finally worried enough about Iran to use oil as a weapon". It has already opposed Iranian-Venezuelan calls for OPEC production cuts to check falling crude prices ($78 a barrel in July to just above $50 by January 2007). This follows threats by Bandar bin Sultan of a resort to "confrontational tactics" against Iran. Nawaf Obaid, one of his close aides had already laid bare Saudi plans in a comment piece in the *Washington Post*. "If Saudi Arabia boosted production and cut the price of oil in half, the kingdom could still finance its current spending" he said, "But it would be devastating to Iran, which is facing economic difficulties even with today's high prices." (Obaid was subsequently fired.)[21]

As during Iran-Iraq war, when all the Gulf States backed Saddam Hussein against Iran, they have once again lined up behind Iran's adversary – this time US and Israel. The drop in oil revenues coupled with an American instigated financial squeeze, American's hope, will cause social and political unrest, and lead to the Iranian government's destabilization. Using colourful Guantanamo-era metaphors, the campaign led by Stuart Levey, undersecretary of the American Treasury has been called financial "waterboarding" and a financial "crusade". Europeans had already acquiesced; the Gulf States are the real boon.[22]

As in the '80s, Saudi Arabia – "leader of the Muslim world" and home to Islam's two holiest sites – is using its famed "oil weapon" to subjugate other Muslims and thwart challenges to American hegemony.

The Next War

"Anyone can go to Baghdad; real men go to Tehran", an administration official was heard saying shortly after the fall of Baghdad. If there were doubts as to the motives behind the Iraq war, there should be none when it comes to Iran. According to the *Guardian*, "Neo-conservatives, particularly at the Washington-based American Enterprise Institute, are urging Mr Bush to open a new front against Iran. So too is the vice-president, Dick Cheney." While many had breathed a sigh when high profile neocons like Wolfowitz, Feith and John Bolton were banished from Departments of Defense and State, the Vice President's office is still a veritable neocon hotbed. David Wurmser



and Elliot Abrams still hold key positions, and their influence over policy is strong enough for the President to reject ISG recommendations in favour of a plan drafted by Fred Kagan of the neoconservative American Enterprise Institute.[23]

"US preparations for an air strike against Iran are at an advanced stage," according to the Guardian, "the present military build-up in the Gulf would allow the US to mount an attack by the spring." For more than a year, there has been a steady stream of leaks and denials – trial balloons to test public opinion before the inevitable military action. While new appointments at CENTCOM and the deployment of the Second Naval Carrier Group (with the likelihood of a third one, the USS Ronald Reagan, following suit) along with minesweepers to the Persian Gulf are well known, other developments, such as the so called "surge" in Iraq, can only be understood within the context of a planned confrontation with Iran. In an almost comical replay of the lead up to the Iraq war, stories meant to sell the war have already started appearing – by the same actors! Michael Gordon of the *New York Times*, who co-authored front page stories with Judith Miller on the non-existent Iraqi WMDs, was already busy selling the escalation; on February 10, he contributed a new front page story: "Deadliest Bomb in Iraq is Made by Iran, US Says". His sources, once again, remain anonymous.[24]

Kenneth Pollack's new book, *The Persian Puzzle*, is doing for Iran, what his earlier book, *The Threatening Storm*, had already done for Iraq. Bernard Lewis, the doyen of Zionist Orientalism, has issued repeated apocalyptic warnings. Joshua Muravchik is still a leading cheerleader for war. The Iran Policy Committee, an AIPAC groupuscule, has been lobbying for at least the past two years for regime change, and support for Mujahideen-e-Khalq, a dissident Iranian terrorist organization. AIPAC, the Conference of the Presidents of Major Jewish American Organizations, the American Jewish Committee, the Anti-Defamation League, FDD; Michael Rubin, Richard Perle, Michael Ledeen; Krauthammer, Boot, Will, Kristol, Kagan – they are still keen, in the words the Middle East scholar Juan Cole, to use US military as "Israel's Gurkha army".[25]

A Movement Gone AWOL

Except for Israel, its powerful lobby, and the columnists and congressmen bought and paid for by it, the war is opposed by everyone: the military, Pentagon, State Department, conservatives, business elite, and the Left. While a year of intense protests had preceded the invasion of Iraq, in this instance, despite the gravity of the situation and abundant warnings, there has been a curious absence of public outrage. A recent star-studded antiwar rally in Washington overlooked the issue entirely. The continuing ineffectuality of the antiwar movement is guaranteed in the nature of praise it garners. At a time when Israel is the only party visibly lobbying for the war, according to one report on the rally, the "antiwar" Rabbi Michael Lerner was pleased that there were "very, very, very few signs that had anything to do with Israel" at the rally. Rabbi Arthur Waskow, a leading participant said, "the lack of attention directed toward Israel was a credit to the peace movement". Another participant was relieved that she "did not notice any criticism of Israel at any event".[26]

In its refusal to point a finger at the main cause of the impending war – the Israel lobby and its stranglehold on the American Congress[27] – the antiwar movement is certainly not impeding the march to war; in fact, it confirms Gramsci's dictum by passively enabling it in not taking its main proponent to task.

Criminal oversight, or smothered dissent; the question need not detain us here. This is not a war for a compromised antiwar movement to stop. Short of a mutiny in the ranks of the armed forces, economic meltdown, or a conservative revolt, it is unlikely that the drive towards war can be checked. Much was made of the Republican defeat in the last mid-term elections; the Democratic majority that has taken over since, at least on Iran, seems more gung-ho. Only last month, Democratic front runners in the presidential race were at the Herzliya conference in Israel attempting to outdo one another in their threats to Iran.

Endgame

The brinkmanship in both countries – US and Israel – is fuelled by domestic political concerns, but the initiative ultimately lies with the US; Bush's quest for a diversion from his failures in Iraq could very easily lead him to a new confrontation (evident in the recent strikes on Somalia). He hopes this will lead to a surge of support, with the inordinately jingoistic population reflexively rallying around the flag, and put Democrats on the spot, who, in an effort to appease the Israel lobby, have already pledged maximal measures.[28]

February 21 may be a decisive date, because it is the UN Security Council's deadline for Iran to suspend "all enrichment-related and reprocessing activities, including research and development" – even though Iran is well within its rights to do so under the NPT. The hypocrisy is monumental: the Security Council has been dragooned into taking action against Iran (a state that is signatory to the NPT, and has adhered by its rules) by Israel, a state which itself refuses to sign the NPT and remains the foremost violator of Security Council resolutions.

The endgame is not yet clear; however, the consequences of inaction are frightening. "[S]ome provocation in Iraq or a terrorist act in the U.S. blamed on Iran" warns Zbigniew Brzezinski, a man not given to hyperbole, could culminate in "a 'defensive' U.S. military action against Iran that plunges a lonely America into a spreading and deepening quagmire eventually ranging across Iraq, Iran, Afghanistan, and Pakistan." Scott Ritter's plea to the Congress – "Stop the Iran war before it starts"[29] – is therefore worth reiterating:

> Summon [AIPAC], or any other lobby promoting confrontation with Iran, to the forefront, so that the warnings they offer in whispers from a back room can be articulated before the American public. Hold these conjurers of doom accountable for their positions by demanding they back them up with hard fact. See if the US intelligence community concurs with the dire warnings...and if it doesn't, ask who, then, is driving US policy toward Iran?

Notes

Muhammad Idrees Ahmad is a member of Spinwatch. His regular commentaries appear at: http://fanonite.wordpress.com

1 See Antonio Gramsci, *Prison Notebooks*, Vol.1, (New York: University of Chicago Press, 1991).

2 See for example: Noam Chomsky, "Its Imperialism, Stupid", *Khaleej Times*, July 4, 2005

3 Robert Fisk, "The case against war: A conflict driven by the self-interest of America", *The Independent*, February 15, 2003

4 Zionist plans for breaking up Iraq and turning the region into Israeli sphere of influence, in fact, date back to the February 1982, first articulated by Oded Yinon in, "Strategy for Israel in the Nineteen Eighties".

5 Jim Lobe, "Pentagon Office Home to Neocon Network", *Inter Press Service*, August 7, 2003

6 Perle had to resign his post under accusations of a conflict of interest. In the '70s, an FBI wiretap had caught him passing classified information to the Israeli embassy. In 1983, he had already come under fire on charges of conflict of interest for receiving money to represent an Israeli weapons company's interests while working at the Defence Department. Feith left the Pentagon in the wake of an espionage investigation by the FBI; his role in selling the war on questionable intelligence has been confirmed more recently by the Pentagon's own Inspector General.

7 See Richard Falk & Howard Friel, The Record of the Paper: How the New York Times Misreports US Foreign Policy, (Verso, 2004).

8 "Iraq, China to revive Saddam-era oil deal as Baghdad seeks investment", *International Herald Tribune*, October 28, 2006

9 John J. Mearsheimer and Stephen M. Walt, "'Realists' Are Not Alone in Opposing War With Iraq", *Chronicle of Higher Education*, November 15, 2002

10 Op. cit. Chomsky

11 Paul Craig Roberts, "Criminals Control the Executive Branch", *Antiwar.com*, February 10, 2007

12 "Secret U.S. Plans For Iraq's Oil Spark Political Fight Between Neocons and Big Oil", *Democracy Now!*, March 21, 2005,

13 Jamie Wilson, "Iraq war could cost US over $2 trillion, says Nobel prize-winning economist", *The Guardian*, January 7, 2006

14 See note. 4

15 Patrick Cockburn, "It is no use blaming Iran for the insurgency in Iraq", *The Independent*, February 7, 2007

16 Robert Fisk, "Twisting Gulf Arms", *New Statesman*, October 31, 2005

17 The King of Jordan spends his free time (of which he reportedly has plenty) playing Playstation.

18 Mai Yamani, "Changing States", *The Guardian*, January 9, 2007

19 Joseph Massad, "Pinochet in Palestine", *Al Ahram*, November 9-15, 2006

20 Jim Lobe, "Arabs Less Worried About Iran, Poll Finds", I*nter Press Service*, February 8, 2007

21 Jim Hoagland, "Impatience on Iran Carries a Price", Washington Post, January 21, 2007; Nawaf Obaid, "Stepping Into Iraq", *Washington Post,* November 29, 2006

22 Michael Hirsh, "Emptying Iran's Pockets", *Newsweek*, January 11, 2007

23 Ewen MacAskill, "Target Iran: US Able to Strike in the Spring", *The Guardian*, February 10, 2007; Mark Benjamin, "The Real Iraq Study Group", Salon, January 6, 2007

24 Michael Gordon, "Deadliest Bomb in Iraq is Made by Iran, US Says", *New York Times*, February 10, 2007; Op. Cit. Falk & Friel

25 Juan Cole, "AIPAC's Cover and Overt Ops", *Antiwar.com*, August 30, 2004

26 Gabe Ross, "A change in tone: Anti-Iraq War protest participants say Israel was off the agenda", *Washington Jewish Week*, January 31, 2007

27 Robert Fisk, "United States of Israel?", The Independent, April 27, 2006; John Mearsheimer & Stephen Walt, "The Israel Lobby and US Foreign Policy", *London Review of Books*, March 23, 2006

28 Justin Raimondo, "Homage to Herzliya", *Antiwar.com*, January 26, 2007

29 Scott Ritter, "Stop the Iran War Before It Starts", *The Nation*, February, 2007

The Friendly Atom

NuclearSpin

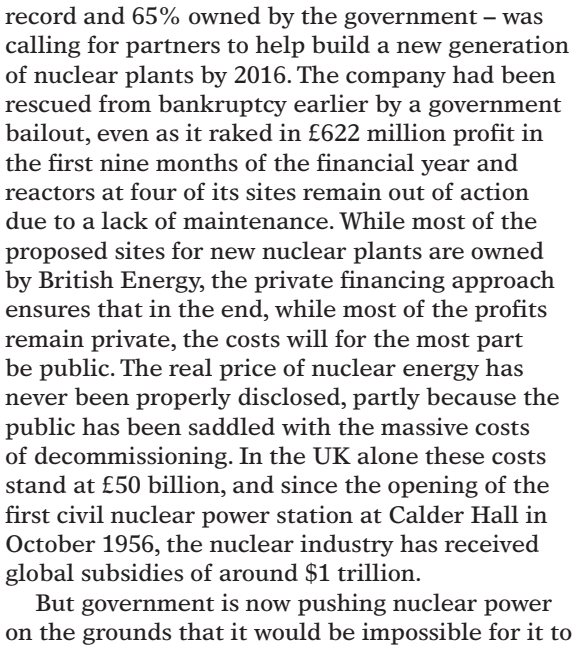
On February 15, Tony Blair's plan to introduce a new generation of nuclear power stations suffered a serious setback when the High Court ruled that the consultation carried out by the government earlier was "misleading" and "seriously flawed". Justice Sullivan's ruling enjoins the government to canvass public opinion again, causing a likely delay in the publication of the energy white paper scheduled for March. The judgement is a significant victory for Greenpeace which, describing it as a sham, had applied for a judicial review of the consultation process.

The landmark ruling closed a chapter that started on January 23, 2006 when the government officially launched the 12-week consultation exercise on the UK's energy needs, entitled: 'Our Energy Challenge: Securing Clean, Affordable Energy for the Long Term'. The review officially ended in April, and on July 11, Alistair Darling, the Trade and Industry Secretary, gave the green light to a new generation of nuclear power plants extolling that: "nuclear power would make a 'significant contribution' to cutting carbon emissions and to securing Britain's energy future."

It is obvious why the Energy Review should have been seen as a cynical PR exercise that gave the appearance of a public debate, since Blair had reportedly made up his mind in November 2005, when he was said to be "convinced" of the pro-nuclear argument; and the pro-nuclear bias of his Cabinet was equally well known.

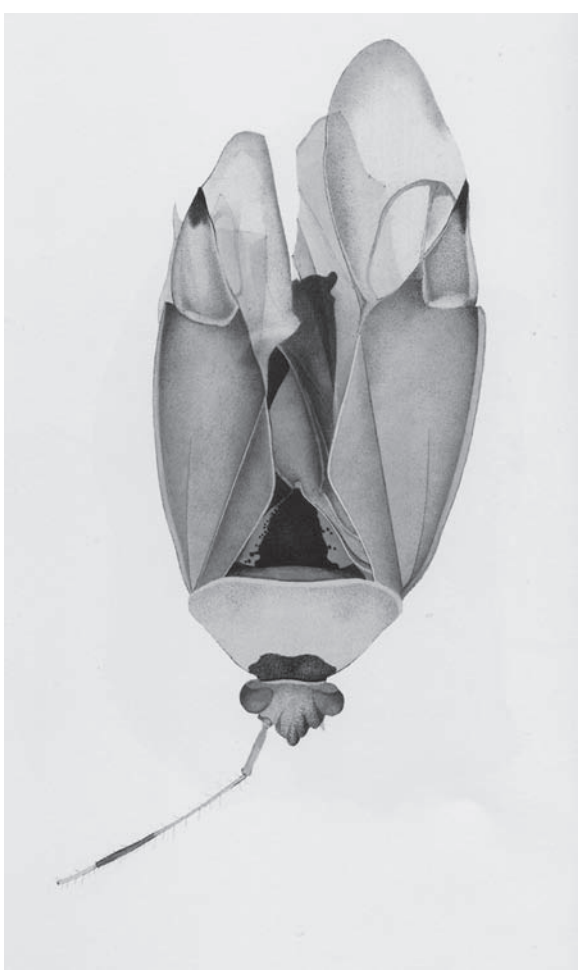
Nuclear revival in the rest of the world is being led by the G8 countries, that intend to resurrect fast breed reactors – which were earlier scrapped in the UK, France and Germany due to their astronomical costs. To be sure, there is scepticism within the ranks of the G8; Italy and Germany would rather dispense with the option. In the rest of Europe, Sweden wants to phase out its nuclear power plants; Austria and Spain are equally keen to diversify.

Failing to take into account any lessons learned from past mistakes, The Energy Review seemed to have "abolished history" according to an editorial in the *Sunday Herald*. The same editorial quotes Colin Mitchell, a manager of nuclear policy at the Department of Trade and Industry, saying,



'The Future's Mirror', Corneila Hesse-Honegger, *Studies of malformed plants and insects found in the neighbourhood of power plants.* Published by Locus+

Stripy bug (Graphosoma lineatum). The left side of the thorax is shorter. Found in Rohr.



Soft bug, wings (Deraeocoris ruber). The right wing is too short. The short feeler has no deformation (it broke off). Found near the Gösgen power plant.

"in-depth research into the past performance of nuclear industry is not required to carry out the review." Supreme disdain for learning anything from the past is evident throughout the report.

Only days prior to the High Court decision, British Energy – a company with a disastrous record and 65% owned by the government – was calling for partners to help build a new generation of nuclear plants by 2016. The company had been rescued from bankruptcy earlier by a government bailout, even as it raked in £622 million profit in the first nine months of the financial year and reactors at four of its sites remain out of action due to a lack of maintenance. While most of the proposed sites for new nuclear plants are owned by British Energy, the private financing approach ensures that in the end, while most of the profits remain private, the costs will for the most part be public. The real price of nuclear energy has never been properly disclosed, partly because the public has been saddled with the massive costs of decommissioning. In the UK alone these costs stand at £50 billion, and since the opening of the first civil nuclear power station at Calder Hall in October 1956, the nuclear industry has received global subsidies of around $1 trillion.

But government is now pushing nuclear power on the grounds that it would be impossible for it to meet its carbon emissions targets otherwise, and, invoking the spectre of terror, on the grounds of 'energy security'.

Peak Uranium

The claims for carbon-free nuclear energy are undermined by the fact that the industry's advocates want us to overlook the carbon emissions that are an inevitable part of the uranium extraction process. This is only going to get worse as the higher demand for uranium (both nationally and internationally) makes it necessary for it to be extracted in less refined forms, adding to the emissions. In reporting on energy security and uranium reserves, Jan Willem and Storm van Leeuwen, independent nuclear analysts at Ceedata Consulting, state:

"A new generation of nuclear reactors will increase demand for uranium ore to produce reactor fuel. In 2005 the world nuclear fleet consumed about 68,000 tonnes of natural uranium, mostly from mined sources. At the end of 2005 the world known recoverable uranium resources amounted to about 3.6 million tonnes. These resources show a wide variation in ore grade and accessibility. ... Uranium ore is not an energy resource unless the ore grade is high enough. Below grade 0.02% (U3O8 Uranium Oxide) more energy is required to produce and exploit the uranium fuel than can be generated from it. Falling ore grade leads to rapidly rising CO_2 emissions from the nuclear energy cycle. Assuming world nuclear generating capacity remains at 2005 levels, after about 2016 the mean grade of uranium ore will fall significantly from today's levels, and even more so after 2034. After about 60 years the world nuclear power system will fall off the 'Energy Cliff' – meaning that the nuclear system will consume as much energy as can be generated from the uranium fuel. Whether large and rich new uranium ore deposits will be found or not is unknown."

Even according to the House of Commons Environmental Audit Committee's sixth report, "the history of nuclear industry gives little confidence about the timescales and costs of new build'; that "nuclear can do nothing to fill the need for...new generating capacity... by 2016, as it simply could not be built in time"; that "uranium mines can only supply just over half the current demand for uranium, and the situation is likely to become more acute"; whilst "nuclear power can justifiably be regarded as a low-carbon source of electricity.... the level of emissions associated with nuclear might increase significantly as lower grades of ore are used"; and that "no country in the world has yet solved the problems of long-term disposal of high-level waste. The current work being conducted by CoRWM [Committee on Radioactive Waste Management] will not be sufficient of address the issue".

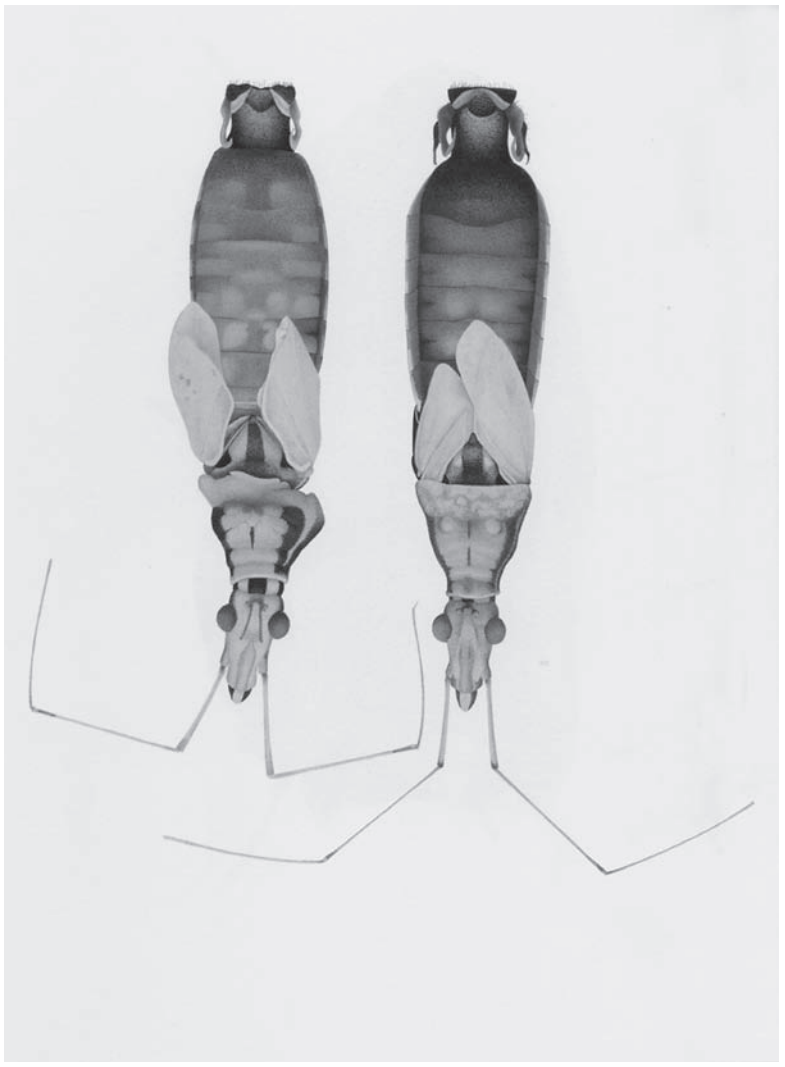
If media saturation has been dominated by a crisis of reaching the peak point in oil production – that less oil is left to find than we have already used – the proponents of nuclear power are silent about the nuclear industry's equally fragile dependency on uranium and the associated insecurities.

As Jan Willem and Storm van Leeuwen state:

"It is inevitable that replacements for uranium fuel will be sought within the lifetime of any new nuclear build in the UK. It is also inevitable that as high grade uranium supplies decrease, the cost of nuclear power will increase along with nuclear CO_2 emissions." And that: "Once high-grade uranium ores are no-longer available, the nuclear industry will rely on uranium and plutonium from military and civil stockpiles. These will last only a few years, and questions remain about the net energy gain from reprocessing these materials. In the future, it is likely that the nuclear industry and governments will look to MOXfuel – a mixture of uranium and plutonium dioxides. In time, the nuclear industry hopes to develop fast breeder reactors fuelled by weapons useable plutonium. The widespread use and production of either fuel has serious implications for nuclear weapons proliferation and the risk of nuclear terrorism."

Toxic Freedom

While it strives to sell itself as the environment friendly energy option, the nuclear industry seems curiously keen on escaping government regulation. It already caused concern when it started lobbying to lift regulatory constrains through the creation of a new energy agency, independent of government influence, to oversee its operation if a new generation of nuclear plants is to be built. The creation of such a body would free the industry from any kind of enforceable responsibility and enable artificial price hikes. The industry is also shaken by the example of the plant in Olkiluoto, Finland – the first reactor to be built in Western Europe in the past two decades – causing financial losses to its builder Areva by running wildly



Two damsel bugs (Nabis rugosus).
Left: the right wing is too short.
Right: damaged wing as well as completely displaced and misshapen neck plate.
Found in the grounds of the Paul Scherrer Institute (by J.Jenny).

over budget. The reactor caused losses of £180 million in the first half of the year alone, despite the government expediting its construction through a "streamlined" process that kept public consultation to a minimum.

More alarmingly for the UK, the idea of self regulation has been supported by Dieter Helm, of the Oxera consultancy, an advisor to the Blair government.

In most debate on the nuclear question, the toxic issue of radioactive waste is overlooked. The environmentalist turned industry shill, James Lovelock, has claimed that nuclear waste is so safe that he is willing to store it in his garden shed. (He also claims Chernobyl killed only 45 people, whereas 500,000 people are reported to have already died out of the 2 million people who were officially classed as victims. Moreover, there were some 50,000 abortion cases in Europe because mothers feared the effects of the radiation.) Serious scientists, on the other hand, remain far less sanguine about storing nuclear waste in back gardens. While all of it is dangerous, some remains toxic for hundreds of thousands of years. Further undermining the rush for nuclear expansion, *The Guardian* reported in January this year that scientists developing ways to dump Britain's nuclear waste underground have discovered that ceramic materials proposed to seal high-level waste break down much faster than expected when exposed to the radiation.

Although Westminster and the Scottish Executive have recognised that the 470,000 cubic meters of toxic waste from nuclear plants and weapons needs deep disposal, planning for a new generation of plants when the mess from the last one hasn't been taken care of seems ill advised at best. Around the world, except for one, all nuclear waste dumps are expected to open only after 2020. The opening of the Yucca Mountain project in the US, originally scheduled for 1998, has been pushed back to 2012. While John Ritch, director of the World Nuclear Association, claims the world needs a 20-fold expansion in nuclear energy, even a tripling of global nuclear capacity, according to the Massachusetts Institute of Technology (MIT), this would require a "new Yucca-sized dump to be opened somewhere every three or four years". Sweden, a country that leads the world in research and development into deep disposal facilities, finds it unlikely that such facilities will be available for at least 20 more years – one of the reason why it has decided to phase out nuclear power.

Predictable Fallout

Two already well known consequences come hand-in-hand with the return of nuclear energy; the potential for nuclear proliferation and catastrophic accidents. According to MIT, if the global nuclear capacity triples, it would take the theft of just 0.00025% of the MOX manufactured every year to provide the plutonium for a nuclear bomb. Last year, the G8 leaders had announced their intention to resurrect fast breed reactors, causing controversy since they produce plutonium which is easily weaponised. The same uranium enrichment process used in civilian reactors, increasing the proportion of the U-235 Isotope by a few percent, can be used to reach 90% enrichment, required for weapons grade uranium, making the task of non-proliferation all the more difficult.

While the G8 pay lip service to non-proliferation, they intend to expand the nuclear energy option while keeping "the more sensitive nuclear facilities that can be easily diverted for making bombs within the G8." Richard Dixon of WWF Scotland responded with dismay that:

"this rich boys' club seems on course to peddle reactors to the Earth's poorer nations, at the same time as they are warning us how terribly dangerous the world is."

According to MIT, traditional risk assessment suggests that there would be four core damage accidents by 2055. The fallout from many past disasters has yet to be taken care of. Only last month, the NDA was reporting delays in the clean up of the defunct nuclear complex at Dounreay in Caithness due to a lack of funds available for decommissioning. This has postponed a series of projects crucial for making Dounreay safe, including the emptying of the radioactive waste shaft on the shoreline which exploded in 1977 and was supposed to have been cleaned up by 2003. In 2005, a cementation plant at Dounreay was closed and an investigation started after the spillage of hazardous, dissolved spent fuel. According to *The Times*, "the discovery of nuclear particles on neighbouring beaches has led to calls for a full public inquiry into the scale of pollution at the site, while the [United Kingdom Atomic Energy Authority (UKAEA), responsible for the site] has been accused of a cover-up". The prototype fast reactor at Dounreay was already shut down in 1994. This was the second scare in less than a year to hit the plant. According to the *Daily Mail*, a Dounreay spokesman "confirmed that eight workers were being tested for suspected plutonium intake". The lab was already shut down the previous year "following a similar alarm involving 15 workers... In August, UKAEA started refresher courses following a number of radiation scares, during which contamination was detected on five workers in a week." In February this year, the waste reprocessing complex was fined all of £140,000 for illegally releasing radioactive waste into the sea for more than 20 years. Radioactive particles from the plant will pollute beaches for decades to come and the environment will never be completely cleaned up, according to one expert study.

In Sellafield, in Cumbria, according to the *Sunday Herald,* a reprocessing plant has been closed because of a leak, and a plutonium fuel plant and ageing reactors are performing badly. Sellafield has been the site of numerous nuclear leaks, most recently at the Thorpe plant. According to *The Guardian*, workers ignored more than 100 warnings over six weeks that it had sprung a leak. On February 15, 2006, Sellafield was warned by the European Commission that it was in breach of EU rules. It was urged to tighten controls to ensure that nuclear materials "are not diverted from the peaceful uses for which they have been declared." The warning followed European Commission inspections of Sellafield, which lead inspectors to conclude that "accounting and reporting procedures presently in place do not fully meet Euratom (EU) standards". One of the most notable incidents came in 1999, when British Nuclear Fuels (BNFL) admitted falsifying documents relating to uranium and plutonium mixed-oxide (MOX) fuel destined for Japan. The scandal was a major embarrassment for BNFL. Japan refused to accept a shipment of the fuel that was already en-route, which meant it had to be returned to Sellafield. The government's Committee on Medical Aspects of Radiation in the Environment has consistently denied any link between Sellafield and a nearby cluster of childhood leukaemia.

And last summer, the laundry at Hunterston nuclear power plant in North Ayrshire sprung a leak with radioactive water escaping from a tank, causing it to be shut down...

Harlequin bug (Pentatomidae). Deformed scutellum, and patches not symmetrical. Found near the Three Mile Island plant.

Not-So-Public Relations

When the results of Labour's long awaited energy review were published in July, the nuclear industry was enthusiastic about the outcome. Keith Parker, CEO of the Nuclear Industry Association (NIA), that represents 40,000 nuclear workers "warmly welcomed" the review's findings that nuclear would make a "significant contribution" to securing Britain's energy future.

"Nuclear power offers reliable, secure and affordable low carbon electricity for the benefit both of consumers and environment," said Parker. The choice of words here is deliberate, and part of a carefully crafted PR campaign to repackage nuclear from its traditional image – dirty, dangerous and expensive – to one that is "secure", "affordable" and "green" ("low carbon"). The industry's PR strategy has centred around capitalising on the growing concerns with climate change by appropriating environmental rhetoric to sell its re-entry into the energy market.

The PR Company Weber Shandwick wrote a briefing paper called "The Case for Nuclear Energy" for British Nuclear Fuel (BNFL), the state-owned company that runs the controversial Sellafield site, arguing that nuclear power has become "essential" in combating CO_2 emissions,

Vegetable bug (Eurydema oleraceum). Section missing from right feeler. Found in Rohr.

the main cause of climate change.

Climate change features in a series of "Racecards" or key messages that the PR company, Strategic Awareness, developed for BNFL to promote nuclear. One is "CO_2 Emissions = Climate Change = Irreversible damage to our environment." The racecards, whose task is to make the issue of energy "personal" and "real", also use another key selling point: energy security. "Without nuclear we will be reliant on other countries for our energy supplies". (Despite this being the explicit outcome of policy to deregulate and globalise the energy market.) An October 2005 Strategic Awareness document notes that "without nuclear newbuild, renewables will not make a difference. Nuclear provides 'always on' electricity". The paper also covers the safety angle by suggesting that "everyday emissions into the air are safe". There is more radiation "in a bottle of mineral water".

From the beginning, the industry has relied on the "third party" approach – a PR technique where propaganda is presented through someone seemingly independent, with more credibility – to get independent researchers, academics, parliamentarians, the media and trade unions to make its case. Philip Dewhurst, Public Affairs Director of BNFL, chair of NIA and a nuclear spin doctor, let slip during an interview with *PR Week* that BNFL was spreading its message "via third-party opinion because the public would be suspicious if we started ramming pro-nuclear messages down their throat". The NIA has been central to BNFL's multimillion pound PR campaign. With British Nuclear Energy Society and other partners in the PR business, the NIA conducted a behind-the-scenes campaign to cultivate sympathetic journalists and politicians. Last summer NIA and BNFL approached key academics and independent researchers to attend a "Media Training Workshop", run by PR company Weber Shandwick, along with their staff.

Fire bug, legs (Pyrhocoris apterus). Two legs on the left side are light and bent. The chitin armour is soft rather than firm. Found in Bernau, near the Leibstadt power plant (by J.Jenny).

(Dewhurst has now joined Gazprom, the Russian energy giant, perhaps in a bid to help it gain access to the British market.) A *Corporate Watch* investigation revealed that Weber Shandwick monitors all relevant parliamentary processes for BNFL, such as the House of Commons Environmental Audit Committee, whose sixth report, published in March 2006, thoroughly refuted the nuclear argument.

BNFL has also been using Nuklear 21, a trade union lobby group, as a "front" organisation to make a case for nuclear energy on the grounds that it would prevent nuclear workers losing jobs. It also underwrites Supporters of Nuclear Energy (SONE) a pro-nuclear front group headed by well known anti-green campaigner Sir Bernard Ingham. Through NIA, BNFL channelled at least £21,000 to SONE. According to *Corporate Watch*, Ingham, on BNFL's behalf, lobbied Digby Jones, the head of the Confederation of British Industry, who in turn promised to approach Blair personally and enlist support of the Energy Intensive Users Group.

While SONE claims to be a proponent of "informed debate", a different attitude prevails when it is working behind the scenes. David Fishlock, one of its members told the Lord's Science and Technology Committee, "the public should not be expected to have an opinion. There are many things for which quite legitimately the pubic looks to government to make up the mind of 56 million people. Nuclear energy is a matter that is largely in government hands and is a matter for government decision."

Conflicts of Interest

The new push for a return of nuclear energy plays out over a landscape marked by a dizzying array of conflicts of interest. The Committee on Radioactive Waste Management (CoRWM), set up by the government to resolve the issue of nuclear waste and supposedly free from industry or government influence, is closely intertwined with AMEC NNC, a nuclear company with a vested interest in both new nuclear build as well as decommissioning. A *NuclearSpin* investigation found that besides acting as CoRWM's programme manager, AMEC NNC managed the discussions at its plenary meetings, organised its public consultation and procurements procedures, along with its PR company, Luther Pendragon. In fact, Luther Pendragon was contracted to AMEC NNC instead of CoRWM. When *NuclearSpin* put in an Freedom of Information request for all correspondence between CoRWM and Luther Pendragon, after much foot dragging, it was the latter (rather than the government) that chose the information that was eventually released. A similar request by *Corporate Watch* into the PR activities of BNFL and its relations with Weber Shandwick was finally vetted by Philip Dewhurst, BNFL's head of PR.

Not too long back, CoRWM itself was accusing a government body, the Nuclear Decommissioning Authority (NDA), of a conflict of interest when it was appointed to oversee the deep disposal of 470,000 cubic metres of waste from nuclear power stations and weapons in the UK. Contrary to CoRWM's recommendations of establishing an independent body to oversee the disposal of the radioactive waste, the government appointed NDA, a state agency with an interest in promoting short-term efficiency and a dual role as waste creator and waste disposer.

In Scotland, the parliament's Cross Party Group on the Civil Nuclear Industry, despite declaring five separate items of funding from electricity generator British Energy (BE) from May 2005 to January 2006, does not mention that secretarial support for the parliamentary group is provided by BE, which includes drafting agendas and taking minutes of meetings, none of which is made available to the public. In a meeting with Nuclear Spin, John Home Robertson MSP, chair of the CPG even went so far as to declare, "I work for the nuclear industry", only hastening to add afterwards that he isn't paid to do so.

Effective Solutions

Despite an amply resourced propaganda campaign and active collusion of the Blair government, it appears that the nuclear industry has failed to convince the public of the desirability of nuclear energy. In Europe, nuclear power remains the most unpopular source of energy. A whole year of relentless propaganda has failed to rally more than 20% to its cause. Solar and wind energy on the other hand, have 80% and 71% support respectively. In the UK 19% favour nuclear, whereas support for wind power stands at 63%.

On October 5, 2006, Greenpeace launched its court action challenging the validity of the government's Energy Review, which it claimed was "legally flawed" as "the government did not carry out the full public consultation to which it had committed itself before making its decision". According to Sarah North, who leads the organisation's nuclear campaign, "given that there are much more sophisticated, effective and safer ways than nuclear power to meet our energy demands and cut our climate change emissions, Greenpeace feels compelled to challenge the government on its irrational and unsubstantiated pro-nuclear policy." It is a "dangerous distraction from real solutions to climate change," she added. Climate change is indeed a serious issue, therefore it is important that the available resources are spent on the most viable an effective solutions.

Greenpeace claims their landmark success will mean that the government will be forced to carry out a much more comprehensive consultation that takes into account the full range of issues related to the introduction of a new generation of nuclear power plants: radioactive waste, financial costs and the design of the reactors. However, while the judicial review has disrupted the process, Blair was quick to declare that "this won't affect policy at all".

All references are archived at:
www.spinwatch.org
www.nuclearspin.org

The Inverted Coalmine

The crisis of energy & representation

Terry Brotherstone

Tim Halford, publicity man for Occidental Oil's Armand Hammer, remembers his boss in the early 1980s visiting the Piper Alpha platform, 110 miles north-east of Aberdeen in the North Sea, and enthusing: "I can just feel those dollars going through underneath me!" Speaking in the mid-'90s on Channel 4's *Wasted Windfall*, Halford exclaimed: "That's what it was all about!" He has since put it on record that Hammer's comment was in response to his own observation about the way the platform was vibrating. This memory chimes with what Piper Alpha meant for many workers, for whom it was a mass of safety anxieties waiting to translate into a nightmare. Then on July 6th 1988 what one worker, Bob Ballantyne, called "Your worst nightmare come true" happened. The platform went up in a spectacularly disastrous explosion killing 167 men in all – the North Sea oil and gas industry's worst human tragedy to date.

Owen Logan's image, *The inverted coalmine* (on facing page), was made in 2003 for a permanent exhibition of contemporary art commissioned for the newly opened Scottish Parliament at Holyrood in Edinburgh. It was inspired by his discussions with Ballantyne, who had become one of the best-known survivors of the Piper Alpha tragedy. Logan got to know Ballantyne through the University of Aberdeen's 'Lives in the Oil Industry' oral-history project, carried out between 2000 and 2006 by Hugo Manson. Manson, an oral historian with an international reputation, came to Aberdeen from New Zealand to record the life stories of some 200 people who made the industry happen, or who were directly affected by it. He has created one of the largest oral archives ever devoted to a single industry, certainly in the UK; and Ballantyne was one of his first respondents.

Sadly Bob died, with very little warning, of throat cancer in 2004. In January this year I visited his widow Pat Ballantyne and we looked at Owen Logan's image. I asked what it meant for her to hang this photograph in the home where she and Bob brought up two talented young daughters? "I've got to take myself out of looking at it as a piece of art," she said, "and start to think of everything that it means. The first thing that it makes me think of is Bob's own reaction to the offshore industry, and the hierarchies and demarcations. The way he would relate what was happening offshore in the 1970s and '80s to the worst of life in the coalmines, the appalling conditions that miners had, … the way life, life itself, was expendable. He felt very strongly that that was the case offshore. He was relating very much to the fact that, for example, he was a contract worker, he didn't work for a company; and there was a huge difference between how contract workers and how company men were treated… All these thoughts about the conditions for workers crowd in when I look at that image."

It was Ballantyne himself who had compared an oil rig to an inverted, or "upside down", coalmine. As Pat recalled, "Bob was very good at talking in visual bites." He had "an image in his mind", when he used the phrase, and "he was thrilled with that realisation of it."

Bob Ballantyne, he told Hugo Manson, was not one of those who saw the Piper Alpha as a disaster waiting to happen, though he knew others did. He didn't think the platform was worse than any others. It used to be said of some platforms that the "painters were proud", meaning it was paint that held them together! There was a sceptical culture, but one that still allowed workers to believe that so long as you knew where the gas leaks were they could be managed. Everything seemed normal the day the disaster happened. Ballantyne was sharing a cabin with Charlie and Ian. Charlie was a Glasgow Catholic he'd known since they were young journeyman electricians together and who was now so proud of his grandchildren – "a rough diamond" who would "give you his last for your last". Ian was "a terribly gentle chap" from north-east Scotland, a "lovely person … a terrific worker", who used to help Bob keep the cabin tidy – in that way he was "the complete opposite of Charlie."

Ballantyne recalled, when Piper Alpha began to explode: "I was in the recreation room, Charlie [at] the movies… We'd come back to the cabin and Ian … was showering and the shower thing had fallen in and he came staggering out … 'Get yourself dressed! We're going up to the canteen to see what's happening.' It was absolute chaos. And when we came back down … we'd seen people putting on wetsuits and thought, 'This is quite serious, let's … get our wetsuits'. So we were back in the cabin. And there was Ian – because I'd [recently] collected the laundry bag – turning socks inside out, and he'd pulled out his drawers … he was fixing his socks and putting them back in the drawer. I thought, 'Ian, I'm tidy, but …' [and] I said to him, 'Don't worry about it, we're … going off the platform'. I could see Ian tucking his socks in … and checking his underwear, and I'm thinking, 'Oh, don't do this. We've not got time. It's not important.' "

It was difficult finding a way outside, and it was only when Ballantyne did so – with about a dozen others – that he, "saw the enormity of the whole situation. It was absolutely terrifying … your worst nightmare come true … Hell! And some of the lads … if your whole life has been regimented, [you're steeped in] your safety manuals … in time of emergency you will leave the platform by helicopter … [You've] been told … there's helicopters coming out and the accommodation is still called to this day a 'safe haven'. Those lads went back inside the accommodation … [following] Occidental's training manuals. I just never bought into that. I used to think … 'You've got to be joking that you can get a helicopter out of here if these things go up.' "

Ballantyne was amongst those who broke the rules. Ian and he went to the west side; "The reason was [that] if you found a way out then you'd come back to the central point, and you would tell everybody. And I know, looking back, how crazy that was, because, if you [had] found a way out, you were going to go … You've not got time to go back because you don't know where people are, but you get driven back by fireballs… The rate these fireballs came was the speed of lightening. You could actually see the fireballs coming towards you, and we jumped away, and this thing went right by us…"

The whole story is in the Aberdeen archive and can also be listened at the British Library in London. Ballantyne found his way into the water and – unlike those waiting for the helicopters – survived the ordeal. While he waited, wondering if the cold of the North Sea would get him before the rescue vessel, he went over his past life in his mind and made important decisions, though that is another story. But the experience was also making decisions for him. His sense of responsibility to others was born perhaps of his own fractured childhood in Glasgow and the compensating solidarity of Clydeside working-class life. He had worked briefly in the shipyards, been an active trade unionist, shop steward and Communist Party member. This made it inevitable that he'd be a leading campaigner for the survivors and the victims' families. Whatever he did from then on, he would be billed as 'Bob Ballantyne, Piper Alpha survivor'.

One reason Hugo Manson was able to get Bob to tell his story so compellingly for the archive was that, at last, he was given the time, and afforded the interest, to tell his whole story. Like other critically practised oral history in this mode, it's a story in which the self-perception of a life interacts with a historically significant social development. The story of North Sea oil and gas, with the Piper Alpha tragedy at its centre, is crucial to understanding what has happened in the UK since the 1970s – the years of the so-called 'Thatcher revolution'. That argument's for elsewhere, but the evidence of the Aberdeen archive is that no single subject features in the personal memories of the many different participants – from all sides of the industry – more consistently than the night of the tragedy and the subsequent implications of what happened.

But what of Pat Ballantyne's experience? "I found out about it," she said, "when the police came to the door at about six o'clock in the morning… I answered the entry phone and this voice asked if Bob stayed there… I thought, 'What's he done, what's he done?'… I should lie! I admitted it eventually… These two policemen ... couldn't really tell me… They just said there'd been an accident offshore, that Bob had been involved in it, and that he was one of the lucky ones."

So Pat never had the anxiety of not knowing whether or not Bob was alive. The reason is a story in itself. As a kind of superstition, she, "used to stay up every night until I'd heard the late [TV] news … at the back of twelve … just so as I could be sure that nothing had happened… He'd phone me in the evening but I'd still wait [up] just in case, I just never did trust the rigs… This was one night where I hadn't because Bob was doing an Open University course. He'd been sent these LPs of *The Marriage of Figaro* and I'd been putting them on to tape and making some notes about them… I was going to post them to him. I'd been so busy doing this I'd forgotten about my normal talisman…" And: "I was really fortunate in being able to deal with it… My sister stayed in the next street and she was a psychiatric nurse [who had just] completed a two-day course in bereavement… She'd just keep saying to me that the most important thing I could do with Bob was just to get him to talk about his experiences … as much as he could…"

As soon as she heard what had happened, Pat's sister joined her. Switching on the television, she quickly turned it off when the Piper Alpha coverage came on. She didn't want Pat to see the flames and the meltdown. After phone-calls that took an age to be answered Pat found out that Bob was in Aberdeen Royal Infirmary: "It took us a very long time to eventually find him… He was in a tiny little room on his own… wearing an orange boiler suit, with burns round his eyes. He was just, you know, completely shell-shocked… [But] he was fine. We took him home and I remember getting the doctor… His physical injuries were superficial… [and] this doctor, a very weird guy, said, 'Oh, you can go back to work soon, can't you!"

This was the first in a series of incidents that convinced Pat that the mental aspects of the survivors' experiences were not understood. Where they were, it was from the point of view of medical researchers treating the victims as case-studies. It seemed Bob Ballantyne was no more a whole human being to them than he had been to

the bosses concerned only for the dollars which Armand Hammer had felt running under his feet.

Oil revenues helped to finance the social security expenditure necessary to ensure that de-industrialisation and the destruction of industrial communities did not lead to far greater social disruption and militancy than actually occurred. Meanwhile, the same profit-driven values that had made the coal mines the scene of so many human tragedies in the nineteenth century were threatening the lives of workers. Bob Ballantyne like many others was a refugee from traditional industrial areas like Clydeside – with personal and family disaster.

The politics of expression

There are other stories in the Aberdeen archive that reflect the impact of the system of global capital, epitomised by oil companies. Artist Sue Jane Taylor, wrestled with the task of creating a memorial to the Piper Alpha victims – a major sculpture in Aberdeen's Hazlehead Park where Bob Ballantyne's ashes were scattered by his partner and daughters on the first anniversary of the disaster to fall after his death. And of course it will not only be creative artists who will use the archive to represent, from whatever point of view, the crucial story of North Sea oil. It will be visited by many people, from journalists in search of 'human-interest' stories to company historians, as well as those for whom the central purposes of scholarly research (as of creative production) is the critique of humanity's current crisis and participation in a discourse about resolving it.

But, in responding to the archive, Logan is both returning to an important radical tradition and doing something new. He has said that, for photographers, "new technologies can help recover the rich relationships between image and text that were once so central to their work." Words and images can construct "a truly critical context for one another", but the drive for this "was often abandoned as more photographers sold themselves as artists and were encouraged to celebrate ambiguity over content in their imagery." This has left a vacuum, the filling of which, he believes, "goes beyond any simple sense of social engagement: it means heightening political awareness", and promoting discussions about the current sclerosis in ideas that grips much of the left as it attempts meaningfully, and with a necessary grasp of historical temporality, to overcome the "there is no alternative" nonsense of capital's ideologues.

By applying his technique to the oil industry and beginning from personal life-stories, Logan's work, like the best oral history, demands that we approach the personal and individual story in terms of its broadest social and historical context. In the early twenty-first century there is a crisis calling for collective work to find new theoretical and practical-political answers. The recent 'Oil in The City' project that took place in Aberdeen also recognised the need for collaboration in this respect. Urban November, the group behind the project, didn't come together because of oil, they first met to talk about making a response to a proposed BNP march through the city. The march was stopped by local opposition, in which Aberdeen Trades Union Council was also prominent, but Urban November's 2004 exhibition 'Aberdeen Urban Atlas' addressing 'the quality of life' in the city was the result of a creative sense of opposition.

Bob Ballantyne

Time for a re-think

Contrast the current situation with the time in the mid-1970s when 7/84 Theatre could greet the arrival of North Sea oil with an innovative (for its time) ceilidh-play, *The Cheviot, the Stag and the Black, Black Oil*. It aroused huge enthusiasm throughout the Highlands, north-east Scotland and beyond (and found a ready audience for its BBC 'Play for Today' adaptation), by presenting the arrival of the US oil companies in the North Sea as another episode in a long history of predatory exploitation at the expense of social humanity going back to the Highland Clearances. This was politically engaged performance that deserves recognition still, as it marked the beginnings of the offshore industry in an oppositional way; and, watched today, it may still raise many a laugh and two cheers for its spirit of populist protest. But its analysis and politics now look naïve; part of what was a general misreading of the nature of the period as one of progress towards socialism on the basis of accumulating militancy and protest. The defeats the industrial working class suffered in the Thatcher years, and the fact that the collapse of so-called 'actually existing socialism' did not bring into being a genuinely socialist movement in eastern Europe, signalled the end of this idea as a rational expectation.

A necessary, radical rethinking on the left of the nature of the period we are in, and the political tasks it sets, has been too long delayed. As the recent Intergovernmental Panel on Climate Change report demonstrates, it now must take place in the context of international scientific recognition of the virtual certainty of environmental destruction in the foreseeable future, unless the problems created by the production and use of energy are addressed. Daily, it becomes clearer to growing numbers of people that the tinkering proposals of the politicians and the efforts of some leaders of global capitalism to give their profit-driven enterprises a measure of 'green' respectability go nowhere near the issue. But most remain politically paralysed by the difficulty in perceiving – in the aftermath of the effective collapse of the transformational aspirations of the twentieth-century 'labour movement' – how the agency of the transition beyond capitalism to one centred on international, democratic planning based on human need is to be identified and actualised in practice.

In this discussion, the critical talents of cultural practitioners are needed. No longer is it enough to suppose that traditional representations of the working class and poor can help to develop a practical oppositional consciousness of the 'dignity of labour', or of its role – as capital's only structural antagonist – in progressing what was once widely seen as humanity's unstoppable march to wards socialism.

This may seem to take us a long way from Bob Ballantyne's most incisive visual soundbite and the image it inspired. But there's a link: Ballantyne's life bridged the worlds of traditional heavy industry and the 'modernity' of globalised oil. He was a Clydeside electrician, though one who travelled widely for work, but for him it was coal mining that above all symbolised the world Thatcherism destroyed. It was this contempt for human cultural development and life itself that was to continue in the offshore industry – hence, I think, the inverted coalmine. The year after the Piper Alpha disaster, he was a key figure when the strike wave to fight for a serious attitude to safety was developing in the formation of a new, radical union, OILC (the Offshore Industry Liaison Committee). The history of class struggle in the 1980s quite properly focuses on the 1984-85 miners' strike; but others came later, most importantly of all the offshore workers' industrial action. There were those then who thought that, if the miners' industrial militancy could not defeat Thatcher because theirs was an industry allegedly past its time, surely the oil workers could challenge the system that needed their product. Analysing why the gains made by a new type of union, but with traditional trade-union methods, were limited and reversible, must be part of the rethinking of recent history.

Coal

One morning in late November 1988, just a few months after Piper Alpha, at the Scottish National Portrait Gallery in Edinburgh, Maggi Hambling's portrait of Scottish mineworkers' leader, Mick McGahey, was unveiled. He'd been number two in the leadership of the national union that, for over a year in 1984-85, had fought to defend the coal industry and defeat Thatcherism. The National Union of Mineworker's defeat and the availability of North Sea oil revenues in the early 1980s were two of the crucial conditions that enabled the 'Thatcher revolution'.

The unveiling ceremony was rich in contradiction. Here was the respected workers' leader, reviled in the Tory media alongside NUM President Arthur Scargill only a year or two before, now elevated to the pantheon of great Scots. Performing the unveiling, the Historiographer Royal in Scotland (the Queen's beyond-the-Tweed history man), a mild-mannered, English-born, liberal professor was anxious to allude to McGahey's essential moderation in contrast to the militancy of the still-demonised Scargill. Though he never publicly acknowledged it, McGahey was known to have fallen out with Scargill during the latter stages of the strike. Presiding over it all, an Edinburgh merchant banker, chair of the gallery's board of governors: the sort of person who was doing well out of the Thatcher years, the taming of the unions and the devastation of working-class communities. And then the artist: louche, loud, lesbian, Maggi Hambling, who had spent weeks in the autumn getting to know McGahey and creating an image of mid-twentieth-century proletarian masculinity, fit for a gallery determined to update its image in a new fin-de-siècle world. Hambling and McGahey – contrasting personalities as they were – had obviously got on well.

Hambling's portrait of McGahey, I wrote at the time, "is more of a question than a statement. The legs [are] … thrust forward, … the huge hands folded in front of the stomach, as though on guard against an anticipated assault on his dignity. The face… is of a much younger man than the McGahey who watched the unveiling in the flesh. It is round and alert, rather than oval and puffed. Yet within the youthfulness … there is also the immanence of age. Hambling has not done a cosmetic job: [it is a] dialectical piece of art."

Hambling captures McGahey's features in a way that alludes to the coalface itself. The colours reflect the earth and the growling, geological layers beneath. And another contradiction. The face is thickly painted in short, decisive strokes. But the viewer, conscious of a growing awareness of a superficially concealed asymmetry, is drawn to the area around the right eye, which has been done differently. Here the paint is thin and the bumps in the canvas remain visible. It is as though a gap has been left in the psychological outer armour, a pathway to potential engagement with the real thinking behind the battle-scared exterior.

In creating the possibility for the viewer to consider the relationship between the exterior image and its subject's inner reflections, Hambling drew us towards McGahey's more profound significance. Not a 'national hero' on a national gallery wall, celebrated for his moderation and his slightly embarrassed shaking of hands politely with the class enemy. Rather, a man of his class, who had justly earned respect as its champion, was now nearing his life's end with personal achievement providing small consolation for the apparent defeat of his wider dreams – it was only months before the collapse of the Berlin Wall and the end of the Soviet Union.

Membership of the Communist Party, albeit at very different levels, united Mick McGahey with Bob Ballantyne. It made them part of what had started out as the twentieth century's most important, potentially progressive political programme. But the movement that transmuted into the barbarity of Stalinism had not helped them end the system that, in 1980s Britain, required the destruction of mining communities and could only extract energy from the North Sea at the cost of human lives. Of course we now know more clearly than ever before that our dependency on the oil industry threatens catastrophe. However, if we start from individual stories and particular images like these, but with a new critical awareness, the bigger question we should be asking is: what are the real tasks left for the twenty-first century?

Anyone who visited the recent offshore-industry exhibition at the Scottish National Portrait Gallery, *Energy* by Fiona Carlisle, might have also seen Hambling's McGahey portrait. In that one portrait of a coal miners' leader, caught in the political contradictions of his time, there is more to think about than there was in a gallery full of oil industry personalities flatteringly painted in bland washes and pastel shades. Fiona Carlisle's *Energy* is corporate art. Yet Carlisle's images were presented by the gallery's director, as meeting – for the first time – an unfulfilled need to represent the modernity, the contemporaneity, of Scotland's oil industry in a major public space for art. Sue Jane Taylor's engaged portrayals of oil workers, exhibited long before in Aberdeen, went unmentioned. Her work, of course, even when not directly related to it, inevitably calls to mind the Piper Alpha memorial, and the disaster it represents. And that is certainly not how 'the nation' is being encouraged to think about the oil industry.

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