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# Unmasking austerity and organising for new challenges: Dexter Whitfield

**This article is by Dexter Whitfield, the author of the 2014 book *Unmasking Austerity: Opposition and Alternatives in Europe and North America*.**

It is vital that we draw lessons from the strategies adopted to oppose austerity policies and rampant neoliberalism.

Trade unions, community and civil society organisations, and social movements are confronted by new challenges.

Since the start of the current global crisis coordinated European Trade Union Confederation one-day strikes and national demonstrations and marches were important in strengthening solidarity and gaining support to show the high level of opposition to austerity policies.

Demonstrations also succeeded in exposing tax avoidance by global companies, increasing corporate welfare and the importance of tax revenue in sustaining public services. Cuts to public sector pay and pensions, welfare benefits and public services would have taken an even larger share of austerity measures if opposition had been less forceful.

New national and local organisations and alliances, created to resist foreclosures and evictions, used imaginative direct action tactics, particularly in Spain and US.

The Quebec student strike stopped tuition fee increases and UK hospital campaigns stopped closures and had active engagement of trade unions, community and social movements with wide public support. Many campaigns, such as the Chicago Teachers Union, targeted action at banks and financial institutions.

Democratic assemblies involved participants in discussion and decision-making in Spain's 15M and the Occupy Wall Street movements.

Action against austerity saw a step change in the use of digital communications to establish movement networks, organise direct action, build support and keep those involved up to date with information, evidence and events. This was reflected in better organised and more sustainable campaigns.

However, many European and national demonstrations were, in part, predictable and repetitive.

More European-wide coordinated local/regional action might have been more effective if it had directly supported local struggles and alliances. Most anti-cuts campaigns were essentially defensive, focused against specific cuts. They sometimes changed budget allocations, but not the overall scale of cuts.

Equally important was the lack of national strategies to address the acceleration of neoliberal transformation of the public sector and to provide support and resources to tackle outsourcing, the transfer of services to social enterprises and other forms of marketisation and privatisation. Despite the worst economic crisis for 60 years,

Labour and Democratic parties failed to deliver significant alternative policies or legislative change.

Austerity measures will continue for many more years; cuts to services, jobs and wages will not automatically be 'restored', and governments will seek to consolidate economic 'reforms' alongside the 'transformation' of public services and the welfare state.

### New challenges

Austerity policies led to a further decline in the labour share of national income. Average labour productivity increased more than twice as much as average wages in developed economies in 36 countries between 1999 and 2011 (International Labour Organisation, 2013).

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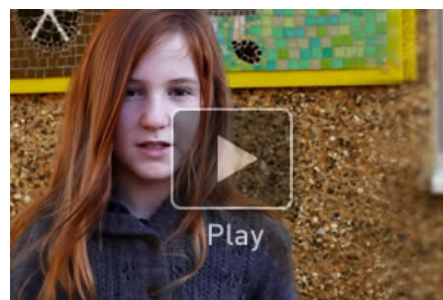
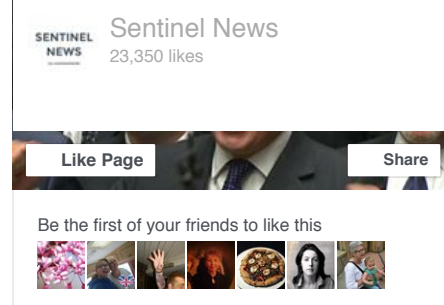
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The wave of privatisation of network industries in OECD countries (telecommunications, electricity, gas, airlines, railways, roads and postal services) accounted for half of the decline in labour share due to large falls in employment and cuts in terms and conditions (Bassanini and Manfredi, 2012). Household debt became a substitute for higher wages as a source of demand and consumption in these economies.

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Policies to create full employment, increased national minimum and living wage rates, reduction of the gender pay gap, increased trade union membership and representation, extended collective bargaining and workplace participation have an important role in increasing the labour share of national income.

Although new banking regulations require banks to be more resilient to financial shocks, improve risk management, governance, and transparency and to increase their capital reserves, much reform remains.

The rapid growth of the shadow banking system, such as hedge funds, money market funds and structured investment companies, now account for 24% of total global financial assets (Financial Stability Board, 2013). These non-banks are supplanting the role of traditional banks in corporate lending and investment as the latter face increased regulation.

So it is vital to maintain pressure for fundamental reform and re-regulation of the financial system. Failure to do so could lead to the return of a laissez faire approach and another financial and economic crisis sooner than would otherwise be the case.

Furthermore, transnational free trade agreements (TTIP, CETA and TISA) currently being negotiated will reinforce austerity measures, further embed neoliberal policies and increase corporate power. Continued monetising of the public sector and growth of a social investment and social impact bonds will pose new threats to jobs and services.

#### **Organising strategies**

Trade union, student union and community membership models are vitally important in organising and sustaining action strategies. They provide organisational structures, resources, a degree of stability and varying degrees of democratic accountability. It should not be a competition between organisational and 'movement' models, but how they can all contribute to the same objectives and demands.

Participants in campaigns and social movements may politically identify with organisations or movements, but not necessarily through formal membership.

New membership categories should be created to enhance organising strategies. Traditional organisational strengths are often overstated and weaknesses covered up to maintain bureaucratic control.

This may also be intended to prevent political challenge to existing relations with social democratic parties, which in many cases now occupy the right of centre political ground.

The vibrancy of many social movements and their ability to target corporate interests and to build opposition to public spending cuts and privatisation should be regarded as an addition to and not an alternative to workplace and community organising and building sustainable alliances.

Trade unions must be more proactive in advancing alternative policies for public ownership, re-municipalisation and innovation to retain and improve in-house services.

Action-based alliances are needed to challenge the acceleration of neoliberal transformation of public services through outsourcing, private finance and privatisation. Opportunities must be grasped to organise and jointly campaign on the economic, social, health, environmental and social justice challenges confronting their members, families and communities. But twin-track strategies of opposing policies nationally, but negotiating individual projects locally, are only viable if they incorporate national alliances.

Local strategic advice, research and investigation and technical expertise is needed locally to intervene more effectively in the review, options appraisal, business case and procurement processes. This will require a re-prioritisation of objectives and resources to achieve a step change in trade union capability and capacity.

The UK voluntary sector is now deeply divided between organisations engaging in the outsourcing public services and those opposing this approach in principle. Further action is needed to prevent the sector adopting private sector employment practices in a race to the bottom to win contracts.

New approaches to organising, building alliances and action strategies will require ideological and cultural change within trade unions, community and civil society organisations. Since 'business as usual' is not a viable public

service option, neither is it an option for organisations opposing austerity and neoliberalism.

This article is by Dexter Whitfield and is drawn from his 2014 book **Unmasking Austerity: Opposition and Alternatives in Europe and North America**, by Dexter Whitfield, 2014, Spokesman Books (eBook) [http://www.spokesmanbooks.com/acatalog/ePUB\\_eBooks.html#a806](http://www.spokesmanbooks.com/acatalog/ePUB_eBooks.html#a806) or from Amazon Kindle.

Posted by: [False Economy](#) at 6:46am on 12 September 2014

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