**THE CLASS POLITICS OF PRIVATIZATION:
GLOBAL PERSPECTIVES ON THE PRIVATIZATION OF
PUBLIC WORKERS, LAND, AND SERVICES**

ARTICLES

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Introduction: The Class Politics of Privatization: Global Perspectives on the Privatization of Public Workers, Land, and Services

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Abstract

Surveying countries in all continents, a recent international report sponsored by The Club of Rome declared privatization to be "one of the defining features of our era."[1] Any major phenomenon of our time must have historical roots. The purpose of this volume is to address privatization as an issue of globalization, to give it a history apart from the totalizing notion of *neoliberalism* and the prescriptive models of economic theory. The consensus among social theorists and observers is that this global process of privatization is a result of neoliberalism, a practice and ideology whose central tenet is the primacy of markets. Certainly, the rhetoric and policies of neoliberalism have been spreading rapidly throughout the globe, but the blanket use of this concept has not enabled us to get inside the real social and political transformations that marked the last decades of the twentieth century. The writers in this volume introduce the particularities of social and labor histories and locate privatization in narratives of class politics and struggle. Bringing social and labor history into the analyses of privatization, at the same time, these essays put labor history, often monographically focused, into larger discussions of the state and capitalism. These essays make the class agenda of privatization explicit, viewing it not just as the "opening of markets," but as clear assaults on the working classes and on the public claims that workers and citizens are able to make on the economy's resources and productivity.

Narratives of neoliberalism often present these models and imperatives as emanating from the United States and United Kingdom. For Joseph Stiglitz, former chief economist at the World Bank, "any economic analysis of the world's current economic problems and of the decade that preceded, must begin with a discussion of America." From his perspective, the story is one of how "Uncle Sam became Dr. Sam, dispensing prescriptions to the rest of the world."[2] But this is not a historically useful way of understanding the processes and conflicts at work. Whether presented in political or economic terms, it is often a top-down story: a story of governments, economic experts, and financial intermediaries. It cannot explain precisely why, when, and how privatization happens in any particular instance. Here we bring together scholars from history, labor studies, economics, and political science to connect the significance of local variation with the bigger picture.

A first round of discussion concerning privatization focused on the transfer or sale of state industries, particularly extractive industry, transportation, and ports, to private hands. These large-scale privatizations did not necessarily begin under conservative governments. Privatization of British Petroleum, for

example, was begun under the Labour government in 1977. Once begun, however, conservative governments accelerated the process. When Margaret Thatcher came into office in 1978, her government set out rapidly to privatize gas, electricity, coal, airlines, rail, telecommunications, and water. According to Mattias Finger, the term "privatization" was popularized by the sale of British Telecom in 1984. Within twenty years, Britain had sold off 119 enterprises.[3] Argentina, Chile, and Mexico sold most of their state-owned enterprises. In Chile and Peru, the sale of public assets occurred in nearly all economic sectors.[4] In cases such as these, privatization has meant simply selling a public asset and transferring it to private ownership.

Yet privatization more generally entails a complex and far-reaching phenomenon in which a wide range of formerly public goods and services are transformed into commodities available on the market. Privatization was also taking place through the use of private contractors for the purchase, sale, and delivery of particular goods and services that had previously been provided by the state. By shifting our focus to service sectors—healthcare, welfare, parks and recreation, and urban services—the essays in this volume look at this more complicated process of privatization. It becomes clear, then, that privatization is not synonymous with the retreat of the state. Instead, as Beatrice Hibou writes, privatization entails the ongoing negotiation between public and private actors, "the constant redrawing of the frontiers between public and private."[5] As Stiglitz points out, business and financial interests certainly expected government to play a role in helping them gain access to markets.[6] Rebecca Givan and Stephen Bach show us the privatization of the United Kingdom's National Health Service (NHS) has involved the growing outsourcing of support services, the rise of privately employed workers in the NHS, and major expansion of the private sector in the construction of hospitals, provision of clinical services, and the operation of all nonclinical services. In part, their study reveals how, in David Harvey's words, "the boundary between state and corporate power has become more and more porous."[7] In this light, we might ask, when an inmate in an American prison owned by Corrections Corporation of America (CCA) stares up at a guard with a PCA uniform and badge, is he looking at state power or private corporate power?

One aim of this volume is to examine the response of the unions most closely bound up with the privatization of public-service/public-sector unions. Earlier studies have focused on male workers at the core of the traditional labor movement: miners, railroad workers, and longshoremen. Healthcare and other social services employ another part of the working class, heavily composed of women, immigrants or migrants, and racial or ethnic minorities. Often organized at a later phase, their union movements coincided with civil rights and other rights-based movements, community movements, and, speaking most broadly, movements for inclusion in the economic or political mainstream. Franco Barchiesi, in his essay on Johannesburg, shows how the South African Municipal Workers Union (SAMWU), one of the fastest growing unions in postapartheid South Africa, did not begin to organize the black urban

working class until the 1970s and 80s. Characterized by rank-and-file militancy, SAMWU's membership and strength surged at the height of the antiapartheid struggle in the 1980s. While the new democratic regime enacted a Labor Relations Act giving municipal workers unprecedented rights to bargain collectively and strike, democratization was also accompanied by economic liberalization, austerity plans, and privatization. Barchiesi therefore situates SAMWU's activism and opposition to Johannesburg's municipal privatization within "the unique opportunities and challenges municipal workers derived from democratization."

In their article on the Hospital Employees Union (HEU) and the privatization of Medicare in British Columbia, Canada, Benjamin Isitt and Melissa Moroz extend our historical vision by contextualizing a recent strike against health services privatization within British Columbia's century-long history of militant independent unionism. Steeped in a long tradition of syndicalism, BC had experienced significant waves of labor upheaval and general strikes throughout the twentieth century. Eventually, HEU followed in this tradition, breaking off from the Canadian Union of Public Employees in 1970, pursuing an independent course in the 1970s and early 80s as it organized women, immigrants, and people of color, and growing along with the public healthcare system. Women made up eighty-five percent of HEU members, immigrants thirty-one percent. As Isitt and Moroz also argue, HEU "represented an institutional barrier to the dismantling of universal Medicare," an agenda of the BC Liberal government. When 40,000 HEU workers went on strike in 2004, they were joined by 30,000 other unionized workers. Still, the strike won only partial gains: restrictions on further contracting out, in exchange for wage rollbacks and existing service contracts remaining in corporate hands. Thus while placing the HEU strike within an historical "pattern of class solidarity," Isitt and Moroz reconsider the general strike and whether it can be an effective tactic in the current era of neoliberalism.

Givan and Bach use extensive interviews to examine the role of trade unions as service privatization has spread through the NHS system. Unison is a broad public service union with about 1.3 million members, of whom 400,000 work in healthcare. Givan and Bach trace how the union stance toward privatization has generally been more reactive than proactive, shaped by relations between unions and the Labour party, especially as marketization escalated under the New Labour government of Tony Blair. Unable to stop privatization, unions shifted to what the authors call a "pragmatic and strategic" approach. This approach pursued three principal goals: protecting members; acting as intermediaries between public and private entities; and organizing the new private sector employees within the emerging two-tier workforce of NHS. The debate, as Givan and Bach describe it, revolves around poles of accommodation and resistance. Shifting from a broader ideological class strategy to one focused on the workplace, Unison representatives have tried to position themselves as intermediaries between the different accountability structures of Britain's new hybrid public-private health workplaces. Their

article asks whether the union can still win workplace battles while, as they put it, "losing the ideological war."

Privatization, of course, has been intended as a specific assault on the wages, benefits, and job security earned over a long struggle by public-sector workers. But it is also an assault on the gains in public goods and services made by citizens and consumers. To really consider the class struggle and political struggle surrounding privatization, we have to look beyond formal trade unions and the workers they contractually represent. What other types of class-based movements have emerged to contest privatization? How have various class alliances promoted, acquiesced in, or protested privatization? Looking closely at class formation and restructuring in Bolivia, Susan Spronk investigates the alternative vehicles for organizing workers, consumers, and the poor outside of trade unions. In this study of Bolivia over the past four decades, Spronk finds new political formations that arose in conjunction with urbanization and political-economic restructuring. Territorially-based organizations, rather than public-sector unions, have shaped the political struggle during the Cochabamba "Water Wars." Spronk details the tensions within the Coordinadora de Defensa del Agua y de la Vida (Coalition for the Defense of Water and Life) between consumers and workers. She also looks at the emergence of a subsequent movement around water privatization, the FEJUVE of El Alto, a territorially-based organization that also has the more formal structure of elected representatives, as a model for enabling community participation in the management of a municipal water utility. Yet the FEJUVE too faced the same dilemmas of balancing consumers' and workers' interests.

Understanding the struggles around privatization, then, entails looking at the activities of consumers. Service-sector employment always involves a "third party"—the client or the consumer. Moreover, in social services, a fourth party, the state, perpetually creates, shapes, and reorders the service relationship.[8] As Franco Barchiesi writes in his essay on Johannesburg, municipal employment is "a point where workers and citizens, producers, and users of services intersect." Hence, Barchiesi, Spronk, and other authors in this volume explore "the overlap of worker identities and community-based demands." In some cases, the strategy of privatization as well as the responses to it, emerge from community groups and social movements previously organized around housing, sanitation, income support, or jobs. What these essays seek to show is how or whether responses to privatization become part of broader social movements, especially in the face of elite consolidation of power. In some cases, the overlap between workers and consumers is direct and specific, as Jane Berger finds in her study of antipoverty programs in Baltimore. African-American women both staffed these offices as low-level direct service providers and made up a large percentage of the clients. In other cases, as for instance in Johannesburg and British Columbia, the question is whether the consumer or social movements could build broader alliances to protect public services as well as public jobs, linking the quality of services with conditions of employment and widespread democratic participation.

Rhetoric and ideology play a substantial role in the politics of privatization. One of the most insistent discourses used by elite capitalists seeking new markets is the rhetoric of debt, fiscal crisis, and fiscal realism. Municipalities, states, and countries – both rich and poor – are told by bankers and economists they must accept the purported "discipline of the market." Within this discourse, public budgets are cast as undisciplined, unruly, and out of control; private markets are claimed to be the opposite: disciplined and restrained. Bloated public budgets and municipal unions have been made the culprits for any crisis in capital accumulation. This rhetoric of fiscal crisis, as Jane Berger shows in her article on Baltimore, was not just a backdrop to the unfolding politics of the 1970s; it was an essential political tactic. Berger presents us with an interesting dialectic of crisis. She shows how urban austerity budgets, like those implemented in Baltimore in the mid-1970s, were linked to currency instability and the dollar crisis in the international financial system. Responding to the corporate crisis of profitability, Berger argues, US presidents in the 1970s and 1980s adopted urban policies shaped by macroeconomic agendas that prioritized capital's search for larger returns on investment. These macroeconomic and fiscal policies encouraged capital abandonment of American cities just at a time when their infrastructures were seriously aging. The changing federal response to poverty worsened the urban crisis. This kind of disinvestment gives us a broader sense of the economic and social hit that working-class residents—not just workers—faced, as well as its gendered dimension; it affected all the essential services on which families depended. Berger concludes that "privatization deepened an urban crisis that by the early 1980s had made Baltimore a city with one of the highest percentages of people living in poverty in the nation."

While the rhetoric of fiscal crisis pressured public officials to carry out this agenda, the "restoration of class power," as David Harvey puts it, still needed an ideological rationale that would garner widespread public support. Political leaders turned to the language of ownership and entrepreneurialism. According to Harvey, widespread privatization under the Thatcher government was legitimized by the extensive selling off of public housing to tenants, a policy presented as fulfilling a traditional ideal of individual property ownership.[9] President George W. Bush has consistently marketed the privatization of Social Security as a component of his "ownership society." Jessica Allina-Pisano explores the deployment of this rhetoric most directly in her essay on the reorganization and privatization of collective and state farms in post-Soviet Russia. The reorganization of agricultural enterprises began in 1992, as a project of adaptation to a market society. Under the new land reform policy, land and other farm assets would allegedly be distributed to each "worker-shareholder." Yet, as Allina-Pisano discovers, rather than relying on a purely contemporary language of neoliberalism, post-Soviet advocates of privatization reached back into Russia's own history and retrieved the language of entrepreneurial farming, peasant ownership, and efficiency from an earlier era of agricultural reform under Petr Arkad'evich Stolypin, Russia's

reformist prime minister from 1906 to 1911. The acquisition of property rights, however, came at a high cost for many rural people. Far from leading to economic independence, "privatization of land in post-Soviet Russia," Alina-Pisano suggests, "served as a mechanism for widespread dispossession and proletarianization."

Oliver Cooke offers a unique contribution to this volume by tackling the theoretical approaches to privatization, especially in confronting public choice economists. Neoclassical economics, he argues, has focused so assuredly on the presumed efficiency outcome of privatization that it rarely looks at the actual process of commodification or the private entities that take over a public good or service. Developing a class theory of privatization, Cooke directs our attention to the fact that a public good or service is produced under starkly different social relations than is a private commodity. Beginning with Karl Marx's distinction between use value and exchange value, Cooke seeks to prove the inherently antidemocratic nature of privatizing a public good or service. Using the privatization of New York's Central Park as his case study, he establishes first that a public park is intended for use and possesses no exchange value. Once it was turned over to a private entity, it became a commodity, an investment that needed to be protected by its financial managers. As a result, decisions about the park's use were severed from democratic processes. The managers of Central Park could deny use of the park, as occurred during the 2004 Republican Convention, by claiming they were protecting the value of their investment. In this way, Cooke "underscores the contradictions inherent in attempts to square democratic principles with capitalist relations of production."

Our final piece, by Colin Davis, is a response to a recent political imbroglio that exposed fault lines between the conservative promotion of privatization and the imperatives of nationalism. When a United Arab Emirates company, Dubai Ports World, won a contract to run major US ports, American lawmakers—most of them supporters of free trade and unregulated global capitalism—suddenly expressed outrage that such vital nodes of the American economy would be operated by an Arab company in a post-9/11 world. The concerned posturing resembled Captain Renault's expression of astonishment that gambling was taking place at Rick's casino in the film *Casablanca*. Wasn't the whole point of creating new markets opening up competitive opportunities for global corporations? Colin Davis again offers a longer historical perspective. The privatization of the world's ports, Davis shows, is not a new phenomenon. In this short, reflective piece, he gives us a transnational overview of the process and significance of privatizing ports.

Two areas in particular we were unable to address in this volume are privatization of prisons and military combat and support services. The privatization of the use of violence and coercion is clearly having tumultuous effects around the world. In addition to reflecting on the myriad uses of global private mercenary companies by state powers, we might also think about where the private contracting of force is linked to the dispossession of public assets by private

corporations. In an era when the dominant political discourse conflates unrestrained capital prerogative and markets with democracy, new reflections on the mechanisms and contexts of privatization could produce fruitful new conversations about public rights, public goods, and democracy. This collection represents one opening in a critical, future discussion, and another chapter in a long history of the idea of "the commons."

NOTES

1. Ernst Ulrich von Weizsacker, Oran R. Young, and Matthias Finger, eds., *Limits to Privatization: How to Avoid Too Much of a Good Thing, A Report of the Club of Rome* (London, 2005), xiv.

2. Joseph E. Stiglitz, *The Roaring Nineties: A New History of the World's Most Prosperous Decade* (New York, 2003), xv; 23.

3. Matthias Finger, "Privatization in the G7 Countries," in *Limits to Privatization*, Weizsacker et al., 201–202.

4. Jorge A. Schiavon, "Privatization in Latin America," in *Limits to Privatization*, Weizsacker et al, 208.

5. Beatrice Hibou, *Privatizing the State*, trans. Jonathan Derrick (New York, 2004), 15.

6. Stiglitz, *The Roaring Nineties*, 23.

7. David Harvey, *A Brief History of Neoliberalism* (Oxford, 2005), 77–78.

8. Dorothy Sue Cobble, "Lost Ways of Unionism: Historical Perspectives on Reinventing the Labor Movement," in *Rekindling the Movement: Labor's Quest for Relevance in the Twenty-First Century*, Lowell Turner, Harry C. Katz, and Richard Hurd, eds. (Ithaca, 2001); Eileen Boris and Jennifer Klein, "We Were the Invisible Workforce: Unionizing Home Care," in *The Sex of Class: Women Transforming American Labor*, Dorothy Sue Cobble, ed. (Ithaca, 2007), 179.

9. Harvey, *A Brief History of Neoliberalism*, 61.

Roots of Resistance to Urban Water Privatization in Bolivia: The "New Working Class," the Crisis of Neoliberalism, and Public Services[1]

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Abstract

This paper analyzes the roots of resistance to the privatization of public services in the context of the changes to class formation in Bolivia. Based upon two case studies of urban water privatization, it seeks to explain why the social coalitions that have emerged to protest the privatization of public water services in Bolivia have been led by territorially-based organizations composed of rural-urban and multiclass alliances rather than public-sector unions. It argues that protest against the privatization of water utilities in Bolivia must be understood within the context of neoliberal economic restructuring and the emergence of what has been termed the "new working class," which is now primarily urban and engaged in informal forms of work.

> "While you can't drink the rhetoric of anti-globalization, struggles like the water war are vital, and the only hope for rebuilding a progressive agenda."
> —*Thomas Kruse, Investigator on labor issues in Bolivia*[2]

On December 18, 2005, Bolivia hit the international news with the announcement that the country elected its first indigenous president, Evo Morales. Winning an unprecedented fifty-four percent of the popular vote, Morales' party, el Movimiento al Socialismo (Movement towards Socialism, henceforth the MAS) rode into office on a wave of protests that rocked the small Andean country for more than five years. The Cochabamba Water War is widely credited as the event that started it all. In April 2000, residents of the Cochabamba Valley successfully expelled a powerful multinational corporation that had been given monopoly control over the urban water supply. After fifteen years of ineffective resistance against neoliberal structural adjustment policies, the Water War opened a new cycle of protest that forced the removal from office of two Bolivian presidents within two years and helped to define what promises to be a new era in Bolivian politics.

Locally, the Water War and the events that followed have inspired much theorizing about the "new social subjects" which have successfully contested neoliberalism in Bolivia. At the heart of the resistance struggle in the Cochabamba Valley was a rural-urban, multiclass alliance called the Coordinadora de Defensa del Agua y de la Vida (Coalition for the Defense of Water and Life, henceforth the Coordinadora), which appeared to overcome

some of the problems associated with "old" forms of social movements, particularly trade unions. Bolivian sociologist (and now Vice President) Álvaro García Linera argues that organizations such as the Coordinadora "do not create a border between members and nonmembers in the way that the unions used to do."[3] According to this view, trade unions with their struggles over legal contracts, closed membership, and hierarchical leadership structures no longer represent the interests of the majority of the population, especially those engaged in informal types of work. In contrast, the Coordinadora, which fights for the right to water, "the source of all life," is a better vehicle for organizing the working class because the only criterion for membership has been active participation in the daily struggles.

While most evaluations of the Cochabamba Water War have rightly stressed the importance of building coalitions among different groups in the struggle against neoliberalism, this investigation focuses on the inherent tensions that emerge within such coalitions and the manner and degree to which these tensions can limit their effectiveness at raising living standards for all. More specifically, five years after the Water War, tension has emerged within the Coordinadora between consumers, who have lobbied to lower the costs of goods and services, and the workers who produce those services, who have sought to improve, or at least preserve, their wages and working conditions. I argue that while consumption issues such as access to potable water are an essential part of the broader working-class struggle, organizations that focus on lowering the price of wage goods at the expense of workers' struggles for better wages and working conditions risk contributing to the decline of the working class as a whole.

The first section begins by placing the resistance struggles against the privatization of urban water utilities in their historical context, providing a synthetic account of the recent changes to the Bolivian political economy under neoliberalism. The second section explains why "territorially-based" organizations such as the Coordinadora came to replace "class-based" organizations in Bolivia with the rise of the so-called new working class. The third and fourth sections describe the social composition of the coalitions that emerged to contest water privatization in Cochabamba in 2000 and El Alto in 2005, followed by a specific analysis of the Cochabamba case five years after the Water War.

From State Capitalism to Neoliberalism, 1952 to 2005

The high level of resistance to neoliberalism in the past decade in Bolivia relates in part to the severity of its impact in the country. Bolivia was widely heralded as a "star reformer" that pursued one of the most ambitious—and harshest— structural adjustment programs on the continent.

The neoliberal structural adjustment policies introduced in 1985 aimed to systematically dismantle the policies and practices of the developmental state established after the national-popular Revolution of 1952. The revolutionary government embarked on an ambitious plan to develop the economy along

state-capitalist lines. The tin mines, which were previously controlled by three men known as the "tin barons," were placed under national control and direct foreign investment was limited. During the Revolutionary period, the tin mines provided the Bolivian state the bulk of its hard currency and formed the base for a radical, highly-centralized trade union movement headed by the Bolivian Workers' Central (*Central Obrera Boliviana*, henceforth COB). The COB brought together unions from the "proletarian," "peasant," and "middle-class" sectors, but its leadership has always been drawn from the militant miners' unions, which played a leading role in the popular class struggle in the postrevolutionary period.

After a postrevolutionary period of military rule that began in 1964, the leftist coalition government elected in 1982 after the restoration of democracy came to office under extremely unfortunate circumstances. The government inherited an unmanageable debt-load, largely accrued by an unaccountable elite who preferred to transfer their earnings overseas rather than invest in Bolivia. In an attempt to redistribute the social wealth after decades of hardship and repression, the government adopted an expansive wage policy. The economic situation quickly spiraled out of control when the price of commodities, particularly tin, crashed in the mid-1980s. The low level of capital formation, and the consequent government inability to collect revenue while being held to unsustainable social expenditures, led to galloping hyperinflation, wiping out overnight what little savings people had managed to scrape together.[4]

The response to the crisis was an "orthodox shock" therapy program designed by Jeffrey Sachs, then an advisor to the International Monetary Fund, and implemented by the Bolivian state. The "New Economic Policy" (NEP) was much more than an economic policy. It was, in fact, nothing less than a new ideological and philosophical framework to redefine Bolivia's future economic, social, and political choices. Under the NEP, the government closed down the majority of its mines, reducing the workforce from 30,000 in 1985 to around 7,000 in 1987, and hence demolishing the base of the organized labor movement. While the miners' union accused the government that it "was bent on destroying their economic power in order to crush [their] political power," the closing of the mines was also a quick solution to the "problem" posed by the unprofitable state mining company and the militant unions, whose wages placed a heavy strain on the government budget.[5] The government also dismissed another 31,000 public service workers (out of more than 200,000) and 35,000 manufacturing jobs were lost by the end of the decade due to economic contraction.[6] In this early stage of the process, the government could not yet muster the political support needed to shed all state enterprises—a task that was taken up during the second stage of neoliberal restructuring.

One of the original architects of the NEP, Gonzalo Sánchez de Lozada, was elected president in 1993. Although he only won thirty-four percent of the popular vote, he formed a pact with two other traditional political parties, which together pushed a controversial privatization program through congress. The program, which was designed by a small group of technocrats working

closely with Sánchez de Lozada, intended to limit social opposition to the sale of what had long been considered by Bolivian citizens to be their national patrimony. Euphemistically called "capitalization," half of the shares in public companies in the major sectors of the economy—energy, transportation, and public services— were to be sold to foreign companies and the other half to private companies in Bolivia. The proceeds from the sales were to be distributed to all Bolivian citizens over sixty-five through a partially-privatized pension program.

The privatization program elicited strong criticism from across the political spectrum. The traditional left claimed that the transfer of state property to private enterprises was "unconstitutional," while the right opposed the denationalization of enterprises that it considered strategic. The military, remembering Bolivia's defeat by Chile in the War of the Pacific in 1883, took particular offence at the sale of the railway company to a Chilean firm, arguing that it was a threat to national security and an insult to the country's honor.[7]

The results of the privatization program were as disappointing as predictable. In fact, more than half of the shares were transferred to foreign companies and the newly "capitalized" Bolivian enterprises were placed under the control of multinational corporations, including the municipal water utilities in La Paz-El Alto and Cochabamba in 1997 and 1999, respectively. Shortly after its privatization, the national railway was shut down, isolating many rural communities that depended on the railway for access to essential services and markets. Despite the government's promise that the privatized enterprises would create thousands of new jobs, the new managers laid off 14,000 workers. With little state control over pensions, the privatized companies have diverted their revenues elsewhere instead of making the promised contributions, and the government had to borrow $44 million to make the first payments, thus deepening the debt burden.[8]

In a nutshell, two decades of neoliberalism engendered profound structural changes in the Bolivian political economy. The state, once the main employer, was no longer a provider of goods and services, and limited its role to regulation and social repression. The labor movement, once the leader of the popular struggle, has been debilitated.[9] In recent years, however, new actors have emerged to contest the polarization of society such as the Coordinadora (mentioned above), and the Federación de Juntas Vecinales de El Alto (the Federation of Neighborhood Councils of El Alto, henceforth, the FEJUVE). Unlike earlier working-class organizations in Bolivia, the Coordinadora and the FEJUVE are not organized under a trade-union banner. Rather, they focus on "neighborhood issues" relating to living conditions and not "workers' issues" relating to work and employment. To understand the nature and political saliency of these "territorially-based" organizations requires a more detailed examination of the factors that have created the "new working class."

The "New Working Class" and the Challenge of Mobilization

The deepening of neoliberal capitalism has engendered two trends that have introduced new dynamics in working-class politics—accelerated urbanization

and the decline of trade unions. First, within the past twenty years there has been a profound demographic shift. For most of its history, Bolivia has been a rural, agrarian society. During the colonial period, the majority of "*Indios*" lived in the countryside and performed servile labor duties on haciendas and in the mines established by the Spanish and their Creole descendants. The cities were divided into separate zones for the elite white minority and the "*Indio*" majority. Indians could not vote, nor set foot in the central square of the capital La Paz. Liberal reforms enacted by the revolutionary government ended legal forms of discrimination, but a deep racial divide between the "white" minority (the *k'ara*) and the indigenous majority remains to this day.[10]

By contrast with the past, sixty percent of the Bolivian population now lives in its three major urban areas. Between 1976 and 1992 the population in urban areas grew by four percent per year, continuing to grow at nearly the same rate throughout the 1990s. El Alto, the satellite city of La Paz, grew from 11,000 in 1950 to almost a quarter of a million in 1985, and it reached about 650,000 in 2001 and over 800,000 in 2006, making it Bolivia's third largest city, with a population nearly the size of La Paz. Cochabamba, Bolivia's fourth largest city, had a population of 220,000 in 1976 and nearly doubled to 536,000 in 2001. While the majority of migrants to Cochabamba previously came from the surrounding region, when the mines were closed in the mid-1980s, migrants also flooded in from the *altiplano*, the high plateau where the capital La Paz and the mines are also located. Most of these migrants moved to shantytowns located at the peripheral areas of cities that lack basic infrastructure such as paved roads, water, sewage, and garbage collection.[11]

These urban areas have become sites of an explosive mix of class, ethnic, and racial identities.[12] While space constraints do not permit the lengthy discussion that this topic deserves, the changing relationships between peasants and miners from 1952 to present provides a partial explanation of why contemporary social struggles are no longer framed in class terms. The overwhelming majority of peasants and miners share a common indigenous heritage. The majority of the population in western Bolivia are descendants of two ancient empires. The Quechua, the dominant group in the central valleys, are descendants of the Inca, who established a colony in the Cochabamba Valley in the mid-fifteenth century. The Aymara of the Andean *altiplano* were also conquered by the Inca, but retained their languages, and autonomous social, economic, and even political structures in an area known as the Qollasuyu. Both the Quechua from the Cochabamba Valley and the Aymara from the *altiplano* joined a common struggle to oust the local oligarchy in the Revolution of 1952.[13] Since the Revolution, however, the relations between miners and peasants became increasingly tense. Despite their common indigenous heritage, miners tended to view peasants as "backwards" politically. As Bolivian historian Silvia Rivera Cusicanqui writes, this animosity is in large part due to the fact that rural peasant unions "were increasingly used as a basis of support for the government's anti-worker policies" as the relationships between the miners and the state deteriorated over the post-Revolutionary period.[14] These tensions

came to a head with the formalization of the "military-campesino pact" (1966–1977), under which violent conflicts ensued between peasants supported by the military and the miners.

The "relocation" of many miners and peasants to the cities and the shared experience of racism and economic hardship have facilitated the construction of new forms of identity within the urban environment. Indeed, while "*Indios*" were traditionally thought to only live in rural areas in Bolivia, a strong process of indigenization has taken place in towns and cities as well.[15] Since statistics have been collected on indigenous identity, the number of Bolivians reporting indigenous heritage has grown. In the last official census of 2001, sixty-two percent of respondents over fifteen years of age self-identified as "indigenous," making Bolivia the most indigenous country in South America.[16] With the decline of class-based organizations such as the COB and the recent influx of former miners and peasants to the swelling cities, the axis around which popular struggles have been organized has slowly turned from class to racial/ethnic exclusion.

The second important trend that explains the nature and characteristics of the organizations fighting privatization in Bolivia is the emergence of what has been dubbed the "new working class," which is now primarily urban and engaged in informal forms of work. While the informal sector has always been sizable, it is no longer thought of as the "backward" sector that would eventually be phased out with economic development. Indeed, it has proven to be the most "dynamic" sector of the economy. One study estimates that in the 1990s, nine out of ten new jobs in Bolivia that were created in Bolivia were informal jobs. Most individuals employed in the informal economy, however, are "highly vulnerable" workers who lack labor and social protection such as contracts, severance pay, social welfare benefits, etc.[17]

Labor organizers face a daunting task in the neoliberal context. Changes to labor legislation ushered in with the NEP prohibited the organization of workplaces with fewer than twenty workers into trade unions. Far more challenging than these legislative reforms, however, are the structural conditions that inhibit the formation of workplace organizations. As Oscar Olivera, the former shoe-factory worker and union leader who became a principal spokesperson of the Coordinadora, explains, the growing informalization of work has seriously hampered the capacity of "those who do not live off the labor of others" to organize *as a class*.[18] Most men and women employed in the informal economy are self-employed and therefore not in a position to join a conventional workplace-based union. The informalization of work has also lead to the dispersal of workers, who now work as street vendors in market stalls (men and women of all ages), as casual laborers in the construction and building trades (mostly men), or in middle-class peoples' homes as domestic servants (mostly women). The physical dispersal of workers has inhibited the formation of strong collective identities connected to the workplace, as was the case in the mining communities of Bolivia's recent past. Within this highly segmented labor market, tensions have emerged between full-time workers who enjoy

the protection of contracts and labor legislation versus unprotected workers in the informal economy. Olivera observes that:

> The new working class has, so far, found it extremely difficult to project itself as an active social subject with sufficient personality to launch convincing mobilizations, to generate demands that motivate large numbers, or with even less success, to put forward practical proposals that incorporate the demands of other social sectors.[19]

There is wide agreement amongst scholars and activists that new organizing strategies are necessary to overcome the societal fragmentation engendered by neoliberal restructuring, but few trade unions have risen to the challenge. Oscar Olivera's union of private manufacturing workers, the Federación de Fabriles de Cochabamba (Federation of Manufacturing Workers of Cochabamba, henceforth Fabriles), is a notable exception. Under Olivera's leadership, the Fabriles have looked for creative ways to overcome the barriers to working-class mobilization, such as integrating demands for wages and working conditions as part of a broader platform for economic and social justice. Based upon his experience during the Cochabamba Water War, Olivera argues that organizing multiclass alliances involving all groups negatively affected by neoliberalism around "the basic necessities of life" is a potential way to overcome the fragmentation of the working class.[20]

The Cochabamba Water War

Water was the issue that detonated two of the most effective protests in Bolivia in the past five years: the Water Wars in the cities of Cochabamba in April 2000 and in El Alto in January 2005. Both protests succeeded in pressuring the government to cancel privatization contracts with multinational corporations.[21] Given the two trends noted above, it is not surprising that these struggles have not been led by trade unions, but rather by "territorially-based" organizations that bring together people from different walks of life with common concerns that relate to their neighborhood or region.

Cochabamba is the site of one of the most famous and spectacular incidences of privatization failure that has since become an icon in the anti-neoliberal, alternative globalization movement. In September 1999, government authorities granted a private concession to Aguas del Tunari (henceforth Tunari), a "ghost" company formed by a consortium in which International Water Limited (a subsidiary of the US-based multinational, Bechtel) held a majority share. A month and a half later, the government passed Law 2029, which granted monopoly rights over water sources to private companies, in order to promote privatization in the water sector. Both the timing of the legislation and the stipulations of the contract set the stage for social conflict. The contract committed Tunari to expand the water network through the construction of an expensive dam project. It was to accomplish this task although it inherited some of the debts accrued by the former public utility, the Servicio

municipal de agua potable, alcantarillado y desagües Pluviales (SEMAPA for short), and was guaranteed an average rate of return on capital of sixteen percent for forty years.[22] Since the World Bank dictated that no public funds could be channeled to the utility in Cochabamba, this money had to come from the users themselves. The Tunari contract and the new water law also granted exclusive property rights over water to concessionaires, which meant that residents within the concession area could be charged for collecting water from their own wells. Under the law, concessionaires could also apply to draw on water resources in the region surrounding the concession area, which raised the ire of the indigenous peasants in the Cochabamba Valley who depend on water for irrigation.

The city of Cochabamba is located in a dry, fertile valley and there is a lot of competition over water use for both domestic and productive purposes. Due to its scarcity, water has long been one of the most important political issues for all citizens in the Cochabamba Valley. As graffiti scrawled on a building in the centre of Cochabamba reads: "I drink water, therefore I exist, therefore I vote." At the time of privatization, almost half of the urban population was not connected to the public water system. The problem was the most acute in the poor, Southern area of the city known as the "Zona Sur" (South Zone). Since SEMAPA never extended its network into these communities, most residents in the Zona Sur have built their own independent water systems. In the words of Abraham Grendydier, the president of the Asociación de los Sistemas Comunitarios de Agua en el Sur (Association of Communal Water Systems of the South, henceforth ASICA-Sur), communities in the Zona Sur had to dig their own wells to provide drinking water because:

> It is a zone of very few economic resources, where humble people from different departments and provinces have migrated because of drought in the *altiplano* and the relocalization of the miners. . .. But the government has never offered us any solutions, or the mayors, or the prefecture, or the water company.[23]

The members of these community water systems invested time and money building these independent systems with little help from the state, and they became angry when the government granted a foreign private company the right to charge them for their own well water.

The indigenous peasant farmers from the surrounding region were also angry that the government failed to respect their right to water. For several decades, conflicts over water have erupted between small farmers and government authorities. Seven years before the Water War, the government sent in the military to break blockades erected by small farmers in Quillacollo (thirteen km from Cochabamba), who were trying to prevent SEMAPA from drilling deep wells for the city's water supply. The conflict was resolved peacefully when the government and SEMAPA promised to find another way to solve the city's water problem.[24] In 1997, these farmers founded Federación Departamental de Regantes y Sistemas Comunales del Agua Potable

(Federation of Irrigator's Associations from the Department of Cochabamba, henceforth FEDECOR) in order to protect their water rights, or their "uses and customs" (*usos y costumbres*). The members of FEDECOR argue that these rights are inalienable because they have "[e]xisted since antiquity and come from our ancestors. Water comes from the *Pachamama* [the pre-Hispanic fertility deity], who is the earth who gives us life."[25]

Months before the signing of the Tunari contract, a Committee for the Defense of Water and the Family Economy (Comité para la Defensa del Agua y la Economía Familiar, CODAEC), comprised of FEDECOR, various urban water committees, and an informal coalition of environmentalists who named themselves People on the Move (El Pueblo en Marcha, PUMA), warned the public that rates under a privatized company would rise by as much as 175 percent over the short term.[26] In November 1999, peasant farmers blockaded roads around Cochabamba to protest the terms of the contract and the new water law. Sporadic protests continued for the following month and in December, groups of urban consumers and water users, including the peasant farmers, merged to form the Coordinadora. In January, urban water bills showed the anticipated price hikes, even though water services had not improved. Middle-class families, some of whom had access to water only two or three hours a day, saw their bills increase by as much as 200 percent.[27] Some found themselves paying twenty percent of their monthly income for water, four times more than the limit recommended by the Pan American Health Organization.

The Coordinadora found it relatively easy to mobilize people who had already suffered recurring economic crises that many of them linked to neoliberalism. In early February 2000, the Coordinadora organized a peaceful takeover of the city (*la toma pacífica*) to pressure the government to freeze the rate hikes and remove the monopoly provision from the contract and water legislation. Over 50,000 people participated in marches and blockades that shut down the city for twenty-four hours. Although the organizers assured the authorities that the protests would be peaceful, the central government sent in motorcycle cops from La Paz known as "the Dalmatians" (*las dálmatas*), famous for their black and white uniforms and their use of violent tactics. After hundreds of protestors were injured in conflicts with the police, the Coordinadora and the government reached an agreement, which gave the government two months to return water tariffs to their previous level and revise the contract and water legislation to recognize indigenous users' rights to water resources.

By the time the deadline expired, the government failed to fulfill its promises. Growing increasingly frustrated, the Coordinadora radicalized its demands, calling for the outright cancellation of the contract and an overhaul of the water legislation. The Coordinadora called an indefinite, citywide strike to force the government to listen. On April 4, the first blockades were erected by the militant peasant organizations on the main roads to the city. Protest escalated rapidly thanks to sympathetic coverage in the press, incorporating the poor and the middle classes from the urban areas. Within two days, there were over

100,000 people occupying the streets chanting, "The water is ours, damn it!" ("*El agua es nuestra, ¡carajo!*") and the entire center of the city was blocked. Residents coming from the outskirts of the city also helped to reinforce the blockades. As Oscar Olivera describes, during the first days of the "final battle," the government was careful not to provoke the protestors:

> The government learned one lesson from February: they did not bring out a single soldier or police officer. I remember people standing in the roads with bottles filled with liquid. I asked one woman what she intended to do with her bottle. 'Oh,' she said, 'since February we've been making these bottles with water and oil.' 'But why?' I asked. She replied, 'To throw at the *dálmatas!*'[28]

As the protests grew larger, President Hugo Banzer (a former military dictator) declared a state of siege and dispatched riot police to control the crowds with tear gas, rubber bullets, and live ammunition. On April 6, over a hundred people were wounded and twenty-two organizers from the Coordinadora, including Oscar Olivera, were arrested by police. The organizers were released on bail a few hours later with the help of the Archbishop of Cochabamba, who declared his support for the Coordinadora. Conflicts between protestors and police continued and on April 8, an innocent bystander, 17-year old Victor Hugo Daza, was shot dead by a sniper. The arrests and the murder precipitated a furious response from the protestors, galvanizing the population against the government. Sympathy blockades were also organized by campesinos in the *altiplano* and Evo Morales's powerful coca growers' association in the neighboring Chapare. Meanwhile, the government refused to negotiate with the Coordinadora, claiming that it was a small organization led by a few individuals financed by drug trafficking.

Finally, on April 9, the government gave in. In the words of Vice Minister Jose Orías, who was sent by the government to negotiate with the Coordinadora, it became apparent that the Coordinadora "was not just five vandals, but rather one hundred thousand people in the streets ready to do anything."[29] The agreement signed between the government and the Coordinadora guaranteed the withdrawal of Tunari, transferred the water utility back to the municipal government, and assured the release of detained protesters. On April 11, Congress passed a decree executing the decision and the blockades within the city were dismantled the following day. The peasant farmers, who emerged as the most militant participants in the protests, maintained blockades for another day until the Congress passed a new water law (Law 2066) that recognized their rights to "*usos y costumbres.*"

The coalition that formed the Coordinadora brought together diverse groups from a wide array of civil society in a way that "ruptured the rural/urban dichotomy that characterizes politics in many countries of the South."[30] As has been noted in the burgeoning literature on the Water War, the coalition was also diverse with respect to gender and race. Women played an active role in the daily aspects of the struggle, although few took leadership positions.

Indigenous peasants, mestizo leaders such as Oscar Olivera, and "white" urban professionals played key roles as leaders and spokespersons. The coalition was also "multiclass" with respect to the fact that it brought urban professionals, unionized workers, and informal workers together with peasants from the surrounding area.[31]

At the time of the Water War, however, public-sector trade unions were notably absent. While the Fabriles played an important role in the Coordinadora, providing ideological leadership and office space, the union that represents the workers of the public utility played a much less visible role. Indeed, they did not even participate in the street protests of February or April. In an interview, union leader René Cardona explained that workers supported the mobilization by providing an essential service, which required that they stay at work.[32] He emphasized, however, that the leaders from the union did attend meetings of the Coordinadora at the time of its founding and consider themselves members of the Coordinadora. As we shall see below, the leaders of the SEMAPA union have played an important yet controversial role in restructuring the public utility.

Bolivia's Second Water War in El Alto

The Cochabamba Water War started a process of wider grassroots mobilization that spread across the country, eventually inspiring the next conflict over urban water privatization in El Alto in January 2005. In 1997, a private consortium controlled by the French company Suez named Aguas del Illimani (henceforth, "Illimani") was granted a private concession to run the local water supply. Local papers reported sporadic protests against Illimani at the time of privatization and in the years that followed, but it was not until 2004 that resistance strategies became more effective. This time there were no irrigating peasants, but similar to Cochabamba, poor, indigenous urban consumers, and those who lacked access to a safe water supply, were the main protagonists of the story.

El Alto is perched on the edge of the 14,000 foot high *altiplano* overlooking a steep canyon that cradles the capital city La Paz. The majority of "white" people live in the wealthy neighborhoods of located at the bottom of the canyon, where the climate is more moderate. The majority of the poor and overwhelmingly indigenous people live on the steep hills that climb the canyon known as "the ladders" (*las laderas*) or in the neighboring city of El Alto. El Alto is the poorest city in Bolivia. By no coincidence, it is also Bolivia's most indigenous city. In the last official census, over eighty-two percent of respondents self-identified as "indigenous," predominantly Aymara. In the past five years, the population of El Alto has been at the center of the indigenous movement in Bolivia.

At the head of this struggle is the militant "territorially-based" organization, Federación de Juntas Vecinales de El Alto (the Federation of Neighborhood Councils of El Alto, henceforth the FEJUVE). The FEJUVE is the executive structure that agglutinates more than 500 grassroots associations

of residents (*juntas vecinales*) that have been created by residents at the neighborhood level. To participate in a local *junta vecinal*, there is only one major requirement: one must establish proof that he or she has resided in the zone for at least two years. Local councils and the city-level executive are elected every two years and all positions are voluntary.

The executives of the FEJUVE, who tend to be more moderate than the base, present their demands in terms of "neighborhood" interests rather than polarized race or class terms. In an interview, Abel Mamani, President of the FEJUVE during the second Water War, described the struggle for the right to water in El Alto as follows:

> I do not see a difference between the residents of La Paz and those from the city of El Alto. I have also lived in the city of La Paz. . .. I have family in Villa Favón [a neighborhood in La Paz], and in all the zones of La Paz. . .. Therefore I believe that we all have necessities no matter where we live or who we are.[33]

Traditionally, most of the demands of the FEJUVE have been related to basic services (education, healthcare, water, electricity, cooking gas, etc.), which by most definitions are working-class concerns. Although the FEJUVE is not formally an indigenous organization, given the demographics of El Alto, the membership and leadership of the FEJUVE are predominantly Aymara. Among the executive of the FEJUVE, for example, one finds many men and women named "Mamani" and "Quispe," the Aymara equivalents of the British "Smith" and "Jones."

The tragic events during the first Gas War of 2003 put El Alto and the FEJUVE on the region's political map. In October 2003, an estimated eighty people lost their lives in a struggle to prevent the export of natural gas through Chile. The following year, new leadership elected to the FEJUVE took on the mandate to advance the "October Agenda." Suddenly, not only was FEJUVE working on local issues, but also on national political demands such as the call for a Constitutional Assembly and the nationalization of natural resources, two demands that were imprinted in the public consciousness as a result of the Cochabamba Water War. The struggle against Illimani in El Alto is therefore perceived by FEJUVE members as part of a much broader political project to restore Bolivia's economic sovereignty.[34]

The Illimani contract was considered to be "pro-poor" by international financial institutions because it focused on expanding the number of new connections rather than reducing tariffs. Indeed, Illimani made enough new connections to allow the government to claim that the company achieved 100 percent coverage for potable water in both La Paz and El Alto within the first four years of the contract. What was seldom mentioned, however, is that this statistic referred to a small area within the total area of the concession known as the "served area." The contract was a classic example of "ring fencing," the practice of focusing service provision on profitable customers and removing obligation from extending service to the newest and most marginal settlements—the

areas most in need of improvements. According to the FEJUVE, approximately 200,000 people in El Alto did not have access to Illimani's services because they live outside the "served area" defined by the contract. An additional 70,000 people without water and sewage lived within the served area but could not afford the US $445 connection fees, the equivalent of almost nine monthly salaries. As a title of a pamphlet circulated in El Alto in November 2004, these were just two of the "14 Reasons to Break the Contract with Aguas del Illimani."

The FEJUVE started to negotiate with the government in mid-2004 asking it to change the terms of the contract. After nearly six months of fruitless negotiations, the FEJUVE called a general strike to begin on January 9, 2005. The timing of the strike turned out to be fortuitous since civic strikes were later called in the department of Santa Cruz for January 11–12 over the rising cost of gasoline. On the first day of the El Alto strike, thousands of citizens took to the streets yelling the slogan popularized during the Gas War, "El Alto on its feet, never on its knees!" On January 11, residents of Ballivian and Alto Lima, two neighborhoods that lie outside of the "served area," seized several Illimani facilities, including a water tank.

That day, the beleaguered President Carlos Mesa—whose predecessor had been forced to resign by popular protests—sent the FEJUVE a letter saying he was beginning "the necessary actions for the termination of the concession contract" with Illimani. The FEJUVE gave Mesa's government twenty-four hours to promulgate a decree immediately canceling the contract with the water company or protestors would seize the company's central offices in El Alto. The next day, Mesa issued a Presidential Decree that formalized the government's decision. After consulting with neighborhood councils, the FEJUVE called an end to the strike, but warned the government that it would continue pressing other demands over the price of electricity and fuel.[35]

Similar to events five years earlier in Cochabamba, the workers directly affected by privatization were conspicuously absent from the protests in El Alto. Indeed, the union has played a marginal role in the privatization process from start to finish. Local activists consider the union untrustworthy, since any opposition (if there was any) to the privatization the leaders quickly evaporated when Illimani offered workers one percent of shares in the new private water company.[36] Jhonny Vasquez, the Secretary General of the Illimani workers' union, explained that the company's offer turned out to be a trick:

> When they told us that we would be able to buy "preferential shares" we thought that we would have special treatment. . . . To the contrary, the preferential shares are not very preferential. The ordinary shares gain more interest than our shares. They are owned by Suez, an Argentinean company, the World Bank, and the Banco Mercantil. . . . With my shares, I only make about five bolivianos [under US $1] per year.[37]

The company also failed to keep the promise it made to the union that it would not lay off workers, and fired 205 out of 600 workers within four years, subcontracting many services to microenterprises.[38] In 2004, the government regulator announced that Illimani had the lowest number of permanent workers (1.7) per thousand connections of any water utility in the country. The experience of privatization in La Paz-El Alto therefore confirms many workers' fears that the principal mechanism of private enterprises to increase profits and enhance competitiveness is to reduce the price of labor, and set a dangerous precedent for "efficiency" among Bolivian water utilities.

Cochabamba: Five Years after the Water War

The importance of the Water Wars for the Bolivian Left cannot be understated. In the words of Oscar Olivera, the Water Wars were about a lot more than water; they were a struggle for a new form of democracy "from below." Protestors' demands for a Constituent Assembly and for nationalization have since been taken up by the new MAS government. Since the Water War, Oscar Olivera of the Coordinadora also became an important figure in the international campaign for public water. The Coordinadora was therefore successful in "scaling up" its demands to the national and international levels.

The concrete results of the Cochabamba Water War at the local level, on the other hand, have been disappointing. Attempts to expand the water network—the key demand of the poor in the Zona Sur—have been frustrated by a lack of capital. For those who were already customers of SEMAPA, service has not improved either; water continues to be supplied to many areas of the city for only a few hours a day. Five years after the Water War, local activists associated with the Coordinadora acknowledged that the work of building a truly democratic public water company is a more difficult task than first imagined.

Under a series of neoliberal administrations between April 2000 and December 2005, the Bolivian state did little to help the ailing public utility. While many of the previous debts accumulated by SEMAPA were scheduled to be forgiven under the privatization contract with Tunari, the reconstituted public company was saddled with all of its previous debts that it had accumulated over thirty years of service, which amounted to about US $18 million. Other state institutions have also added to the debt burden by demanding the payment of back debts, among them the Bolivian Internal Revenue Service and the City of Cochabamba. To make a difficult situation worse, Minister Mario Galindo threatened to make city residents pay US $25 million in damages to Tunari's shareholders in a lawsuit launched in an international court.[39] As a consequence, promises to bring water to the poor neighborhoods of the Zona Sur have been delayed repeatedly.[40]

The public utility has faced enormous challenges of an external nature since its refounding, but unraveling the story of what went wrong also requires an analysis of the structure of mobilization. The coalition that formed the

Coordinadora was a temporary organization that mobilized around a particular issue: the privatization of the region's water supply and water supply services. The surge of local energy that erupted in April 2000 largely ebbed when the government called off the troops and gave in to protestors' demands. The fracturing of the coalition was a result of this process, which can in turn be explained as the result of tensions that exist within territorially-based organizations composed of disparate social groups with conflicting demands.

In Cochabamba, the Coordinadora aimed to democratize the water utility by exerting social control "from below" and within the management structure.[41] The board of directors, formerly constituted only of professionals and municipal politicians, now has three elected members from each macrodistrict of Cochabamba. More controversially, the union was also granted a vote on the board of directors at the insistence of Oscar Olivera. This partially-elected board saw the public utility through the process of institutionalization through which a new management structure was implemented. Executives were appointed through an open and competitive process. As Philipp Terhorst and former elected board member Luis Sánchez describe, however, the project to exert social control over the utility remains a "work in progress."[42]

Since the decision was made to include the union on the board of directors, the leadership of the SEMAPA union has created many problems. First, the union has reportedly put pressure on the management to increase the number of personnel. Before its privatization in 1997, SEMAPA had 6.38 employees per thousand connections.[43] By the end of 2003, the government regulator reported that the number of workers had nearly doubled to 11.5 per thousand connections. The management argued that these new personnel were needed to build the networks in the Zona Sur, but the perception of most consumers was that the increase to the number of personnel could not be justified without improving the utility's performance.

Second, the union leadership has been accused of corruption.[44] There have been a large number of illegal connections creating commercial losses within the company. Local activists have suspected that much of this illegal activity has taken place with the explicit consent of a few SEMAPA workers high up within the union hierarchy who have also secured positions within the utility's management. For example, the union representative on the board of directors (2004–2006), Jorge Ortiz, was also head of the Financial Division, which has made it difficult to identify the source of the problem.

Third, the union is not democratic. Rank-and-file activists who want to expose corrupt practices face a chilly climate. Internal elections within the union have not been contested for the past six years. A worker that I met in the union office argued that the leadership has been uncontested because the current leadership "does a good job," but those who do not agree with the union's practices have been fired. In April 2005, leaders of FEDECOR joined four SEMAPA workers in a hunger strike to protest against the firing of a worker who was accused of nepotism and fired without just cause.[45]

A relationship of mistrust between the union leadership and other members of the Coordinadora has developed, which has made it difficult for the latter to take a proworker stance in negotiations regarding the restructuring of the utility.

The roots of this conflict go even deeper, however, than problems with corruption and the bureaucratization that pervades the SEMAPA union. At base, it is also a conflict among workers at different ranks within a segmented labor market. When I asked how the tensions between other members of the Coordinadora and the SEMAPA workers developed, Oscar Olivera responded:

> First, unions in the public sector are very different from the private sector. Unionization in the public sector is completely impregnated with a type of comanagement and there are many deals between the union and the management to maintain the status quo of an enterprise that means that they have certain privileges. I would say that the ideal salary for a Bolivian is 3000 Bolivianos per month. In SEMAPA, the average salary is 2200 Bolivianos per month. It is a reasonable salary. But it is much higher than whatever salary in the private sector. It is a right. But it is a privileged sector that has salaries much higher than the rest of the population.[46]

Olivera's comments require some clarification. When the mines were under national control, the public-sector mining unions were at the forefront of the popular struggle and fiercely resisted the privatization of the mines, although their efforts were ultimately unsuccessful. The public-sector workers who deliver basic services such as potable water, electricity, and telephone, however, have played a marginal role in the more recent struggles against privatization. Olivera also acknowledged that there has been a decline in wages and salaries in all sectors, a trend that cannot be solved by cutting workers' wages at the top of the pay scale.[47] Nonetheless, the income differentials among various members of the Coordinadora have exacerbated the tensions between the public-sector workers that produce water services and people who buy these services.

These tensions among the different factions of the Coordinadora came to a head in late 2005. Given SEMAPA's disappointing performance over the past five years, the threat of privatization has returned in a new guise: subcontracting. The Inter-American Development Bank (IDB) demands that SEMAPA meet certain conditions such as reducing the number of permanent workers per connection in order to receive all the installments of an US $18 million loan. The last installments of the loans are supposed to be used to expand the network in the Zona Sur. In the struggles over how to accomplish these reforms, a major fault line has opened between the consumers of water services, who want to see the costs of services lowered to allow for expansion, and the leaders of the union, who want to protect workers from being fired. In the end, the consumers "won." In October 2005, the representative of the SEMAPA union was dismissed from the board of directors and has not been replaced. Within two weeks, the board fired 164 SEMAPA workers promising

to buy back their services on a contractual basis if they formed their own "microenterprises."[48]

The issue of subcontracting in Cochabamba raises a hairy dilemma that faces all water justice activists and managers of public services. Difficult questions arise in deciding how far reforms should go, such as: how many workers are truly required to provide quality public services? And, what is to be considered a "fair wage" for public service workers in the context of the pauperization of the working class as a whole? A delicate balance must be struck between the need for quality public-sector employment and consumers' rights to affordable public services. In Cochabamba, however, the principal task of the Coordinadora from the start was to defend the rights of the urban and rural consumers of water, and not the rights of the workers who produce water services. Since these rights are viewed to be in conflict in SEMAPA, which is facing pressure from the IDB, it is not surprising that the board of directors made a decision to improve services in a way that shifts the costs of restructuring onto workers.

Conclusion: The Future of Public Services and the MAS

Neoliberal restructuring in Bolivia has weakened trade unions, which have traditionally been the only working-class organizations with a specific mandate to improve wages and working conditions. Given the stripping of state supports for the working class in terms of subsidies for water, shelter, and food, workers without stable employment have found themselves increasingly engaged in battles with workers with stable employment who produce these basic goods and services. Under these conditions, unionized workers in the public sector face pressure to bear the brunt of cost-saving measures implemented in the name of efficiency, even from their allies. The result has been a downward spiral that affects all workers, both formal and informal, as both working and living conditions have deteriorated.

The Cochabamba experience provides several lessons for the struggle in El Alto in their struggle to define a new public water company, where activists face the same dilemmas mentioned above. There have been strong organizational links between the activists in Cochabamba and El Alto, and the latter have resolved not to repeat the mistakes of the Coordinadora. It has been difficult for the Coordinadora to sustain the level of grassroots mobilization needed to build a democratic municipal water utility. By contrast, the FEJUVE of El Alto, while a "territorially-based" organization, has a more formal structure with elected representatives, which may be more likely to sustain the social energy needed to build participatory institutions at the local level. The FEJUVE also has over twenty-five years of experience with local forms of democracy that may facilitate effective community participation in the management of the municipal utility and provide an important check on the union and the management. The FEJUVE faces the same dilemma, however, of how "efficient" service delivery can be achieved without

sacrificing workers' rights to self-representation and participation within the workplace, and decent wages and working conditions. As a private corporation driven by the profit motive, Illimani found its answer easily: it lowered the cost of production by contracting out to microenterprises that hire workers at lower wages without social benefits. Will the FEJUVE support or reverse these trends? Given the social composition of the FEJUVE, the lead antiprivatization organization in Bolivia's largest informal city and the relationship of mistrust that has developed with the workers' union, this problem will not be resolved easily.

The difficult transition from public to private and back again in Cochabamba also suggests that the tension between workers and consumers in struggles over public services is not irresolvable but rather calls for a social transformation much greater than organizations such as the Coordinadora, the FEJUVE, or trade unions can accomplish in isolation. Indeed, a fundamental restructuring of society is required such that the social wealth is used to satisfy human needs rather than private profit. As Oscar Olivera argues, "the true opposite of privatization is the social reappropriation of wealth by working-class society, itself self-organized in communal structures of management, in neighborhood associations, in unions, and in the rank and file."[49]

The Movement Towards Socialism (MAS), the leftist party which won the 2005 national elections for president and congress, has taken a few steps to remodel the economy, but Olivera's more radical vision is far from being realized. On May 1, 2006, President Evo Morales announced that his government plans to "nationalize" the country's hydrocarbon resources. Most of the country appeared to welcome the news, but the government's announcement that it plans to purchase shares of the oil and gas companies fell short of the demands of the FEJUVE and the Coordinadora, whose members took to the streets in May–June 2005 calling for expropriation without compensation on the grounds that the contracts signed under Sánchez de Lozada are "unconstitutional." The MAS has also followed through on its promise to form a Constituent Assembly. In the elections for delegates held on July 2, 2006, the MAS won 134 of the 255 seats. Controversy has also erupted over how the MAS organized the elections, which made it impossible for the party to win the two-thirds majority needed to make deep changes to the Constitution.

On a more positive note, the MAS government has signaled its commitment to public water. The government appointed former president of the FEJUVE, Abel Mamani as the head of the newly created Water Ministry. Since Mamani's appointment, the government announced that SEMAPA will be forgiven of US $12 million of the debt that it owes to the central government, providing more room in the budget for expansion to the Zona Sur.[50] As of the time of writing (mid–August 2006), there is no final decision about how Illimani will be replaced and whether the new water utility in La Paz-El Alto will be fully publicly-owned and operated. The proposal for the new water utility includes the subcontracting of some services, which, as the Cochabamba experience

demonstrates, may eventually become the next frontier in the struggle against privatization of public services in Bolivia.[51]

NOTES

1. This article is based upon personal interviews and participant observation conducted in Bolivia between July 2004 and August 2005. The research was funded by grants from the Social Sciences and Humanities Research Council and the International Development Research Centre. The author would like to thank Étienne Cantin, David Camfield, Jennifer Klein, Liisa North, Jeffery R. Webber, and Peter Winn for comments. All translations from Spanish are by the author.

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14. Silvia Rivera Cusicanqui, "Liberal Democracy and Ayllu Democracy: The Case of the Northern Potosí Bolivia," *Journal of Development Studies* 26 (1990): 105.

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Politics, Culture and Society 15 (2001): 27–53; Arze and Kruse, "The Consequences of Neoliberal Reform."

18. For the purposes of this paper, the "working class" is defined broadly as per the above quote in Olivera and Lewis, *Cochabamba*, 157. On the structural conditions that inhibit work-place organization in contexts such as Bolivia and Peru, see Kenneth M. Roberts, *Deepening Democracy? The Modern Left and Social Movements in Chile and Peru* (Stanford, CA, 1998), 67–73.

19. Olivera and Lewis, *Cochabamba*, 107.

20. Olivera and Lewis, *Cochabamba*, 117–28. Gay Seidman describes such union strategies as "social movement unionism" in *Manufacturing Militance: Workers' Movements in Brazil and South Africa* (Berkeley, 1994).

21. The government promised to cancel the contract but took more than a year to follow through with the promise. Nonetheless, the "Water War" in El Alto was effective in the sense that the government reacted quickly to meet social movement demands.

22. Emanuele Lobina, "Cochabamba—water war," *Focus (PSI Journal)* 7 (2000); Carlos Crespo Flores, "Water Privatization Policies and Conflicts in Bolivia—The Water War in Cochabamba (1999–2000)" (PhD Thesis, Oxford Brookes University, 2002), 208.

23. Author interview with Abrahan Grandydier, Vinto, Bolivia, July 14, 2006.

24. Carlos Crespo Flores, *La guerra de los pozos* (Cochabamba, Bolivia, 1999).

25. Carlos Crespo Flores, Omar Fernández Quiroga, and Carmen Peredo, *Los Regantes de Cochabamba en la Guerra del Agua* (Cochabamba, Bolivia, 2004), 70.

26. The following account draws mostly from Olivera and Lewis, *Cochabamba*, 33–49.

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28. Olivera and Lewis, *Cochabamba*, 37.

29. Olivera and Lewis, *Cochabamba*, 45.

30. Nina Laurie, "Establishing Development Orthodoxy: Negotiating Masculinities in the Water Sector." *Development and Change* 36 (2005): 536.

31. See *inter alia* Rocio Bustamente, Elizabeth Peredo, and María Esther Udaeta, "Women in the 'Water War' in the Cochabamba Valleys," in *Opposing Currents: The Politics of Water and Gender in Latin America*, eds. Vivienne Bennett, Sonia Dávila-Poblete and María Nieves Rico (Pittsburgh, 2005), 72–90; Robert Albro "The Water is Ours, Carajo!"

32. Author interview with René Cardona, Cochabamba, Bolivia, July 5, 2005.

33. Author interview with Abel Mamani, El Alto, Bolivia, July 19, 2005.

34. Nancy Postero, "Indigenous Responses to Neoliberalism," *PoLAR: Political and Legal Anthropology Review* 28 (2005): 73–92; Susan Spronk and Jeffery R. Webber "Struggles against Accumulation by Dispossession in Bolivia: The Political Economy of Natural Resource Contention," *Latin American Perspectives* 34 (2007): 31–47.

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36. Carlos Crespo Flores, *La concesión de La Paz a los cinco años; elementos para una evaluación*. 2001. http://www.aguabolivia.org

37. Author interview with Jhonny B. Vasquez, La Paz, Bolivia, April 21, 2005.

38. Carlos Crespo Flores, *La concesión de La Paz*.

39. "Bolivia perdería juicio por Aguas del Tunari," *Los Tiempos* November 20.

40. Luis Sánchez Gómez, "Directing SEMAPA: An Interview with Luis Sánchez-Gómez," in *Cochabamba,* ed. Olivera and Lewis, 87–94.

41. Luis Sánchez Gómez and Philipp Terhorst, "Cochabamba, Bolivia: Public-Collective Partnership after the Water War," in *Reclaiming Public Water-Achievements, Struggles, and Visions from Around the World*, ed. Belén Balanyá, et al. (Porto Alegre, Brazil, 2005), 121–130.

42. Sánchez Gómez and Terhorst, "Public-Collective Partnership."

43. Crespo Flores, "Water Privatization", 112.

44. For reasons of confidentiality, these individuals remain unnamed.

45. "Los trabajadores de Semapa paran rechazando un despido." *Opinión* September 8, 2005.

46. When the interview was conducted, 3000 bolivianos was about US$375 and 2200 about US $275. Author interview with Oscar Olivera, Cochabamba, Bolivia, September 28, 2004.

47. See Olivera and Lewis, *Cochabamba*, 7, 118–25.

48. "Concejo retira cupo laboral del directorio de Semapa." *Los Tiempos* October 6, 2005; "Semapa despide a 164 trabajadores pero promete comprar sus servicios." *Opinión* October 20, 2005.

49. Olivera and Lewis, *Cochabamba*, 156–7.

50. "El Gobierno se compromete a condonar deudas de Semapa." *Los Tiempos* February 4, 2006.

51. Julián Pérez, "Social Resistance in El Alto—Bolivia" in *Reclaiming Public Water: Achievements, Struggles and Visions from Around the World, 2nd edition* (Porto Alegre, Brazil, 2006). http://www.tni.org/books/waterelalto.pdf

"There is tragedy on both sides of the layoffs:" Privatization and the Urban Crisis in Baltimore

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Abstract

By the 1960s, the urban crisis in the United States was well underway. Structural transformations in the postwar economy and accelerating deindustrialization contributed to high rates of unemployment in many cities in the nation's old industrial core. During the 1970s and 1980s, the urban crisis worsened. This article argues that the macroeconomic policies of Presidents Richard Nixon, Jimmy Carter, and Ronald Reagan fueled urban decline. Responding to the waning hegemony of the United States in the global economy as well as to a domestic corporate crisis of profitability, the presidents pursued macroeconomic agendas that prioritized the revitalization of American economic dominance. Macroeconomic policy decisions in combination with white-backlash pressures constrained the range of urban policies the presidents could pursue and often compelled privatization. The federal-level decisionmaking had devastating consequences in Baltimore, Maryland, the city discussed in this article. The macroeconomic and urban policies had racialized and gendered outcomes that plunged the city into the most acute phase of the urban crisis.

In March 1986, over seventy workers from Baltimore's Urban Services Agency marched on City Hall to protest a decision by their agency's head to lay off twenty-one employees of neighborhood centers. The layoffs followed a series of cuts that had already shrunk the agency's staff by two-thirds in five years. The March layoffs were particularly poignant, however. Most of those who lost their jobs were African-American women who were veterans of the city's War on Poverty. They were low-level directservice providers, and many had grown up in the communities in which they worked. During their demonstration at City Hall, the workers expressed concern about their uncertain futures and those of their clients. As one woman explained about the program in which she worked, "We handle families that have multiple problems such as eviction proceedings, lack of food, truancy among young people, teenage pregnancy a whole host of difficulties... I don't know what some of our clients are going to do once we close the cases."[1] The job losses at the Urban Services Agency resulted from federal-level spending cuts on antipoverty measures that were frequent during the 1980s. The cuts epitomized a transformation in the way federal officials chose to respond to urban poverty in the United States. The change began during the late 1960s, and over two decades considerably worsened the urban crisis in Baltimore.

Historians and social scientists locate the origins of the urban crisis in the structural transformations of the postwar national economy. They argue that

the massive deindustrialization of the nation's old industrial core has stripped inner cities of the dependable, well-paying jobs that once sustained African-American families and communities. The result has been widespread unemployment, particularly among men.[2] While the economic roots of the urban crisis are clear, in this article I focus on political decisions that intensified the crisis. I argue that, in response to the waning hegemony of the United States in the global economy as well as a domestic corporate crisis of profitability, US presidents during the 1970s and 1980s adopted urban policies increasingly shaped by macroeconomic agendas that prioritized the revitalization of American economic dominance. By the late 1970s, US urban policies reflected the federal government's commitment to privatization as the most effective remedy for the nation's faltering economic status. As the scholar Brendan Martin explains, privatization includes not only the transfer of functions once performed by the government to the private sector, but also a host of policies such as spending cuts and deregulation that change "the role, responsibilities, priorities and authority of the state."[3] The transformation in federal urban policy and privatization initiatives during the 1970s and 1980s worsened the urban crisis in Baltimore by gradually undermining the ability of Baltimore's residents, especially those with low incomes and African Americans, to influence decisionmaking that impacted their city. Simultaneously, urban policies compelled Baltimore's officials to link the city's future to the profit-making potential of its business community at the expense of efforts to combat poverty. Finally, significant cuts in federal assistance to cities and to poor people required Baltimore officials to shrink the workforce of the municipal government and reduce city services. The job losses took a particular toll on African-American women who made up the majority of the workers in the city's health, education, and welfare agencies, where cuts were targeted. The reductions in city services and federal welfare spending also disproportionately impacted women, who bore gendered responsibilities for family caretaking. Women were forced to provide for themselves or find alternative sources of services that had previously been available from the state.

During the years following the Second World War, civil rights leaders in Baltimore targeted the public sector as part of a larger campaign to open job opportunities for African Americans. In 1950, Baltimore was a Jim Crow city with a population of close to a million, but the state of Maryland had never legally disenfranchised African Americans, enabling black leaders to use political pressure in pursuit of civil rights. Between 1950 and 1960, the black population in the city grew from twenty-four to thirty-five percent.[4] Black leaders used their community's growing clout, as well as support from labor, religious, and civic groups, to win passage of a fair-employment ordinance in 1956.[5] The law created an Equal Employment Opportunity Commission, and civil rights leaders such as Juanita Mitchell of the National Association for the Advancement of Colored People lost no time before pressing the Commission to use the ordinance to police hiring in the city government itself.[6] Thereafter, monitoring public-sector employment became an ongoing civil rights priority.

The efforts by activists to win public-sector jobs for African Americans in Baltimore received a boost from the federal government during the early 1960s. After eight years of Republican rule, the victory of John F. Kennedy brought a Democrat into the White House. During the New Deal era, the Democratic Party had become largely beholden to and as a result often the champions of urban America. One of the ways that Democrats redistributed national wealth to their urban constituents was through intergovernmental aid. They created categorical grants, for which local officials and agency administrators could apply in order to receive federal aid for specific uses determined by Congress. Although Republicans attempted to redirect national resources to their constituents during the Eisenhower years, Kennedy's victory in 1960 suggested that the volume of grants to cities might increase again. They did. During his administration and then under President Lyndon Johnson, categorical grants, including programs earmarked for antipoverty initiatives aimed at African-American inner-city residents, rose dramatically.[7]

The willingness of Kennedy and Johnson to invest federal resources in antipoverty initiatives stemmed in part from the faith their economic advisors placed in Keynesian economics. The advisors believed that government spending injected at the bottom of the economic ladder could help to eliminate social problems while simultaneously stimulating national economic growth. During the mid-twentieth century, many leaders of capitalist nations shared the American presidents' confidence in Keynesianism. In fact, the rules of the global capitalist economic system created in the wake of the Second World War reflected the popularity of Keynesian ideas. In 1944, representatives of over forty countries had met in Bretton Woods, New Hampshire to devise a way to resuscitate global free trade. The Bretton Woods Agreement linked the currencies of signatory nations through a system of exchange rates tied to the dollar, which was pegged to a fixed value of gold. With the US currency at the heart of the system, American firms had significant competitive advantages. The system also created benefits for other major capitalist countries, however. Fixed exchange rates protected them from disabling currency fluctuations. Further, the system allowed leaders to reintegrate their economies globally but also gave them the independence to respond to internal problems with a measure of economic planning.[8]

As the Kennedy and Johnson administration adopted Keynesian-inspired responses to American poverty during the 1960s, the public sector in the US expanded accordingly. In Baltimore, African Americans won many of the new jobs.[9] In some cases, federal policies all but ensured that African Americans serve in the new jobs. Maximum-feasible-participation mandates compelled cities to give residents with low incomes a role in implementing antipoverty initiatives, and despite fierce resistance by local officials to relinquishing administrative power, programs aimed at African-American communities generally had largely black leadership and staffs.[10] Meanwhile, civil rights activists maintained pressure on city officials to hire black workers in all departments.[11] They also demanded that the city government overhaul its civil service procedures to

eliminate racial bias in testing and other hiring procedures, a task the city began during the late 1960s.[12] Meanwhile, anger that white suburbanites held many of the city's highest-paying jobs led city activists to press officials to limit eligibility for municipal jobs to Baltimore residents. In one notable victory in 1969, the City Council passed an ordinance that extended preference to city residents in hiring decisions.[13] As the result of the ongoing pressure, between 1964 and 1970, the percentage of African Americans in the municipal government's work-force rose from twenty-six to forty.[14]

As the number of African Americans in the city government rose, black workers gained increased control over municipal public policy in human services agencies. Because African Americans were underrepresented on the City Council due to earlier gerrymandering by white officials, the job gains were particularly important. Human services agencies became an important source of African-American influence within the city government. And because they filled many of the new jobs in the agencies, black women were particularly well-positioned to use the new space within the state in an effort to direct the course of public policy. Women such as Elva Edwards in the Model Cities program and Maude Harvey in the Department of Social Services were members of an army of African-American human-services employees who, during the 1960s, 1970s and 1980s, would vie to shape the city's welfare state.

Even as they increased African Americans' influence over policy, however, government jobs did not guarantee a living wage. This is one reason why black workers were among the city employees receptive to overtures by organizers of the American Federation of State, County and Municipal Employees (AFSCME), perhaps the most vibrant union in the nation in the 1960s. AFSCME leaders as well as those from other public employee unions and organizations pressed Baltimore officials to grant city workers collective bargaining rights. Sadly, it took the assassination of Dr. Martin Luther King, Jr., who was killed while in Memphis supporting a strike by AFSCME-affiliated municipal workers, before Baltimore officials finally conceded.[15] Thereafter, public-union leaders and members fought to make public-sector jobs an important source of income and stability for many African-American families.

Intergovernmental aid, meanwhile, became an increasingly vital source of revenue in Baltimore, where deindustrialization and white flight were ravaging the city's economy. Between 1955 and 1965, 338 manufacturing firms left the city, and by 1970 the city had lost tens of thousands of jobs.[16] Between 1950 and 1960, the number of white residents in Baltimore dropped by over 113,000, and the exodus continued during the 1960s and 1970s.[17] As the city's manufacturing sector and population declined so too did its tax base. Unlike most cities in the United States, Baltimore was not located within a county but was instead its own independent jurisdiction. The city did not receive tax revenue from those who moved to its suburbs. As a result, Baltimore's dependence on outside sources of revenue grew.

Intergovernmental aid was an unstable foundation on which to build a municipal economy, however. Its dependence on federal funds made

Baltimore and its government workforce vulnerable not only to the shifting moods of the national electorate but also to assertions of corporate power over federal policymaking. During the mid-twentieth century, corporate America had largely tolerated the hard-won US welfare state. Considerable corporate income depended on domestic consumption bolstered by Keynesian policies that strengthened consumer power. But during the 1960s, increasing competition from Germany and Japan began undermining American corporate profitability. In response, corporate tolerance of welfare spending began to decline.[18]

The shift began as the global economic system created in Bretton Woods verged on the brink of collapse. The system had been vulnerable almost from the start. By 1958, when the system of currency convertibility came into full effect, the fixed value of the dollars in circulation outside the US exceeded the value of gold in American reserves. Overseas postwar spending by the US government and American corporations and tourists had sent large quantities of dollars out of the country. As a result, the US balance of payments was in such deficit that presidents Eisenhower and Kennedy both had to fend off potential rushes on the US gold reserves. Massive spending on the Vietnam War and appropriations for Johnson's Great Society programs exacerbated inflation at home and worsened the nation's balance of payments deficit, further threatening the monetary system. Another run on the dollar occurred in March 1968. Johnson barely contained the crisis by cutting spending on the war and social programs and by limiting dollar convertibility to foreign governments.[19]

Johnson left the economic disaster for Richard Nixon to handle. The new president targeted inflation as his first attempt to stabilize the dollar. His efforts to constrain both spending and the money supply failed to adequately control rising prices. They did, however, bring on a recession that cost Republicans congressional seats during the 1970 midterm elections. Thereafter, with his own reelection campaign to consider, Nixon abandoned his earlier strategy, unwilling to pay in votes for fiscal and monetary austerity. Events in 1971, however, forced him to confront the dollar's vulnerability. His policy reversals had reopened the flow of US currency overseas, eventually triggering a panic in foreign exchange markets. The report of an imminent run on gold led the president to abandon all pretense of international solidarity. Astounding the nation's trading partners, Nixon suspended gold convertibility, a step his administration, influenced by conservative economic advisors, later made permanent. In place of the gold standard, the administration advocated a system of floating exchange rates in which, theoretically, the free market would determine currency values. What's more, as the Nixon administration negotiated the terms of the floating currency system, it pressed its trading partners to abandon the capital controls they had earlier set in place to protect their domestic economies from competitive and potentially destabilizing foreign investment. The US also began suspending such controls.[20]

The rules of the new global economic order that Nixon began to build to replace the Bretton Woods system—-and that his successors would fortify— had devastating consequences in cities. The decision to allow currencies to float imperiled the ability of governments, including the United States, to exert control over their domestic economies. The defensive measures that governments would take to strengthen their national currencies and protect domestic business interests often came at the cost of measures intended to ease poverty and redistribute wealth. The elimination of capital controls, meanwhile, worsened industrial cities' vulnerability to capital flight and thus job losses. The change also created pressure on urban executives to adopt austere local budgets to attract investors. Additionally, the elimination of the controls intensified competition in credit markets, and poor cities found it increasingly difficult to secure financing for local projects.[21]

As Nixon implemented his macroeconomic policies, he made domestic policy decisions aimed at taming the welfare state. His policies responded to a growing white backlash against welfare spending, a rebellion that his administration's "law and order" rhetoric helped to incite.[22] The president's policies also demonstrated his commitment to an anti-welfare-state conservative agenda decades in the making but increasingly popular among corporate interests given the changing global context.[23] Nixon's domestic policy subsumed urban policy under the rubric of New Federalism, an initiative intended to restructure the distribution of intergovernmental aid. The president introduced New Federalism during his 1971 State-of-the-Union address. Appealing to backlash voters as well as to corporate concerns about excesses of democracy, he explained that revenue sharing, the hallmark of New Federalism, was intended to replace "present narrow-purpose aid programs," in other words, the categorical grants that in some cases had sent antipoverty funds to cities and to African Americans specifically. In place of grants, Nixon proposed returning a portion of federal tax revenue to states and localities to spend as they saw fit. He wanted to do this, he explained, in order to diminish the authority of the "bureaucratic elite in Washington" over policymaking. This plan appealed to both backlash voters and corporate interests frustrated by costly congressional regulations.[24]

Ultimately, Nixon proposed two types of revenue sharing. General Revenue Sharing (GRS) transferred federal tax money to state and local officials to use with few restrictions. States governments received one-third of the funds, and local governments shared the rest. Special revenue sharing consolidated multiple categorical grants into block grants with loose policy directives. Although Nixon initially proposed six block grants, only the Comprehensive Employment and Training Act of 1973 (CETA) and the Housing and Community Development Act of 1974, which created Community Development Block Grants (CDBG), became policy. Together general and special revenue largely undermined the nation's war on poverty. They diffused among multiple localities funds that might have been targeted towards antipoverty efforts. Although Nixon did commit more resources to

federal grants-in-aid than had previous presidents, he also took the first step in fundamentally transforming American urban policy.[25]

On the state and local level, Nixon's revenue sharing had the intended effect of shifting political power away from poor people and their advocates. In Baltimore, the effort by city officials during the mid-1960s to limit maximum feasible participation had failed to contain a surge in community activism. Urban policy under Nixon deliberately redirected power back to government officials. Aware that community residents would recognize the attack, federal officials responded defensively. In a booklet on GRS and civil rights, they explained, "While it is the responsibility of local government officials to make the *final* determination of where and how revenue sharing funds will be used in the community, *it is the residents of the community who have the responsibility to inform their elected officials of their needs and desires.*" (Emphasis in the original) Residents were encouraged to try to influence decisions by educating themselves, organizing citizen committees, meeting with officials, and "writing letters to the editors of local newspapers."[26] In Baltimore, community residents recently politicized by showdowns with city officials were hardly willing to substitute letter-writing for the active role they had taken in community development. Many continued to push city officials to require their participation in decisionmaking bodies.[27] Federal urban policies, however, did not again prioritize community participation.

Not only did Nixon's New Federalism shift power in cities away from poor residents and towards officials, but it also altered the balance of power within governments. National studies on GRS uncovered that state officials' responses to the initiative varied in accordance with the level of control they had over the new funds. Those who ran government agencies and increasingly had to compete for resources endorsed revenue sharing less enthusiastically than did those who controlled states' budget-making processes and determined resource allocations.[28] The results were not surprising given that many elected officials, who had authority over financial matters, supported revenue sharing in part to wrest authority from agency heads, the frequent recipients of federal categorical grants.[29] The shift in the balance of power within governments occurred on the local level as well. In Baltimore the executive branch of the city government exercised considerable control over fiscal policy. The Baltimore City Charter empowered the City Council to lower but not raise proposed budgets. As on the state level, revenue sharing increased the influence of the executive and financial officers and diminished the power of agency heads. The change altered the balance of power between African-American and white city officials. The leadership and staffs of human services agencies, in which African-American women in particular had recently gained clout, saw their influence eroded. Meanwhile, the largely white and male finance and budget officials gained power.[30] To be sure, Baltimore continued to receive multiple categorical grants, but the dramatic shift in urban policy that Nixon introduced contributed to undermining the authority of those in the city government likely to be the most sensitive to the concerns of African Americans and poor people.

The change in power was underway when William Donald Schaefer took office as Baltimore's mayor. Schaefer, who remained in the office until 1987, won his first mayoral election in 1971 after defeating two black candidates and dashing hopes that the city would elect its first black mayor. Like elected officials in cities in advanced capitalist nations around the world, Schaefer faced the daunting challenge of revitalizing his city within a global economy increasingly characterized by capital mobility. Schaefer, along with his finance and budget officers, prioritized revitalizing Baltimore by improving the city's attractiveness to investors. Towards that end, Schaefer kept a tight lid on spending and closely monitored the city's credit rating.[31]

Schaefer's actions differed from those of mayors in other cash-strapped cities with stronger labor/liberal leaderships, who opted to borrow heavily during the 1960s and early 1970s to meet mounting social service obligations and public-sector payrolls. American cities, such as New York, Detroit, Philadelphia, and Washington, D.C., ultimately found it difficult to meet their debt obligations. Thereafter, creditors and firms such as Moody's Investor Services contributed to reigning in liberal city executives by denying the cities credit or dropping their credit ratings, making it difficult for the municipal governments to secure additional loans or sell bonds in tight credit markets.[32] The Baltimore mayor avoided that fate for his city. In 1975, when New York's financial crisis made national headlines, Baltimore had just over a third of that city's per capita debt and was one of the least indebted of the nation's largest cities.[33] Schaefer's austerity was rewarded during the mid-1970s when Moody's raised Baltimore's credit rating from A to A-1. The mayor celebrated the achievement in a twelve-page advertisement in *Forbes* magazine. Intended to attract investors, the ad described Baltimore as "the most exciting, fiscally sound port city on the Atlantic." It also included a lengthy list of the tax incentives the city made available to investors and, alluding to the financial crises of its rivals, bragged that Baltimore's fiscal health allowed it to offer these "advantages that our sister cities may not be in a position to offer."[34]

As Schaefer worked to make Baltimore as business-friendly as he could, the staff of the EEOC, which has been renamed the Community Relations Commission (CRC), and African-American leaders in Baltimore maintained a watchful eye over hiring practices in the city government. Their efforts achieved some impressive results. By mid-decade, African-American women made up a third of the city's workforce, outnumbering both black and white men and white women, and black workers as a group accounted for fifty-four percent of city workers.[35] Yet problems persisted. As the CRC noted, African Americans were concentrated at the bottom of the city hierarchy, and black and white women, with the exception of teachers, were further concentrated in low-wage health, education, and welfare jobs and clerical positions. To improve the city's record, the CRC pressed the mayor to adopt affirmative action as mandated by federal law. In 1976, John Ferron, the executive director of the CRC, commented that the mayor had been "extremely fortunate that the federal government [hadn't] taken the city on for its failure to implement such

a plan."[36] Black elected leaders, meanwhile, pressed the mayor to use public-sector employment to combat the city's high African-American unemployment rate.[37] Government jobs had become vital to the economic health of the city's black communities, and African-American leaders challenged Schaefer's fiscal priorities in their efforts to shape the city's employment policies.

Meanwhile, workers responded with anger to the effect Schaefer's fiscal austerity had on their paychecks. Among the ways unionized city workers demonstrated their frustration and demanded redress for wages that generally failed to keep pace with rising inflation was through strikes, which were frequent in the public sector throughout the US during the 1970s. In Baltimore, the actions yielded mixed results. A 1974 wildcat strike by AFSCME-affiliated sanitation, jail, and parks and recreation employees as well as some police officers won workers some important concessions. But the strike resulted in setbacks for public-sector workers as well. Baltimore's police commissioner fired some of his striking officers, and Schaefer reduced the budget of the sanitation department, which resulted in layoffs.[38] The setbacks were not surprising. By the mid-1970s, public-sector strikes often failed to capture the popular support they earlier had received. Many urban residents, as well as those who had fled to the suburbs, increasingly identified as militant and greedy workers they had once associated with Martin Luther King and social justice.[39] During the mid-1970s, AFSCME and other public unions did not lose their influence entirely. In Baltimore in 1975, public unions won closed-shop protections, and *The Baltimore Sun* referred to AFSCME as "one of the most powerful pressure groups with the City Council" two years later.[40] But, providing a context for Schaefer's austerity, Nixon's macroeconomic policy decisions had contributed to worsening fiscal crises in cities. Raises for some workers could cost not only city services but also other workers' jobs. Many union members appreciated this. In 1976, for example, AFSCME member and school cafeteria worker Marian Dicks tried to counter her dismay at the outcome of her union's collective bargaining agreement with the city. "I'm not satisfied with the money we're getting," she explained, "but I'm willing to accept it not to see people laid off from work."[41]

Given the dire straits in which many cities found themselves by 1977, urban voters hoped Democratic President Jimmy Carter would provide some relief. They were sorely disappointed. By the late 1970s, US domestic and international economic policies were unavoidably inseparable, a fact the new president clearly understood. As Carter entered office, urban constituents demanded policies to combat domestic problems such as poverty and unemployment. Like many working and middle-class Americans, business leaders pressed for measures that would tame inflation, and executives in transnational corporations and international lending institutions advocated policies that would strengthen the dollar. After two years of inconsistency, Carter settled on a set of policies, some of which were advocated by conservative economists. Unlike the Keynesians, who had fallen into disfavor because their demand-oriented policy prescriptions seemed ineffective in controlling inflation and unemployment, conservative economists recommended supply-rather than demand-side

tax cuts, spending cuts, deregulation, and, most importantly, strict monetary policies. Although never a total convert to the conservative approach, Carter adopted a number of the remedies intended to reassert American hegemony and in 1979 appointed Paul Volcker to head the Federal Reserve Board. In an effort to combat inflation, Volcker abandoned the full employment goals that had guided the Fed's decisions and tightened the money supply so severely that he manufactured a recession worse than any the nation had experienced since the Great Depression. As historian Bruce Schulman notes, Carter's policy choices and appointments made it difficult for many Americans to remember that the Democratic Party had once fancied itself the champion of the people against the interests of unrestrained capitalism. As floating currency rates and free trade agreements unleashed global capitalism from the tethers created in Bretton Woods, the Volcker recession eventually catapulted unemployment figures into double digits. Democrats seemed to have switched teams.[42]

Carter's urban policies also disappointed his constituents in cities. By the end of his term, Carter's initiatives for cities stressed the use of federal funds to encourage public-private partnerships intended to stimulate redevelopment. Many in his administration did want to resurrect the spirit of redistribution that infused earlier Democratic social welfare initiatives. Under the Carter White House, CETA funds created public-sector jobs, and the administration also took steps to target CDBG funding towards poor cities. Ultimately, however, Carter decided that public-private cooperation could most effectively solve urban problems, and his macroeconomic policies foreclosed more expensive alternatives. He used the Economic Development Administration (EDA) to direct federal funds to cities to stimulate development. He also created Urban Development Action Grants (UDAG), which subsidized private investment in distressed cities. Both cities and investors could qualify for support once investors committed to a viable project, which could include anything from an industrial park to an upscale hotel. With his urban initiatives, Carter introduced city residents to trickle-down economics even before Reagan's supply-side revolution began.[43]

While Carter's urban initiatives frustrated many residents with low incomes, activists, and human-services workers in Baltimore, his public-private programs received enthusiastic endorsement in the mayor's office. Schaefer remained committed to luring manufacturers to the city, but he also appreciated the folly of trying to rebuild Baltimore using blueprints from its industrial heyday. Instead, the mayor wanted to create a postindustrial niche for his city. When he took office, a plan existed for the redevelopment of the city's harbor area. Few firms had stepped up to gamble on Baltimore's port, however, scared off, perhaps, by the dead fish that floated on the scummy surface of the water. Nevertheless, Schaefer had grand aspirations. "Tourism?" one city employee remembers thinking incredulously when the mayor touted the idea at a civic breakfast. "It was like working for a crazy person."[44] But Schaefer was undeterred by skepticism, and Carter's public-private programs aided his effort. By 1981, Baltimore had received $37 million in UDAGs and

$50 million from the EDA.[45] Some of the funding helped support neighborhood projects, and the city used much of the funds to capture or keep in the city industrial interests. But city officials also used federal funds to build an infrastructure for a tourism industry. A $10 million UDAG helped the city secure a glitzy waterfront Hyatt Regency hotel, and $1.5 million from EDA helped cover the costs of an aquarium.[46] Federal and state revenue also helped subsidize a convention center, a dock for the city's historic all-sail US Navy warship, a science center, shoreline landscaping, and a marina.[47]

As tourist attractions became increasingly prominent in Baltimore's downtown skyline, officials in some of the city's human service agencies expressed doubts that the trickle-down solutions to urban poverty were working. By the end of the decade, Baltimore had one of the highest African-American unemployment rates in the country. Officials in the Mayor's Office of Manpower Resources (MOMR) blamed the figures on the tragic combination of their own success at job training and the Volcker recession. Employment programs in Baltimore had convinced formerly "discouraged" African-American workers to seek jobs in the city at the same time that the Fed's contraction of the money supply strangled the city's economy.[48] Quentin Lawson, the director of the city's Human Development office and one of the few African Americans in the mayor's cabinet, also worried that revitalization efforts neglected the needs of people. The federal government had "traditionally emphasized . . . programs in physical development," Lawson explained. What it needed was an equal commitment to a national "human service plan."[49]

African-American leaders and public union officials expressed their critiques of the Carter administration's and Schaefer's urban priorities more aggressively. Collectively they argued that the policies were creating "two Baltimores—one black and poor, the other white and largely well off."[50] Although the city had a sizable African-American middle-class population, black leaders feared that, at the bottom of the economic ladder, class and race were becoming indistinguishable. Parren Mitchell, the city's first black congressman and the former director of the city's war on poverty, blamed Carter's macroeconomic policies for the deteriorating conditions in Baltimore.[51] Other leaders argued that investment in tourism, an industry dependent on low-wage service workers, was an unacceptable solution to the city's unemployment problems.[52] Public-union leaders voiced opposition as well. AFSCME had long charged that the mayor's policies inadequately responded to poverty in the city.[53] In 1978, a columnist for a the newspaper of a smaller public-sector union argued that the mayor was not only neglecting antipoverty efforts but also adding municipal workers to the ranks of the poor and unemployed through layoffs.[54] African-American leaders and union activists pressed the mayor to reprioritize.

Schaefer responded to criticism of his downtown priorities by passing the buck. "Many of the improvements in the Inner harbor are not the result of City funds," the mayor explained in response to a letter critical of his downtown redevelopment efforts. "A very large percentage of the monies spent is the result

of private investments and the City's ability to successfully lobby for specific state and federal grants, that were in many incidents, earmarked to assist in the development of the kinds of improvements realized in the harbor."[55] Schaefer's defense was not inaccurate. Although he had prioritized the city's fiscal health when his peers in other cities had taken financial risks to address social problems, Carter's urban policies had pushed Baltimore officials to align the city's interests with business. The Democratic Party, in other words, had abandoned poor, inner-city residents.

While Carter's trickle-down policies divided many in Baltimore, Ronald Reagan's all-out assault on struggling cities temporarily united former foes. Anticipating the gutting Reagan had promised to perform on urban and welfare programs, Schaefer stormed to the nation's capital, where *The Washington Post* described him as "stalk[ing] the halls of the US Capitol, pleading with one congressional committee after another to reject proposed federal cuts in a wide range of urban programs."[56] "Though we have occasionally disagreed on some matters in the past ..." Ferron, of the CRC, wrote to Schaefer, "my primary purpose for writing, Mr. Mayor, is to share with you my intensified respect and admiration for you ... especially in view of the fact that you appear to be the one person on the national level who has the courage to challenge the new order of priorities set by the National Administration."[57] Public-sector unions and the mayor also found themselves on the same side in the battle against Reaganomics. AFSCME played a leading role in defending government workers and welfare spending.[58] Schaefer shared many of the concerns of public unions. In a letter to the Public Employees Department of the AFL-CIO, the mayor worried Reagan's new federalism would "[usher] in a new era of blatant neglect."[59]

Perhaps neglect would have been preferable to the "Reagan revolution." In 1981, the incoming Republican administration did not vacillate as Carter had as he weighed the interests of the needy against the needs of the interests; Reagan's allegiance to the private sector was never in doubt. He prioritized reasserting American hegemony by creating a domestic economy that bolstered the ability of US financiers and others to profit in the global marketplace. To do so, the administration sanctioned the continuation of Volcker's monetary policy and used it to justify a tax cut that favored the wealthy. Reagan also accelerated deregulation, declared war on the nation's unions and cut government spending on welfare programs. In addition, the administration negotiated agreements to further open the global economy to free trade. Out of step with its overall economic philosophy but in line with the effort to revive the American empire, the administration poured resources into the military. Although the spending created a deficit of unprecedented size, many of his other economic policies met their mark. The Volcker recession brought inflation under control, and the administration successfully created an environment that advanced US economic interests abroad.[60] In cities across the United States where many residents had paid with unemployment and poverty for the "recovery," however, spirits were not as high.

Some observers of Reagan's urban policy describe his approach as hands off. In fact, his "non-policy" nearly choked to death the nation's struggling cities. During the 1980s, federal aid expenditures declined for the first time since the 1940s. Between 1980 and 1985, federal funding of social services declined by twenty-five percent, aid for community services dropped by almost half, and support for training and employment declined by more than two-thirds. Reagan also discontinued GRS, eliminated the public employment component of CETA and reorganized the grant, and reduced funding for CDBGs. The administration even eliminated UDAGs.[61] As *The President's National Urban Policy Report* explained about earlier federal efforts earmarked for distressed cities, "These programs had the unintended effect of channeling credit to less competitive firms. The private market is more efficient than Federal program administrators in allocating dollars among alternative uses."[62] To achieve some of his cuts, Reagan launched a new variation of New Federalism. Following Nixon's lead, Reagan further consolidated categorical grants into block grants. Unlike his Republican predecessor, however, Reagan directed block grants primarily to state rather than local governments to compel competition among localities for revenue.[63]

While Nixon's New Federalism had eroded the authority of African Americans within the city government, Reagan's iteration transferred many decisions about Baltimore's future out of the city entirely. And Baltimore was ill-equipped to defend itself in Maryland's capital. By the early 1980s, the city housed only nineteen percent of the state's residents but sixty-three percent of Maryland's recipients of public assistance.[64] The city's representatives in Annapolis shouldered the weighty responsibility of defending Baltimore's need for a disproportionate share of the state's resources. Their task became even harder during the early 1980s when state-level reapportionment reduced the number of elected officials city residents could send to the statehouse. Baltimore lost six delegates and three senators and in 1983 sent a delegation to Annapolis that one of the city's papers described as "the weakest in recent memory."[65] In the capital, Baltimore's representatives faced elected officials from wealthy suburban jurisdictions whose residents, inspired by the 1978 California tax revolt, kept a watchful eye on government spending.[66] The city's delegation also had to counter a white backlash against welfare expenditures and suburban and rural suspicion of urban profligacy. In a sometimes-hostile context, Baltimore's weakened delegation competed to win an increased share of the state's resources as overall federal funding decreased.

Ultimately, Reagan's policies took a huge bite out of Baltimore's budget. The city lost a total of $569 million in federal funds for its 1982, 1983, and 1984 budgets alone.[67] In a city in which half the population received some type of welfare benefit, and only a third earned enough to pay taxes, the cuts were devastating.[68] Baltimore's elected officials knew that additional property tax increases to raise revenue would only accelerate the movement of taxpaying residents out of the city, ultimately worsening the crisis. To compensate for lost federal revenue without significantly altering the tax, city officials raised rates

for multiple city services and even charged higher fees for parking meters.[69] Eventually, however, the city had no option but to eliminate jobs and services. Between 1980 and 1990, the city eliminated 18,400 municipal jobs, shrinking its workforce by thirty-seven percent.[70] At the same time, the city cut municipal services by twenty-five percent.[71]

The job cuts took a particular toll on African-American women, who remained concentrated in health, education, and welfare agencies, those hardest hit by Reagan's policies. By the early 1980s, African Americans made up fifty-six percent of the city government's workforce. Black women were close to seventy percent of the city's minority employees, and they were almost two-thirds of the female full-time classified workforce.[72] Discrimination certainly persisted in the public sector, and African-American women remained concentrated in the lowest-paid jobs in the government.[73] Nevertheless, unionized public-sector jobs offered notable advantages over private-sector employment. As Hilda Ford, an African-American woman who headed Baltimore's Civil Service Commission and who had helped to open employment opportunities for black workers, explained, for example, the incomes of the municipal government's female employees more closely approached the incomes of their male counterparts than was the case nationally.[74]

The first workers in Baltimore to feel the bite of privatization were those receiving jobs or training through CETA programs. By March 1981, over 2,500 participants had lost their positions, and by 1984, the MOMR, which coordinated CETA programs and had a majority African-American and female staff, lost almost 1,000 jobs.[75] The Urban Services Agency and the Department of Housing and Community Development, both of which also had majority African-American staffs, also suffered significant layoffs as a consequence of Reagan's policies.[76] Ultimately, few city departments were spared. Layoffs, however, were not the primary way that the City reduced its workforce. More often, budget-makers and agency heads abolished rather than filled vacant jobs. Baltimore's 1984 budget, for example, required 125 layoffs but eliminated 550 positions through attrition.[77]

The City also responded to fiscal pressures by transferring services formerly provided by the city to private management. In 1984, officials handed over Baltimore's public hospitals to the Johns Hopkins Hospital.[78] Although most workers retained their jobs at least through the transition, all staff members, approximately forty percent of whom were African-American women, lost their status as City employees.[79] After the transfer, it became more difficult than it had been earlier for the African-American community in Baltimore to effectively mobilize political pressure to combat discrimination in the hospitals. Private employers were less vulnerable than city officials to the political pressure African-American leaders had historically used to win jobs and improve working conditions for black workers. Because they contracted the public sector, Reagan's cuts imperiled the hard-won jobs that had helped a generation of African-American women and their families buy homes and send their children to college.

Women bore the brunt of Reagan's cuts in a second way as well. Although often cited by conservatives as a cause of the urban crisis, War on Poverty programs and other federally-funded social-welfare initiatives had significantly contributed to alleviating poverty in the nation's cities.[80] In 1981, Maudine Cooper, vice president of the National Urban League, explained, "Two-thirds of the black underclass were lifted from poverty between 1967 and 1975, primarily as a result of government programs."[81] The Baltimore Urban Services Agency echoed her defense in a "Fact Sheet" staff members distributed to invite city residents to join them and other human-service workers in protesting Reagan's cuts.[82] Antipoverty programs had had specifically gendered effects as well because many had been particularly helpful to those to whom the primary responsibility for children and aging relatives fell. As social service agencies, "forced to do less with less," eliminated or downsized programs that had eased women's caretaking obligations, women were forced to assume new responsibilities.[83] Reductions in funding for daycare services as well as housing and other programming for senior citizens directly increased many women's domestic work.[84] Reduced public spending on healthcare led to high medical bills and also time spent caring for sick family members.[85] Cuts in food stamps and nutrition programs sent increasing numbers of women and children to distant food pantries and soup kitchens, increasing the amount of time and effort needed to feed families.[86] And reductions in sanitation services, insect and rodent control, urban recreation programs, and library services meant that homes, alleys, and streets became less safe for children to play in at the same time that fewer public spaces were available to them, increasing the need for adult supervision.[87] As Shelia Rhyne, a Baltimore mother who encountered trouble securing social services because of Reagan's cuts, wrote in a letter to the *Afro-American*, "My youngest son has been hospitalized with a torn tendon in his hand from glass in the yard surrounding the building. Why do the low to middle class people have to live in projects where they must watch their children's every move because they don't know whether their children will be killed, raped or God knows what else?"[88]

As the city made cuts, some women could afford to purchase services formerly provided by the government in the private or informal sectors. Reaganomics, however, left women with limited means to provide the services themselves or do without. Families did what they could, but federal-level cuts left gaps that women could not easily fill. In 1983, Bob Cheeks, the executive director of the Welfare Rights Organization sent an irate letter to Schaefer. A broken elevator in a public housing highrise had delayed a mother who was rushing to seek medical attention for her sick infant. The delay, Cheeks charged, cost the child his life. Cheeks blamed Schaefer for the death because the mayor's "single-minded focus to build hotels, restaurants, shops, and housing for the rich" had come at the expense of "the concerns of the poor."[89] Certainly the mayor had prioritized downtown development. But two years earlier, Reagan had nearly halved federal spending on public housing, which also helps to account for the broken elevator.[90] In response to the

baby's death, a group of high-rise residents founded M.O.M., an organization of mothers united to "Save Our Children from High Rise Housing."[91] Even collectively, however, it was impossible for low-income women to patch on their own every hole Reagan cuts had rent in the US safety net.

Privatization deepened an urban crisis that by the early 1980s had already made Baltimore a city with one of the highest percentages of people living in poverty in the nation.[92] The urban crisis intensified not because cities had been profligate, but because procorporate federal policies came at their expense. During the late 1960s, as the Bretton Woods system unraveled and American corporations entered a crisis of profitability, US presidents participated in building a new international order that bolstered corporate interests domestically and enabled the United States to reassert global dominance. As a result, the urban crisis entered its most acute stage because of political decisions not typically associated with urban policymaking. The floating of currency rates, the adoption of strict monetarist policies, and the erosion of international capital controls had devastating consequences in US cities.

Urban policies in the United States reflected the presidents' commitment to corporate concerns. Nixon's and Reagan's New Federalisms were efforts to reduce or eliminate the federal government's responsibility for the maintenance of the welfare state, a goal that would free capital for more competitive uses. In Baltimore, the policies contributed to the upward and whiteward shift of power away from poor people and African Americans and eventually increasingly out of the city itself. Carter's support of public-private partnerships and sanction of the constriction of the US money supply were also a concession to the new order and an abdication of the government's responsibility for poverty alleviation. In Baltimore, the policies pushed city officials to create an urban economy more responsive to the needs of businesses than residents. They also enabled Schaefer to invest in an industry that replaced manufacturing with low-wage service-sector jobs. Reagan's privatization initiatives further undermined public commitments. In Baltimore, his policies left a city to fend for itself in a global economy in which it was poorly equipped to compete. They also shrank a sector of the city's labor market vital to African-American communities while simultaneously depriving city residents of needed services. Thus it was with good reason that a Baltimore *Afro-American* newspaper reporter covering the protest by employees of the Urban Services Agency in 1986 explained to readers, "There is tragedy on both sides of the layoffs."[93] The women left unemployed by the cuts faced a dismal job market, and the recipients of the services the women used to provide, among the most vulnerable in Baltimore's population, were left to find their own way in the city's troubled economy.

NOTES

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Privatization and the Historical Trajectory of "Social Movement Unionism": A Case Study of Municipal Workers in Johannesburg, South Africa

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Abstract

The article discusses the opposition by the South African Municipal Workers' Union (SAMWU) to the privatization of Johannesburg's municipal services under Apartheid and in the new democratic dispensation. The unionization of South African black municipal workers has been shaped by a tradition of "social-movement unionism," which greatly contributed to the decline and fall of the racist regime. The post-1994 democratic government has adopted policies of privatization of local services and utilities, which SAMWU opposed in Johannesburg by resurrecting a social movement unionism discourse. Conditions of political democracy have, however, proven detrimental to such a strategy, whose continued validity is here questioned.

Introduction

The unionization of the South African black working class during the 1970s and 1980s was one of the decisive factors leading to the downfall of the apartheid regime.[1] After the intense repression of the 1960s, independent unions resurfaced in the country's main manufacturing centers and mining areas. Black public-sector workers, however, unionized at a later stage. Despite localized episodes like the 1980 African municipal workers' strike in Johannesburg, significant national public-sector unions emerged only in the late 1980s. Until the mid-1990s and the transition to a new democratic dispensation, the largest union federation, the Congress of South African Trade Unions (COSATU), drew most of its members, approximately sixty-five percent in 1994, from manufacturing and mining.[2] Ten years later, however, the situation was reversed: public-sector unions, which in 1994 provided only seventeen percent of COSATU members, soared to almost forty-one percent in 2003. Between 2000 and 2003, public unions' members increased by more than ten percent, even if COSATU's overall membership declined by 1.6 percent to 1.77 million.[3] One of the fastest growing unions was the South African Municipal Workers' Union (SAMWU), whose membership almost doubled during the 1990s. SAMWU's membership growth paralleled a marked increase in its rank-and-file militancy, which contrasted with past Apartheid realities of municipal labor repression and late unionization.

Research on the rise of public-sector labor movements in postapartheid South Africa remains extremely limited, as historiography has privileged older manufacturing and mining unions. Focusing on the case of SAMWU,

this paper argues that understanding the shifts in membership and activism of municipal unionism—and its outcomes, remarkably different from the private sector after 1994—requires an analysis of the unique opportunities and challenges municipal workers derived from democratization.

South African trade unions experienced democratization as an uneasy combination of political liberation and economic liberalization.[4] On one hand, political democracy ushered in an industrial relations system that gave the black working class previously unknown legal protections and guarantees. For public workers the change was particularly significant: Under the 1995 Labour Relations Act, they obtained for the first time the same rights to associate, collectively bargain, and strike as in the private sector. COSATU is, moreover, allied with the ruling African National Congress (ANC), which means that trade unions have institutional opportunities to shape social and employment policies, which are also negotiated in new corporatist-styled organs like the National Economic Development and Labour Council. Labor's new political role also implies that for elected ANC-run institutions the political costs of repressing public-sector unions would be substantially higher than for private companies or for the past apartheid regime.

Conversely, the ANC government retained almost exclusive control of economic policymaking, which it turned towards free-market conservatism, fiscal discipline, and trade liberalization.[5] Despite being an ANC ally, COSATU chastised the post-1994 government's macroeconomic paradigm as "neoliberal," blaming it for layoffs and factory closures that greatly contributed to the country's spiraling unemployment. Almost thirty percent of the economically active population was jobless. Layoffs particularly affected private companies, where union membership decline was more pronounced, while government workers enjoyed their newly gained protections and employment stability.

In addition, the government started in the late 1990s to restructure local authorities along conservative lines. Public spending thrift and cutbacks in government grants deepened the often chronic fiscal crisis of most municipalities. City councils became increasingly unable to deliver social services and utilities to poor black townships, which had already suffered from decades of neglect under Apartheid's racially segregated service provision.

In response to the crisis, a discourse of operational efficiency, fiscal responsibility, and sound administration gained ascendance in municipal policymaking. Many councils embarked on restructuring exercises aimed at transferring service delivery to independent business units, nominally public but practically operating as income-generating, market-based companies. Restructuring often involved the outsourcing of activities to nonunion private companies, seen as cost-effective ways to deliver services to low-income areas. Largely dictated by the financial austerity imposed by the central government, local government restructuring rapidly put many city councils on a collision course with municipal unions.

While job losses and deunionization put many private-sector unions on the defensive, SAMWU decided to embark on a course of militant opposition to

municipal restructuring, which it saw as a form of neoliberal privatization of local utilities. This paper presents a case study of SAMWU's opposition to the restructuring of the Greater Johannesburg Municipal Council (GJMC), South Africa's most populous municipality, located in the middle of the Gauteng province, the country's economic core. The union's organizing strategies reflected the specific nature of municipal employment as a point where workers and citizens, producers and users of services, intersect. The overlap of worker identities and community-based demands provided SAMWU with powerful arguments against privatization. It also constituted an opportunity to revive alliances between the union and social movements, updating and transforming strategies of social movement unionism seen in earlier workers' struggles against apartheid. Yet SAMWU's failure to counter Johannesburg's municipal privatization raises new questions about the substance and prospects of social movement unionism in postapartheid South Africa.

South Africa's Social Movement Unionism and the Privatization of Urban Space

Many studies of the South African black labor movement under apartheid have underlined the importance of connections between trade unions, civil society organizations, and social movements. Gay Seidman's comparison of labor politics in South Africa and Brazil[6] showed how the authoritarianism of the Apartheid state facilitated the politicization of shop-floor wage-related struggles. Labor scholars have captured South Africa's convergence of labor struggles and community mobilization in the concept of "social movement unionism," which over the past two decades has become increasingly influential in both industrializing and industrialized countries. Social movement unionism can be defined as the internalization by the unions of social movements' demands and organizational modalities. Social movement unions are organizations that combine workplace demands with claims for political change and democratization, and mobilize workers across multiple locales. Even if they often advocate working-class leadership in social alliances, social movement unions cooperate with civil society organizations on grounds of strategy and principle, rather than tactics and contingency.[7]

Cases like South Africa and Brazil show that the importance of social movement unionism under political authoritarianism is largely explained by general political conditions of lack of democracy and workers' rights, which facilitate the politicization of workers' demands and the unions' quest for alliances with other social sectors. Other authors argue that local organizational dynamics are decisive to explain trade unions' successes and failures to "overcome artificial spatial divides between the workplace and the broader community."[8] Social movement unionism, therefore, does not merely provide an unproblematic "model" of union organizing, applicable without regard to the specificities of sectors and locales.

Social movement unionism has also figured prominently within a renewed scholarly interest in public workers' struggles, previously marginalized in labor studies. As US historian Joseph Slater argues, public workers, like private employees, face challenges deriving from labor processes and normative frameworks governing conditions of employment and service provision.[9] At the same time, their juridical construction as servants of the state can be used to stigmatize and constrain wage militancy and contract bargaining, but it also facilitates the articulation of their tactics and demands on a directly political ground. The peculiar position of municipal employees as workers and citizens seems to confer distinct advantages for labor-community alliances that articulate a discourse of "public needs" to buttress the unions' demands on moral grounds.[10]

In the case of South Africa, engagement in political struggles has accompanied black workers' opposition to state racism throughout the twentieth century. Labor-community alliances gained an unparalleled strength in the second half of the 1980s, a decade of crisis for the apartheid regime and of generalized insurgency in many black urban townships.

The 1970s saw the tumultuous growth of a black workers' movement that was largely centered on workplace organizations and demands for better wages and working conditions. In 1979 most of these unions, especially in the metal, chemical, and textile industries, formed the Federation of South African Trade Unions (FOSATU). FOSATU saw itself as a federation of shop-floor unions, and chose not to align with political demands, or with the national liberation movement led by the ANC in exile. In the following decade, FOSATU unions' rank-and-file members reclaimed a greater involvement of the federation in broader social conflicts and national liberation politics. Popular mobilization had by then started to oppose not only Apartheid oppression and worsening living conditions, but also the introduction by the regime of limited social reforms, which still eschewed full political equality. A new generation of activists became engaged in local social movement organizations, or "civics," which undermined the legitimacy of racially segregated municipal authorities.

During the 1980s, FOSATU rank-and-file members succeeded in driving the federation to support the civics' demands for political democracy, decent housing, and municipal services. Union leaders initially resisted calls to side with social movements, as they feared losing power to community militants that did not share FOSATU's emphasis on shop-floor-based democratic worker control.[11] They were also alarmed that nationalist-leaning community organizations were often led by middle-class and "petty-bourgeois" sections of the black townships.[12]

The 1980s also saw the emergence of a new generation of "community unions," especially strong in the Eastern Cape. Defining elements of the "community unions" were their overt alliance with antiapartheid civics and their preference for mobilizing through community rallies as well as on the shop floor. Many of them belonged to the ANC-aligned United Democratic Front (UDF). Community unions were usually critical of FOSATU, as they saw

shop-floor struggles inextricably linked to political liberation.[13] As an official of a prominent community union, the South African and Allied Workers Union (SAAWU) had put it:

> Transport, rents to be paid, are also worker issues. I see SAAWU as a trade union: there's no doubt about it. But the problems of the workplace go outside the workplace.[14]

By the mid-1980s, FOSATU was actively engaged in the arena of local social movement politics, even if it remained independent from the ANC. During the 1984–85 insurrection of the black townships in the industrial concentration of the East Rand, adjacent to Johannesburg, FOSATU participated in civics and mobilized for municipal services and housing rights.[15] FOSATU's turn to social movement unionism was ultimately more a pragmatic response to the intensified political oppression facing its members than a conscious pro-ANC ideological choice.[16]

It was in this context that local labor analysts started to employ the expression "social movement unionism": For them the involvement in socio-political and community struggles by unions coming from different traditions transcended earlier divisions between shop-floor and community unions.[17] Social movement unionism also revived a tradition of trade-union political engagement dating back to the historical experiences of the Industrial and Commercial Workers' Union in the 1920s, and the unions' defiance of early apartheid laws in the 1950s.

As trade unions became more involved in community struggles, they took a stance against social policy reforms proffered by the late-apartheid state. In the 1980s, the regime decisively turned towards the privatization of the urban space. Economic crisis and labor struggles had led the government to restructure urban spaces in ways that partially departed from strict racial segregation. Until the mid-1970s, the government considered urbanized Africans essentially as temporary city residents, and very little public investment had taken place in African townships. Following the 1979 report of the Riekert Commission of Inquiry, however, urban rights for Africans started to be redefined, and the government recommended permanent city residence for those with stable jobs.[18] The Riekert report departed from earlier policy discourse by advocating new intra-African class divides and market-based inequalities to partially supersede institutionally-defined racial segregation. It saw the stabilization of a limited layer of urban African population as the condition to make municipal services dependent on users' payments with the aim "to recover more and more of the cost of services from the black communities themselves."[19]

For the government, the growth of an African labor aristocracy could generate an ethic of ownership among the black population and thus a bourgeois stake in political stability. This program would be pursued through municipal housing privatization and the sale of council-owned accommodations. Facilitated first by the 1983 Promotion of Local Government Affairs Act, the

state defined a normative framework for municipalities that intended to increase private-sector participation in the provision of services. Then, in 1985, a new policy of "orderly urbanization" provided urban residential rights to African full-time workers and aspiring middle classes, seen as a buffer against social radicalism. In turn, expanded income opportunities for urbanized Africans and the promotion of individual financial responsibility could arguably promote user payments for municipal services, addressing the lack of resources that affected most black municipalities.[20] "White" city councils, however, were exempted from subsidizing services for black townships.[21] Instead, the government created in African urban areas segregated elected councils, the "black local authorities," which became increasingly responsible for financing services and utilities with locally collected rents and taxes.[22]

Labor opposition to late-apartheid privatization of urban space continued the tradition of social movement unionism. By the late 1980s, township residents were widely boycotting the payment of rents to black local authorities, and participation in segregated local council elections was minimal. A state of emergency declared by the government had banned many political organizations, therefore trade unions replaced them in voicing demands for democratic change and opposition to state urban policies.

COSATU was launched in 1985 from the merger of FOSATU and other union organizations. The new union federation formally recognized the ANC's political leadership in the antiapartheid struggle. Cementing the alliance between COSATU and the ANC was an older political manifesto, the 1955 *Freedom Charter*, which included a program of public control of the economy. For COSATU it represented a weapon against the apartheid government's privatization agenda. COSATU in particular saw the privatization of municipal services as conducive to higher prices, job losses, and lower wages linked to "many different types of work contracts—like subcontracting, short-term contracts, home working, part-time work and more casuals."[23]

The legalization of the ANC in 1990 inaugurated the democratic transition, culminating in the 1994 national elections. Yet democratic transition coincided with the gradual adoption by the ANC of a conservative macroeconomic paradigm that prioritized the competitiveness and the profitability of the private sector, rebuffed popular expectations for radical redistributive policies, and eschewed social radicalism. It also represented a departure from the *Freedom Charter* to the extent that it relinquished the ANC's earlier exclusive emphasis on public ownership and opened the door to privatization. After 1994, COSATU criticized the ANC's turn to neoliberalism while maintaining its alliance with the new ruling party. Some COSATU unions were particularly vocal not only in condemning the government's conservative turn, but also in stigmatizing the federation's timidity in opposing it. SAMWU felt, in particular, that the ANC's newly found proprivatization agenda directly affected its members. In advocating a more radical position for COSATU, the union argued that the federation's political closeness to the ANC could weaken its antineoliberal stance:

SAMWU...expressed the concern that the anti-privatisation campaign within the Federation was dead. The prevailing argument in the Federation was that we should move away from "ideological dogmatism" to "political realities"... Our National Policy Conference, held during November 1996, resolved that SAMWU should develop a clear campaign to promote our opposition to privatization and in support of the retention of basic services under public control and ownership.[24]

COSATU leadership, however, did not want to undermine its place in the new state. COSATU's positions increasingly reflected a realization that union radicalism, successful against authoritarianism in the past, could jeopardize democratization, under which labor had to move from a "politics of resistance" to a "politics of reconstruction."[25] SAMWU, instead, charted an independent course, denouncing the inadequacy of the ANC's neoliberalism in tackling socioeconomic inequalities, and expressed public workers' fears that privatization could undermine their newly gained status. Social movement unionism decisively influenced SAMWU's approaches and strategies in this emerging struggle.

SAMWU as a Social Movement Union: Municipal Workers between Workplace and Community

SAMWU's adoption of social movement unionism under Apartheid did not primarily emerge as a response to political authoritarianism, which was indeed successful in thwarting municipal unionization until the late 1980s. Rather it responded to the union's need to articulate a discursive strategy and a moral standing based on its members' specific location as workers and community residents, and as producers and consumers of services.

The apartheid system of local government entailed specific forms of labor process and managerial control that delayed the unionization of African municipal workers. City councils recruited their African employees among migrant workers from rural "homelands," and subjected them to particularly stringent regulations. Racially-segregated housing in municipal "compounds," the territorial dispersal of workplaces, and repressive management deterred union organizing. National legislation and local bylaws denied local government employees the right to strike and bargain collectively, even after legislative changes in 1979 recognized such rights for trade unions with African members.[26]

Johannesburg municipal workers started mobilizing at an early stage. Between the nineteenth and the twentieth century the city experienced a rapid growth driven by mining, which spearheaded local industrialization. The preeminence of market forces and deference to private investment allowed institutional neglect of municipal infrastructures. In the absence of public sewage systems, for example, the city council hired low-wage migrant "bucket boys," largely from the AmaBhaka population of Transkei, for night soil collection. When, as early as 1918, the "bucket boys" went on a wage strike, they were

faced with heavy police repression. Yet their militancy helped steer the local ANC, still led by moderate African elites, in a more radical direction.[27]

But the consolidation of the apartheid regime stymied independent union organizing among African municipal employees. Following the 1973 "Durban strikes," erupting after a decade of repression and demobilization, African trade unions reemerged in various manufacturing industries. "Colored" and Indian municipal workers belonged sporadically to racially segregated branches (or "parallel" unions) of the white-dominated, conservative Trade Unions' Council of South Africa. Still no union sought to organize African local government employees. Only in the early 1980s did African municipal workers reappear on the landscape of industrial conflict.

In July 1980, a strike by 12,000 African migrants, the bulk of the Johannesburg City Council's 14,000-strong black workforce, turned into a watershed event. The strikers' demands for higher wages reflected their deteriorating living conditions. Initially, the industrial action began as a wildcat, but the participants then approached the Black Municipal Workers' Union (BMWU) for support. The BMWU had been launched only one month earlier by Joseph Mavi, a former official of the African Transport Workers' Union, a "parallel" union of the white federation. The Transport Workers had expelled Mavi in response to his political activism in support of residential rights for "illegal" black urban dwellers.[28] Although the still poorly organized BMWU advised the strikers to proceed cautiously, the strike gathered momentum spontaneously. The city council saw the action as the work of "intimidators" with political agendas[29] and responded with repression, refused to negotiate with the union and dismissed thousands of strikers. Many strikers were then either deported to the rural "homelands," or charged under antistrike legislation.[30]

The repression of the 1980 strike again delayed the unionization of African municipal employees by almost a decade. After its launch in 1985, COSATU had adopted a "one industry, one union" policy: affiliates with members in the same sector had to merge them into larger unions. Five trade unions, coming from different traditions, joined in 1987 to form SAMWU. Participants in the merger included both shop-floor unions in the old FOSATU tradition and pro-ANC African community unions.[31]

The most important contribution to SAMWU came from an organization that was rather atypical in South Africa's oppositional union landscape, the Cape Town Municipal Workers' Association (CTMWA). A formerly white-dominated, conservative, and bureaucratized union, in 1964 the CTMWA was taken over by a group of young organizers, whose aim was to democratize it and make it accountable to the rank and file.[32] The new CTMWA leadership had limited experience, and its first battles were focused on "bread and butter" issues. In the militant climate of the 1970s, the union adopted a more political agenda, outspokenly critical of apartheid, and refused to join the established white labor movement.[33] Its strong roots in shop-floor organizing help explain its recruiting successes: By the mid-1970s, the CTMWA had eighty-four percent of unionized municipal employees in its ranks.[34]

In the 1980s the CTMWA further sharpened its political profile, supporting students' school boycotts in Cape Town[35] and vociferously opposing the government's "orderly urbanization" policy. It condemned in particular municipal housing privatization as well as escalating rents and tariffs.[36] Although it shared FOSATU's emphasis on shop-floor structures and worker control, the CTMWA also participated in community struggles, which it considered conducive to workers' unity and to "the fulfillment of [workers'] rights as citizens."[37] The union believed that "worker control is important, but is not enough," and ultimately rejected "an economistic view of trade union unity." It advocated instead a "principled unity," based on democracy, nonracialism, and the view that "our struggle is not only for economic betterment of workers, but against Apartheid, and political oppression."[38]

SAMWU inherited the CTMWA's peculiar blend of shop-floor based and community-oriented trade unionism. Opposition to the privatization and deregulation of municipal services provided one of SAMWU's first terrains of contestation. In 1988 the white National Party government encouraged private participation in municipal services. The municipalities' preferred solution was to subcontract utilities to the private sector or to establish "commercialized" municipality-owned companies, rather than large-scale assets sale. SAMWU's "antiprivatization campaign" was inaugurated in 1988, and the union successfully pressed COSATU the following year to develop coordinated initiatives against privatization in the public sector.[39] SAMWU's position shaped COSATU's analysis that late Apartheid corporatization and subcontracting amounted to "privatization through the back door," which departed from decades of state intervention and public ownership.[40]

SAMWU was particularly alarmed that Apartheid urban restructuring could encourage city councils to outsource jobs in segregated black municipalities to nonunion private companies.[41] In the case of Johannesburg, in 1988 the city council had slated 125 of its functions, out of a list of 191, for possible partnerships with the private sector.[42] In 1991, the chairman of the council's management committee revealed the municipality's intention to reduce its workforce from 23,000 to 15,000.[43]

The late 1980s witnessed the widespread collapse of the black local authorities. Under the banner of "people's power," ANC-aligned civics stepped up in black townships campaigns to boycott the payment of fees for water and electricity. In 1988 a movement to stop payments of mortgages for privatized council housing started in the Eastern Cape and rapidly reached the Johannesburg region.[44] Loosely coordinated at a national level within the United Democratic Front, the "civics" were nonetheless primarily responsive to local leaders. Their tactics included physical attacks on local township councilors, seen as collaborators of the apartheid regime.

Urban instability and conflict continued after the National Party government legalized the ANC in February 1990 and negotiations towards the first democratic elections began. Escalating violence also strained the relationships between SAMWU and civic organizations. In 1992 the union noticed that,

despite the fact that "municipal workers are also residents at the same time," township dwellers often attacked SAMWU members, identified with the discredited black local authorities.[45] As a newly legalized political party on the path to power, the ANC wanted to end mass boycotts of rents, fees, and mortgages, which jeopardized a peaceful transfer of power at the local level.[46] The first half of the 1990s saw the proliferation of municipal "forums" aimed to restore local governance in preparation for the 1994 democratic elections. The forums included apartheid-era municipal councils, trade unions, and antiapartheid civics. They were interim structures intended to negotiate municipal rates, the payment of arrears, and the end of boycotts.[47]

In 1991 the United Democratic Front was replaced by a new, more tightly centralized pro-ANC national civil society structure, the South African National Civics Organization (SANCO). Its mandate was, in the words of one of its leaders, to turn the civics' role from "protest organizations" to proponents of "developmental programmes"[48] to be negotiated with new democratic municipalities. Before the 1994 elections COSATU and SANCO tried, as ANC allies, to insert in the party's electoral platform demands for municipal changes such as low flat rates in poor communities, the cross-subsidization of services from wealthy "white" suburbs, and the choice for public ownership of services. These demands were to some extent present in the ANC's 1994 platform, the *Reconstruction and Development Programme*, which recognized water, electricity, and housing as "basic needs," advocated "lifeline tariffs" for the poor, and promoted "progressive block tariffs" for water to insure higher payments for unnecessary consumption.[49]

The postapartheid democratic dispensation and the 1996 Constitution eliminated the institutional distinction between "black" and "white" municipalities. The local government privatization that many councils had started at the end of apartheid was *de facto* deferred to the new desegregated city councils. To SAMWU, the subsequent restructuring of Johannesburg municipality under ANC rule smacked of a return to apartheid-era policies. SAMWU began mobilizing members and allies in opposition to such municipal corporationzation.

Worker Responses to Municipal Restructuring in Postapartheid Johannesburg

During the 1990s, SAMWU, like other public-sector unions, was one of the fastest growing COSATU affiliates. Its numerical weight shifted from Cape Town, as a legacy of the CTMWA era, to the newly established Gauteng province, with Johannesburg at its center. In 2003 Gauteng provided approximately one third of all SAMWU members.[50] The postapartheid restructuring of the Johannesburg municipality, therefore, directly engaged SAMWU in its new stronghold.

South African local authorities entered the new democratic dispensation in a climate of fiscal austerity that reflected the ANC government's orthodox

economic policies. By the end of the 1990s, municipalities were expected to raise from local sources approximately ninety percent of their budgets (mainly fees and rents).[51] Central government grants were cut by fifty-five percent between 1997 and 2000.[52] The 1998 *White Paper on Local Government* encouraged the contracting out of municipal services to the private sector.

In Johannesburg, unemployment stood at thirty-three percent in 2002, and access to services remained vastly unequal.[53] Seventeen percent of the population lived in informal dwellings,[54] while almost thirty percent of Soweto's predominantly African residents lived in informal settlements or apartheid-era "compounds."[55] One third of all African households had no running water, and one half had no flush toilets.[56] Like most municipalities, after 1994 Johannesburg adopted aggressive policies of "cost recovery," under which poor residents had to pay for services under threats of evictions and disconnections.[57]

After apartheid, a single, deracialized Johannesburg municipality was established for the first time in the city's history. The 2000 Municipal Structures Act mandated municipalities to integrate former "white" and "black" local authorities, and the Greater Johannesburg Metropolitan Council (GJMC) came to include wealthy "white" suburbs like the former municipalities of Johannesburg, Sandton, and Randburg, as well as the sprawling working-class African township of Soweto, and massive shantytowns like Orange Farm.[58]

In 1997 the municipality, then organized as a transitional metro council, had declared a state of fiscal crisis linked to budget deficits and backlogs in service delivery. In October the Gauteng provincial government intervened by halting new capital investment, imposing a three-year freeze on permanent employment, and requiring a municipal restructuring based on "public-private partnership" agreements that would reconfigure services as independent business units.

Johannesburg's first nonracial local government elections in 1995 had placed the ANC in power with more than sixty percent of the council's seats. The new council therefore had a strong mandate to execute a program of municipal restructuring in accordance with the party's liberalization policies. In February 1999, the council, by then named GJMC, appointed a select committee, the Transformation Lekgotla, to restructure municipal services.

The GJMC gave the Lekgotla ("council") full decisionmaking authority, even if it was an unelected administrative entity, to devise a program of municipal restructuring. The Lekgotla sat jointly with a four-member management team, also appointed by the GJMC, charged with implementing the restructuring program. The ANC majority in the council agreed that the centralization of policymaking in the hands of unelected administrators was the fastest, most effective way to restructure city governance.[59] A comprehensive "organization review," which the municipality had contracted to the consultancy agency PriceWaterhouse & Cooper, recommended the corporatization of municipal departments, predicting however that:

The trade unions will offer resistance to efforts which look like a privatization. Furthermore, employment risks. . .will engender great disquiet and opposition.[60]

Johannesburg's management team was chaired by the city manager, Khetso Gordhan. An ANC politician and former activist from Natal, he had just completed a drastic downsizing exercise as the director general in the Department of Transport. Two months after his appointment, Gordhan presented a comprehensive restructuring plan, called "iGoli 2002," to the council, which approved it on March 16, 1999.

IGoli 2002 transferred trading services like water, electricity, and waste management from municipal departments to autonomous business units, or "utilities, agencies and corporatized" (UAC) entities, of which the city council remained the sole shareholder. Three UACs designated as "utilities" became responsible for the provision of "income-generating services": Water and sanitation, electricity, and waste management. "Agencies" provide nontradable services like roads and stormwater, parks, and cemeteries. The municipality is no longer supposed to subsidize the UACs' budgets, except in the case of agencies, that do not generate income through direct user payments.[61] The logic of the plan was reminiscent of urban privatization in late Apartheid. The contracting out of services and the elimination of municipal cross-subsidization, in fact, minimized the council's obligations, while emphasizing the role of user payments in financing the new corporatized entities.[62]

To assuage popular concern, the GJMC referred iGoli 2002 to a process of consultation with civil society and labor organizations, lasting until August 1999. This consultation culminated in an "iGoli summit" that included the participation of more than 200 representatives from business, civil society, and government.[63]

In presenting the plan to SAMWU, city manager Khetso Gordhan stated the basic thrust of iGoli 2002:

> There is a woman called Margaret Thatcher, who I am sure all of us would love to hate. In the late 1980s, basically she said, "I don't care if these things [municipal utilities] work, I don't want to own them on my own, please." . . . [Corporatized services] are not the best, they are not first prize, it is definitely second prize, and it is a hell of a lot better than having them in a government department.[64]

Gordhan, therefore, presented his grudging alignment with Thatcherism not as a matter of ideological adherence to neoliberalism and privatization, but as a second-best solution made necessary by the city's disastrous fiscal crisis.

Nonetheless, SAMWU denounced iGoli 2002 as an undemocratic process that, "in the style of old apartheid politicians," denied a "transformation of the city in a way that will benefit the poor."[65] Opposition to iGoli 2002 quickly became a centerpiece of SAMWU's "antiprivatization campaign."[66] The union's discourse combined fear for its members' wages and employment with

concerns for the living conditions of the poor. It therefore resurrected the typical social movement unionism theme of workplace-community solidarity:

> Whilst acknowledging the crisis, we are firmly of the view that national government has a moral (and indeed constitutional) responsibility to ensure that local authorities are able to meet their service delivery and staff obligations... Our members have shown great loyalty, commitment to service delivery and patience in continuing to work notwithstanding the uncertainty.[67]

Negotiations on iGoli 2002 between SAMWU and the GJMC started in February 1999. On April 6, SAMWU demanded a two-month moratorium on the implementation of the plan, which the GJMC accepted only if limited to labor-related issues. In May SAMWU demanded suspending the implementation of the plan while negotiations were in progress. The August 1999 "iGoli summit," boycotted by SAMWU, concluded however that sufficient consultation had been achieved, and on September 27 the municipality adopted an *iGoli 2002 Transformation and Implementation Plan*. On October 10 SAMWU declared a formal dispute. The stalemate in negotiations ended on October 26, when SAMWU went on strike demanding a moratorium on the plan. The police intervened, beating demonstrating strikers.[68]

By then, left ANC councilors had also started opposing iGoli 2002, shaking the party's superficial unanimity in support of the plan. The councilor for Pimville (Soweto) Trevor Ngwane, was expelled from the party after attacking iGoli 2002 as part of the government's neoliberal agenda. The issue of municipal restructuring proved controversial for allies of the ANC, like the South African Communist Party, whose Johannesburg branch supported the SAMWU dispute. In January 2000, the national ANC leadership decided to intervene directly in an attempt to mediate between SAMWU and the GJMC.[69]

SAMWU decided to strengthen links with ANC and communist dissenters, social movements, and civil society organizations that were also opposing privatization. Since the end of the 1990s, opposition to municipal privatization in the country's main urban areas had led to the formation of local community movements, "citizens' forums," and "crisis committees." Most of their members came from vulnerable, unorganized sectors of the community, like unemployed youth and elderly on government welfare grants. Usually not represented in institutional negotiations, these organizations focused their tactics on mass demonstrations and direct action. For example, they "illegally" reconnected water and electricity for residents disconnected due to nonpayment.[70] In May 2000 SAMWU, local Communist Party activists, left student groups, and antiprivatization community movements convened an anti-iGoli forum in Johannesburg.[71] From the forum came, on September 23, the launch of the Antiprivatisation Forum, a coordinating body of local social movements, political organizations, and unions. The forum had branches in about twenty townships around Johannesburg, and former ANC councilor Ngwane was its most visible leader.

Backed by social movement support, SAMWU staged a two-day strike on November 15–16, and on November 30 it went on strike indefinitely. The council adopted a repressive stance and threatened to dismiss all the strikers under provisions in the Labour Relations Act that prohibit strikes in "essential services." The municipality also did not authorize SAMWU marches, and started proceedings to lay charges on the union for damages incurred in the mid-November strike. On December 4, one day before the local government elections, SAMWU decided to "suspend" the strike in an attempt to start negotiations with the municipality to agree on minimum essential services by the end of the month.[72] While negotiations proved inconclusive, national political events militated against a resumption of the strike. The ANC won a large majority in the December 5 municipal elections, also thanks to COSATU's support. As a COSATU member, SAMWU was bound to politically endorse the ANC. A SAMWU strike against the ANC-run municipality of the country's largest city was therefore highly inconvenient for the COSATU-ANC alliance. Moreover, January 1, 2001 was the date set by iGoli 2002 for the commencement of the new corporatized services. The date arrived without SAMWU and the municipality reaching an agreement on essential services. Faced with the actual implementation of the plan it had tried to stop, SAMWU let resuming the strike quietly fall off its agenda.

Many factors converge to explain the defeat of SAMWU's opposition to iGoli 2002. The GJMC's unilateralism in implementing the plan has tended from the beginning to marginalize the union as an influential voice.[73] SAMWU's Johannesburg organizer, Hlubi Byiana, feels that the municipality confined the union to a "rubberstamping" role by fast-tracking a plan whose complexity and technical sophistication exceeded SAMWU's limited resources and skills.[74] Emerging from a history of radical opposition to racist authoritarianism, SAMWU was at a loss in responding to municipal restructuring under a democratically elected government. Its alliance, as a COSATU affiliate, with the ANC at the national level weakened the position of its Johannesburg branch as well as the union's principled stand against privatization. David Lier and Kristian Stokke[75] convincingly argue that social-movement unionism, successful in the struggle against apartheid, has significant limitations in a political alliance such as that of COSATU-ANC, where unions can no longer play an exclusively oppositional role.

Finally, SAMWU's opposition to iGoli 2002 revealed divisions and contradictions in the union's strategies. At root these revolved around whether the union's most effective role is to contest broad social policies, or to manage them primarily in the interest of its members. SAMWU's Gauteng provincial office pressed for a pragmatic approach that prioritized negotiations over jobs and benefits in the post-iGoli municipality. As Byiana puts it, "as a trade union, we are reformist," which essentially means that:

> We have a responsibility of defending and protecting our members... We would like a situation where even if there are corporatized entities it is still possible to strike an agreement that says that the council guarantees jobs.[76]

This pragmatism, to the point of conceding SAMWU's principled opposition to corporatization, markedly contrasts with the rhetoric deployed by top union officials. During the aborted Johannesburg strike, SAMWU's general secretary, Roger Ronnie, argued that

> People have lost a lot of confidence in the ability of political parties to give expression to their needs. We will take up their struggles independently of parties. We need to build strong alliances with community forums.[77]

In the end, as SAMWU research officer, Rob Rees, noted, while the union's headquarters deployed traditional social movement unionism and antiprivatization rhetoric, Johannesburg local offices chose an economistic course focused on members' wages and jobs. Pressures from the ANC helped tilt the balance of power in this latter direction: The ruling party was alarmed by the convergence of union rank-and-file radicalism and antigovernment social movements.[78] The leadership of COSATU also opposed social movements like the Antiprivatisation Forum, which it accused of ultraleftist "adventurism" and preconceived ideological opposition to the ANC government.[79]

Further constraining SAMWU's radicalism are probably its growing difficulties in representing a changing municipal workforce. The 1997–2000 freeze on permanent hiring accelerated trends towards more contingent and casualized employment. In the service that traditionally employs most casual workers, waste management, their share of the total headcount jumped from 36.6 percent in 1998 to almost 50 percent by the end of 1999.[80] SAMWU does not represent significant numbers of nonpermanent employees. Approximately seventy percent of SAMWU's GJMC members are located in low-wage, low-skill hourly occupations. Less than ten percent, however, are in fixed-term contracts, while casuals are basically absent.[81] Moreover, SAMWU's opposition to casualization may contradict demands of community residents for whom casual municipal jobs, for example in refuse collection, often represent the only employment chance.[82] Once more, the defense of members' status sits uneasily with the union's social movement rhetoric.

By 2005, as a result of the establishment of corporatized services, only 6,000 of the 25,000 members of SAMWU's Johannesburg branch were directly employed by the Johannesburg municipality. The rest fell under corporatized utilities and agencies, whose managers have shown a growing opposition to bargain collectively over wages and working conditions.[83] SAMWU remains the largest local government union in South Africa, with 55.9 percent of the total workforce, and 70 percent of GJMC employees, among its members. From the late 1990s, however, its membership has started to decline. As possible explanations the *Secretariat Report* to SAMWU's 2003 congress mentions a growing "lack of appeal" for militant and political unionism, and the attractiveness of legal centers and service organizations as alternative ways to protect jobs and benefits.[84] More research is needed on the impact of privatization on negative membership trends. They seem however to confirm a deep crisis of social

movement unionism as a means to mobilize municipal workers in a rapidly liberalizing context.

Conclusion

Rather than providing a coherent organizational model, South African "social movement unionism" historically responded to the shifting requirements of national labor politics, and to opportunities and constraints that individual unions have experienced in their locales and labor processes.

In the case of municipal workers, SAMWU's development as a social movement union was not primarily the result of an ideological alignment with the ANC-led national liberation movement, or the product of a politicization originated from external political circumstances. Born at the intersection of different trade union traditions, SAMWU's involvement in political struggles and social movement politics was crucially enabled by the position of municipal workers as employees and citizens, and as producers and users of services. At the same time, the appeal to community mobilization counterbalanced specific difficulties facing municipal unionization, historically impeded by apartheid-era repression.

While social movement unionism was highly effective in the struggle against state racism, the story of SAMWU's opposition to iGoli 2002 shows the limitations of such a strategy in a context of democratization and liberalization. According to various scholars, the growing rift between South Africa's trade unions and community politics reflects a decline of social movement unionism linked to organized labor's changing position in the new democratic dispensation.[85] The possibility for trade unions to defend their members' jobs and wages through institutional channels and access to the ruling party would then marginalize rank-and-file and community activism. Karl Von Holdt[86] argues that South African social movement unionism could only develop under undemocratic conditions, which during apartheid allowed radical labor-community alliances to act as outlets for the politicization of workers' demands.

Affiliation with COSATU, and COSATU's alliance with the ANC, unquestionably constrained SAMWU's radicalism and its relations with antigovernment social movements. In Johannesburg, SAMWU's position has been further weakened by the casualization of employment and the fragmentation of collective bargaining that have accompanied municipal restructuring. Faced with such circumstances, SAMWU eventually chose to downscale its opposition to iGoli 2002 and focus on protecting its members' interests. The failure of union-community alliances casts here a shadow over the future prospects of social movement unionism. It also raises, however, new questions on what alternative strategies radical social movements can use in the future to oppose privatization.

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The Two Faces of Petr Arkad'evich: Land and Dispossession in Russia's Southwest, ca. 2000

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Abstract

At the beginning and the end of the twentieth century, the Russian imperial and post-Soviet governments pursued large-scale projects to transform land tenure in the countryside. Based on the belief that people would work harder and more productively on land they themselves owned, both reform programs divided collectively-managed land into individual parcels. Post-Soviet land privatization, consciously modeled on the Stolypin-era reforms conducted in early twentieth-century Russia, resulted in the dispossession of much of the rural population. This article examines privatization in a district of Voronezh *oblast*' in Russia's southwest, considering contemporary processes through an historical lens. It shows how successful local efforts to adapt to markets and preserve large-scale agriculture nonetheless resulted in rural dispossession.

> "*Kak eto, zemlia nasha—bez nas zhe prodolas*'?"   —*Okraina*, 1998
> "How is it that our land was sold without us?"

Introduction

Petr Arkad'evich Stolypin, Russia's reformist prime minister (1906-1911) who oversaw a program to enclose land communes in forty-seven *gubernias* of the country, was, in the view of Sergei Witte, the prime minister who preceded him, "thickly coated from head to toe in provincial liberalism."[1] Stolypin's liberalism, however, extended only to economic ideas. His monarchical loyalties, his retrograde reform of suffrage law, and his persecution of political enemies suggested a harder disposition at odds with his vision of economic change. Widely reviled in Soviet historiography and the Russian public imagination, the erstwhile prime minister experienced a revival in Russian political life toward the end of the 1980s. After the fall of the Soviet Union, economic liberals seeking an antidote to Stalinist agriculture advanced a vision of an agrarian capitalist future based on Stolypin-era land reforms.[2] That vision included the reorganization of collective and state farms and modernization through the creation of yeoman farms. The partition of early twentieth-century land communes became the basis for a narrative of tradition that post-Soviet reformers used to advance a program of privatization.[3]

Despite the Stolypin-era reforms' centrality in marketing privatization in contemporary Russia, and despite procedural similarities between the two

sets of reforms, the results of these efforts at land distribution were divergent, with, as Macey notes, a "complete dissimilarity of results."[4] What distinguished contemporary privatization from precommunist efforts was the extent of dispossession. Rather than reproducing status quo ownership and labor relations, or solely encouraging adaptation to market conditions, privatization of land in post-Soviet Russia served as a mechanism for widespread dispossession and proletarianization.[5] Russian agricultural enterprises have experienced increases in production, productivity, and profits in recent years. However, labor incentives, land rents, and working conditions for worker-shareholders largely have not improved. The formation of private property rights to land at the end of the twentieth century furthered the proletarianization of the peasantry that had begun under Soviet rule, severing labor from control over the means of production. Moreover, property rights development failed to improve labor incentives, one of the central stated aims of privatization.

Approaches to Rural Reform in Russia

Among accounts of post-Soviet rural transformation, three approaches have emerged concerning the outcomes of land distribution programs. Some scholars have argued that despite the best hopes of Russian economic liberals, there has been no discernible change linked to rural reform policies.[6] Under this rubric, change is at best "cosmetic" or superficial—a revolution only of language. In one such formulation, there has been "no genuine reform process;"[7] the names for former collective and state farms (*kolkhozy* and *sovkhozy*) have changed, but actual patterns of land tenure, labor organization, and ownership have not. Others, meanwhile, have rejected the notion that agrarian reform reflects a mere "change of signboard." These accounts call attention to individuals' and enterprises' adaptation to markets, emphasizing the role of personal disposition and other factors believed to drive entrepreneurial behavior.[8] Both of these perspectives capture important elements of the process and outcomes of land privatization in rural Russia, but they each fail to incorporate critical insights that the other brings to the table. I argue instead for a conceptualization of agrarian change that regards contemporary land rights as a modern Potemkin village: a façade of *de jure* ownership that masks deeper transformation—in this case, transformation that includes dispossession in the post-Soviet Russian countryside.[9]

This view shares with proponents of "cosmetic reform" the assessment that new property rights exist primarily in the world of bureaucracy. Worker-shareholders own land "on paper, on paper. And where that land is, who knows?"[10] The superficiality of change suggests more than a failure of institutional reform. It also serves a purpose. Paper rights conceal processes of change that, while benefiting a few, resulted in dispossession for the many. Like the wooden facades that, according to legend, were constructed along Crimean roads to impress and mislead Tsarina Catherine the Great during her travels at the end of the eighteenth century, post-Soviet Potemkin villages

convinced Moscow of local state officials' loyalty and international lending and trade organizations of Russia's commitment to property-rights reform.[11]

That farm directors, members of district land committees, and other agricultural elites refused or failed to comply fully with demands emanating from Moscow should not suggest that elites opposed market reform as such. As Stephen Wegren argues, the logic of their behavior was economically rational and their response to reform adaptive.[12] Rural business elites resisted not the market, but the allocation of meaningful rights to worker-shareholders, such that those rights would have threatened the competitive advantage of enterprises or the personal fortunes of those elites.

Some observers attribute business elites' reluctance to implement reform to bureaucratic intransigence inherited from socialism. However, farm elites' motivation in obstructing certain elements of land privatization (all the while benefiting from other elements of it) was fundamentally market oriented. Wegren counters the claim that farm managers resisted reform by emphasizing managers' interest in profitability.[13] But adaptation to markets does not preclude maximization of self-interest and profit at the expense of the rights of new owners. Rather, a promarket and antiworker stance on the part of the economic elite is consistent with market adaptation. The two "faces" of the Stolypin reforms' late twentieth-century incarnation are not incommensurable, but complementary.

Privatization failed to create new mechanisms of capital accumulation and reproduction for most rural people, and the acquisition of property rights came at a high cost. Some of this cost proceeded from the broader economic context into which private land rights were introduced. The urban bias of post-Soviet agrarian policy, and its negative effects on rural populations, has been documented widely.[14] As in so many other countries implementing similar reforms, interactive effects between land privatization and other elements of structural adjustment left rural people in a disadvantaged position.[15] In 1992, as the reorganization of agricultural enterprises began, Russia's borders opened to trade, price controls were lifted on most goods, and the government slashed budgets to resolve balance of payments problems. Markets flooded with agricultural goods from abroad. Agricultural subsidy regimes in the west and cheap labor to the east kept prices low on imported goods, and Russian producers could not compete. The difficulty of extracting value from land ownership, together with changing payment structures for labor, deprived people in rural Russia of opportunities for capital accumulation during the early years of post-Soviet market development. As Cindy Hahamovitch and Rick Halpern have observed in arguing for the inclusion of agricultural workers in class analysis, "Classes form in the countryside but they also unravel. States help build classes and destroy them, sometimes at the barrel of a gun, sometimes simply by letting prices fall or borders open."[16]

The privatization of agricultural land in post-Soviet Russia is thus one thread of a broader narrative of dispossession in post-socialist societies.[17] Just as in cases of industrial privatization, the *de facto* managerial takeover of

whole collective farms as if they were individual private possessions did not right historical wrongs. Post-Soviet privatization of farmland and agricultural enterprises did not involve restitution and was not intended to restore ownership to enterprise owners whose holdings previously had been nationalized. Instead, late twentieth-century rural reform was to restore land to the tiller. The individuation and allocation of land that in many cases had no single owner prior to the socialist period, and the analogous distribution of shares in warehouses, office buildings, cow sheds, tractor parks, and other products of socialist-era labor, was meant to allow individuals to acquire shares in goods they had helped to maintain or construct.[18] No wonder, then, that many rural people regarded the post-Soviet consolidation of land ownership into *latifundia* as robbery in broad daylight.[19]

Land Privatization in Liski, Voronezh oblast'

Voronezh *oblast'*, an administrative region in southwest Russia that is today home to over two million people, is a useful place to examine the process and outcomes of post-Soviet land privatization, especially in light of the Stolypin-era reforms that late twentieth century liberals meant privatization to imitate. The region had seen relative success in previous iterations of land distribution. In Voronezh *guberniia*, the Stolypin reforms had offered landless and relatively land-poor peasants genuine opportunities for acquiring plots. By 1914, landless peasants accounted for thirty-seven percent of land purchases in the *gubernia*.[20] At the time, some peasants' interests had been aligned with the positions of local elites, for at the start of the twentieth century Witte Commission committee members in Voronezh seemed poised against land communes.[21] Some fifteen years after the Bolshevik revolution, Stalin's collectivization of agriculture in Voronezh resulted in the consolidation of land holdings and the formation of collective and state farms. However, by the end of the twentieth century, even as the Voronezh "Red Belt" political establishment continued to express loyalty to communist parties, and farm chairmen opposed the partition of the fields they oversaw, Voronezh had more private farmers per hectare of arable land, on average, than other Russian regions.[22]

Liski district, an expanse that includes some two thousand square kilometers of rolling hills and grain, sunflower, and sugar beet fields, is an hour's drive south of the city limits of Voronezh. In Soviet times, the district was home to several successful livestock farms. In prerevolutionary Russia, the area had been dominated by landlords and, as such, was relatively well off as a whole.[23] Liski serves as a transportation hub in the region: a major railroad junction in the town of Liski links train lines to the south, to the city of Rostov, and west, to Ukraine. Of the fifty thousand people who live in Liski district, about one quarter work in agriculture. The vast majority of Liski residents are ethnic Russians, though the district is also home to ethnic Ukrainians, Roma, and people from the Caucasus. Rural residents in the district enjoy relatively

developed infrastructure: over ninety percent of villages have gas lines, and
paved roads wind through small villages as well as towns.[24]

During the difficult 1990s, local state officials in Liski adopted agricultural
policies intended to preserve the district's comparative advantage. The district
provided assistance to large farms in obtaining credit and marketing agricultural
production.[25] Despite intense pricing pressure to cull livestock herds, district
agricultural officials enforced a strict policy of maintaining livestock populations.
When price scissors eventually subsided, farms in the district were positioned to
reclaim their place in the regional economy as important producers of milk and
meat.[26] Such decisions, together with a felicitous location and transportation
links to urban markets, have allowed the district's relative prosperity to continue
to this day.

Even as state officials in Liski were mindful of preserving the productive
capacity of large farms in the district, they seemed tacitly to discourage the
development of small-scale, private commercial farming, a movement that
first emerged in the late 1980s based on leasing brigades within agricultural col-
lectives. By the mid-1990s, after the period of most intense creation of private
farms, Liski had allotted a smaller proportion of arable land to private
farmers than any other district in Voronezh region.[27] Here, as elsewhere in
Russia and other post-Soviet states, private farmers encountered difficulties
obtaining land because "the [collective farm] chairman was against it."[28]
Directors of collectives could in practice, though not in law, veto allotments
from the territories they managed. Farm chairmen were sometimes open in
their dislike of distribution policies, noting that they "wouldn't like to hand
over land."[29] Meanwhile, state land committees charged with overseeing
reform did not use their leverage to counter collective farm chairmen's resist-
ance to allotment of land for private farms. Chairmen also found allies in the dis-
trict press, which published numerous articles critical of land privatization,
advocated for buying produce locally, and positioned itself as a protector of
rural interests.[30]

Regional politicians nonetheless held Liski up as an example of successful
agricultural business strategies. In 1998, on the eve of the currency crisis that
brought Russian cities to the brink but temporarily boosted rural economies
by dramatically decreasing the importation of food from abroad, the deputy
governor of the region named Liski one of three districts that had excelled in
economic reform.[31] Liski's relative wealth, and the improvements in agricultural
production it had experienced in recent years, should have provided a fertile
environment for rural worker-shareholders to benefit from ownership.

Resurrecting Stolypin?

Land privatization in post-Soviet Russia transformed the ownership structure of
the collective and state farms that had dominated Russian agriculture since the
1930s. During the Soviet period, land had belonged to "the people," with the
state as executor. After the fall of Soviet power, at the behest of the Russian

President and a parliament deeply divided on the issue, collective and state farms were reorganized as agricultural cooperatives, joint stock companies, and other corporate forms. For most organizational forms, the land and non-land assets of each enterprise were divided on paper among individuals who currently worked on the enterprise or had retired from it within the previous twenty years. The exclusion of rural social-services workers, "as if all that time they lived and worked not in the village, but on another planet,"[32] as well as older pensioners created social conflict and a degree of gender inequality in the process. Education and healthcare workers were mainly women, as were older pensioners—a great number of their male counterparts had died fifty years before, as Black Earth villages met Hitler's army.

According to the specifications of post-Soviet land reform policy, the amount of land each worker-shareholder received was determined by a district norm. Remaining land became part of a district land fund, to be distributed to petitioners for land for private farms or to be used by reorganized collectives. Non-land assets were distributed according to a formula that took into account position and years of service. Members of collective farms and workers on state farms, once their enterprises had undergone this process, received documents attesting to their right to a particular amount of land—in Liski, about five hectares—on the territory of the collective in question. In theory, shareholders had a number of options: they could have their land allotted and farm it themselves; they could have it allotted and lease it to a private farmer or other enterprise; or they could lease it back to the reorganized collective. In practice, the last option was often the easiest and most sensible. The lack of developed land markets, and the high financial and social cost of removing the land from collective use, led most to continue to remain on reorganized collectives.

Under Stolypin, peasants who successfully petitioned for allotment and consolidation of land holdings avoided the periodic repartitions carried out by the peasant communes that had governed land use during the post-emancipation period. Like post-Soviet land privatization, the Stolypin-era reforms were directed at a real or imagined latent entrepreneurial class who, stifled by the inefficiencies of commune-directed land tenure arrangements, would emerge as "pioneers" in farming.[33] Under the commune system, households received multiple allotments that they farmed until the next repartition: in Voronezh, one in six peasants farmed more than twenty individual strips of land.[34] In principle, this arrangement allowed members of communes relatively equal access to good soil, even as it placed certain limits on farming technology and made arguably excessive demands on labor resources. The Stolypin reforms allowed peasants to consolidate and receive title to their scattered holdings. The political implications of this proposed shift were clear: allotment and consolidation of land would weaken the commune and, amidst the upheavals of early twentieth century Russia, its potential as a locus for "rebellious activities."[35]

In post-Soviet Russia, converting paper rights into access to land and non-land assets was a difficult process. Allotment of land was both expensive

and, often, not in the interest of the former collective. As in the case of Stolypin-era reforms,[36] some villagers resisted enclosure, initiating violent attacks against those participating in partition and consolidation. Meanwhile, shares in non-land assets were almost never allotted. The value of those assets—farm machinery, storage facilities, livestock sheds, and buildings— required ongoing valuation and readjustment amidst sustained hyperinflation and currency devaluation. Furthermore, shares in non-land assets were small relative to enterprise debt, and some directors threatened worker-shareholders with assessing their individual share of debt as well if they requested their share of assets.

Because membership in a community was key to access to land, contestation over membership in the collective or commune was a central feature of both processes of transformation. Early twentieth-century communes worried about allotting land to women and migrant workers who, due to their social position, stood to lose access to land if they did not petition for allotments.[37] Post-Soviet farm directors and land committees viewed the same groups through a different lens: marginal members of society had little chance of competing with larger producers and as such, posed no significant threat to the existing order. For this and other reasons, women and migrant petitioners for land were sometimes granted fields where others were refused.[38] The use of "dead souls," meanwhile, appeared in attempts to claim land.[39] In both cases, outsiders were central to land distribution[40]—both in reality and in the imaginations of locals, who at the end of the century expressed their concern in an oft-repeated refrain that "we'll be slaves on our own land." As the Liski newspaper noted in 1992, "In places we're threatened by expansion through the transfer of land as private property to enterprising people from the south."[41]

Despite some basic similarities, both the process and the outcome of post-socialist land privatization differed from the Stolypin-era land reforms they were meant to recapitulate. Macey identifies four important distinctions between rural reforms during the first decade of the twentieth century and those at century's end.[42] First, in contrast to post-Soviet reform policies, Stolypin-era land distribution occurred in a context of developed markets. Second, the earlier reforms involved extensive state participation and engagement at the local level. Third, Stolypin-era reforms exhibited a "pro-agricultural" rather than an urban bias.[43] Finally, early twentieth century land distribution was expressly intended to forestall the proletarianization of the countryside and stem the tide of urban in-migration.[44] On this last point, post-Soviet land distribution also was meant to safeguard social stability through the creation of a rural middle class. However, where Stolypin-era reforms may have succeeded in accomplishing this aim, post-Soviet reforms failed utterly: property rights development in contemporary Russia resulted in a rural population with few meaningful rights to land ownership beyond the household plots of their backyards.

Among historical efforts at transformation of land tenure regimes in Russia, postsocialist privatization was distinguished by the absence of a bureaucratic vanguard. Despite the strong momentum driving certain elements of

post-Soviet rural reform, this "urge to mobilize"[45] was not supported by shock troops from the capital, such as had accompanied collectivization.[46] Unlike many of the land captains who were responsible for overseeing reform of rural communes in the early twentieth century,[47] state officials charged with carrying out privatization were local people with broad discretion in carrying out their duties.[48] Although access to state resources made them relatively privileged within their communities, the men and women who staffed district land committees, land tenure offices, and village councils lived lives embedded in local rural social networks. As a result, some rural officials held a personal interest in the outcomes of battles over land distribution. The "local engagement" of the post-Soviet era often involved obstruction, rather than promotion of reform, by those charged with its implementation. However, as some local officials discovered ways to appropriate land for themselves or their kin, they pushed ahead with privatization, using the bureaucratic channels to which they had access.

Agricultural technology also shaped the implementation of land reform during the two periods in radically different ways. For all of the social and indirect economic costs of land allotment in the Stolypin-era reforms, there was a certain sense to the incentives they offered. They presented peasants an opportunity to address the challenges of tilling narrow and scattered strips of land.[49] Consolidation allowed easier and more efficient use of ploughs and other tools in wider allotments. With consolidated plots, peasants could avoid potentially catastrophic losses of time incurred while traveling between strips. For mid-sized farms with appropriate labor, land, and livestock ratios, the main economic drawback of consolidation—the potential loss of communal grazing rights—could be managed by tethering animals.[50]

Post-Soviet land reform offered none of those potential benefits. On the contrary, the capitalized character of Soviet agriculture made land allotment a more complicated and risky enterprise than Stolypin-era consolidation. Agricultural collectives in the Black Earth grew grain, sunflower, and sugar beet in fields that stretched for hundreds or thousands of acres, with centralized irrigation systems and storage facilities. With the exception of the long, hot task of hand-thinning sugar beet, the cultivation and harvesting of industrial crops was mechanized in the late-Soviet Black Earth. The use of combine harvesters and other large machinery led directors of collectives to resist land allotments from any but the most marginal fields. Otherwise, the resulting patchwork would have made the task of large-scale farming by former collectives impossible.

Hand cultivation of grain and industrial crops was inefficient and unprofitable, and growing vegetables in marginal fields required an unreasonable investment of labor and time in travel. Local state officials often demanded, therefore, that post-Soviet petitioners for agricultural land first acquire appropriate machinery. This requirement created delicate timing problems for would-be farmers, for "the process was such that before, they were giving out 100 hectares, but I had no machinery. By the time I had prepared machinery, you couldn't get land."[51] Such an investment was a risky proposition: applicants

had no guarantee either that land would be allotted, or that it would be parceled in time for sowing that year. As one Liski farmer wondered, "Why would I have a tractor if I have no land?"[52]

Even those private farmers who managed to obtain land risked losing it to bankruptcy or bad health:[53] farmers unable to recover the cost of initial capital investments in good time could face difficulty planting or preparing their fields in subsequent years. Land zoning rules allowed district state administrations to repossess land that was not being used for its intended purpose. This situation was exacerbated, as it had been under Stolypin reforms, by limitations on or exclusion of the use of land as collateral. In Liski, as in other districts, some farmers went out of business; according to official statistics, twenty-eight private farmers were registered in the district as of January 2000.[54] By May of the same year, the situation had changed:

> Now there are probably twelve of us. There were thirty, now there are twelve. . .. It happened slowly. They melt, so to speak. They just don't survive. You need a lot of machinery, and it's hard with machinery. Machinery is expensive. You can't pay it off. But for me . . . I crawled out . . . I processed everything myself, sold my store and paid it off.[55]

Those farmers who had the means and luck to pay off the debts they incurred in starting their businesses encountered continual challenges in operating a farm. Even powerful private farmers—"when I stop into the bank, everyone there knows me"—were unable to obtain credit from state or private banks on reasonable terms. At the turn of the millennium, credit was issued at "fifty percent. It's highway robbery."[56] The state support for private farming that had characterized the initial stages of privatization was withdrawn: "Before they gave us discount rates, when we were starting out . . . it used to be three percent, and now it's fifty."[57]

In contrast to Stolypin-era reforms, in which allotment made the best economic sense for mid-sized farms and households, the political economy of post-Soviet land distribution favored the wealthy or well-connected, on the one hand, and poor or marginal villagers who had nothing to lose on the other.[58] In both cases, poverty sometimes prevented exit from the commune, as would-be farmers encountered a multitude of economic obstacles to creating prerevolutionary and post-Soviet *khutora* (independent farm homesteads) or *otruby* (farming allotments).[59] But middling villagers also faced economic obstacles: worker-shareholders in reorganized collectives relinquished communal grazing rights for their household livestock when they allotted land, and tethering meant unmanageable labor demands and inefficient use of land.[60]

In post-Soviet Russia, such obstacles led farm managerial cadres to conclude that most rural people "don't want to establish private farms" because "it's not realistic."[61] Collective farm chairmen, who had reason to avoid allowing allotments from the fields they managed, were thus able to claim more or less plausibly that only economic, not political constraints prevented worker-

shareholders from leaving: "one candidate for private farmer was found on [the former collective] 'Daybreak.' The collective farm would allot land for him tomorrow. But with his monetary share, the would-be owner can barely buy a couple hundred kilograms of cement. Knowing how much things cost in the real world, the guys in [the village of] Trinity decided to remain on 'Daybreak.'"[62]

Mechanisms of Dispossession

The widespread character of dispossession in the Russian countryside is linked less to the limited creation of private farms—the post-Soviet equivalent of Stolypin-era *khutora*—than to the distribution and titling of collective and state farmland. As in so many other instances, the process of privatization itself contributed to the dispossession of workers and concentration of capital in the hands of managers. Worker-shareholders who remained on former collective and state farms gained expanded access to rented plots for household production,[63] but most lost other resources and opportunities for capital accumulation as commercial agricultural land was divided into shares. Even as large-scale farms continued to function as primary economic engines and social anchors in rural Russian communities, worker-shareholders lost ground, unable to take advantage of the benefits of ownership.[64]

The social organization of former collective farms limited worker-shareholders' ability to gain from ownership.[65] At the village and enterprise level, two sets of actors—state officials and heads of collective farms—controlled both the official distribution of land shares and the conditions under which worker-shareholders could use those shares. The language that both worker-shareholders and heads of farms used to describe leasing arrangements is suggestive of the rigid hierarchical relationships that continued to characterize reorganized agricultural collectives. The verb that frequently appears in such accounts, for example, is *zabrat'*—to seize, or collect, as in, "We collected land shares from people."[66]

Gender labor hierarchies likewise shaped the value of property rights for rural people. Among nonspecialist worker-shareholders, machinists, who during the late-Soviet period were almost exclusively men, had skills best suited for private commercial cultivation. Meanwhile, as struggling collectives outsourced livestock production to individual households, the women who staffed dairy farms took on substantial additional labor burdens with only minimal compensation.[67] When it came to negotiating land share lease payments, women were in a less advantageous bargaining position than their male counterparts: "Guys can work as drivers, machinists, and lathe operators. It's worse for the girls: if she doesn't want to go work on the [livestock] farm, she can be left without employment."[68]

Managers of collectives in Liski described reorganization as having been conducted "from above," "at the general assembly, unanimously."[69] The process of reorganization did not, in itself, change the way the farm operated:

"It was a *kolkhoz* before, and it remains a *kolkhoz*." On "Chapaev" this was a strategic choice on the part of managers, not an unintended consequence: the form of an agricultural workers' cooperative was chosen because it "corresponded to the previous form."[70] Likewise, the managers of "Fatherland" chose a workers' cooperative because it was "closest to a kolkhoz,"[71] rather than a joint-stock company, which was judged to be too expensive. There too, reorganization proceeded "unanimously" at the general assembly after the chairman had spoken: "Whatever was proposed, they chose."[72]

While collective farm chairmen did not resist market reform as such, they did try to protect their own interests and the interests of the enterprises they managed. In many cases, this meant deploying bureaucratic tactics to prevent people from leaving collectives and taking their land and non-land asset shares with them. Such measures operated out of plain view, and local newspapers often reported them using vague language: "Pensioner Ivan Senchikhin told about how people tried to take their land shares from a collapsing farm and transfer it to the effectively developing agricultural cooperative 'Liskinskii,' but they were prohibited from doing so through administrative methods."[73] In other instances, farm directors accomplished this more directly by limiting worker-shareholders' physical access to the documents that testified to their ownership of land shares.

Administrative methods included managers' threats to revoke social entitlements associated with membership in agricultural collectives. For rural people, this could mean expulsion into the wilderness beyond the "kolkhoz archipelago."[74] Farm directors used the advantages of community membership to pressure worker-shareholders to keep their land within the enterprise's control. For example, a resident of a village near the private farm "Rus'" (formerly the agricultural collective "Daybreak") noted that "At one time we received an apartment in the collective farm, they won't let us privatize it, and now it's used as a method of pressure—if you don't like life in the village, vacate the apartment.[75] Threats against access to transportation, schooling for children, and healthcare also were common. Some enterprise directors also used such threats to control not only use of worker-shareholder land, but also labor resources: in 1996, seven Liski families faced the choice of providing one adult worker per family to the collective farm "New World" or losing access to the water main that ran through the village.[76]

Such threats added to already substantial constraints on worker-shareholder mobility. By 2000, the head economist of "Fatherland" reported that, "No one has taken his share. They lease them [to Fatherland], but the contract conditions are unfeasible."[77] Without cash to pay for allotting land, many worker-shareholders had no practical choice but to lease their shares to reorganized collectives. This was especially the case in districts with few powerful private farmers who might "work it out with the pensioners, with the grandmas, because they all have five hectares of land each."[78] This was not due to a lack of desire to allot land, as in a neighboring district, where "there are more and more people who would like to leave the former collective with their land share,"[79]

but rather due to a structural inability to do so. Despite Liski's relatively advantageous location with respect to transportation and industry, there were few alternatives to leasing land to the former collective. With no private farms nearby, "People have nowhere else to go."[80]

Wages of Ownership

If social control played an important role in shaping worker-shareholders' access to the benefits of ownership, low lease payments for land shares also limited rural people's opportunities for capital accumulation at critical periods during the process of privatization. In addition to the formal monopsony that characterized land share markets in areas without strong private farmers, worker-shareholders faced other obstacles in extracting value from land share ownership. Many farm directors did not sign leasing contracts with worker-shareholders; those who did sometimes withheld them from shareholders' view, locking them in the safe in their office.[81] Lease payments were symbolic, often a few sacks of grain at harvest time. In 2003, the Voronezh regional newspaper observed that, "Last year for the first time in ten years they distributed two hundred kilograms of grain, five liters of vegetable oil and fifteen kilograms of sugar for each share."[82] The value of even such a windfall could do little to feed a family for the year; two hundred kilograms of grain was worth at most 600 rubles at the time, about ten days' pay for one person.[83] In Liski, the situation had become so serious by the following year that district council found it necessary to issue a recommendation on the value of land rents. According to the recommendation, for each share, the leaser should provide 500 kilograms of grain, fifteen kilograms of oil, fifteen kilograms of sugar, free plowing of household plots, and "household" and funerary services.[84]

The low value of rents as well as other aspects of rural land privatization separated control ofthe means of production from labor relations and incentives. During the late Soviet period, members of collective farms had received not only remuneration for labor, but also entitlements based on community membership. Payment was thus linked, in part, to members' legally underspecified but socially constituted stake in the health of the collective farm. The conditions surrounding land privatization changed aspects of this relationship, subtly decoupling worker-shareholders' role as laborers from their role as owners. This was precisely the opposite of what reformers had intended. As in Stolypin-era reform, land ownership was meant to improve stewardship and to strengthen the link between the land and its tillers. The Stolypin reforms produced a similar paradox: then, those most likely to participate in allotment were those who intended to sell, not improve the land.[85]

Many agricultural enterprises calculated land rents based on production levels.[86] As one farm director described it, "We work according to contracts. If we have a harvest, you'll receive [what is specified in the contract], if not, you won't get anything."[87] This choice reflected the belief that ownership would improve labor incentives by giving rural people a stake in the productivity

of former collectives. However, in most cases this arrangement instead held rural people hostage to economic conditions they could not control.

Agricultural enterprises in Russia faced enormous economic and logistical challenges during the 1990s and into the new millennium. Contrary to prevailing beliefs, most of these challenges were not linked to the quality or intensity of labor. During the late Soviet and post-Soviet periods, former collective and state farms did face unstable labor cadres—"people come and go"—and machinists were perennially in short supply.[88] However, market reforms did not address or resolve the supply chain problems that had plagued agriculture during the 1980s.[89] High oil prices exacerbated the problem, leading farm managers to lament that, "before, you didn't have to kill yourself trying to figure out where to get diesel."[90] Because of serious difficulties in locating steady supplies of agricultural inputs, it was "impossible to establish a reserve,"[91] and enterprises could find themselves without key machine parts, storage materials, or fuel at critical times during the growing season. No matter how hard worker-shareholders were willing to work in order to improve production, structural constraints limited enterprise profits.

Farm profits also were limited by reliance on middlemen who set their fees according to a proportion of the harvest, rather than a volume of goods or a cash amount. Middlemen handled plowing, harvesting, and crop storage. During the post-Soviet period, they asked up to thirty percent of the harvest for any one of these services. Some agricultural middlemen acquired their assets at fire sale auction prices during the early 1990s: as well-placed individuals purchased industrial enterprises at auction for a fraction of their market value, "the reform started, the buy-up, including of agricultural machinery. They bought up shares of stock for almost nothing."[92] In Liski, the primary provider of machinery was the RTP (Repair and Machinery Enterprise)—a company whose controlling shares were held by a Moscow industrial bank. It serviced all large agricultural enterprises in the district, as well as private farms. Because the Liski RTP worked with all major agricultural enterprises in the district, it was a significant provider and thus shaped local prices. Contracts with the Liski RTP were paid half in cash and half in harvest—or in metal, electricity, or gas.[93] Harvest payments were priced upon delivery, rather than at the time of contract,[94] and at the height of the harvest season, prices were at their lowest. Agricultural enterprises without adequate crop storage facilities were compelled either to sell a substantial portion of their harvest immediately at low prices, or to pay for storage until prices increased—in which case they risked spoilage, pest contamination, or mixture with lower-quality grain.

Farms in Liski, like farms throughout Russia, faced additional heavy financial obligations in taking on the burden of social service provision to pensioners, who were less likely than others to have the money for land-share allotment. In 2000, the director of "Chapaev" put it this way: "There are very many pensioners. We can't do what we want because we have to service them. Of 1,200 people, only 340 are workers. The rest are pensioners."[95] On nearby "Fatherland," 260 workers maintained an enterprise that served 400

pensioners.[96] Like the members of Stolypin-era land communes who worried that those who sold their land allotments could become a "burden to the commune,"[97] directors of enterprises had not only to run the business, but also to provide for less able members of the community. Post-Soviet agricultural enterprises were released from state control into an economic environment that could sink even strong firms, just as local state institutions externalized costs by *de facto* leaving social service provision to those firms.[98] Farm directors handled this problem by subtracting the cost of services from land rents—hence the Liski district council's explicit recommendation of "household" and funerary services as part of leasing arrangements.

The low value of land rents meant not only that land shareholders did not gain from ownership, but, as other elements of institutional reform proceeded, they also lost through taxation. Post-Soviet land tax requirements may bear greater resemblance to Russian post-emancipation land tenure arrangements than to Stolypin-era reforms in the burden they placed upon rural people: emancipation required peasant households not only to accept shares in communal land but also to pay the taxes imposed upon those shares.[99] Under privatization, the deputy head of the Liski land committee described rural peoples' "great unwillingness" to accept land share documents during the mid-1990s.[100] When some rural people resisted participation in post-Soviet land share distribution, their motivation was likely not ideological. Rather than demonstrating culturally based antipathy toward markets, as some commentators have suggested, members of collective farms simply may have been wary of the financial obligations that nominal ownership would eventually impose upon them, for "a great deal became clear when the 'trap' worked and land taxes sharply increased."[101]

Some worker shareholders responded to increased tax burdens by attempting to extricate themselves from ownership relations. However, this proved costly both in the direct financial sense and, in some cases, in terms of the social relationships that sustain informal economic life. The sale or gift of a land share required expensive cadastral work that alone could cost a pensioner half of her monthly income. For people living paycheck to paycheck, this constituted an overwhelming burden that did nothing to improve future income. Rather, it merely staved off total ruin: "Tax debts are growing. 'Law experts' arrive from the district center and warn: if you don't pay taxes or properly register your refusal [of land] we'll inventory your property . . . they can take away your house and . . . resettle you in a dormitory."[102]

Payment for Labor

Worker-shareholders in Liski, elsewhere in Voronezh, and across Russia found themselves in a predicament: land privatization should have conferred benefits of ownership that would improve labor productivity and allow them to achieve a middle-class life. The main mechanisms of capital accumulation available to them, however, turned out to be household production and labor on

reorganized former collectives. The latter was a necessary support for the former: wages from work on the collective, whether in cash or in kind, helped sustain household production.[103] Worker-shareholders took the feed grain, young animals, hay, construction materials, salt, sugar, and other commodities they received through their association with former collectives and used them as inputs for their gardens and livestock husbandry. Some managed household production successfully and produced a meaningful marketable surplus. Others fell into or remained in poverty, due in part to the problem of wage arrears after privatization.

The relative success of large agricultural enterprises in Liski during the post-Soviet period did not protect worker-shareholders from continual delays in receiving their wages. Some directors raised livestock workers' salaries in order to compete more effectively in a thin labor pool,[104] and one farm director claimed to have offered an advance to milkmaids, paying them monthly and in cash in order to raise productivity.[105] However, most worker-shareholders did not receive regular payment for their work. In Liski, five years into the period of liberalizing economic reforms, a nine month delay in distribution of wages on state farm Kolybel'skii led milkmaids to slow production,[106] while livestock workers on the Petropavlovskii collective farm refused to feed or milk cows in protest of unpaid wages.[107] The situation escalated to the point of open conflict by December 1998, when the milkmaids of the "40 years of October" collective farm "literally assaulted" its head, threatening to stop milking the cows if he did not release their wages for October and November.[108]

Even after wage arrears had been addressed in Russia's industrial sector, agricultural enterprises continued to withhold wages from worker-shareholders. In a nearby district, a private farmer later commented that, "With every year the situation on the agricultural enterprises becomes more troubled. In places people haven't seen their salaries for years."[109] Even in Liski, where workers were paid more on average than nearly any other district in Voronezh, the situation only worsened over time.[110] In May 2000, even strong enterprises were withholding wages for three months,[111] and other large agricultural enterprises in Liski had not paid their workers for six to seven months.[112] As the head economist for "Fatherland" described the situation at the time, "There's no salary, no incentive."[113] By the summer of 2003, wage arrears had skyrocketed. Agricultural production in Liski had increased, but enterprises in the district had an outstanding wage bill of over 446 million rubles,[114] and the average Liski worker-shareholder had not received payment for their labor in well over a year.[115]

On one of the healthiest farms in the district, where worker-shareholders received up to sixty percent of their wages in cash, worker-shareholders' constrained mobility in the face of weakened public transportation infrastructure limited how they could spend their wages. The director of "Pavlovskoe" explained how wages were paid:

If there's a harvest, I can sell it if they want. I'll give out the money . . . they'll go . . . anyway to shop at the market or somewhere. On the *kolkhoz* we have meat

and so on . . . whatever we have, they get from the *kolkhoz*. So it's not a problem because they're going to buy it anyway. Here we just write off the salary and that's it.[116]

For worker-shareholders, part of the potential problem lay in how those prices were computed. The arrangement saved workers transportation and time costs, but it introduced other limitations. First, workers often were compelled by force of circumstance to accept whatever price the farm's accountant decided to use, and second, individual workers' social status could shape access to particular commodities.[117]

Worker-shareholders recuperated some proportion of unpaid wages in pilfering and "pan-toting," but it is not possible to state with any accuracy to what extent, and among what communities, this was the case. Notwithstanding such attempts at compensating for wage arrears, delays in payment for labor posed multiple problems for worker-shareholders and acted as an obstacle for capital accumulation—itself a necessary condition for land acquisition. Worker-shareholders who faced wage arrears during times of inflation suffered particularly, as they saw their "savings" plummet in value, unable to redeem them for durable goods.

In periods of acute social conflict, such as the currency crisis and subsequent political reshuffling of August 1998, rural people were more insulated from food shortages than their urban counterparts. However, they were more vulnerable than usual to difficulties in obtaining goods for which they normally paid cash, as people from urban areas swept villages in search of reserves of oil, salt, matches, soap, and other staples.[118] In such situations, a lack of immediate access to cash could translate into an inability to convert household production into storable food for winter or market. Finally, the seasonal nature of agricultural work, including household production, meant that delays in allocation of either cash or in-kind payments could place worker-shareholders and their families at risk, unable to plow or sow their garden plots on time, or at a loss as to how to predict whether fattening animals for market for a period of months would result in a net loss or gain for the household.

Conclusion

The land privatization programs implemented across Russia in the years following the Soviet collapse, though modeled on early-twentieth-century land reform, produced results that were more problematic for rural people than even the most critical accounts suggest Stolypin's efforts had been. Ownership did not give post-Soviet rural people access to mechanisms of capital accumulation or reproduction. Rather, it resulted in the loss of access to land and other productive assets. Most rural people who have managed to raise their standard of living, or even to prosper, did so without the benefits legal land ownership was meant to provide.

The changes of the 1990s and early twenty-first century not only affect the present, but also will limit many households' future prospects for acquiring land. Like Petr Arkad'evich Stolypin, Russian economic liberals in the post-Soviet period viewed enclosure as a way to foster rural households' independence, encouraging economic development and liberating people from social control. Instead, privatization led to the entrenchment of managerial control on former collectives. Today, rural people live in a world in which their paymasters also govern their access to housing, healthcare, schooling for their children, and finally, the federal ballot box. Only elections for farm directors—a holdover from the Soviet era—enable some villagers to find a degree of autonomy for themselves, as in one former collective in Liski, where "the administration didn't want a woman to be the chairman since it's a complex farm, but people insisted and elected her."[119]

If Stolypin first served as a reference point for land reform in post-Soviet Russia, he continues to figure prominently in discussions of contemporary Russian politics. But fifteen years after the fall of the Soviet Union, he is no longer an exemplar for economic reform. Rather, his other incarnation, as an arbiter of a stern political order, has come to dominate national political discourse. Historiographical battles over Stolypin, in which he is alternately portrayed as an autocrat or liberal, as a destroyer of vibrant peasant communities or liberator of entrepreneurial-minded rural people, suggest either vastly divergent interpretations or a man, as a recent biographer suggests,[120] of divergent character. However, that apparent divergence, like the behavior of farm managers who at once adapted to markets and stood in the way of workers' rights, is fully compatible with a market order. In post-Soviet Russia, the emergence of consolidated managerial power and dispossession should be no surprise: under enclosure policies that exclude the active participation of those who will be most affected by reform, authoritarian politics and liberal economics are likely to go hand in hand.

NOTES

1. Sviatoslav Rybas, "Petr Stolypin kak zerkalo dlia Vladimir Putina," *Nezavisimaia gazeta* February 22, 2001. http://www.ng.ru/style/2001-02-22/16_stolypin.html

2. David Macey, "Is Agrarian Privatization the Right Path? A Discussion of Historical Models," *The Soviet and Post-Soviet Review* 21:2–3 (1994): 164.

3. More than fifteen years into post-Soviet land reforms, Russian social and political commentary continued to resurrect Stolypin in the service of a variety of arguments. For example, in March 2006 the Voronezh regional newspaper *Kommuna* urged the government to provide credit assistance to rural owners, noting, "How relevant Petr Arkadeevich [Stolypin]'s words are today!" Vladimir Shevchenko and Mikhail Lopyrev, "Spasti pashniu," *Kommuna*, March 17, 2006.

4. Macey, "Contemporary Agrarian Reforms in a Russian Historical Context," in David J. O'Brien and Stephen K. Wegren, eds. *Rural Reform in Post Soviet Russia* (Baltimore, 2002), 191. For this reason, Macey's comparison of post-Soviet rural reform and Stolypin era reforms emphasizes the goals and process of reforms, rather than context or outcomes.

5. I use the term "privatization" here to emphasize the ways in which contemporary Russian rural reforms, which specified the destatification and reorganization of farms, and the individuation and partition of land and non-land asset shares, echo other contemporary efforts at privatization of the commons. Macey (2002) has argued that most of these elements were not privatization as such. I argue that while privatization was not the result, it was the manifest intent of reform.

6. See, for example, Maria Amelina, "Why Russian Peasants Remain in Collective Farms: A Household Perspective on Restructuring," *Eurasian Geography and Economics* 41:7 (October-November 2000) and Max Spoor and Oane Visser, "The State of Agrarian Reform in the Former Soviet Union," *Europe-Asia Studies* 53:6 (2001).

7. Macey, "Contemporary Agrarian Reforms," 191.

8. Stephen K. Wegren, *The Moral Economy Reconsidered: Russia's Search for Agrarian Capitalism* (New York, 2005).

9. Jessica Allina-Pisano, *The Post-Soviet Potemkin Village: Politics and Property Rights in the Black Earth* (Cambridge, forthcoming, 2007).

10. Interview, farmer.

11. A similar dynamic may be observed in Ukraine. Allina-Pisano, "Sub Rosa Resistance and the Politics of Economic Reform: Land Redistribution in Post-Soviet Ukraine," *World Politics* 56: 4 (July 2004).

12. Wegren, *The Moral Economy Reconsidered*.

13. Ibid., 88.

14. See, for example, Stephen K. Wegren, *Agriculture and the State in Soviet and Post-Soviet Russia* (Pittsburgh, 1998) and Stephen K. Wegren, David J. O'Brien, and Valery Patsiorkovski, "Why Russia's Rural Poor are Poor," *Post-Soviet Affairs* 19:3 (2003).

15. O'Brien et al. have observed an increase in durable consumer goods among villagers between 1995 and 1997. David O'Brien, Valery Patsiorkovski, and Larry Dershem, *Household Capital and the Agrarian Problem* (Burlington, 2000), 183–90. Such an increase was the explicit goal of proponents of the rapid economic reform known as "shock therapy," for example, Jeffrey Sachs, *Poland's Jump to the Market Economy* (Cambridge, MA, 1993). However, greater access to one-time purchases such as televisions and VCRs is not necessarily evidence of ongoing access to mechanisms of capital accumulation. In the context of hyperinflation and currency fluctuation that accompanied post-Soviet land reform, people often acquired such goods because they had no way of holding the value of their savings otherwise.

16. Cindy Hahamovitch and Rick Halpern, "Not a 'Sack of Potatoes': Why Labor Historians Need to Take Agriculture Seriously," *International Journal of Labor and Working Class History* 65 (Spring 2004), 3–10.

17. See, for example, Mieke Meurs and Rasika Ranasinghe, "De-Development in Post-Socialism: Conceptual and Measurement Issues," *Politics and Society* 31:1 (March 2003) and Joma Nazpary, *Post-Soviet Chaos: Violence and Dispossession in Kazakhstan* (Ann Arbor, 2001).

18. Elizabeth C. Dunn discusses this dynamic in *Privatizing Poland: Baby Food, Big Business, and the Remaking of Labor* (Ithaca, 2004), 37. Also see Katherine Verdery, "Fuzzy Property: Rights, Power, and Identity in Transylvania's Decollectivization" in Michael Burawoy and Katherine Verdery, eds. *Uncertain Transition: Ethnographies of Change in the Postsocialist World* (Lanham, MD, 1999), 53–82.

19. Allina-Pisano, "Agrarnye reformy v Rossii i na Ukraine: sravnitel'nyi analiz," *Otechestvennye zapiski*, 4:1 (March 2004).

20. M.S. Simonova, "Mobilizatsiia krestianskoi nadelnoi zemli v period stolypinskoi agrarnoi reformy," in volume 5 of *Materialy po istorii sel'skogo khoziaistva i krest'ianstva SSSR* (Moscow, 1962), 458, reproduced in Martin McCauley, ed. *Octobrists to Bolsheviks: Imperial Russia 1905–1917* (London, 1984), 169.

21. David Kerans, *Mind and Labor on the Farm in Black-Earth Russia, 1861–1914* (Budapest, 2001), 309, citing Oldenburg, *The Last Tsar* vol. 2, 19.

22. Calculated from *Sel'skoe khoziaistvo Rossii 1995* (Moscow, 1995).

23. Elvira M. Wilbur, "Peasant Poverty in Theory and Practice: A View from Russia's 'Impoverished Center' at the End of the Nineteenth Century," in Esther Kingston-Mann and Timothy Mixter, eds., *Peasant Economy, Culture, and Politics of European Russia, 1800–1921* (Princeton, 1991), 106.

24. *Goroda i raiony Voronezhskoi oblasti* (Voronezh, 1996).

25. Interview, head economist of "Fatherland."

26. Ibid.

27. Calculated from *Goroda i raiony Voronezhskoi oblasti*, 1996.

28. Interview, farmer, Liskinskii raion, July 1998. Interview conducted by Mikhail Savin.

29. Interview, director of kolkhoz im. Voroshilova.

30. For example, Leonid Vybornov, "Zybkoe ravnovesie," *Liskinskie izvestiia*, January 13, 1998, 2.

31. N.Ia. Averin, at conference "Problemy sovremennogo upravlenija v APK," Voronezh Agricultural Institute, May 26–27, 1998.

32. Mikhail Nikonov. "V partiiakh i dvizheniiakh. SPS—na pul'se krest'ianskogo interesa," *Kommuna*, August 21, 2003. Kommuna.ru.

33. See, for example, Macey, "The Peasant Commune and the Stolypin Reforms: Peasant Attitudes, 1906–14" in Roger Bartlett, ed. *Land Commune and Peasant Community in Russia* (New York, 1990).

34. Kerans, 322.

35. Kerans, 307.

36. Judith Pallot, *Land Reform in Russia 1906–1917: Peasant Responses to Stolypin's Project of Rural Transformation* (Oxford, 1999).

37. Corinne Gaudin, "'No Place to Lay My Head': Marginalization and the Right to Land during the Stolypin Reforms," *Slavic Review* 57:4 (Winter 1998), 749.

38. Allina-Pisano, "Land Reform and the Social Origins of Private Farmers in Russia and Ukraine," *Journal of Peasant Studies* 32:4 (July 2004).

39. Andrew Barnes, "What's the difference? Industrial Privatization and Agricultural Land Reform in Russia, 1990–1996," *Europe-Asia Studies* 50:5 (1998).

40. Kerans, 351; Gaudin, 748.

41. V. Pleshkov, "Pokoi nam tol'ko snitsia," *Liskinskie izvestiia*, February 13, 1992, 6.

42. Macey, "Contemporary Agrarian Reforms."

43. Ibid., 191.

44. Ibid, 183. See also Teodor Shanin, *Russia, 1905–07: Revolution as a Moment of Truth* (New Haven, 1986).

45. George Yaney, *The Urge to Mobilize: Agrarian Reform in Russia, 1861–1930* (Urbana, 1982).

46. See Lynne Viola, *The Best Sons of the Fatherland: Workers in the Vanguard of Soviet Collectivization* (Oxford, 1987).

47. By the time of the Stolypin reforms, land captains were drawn from the peasant population as well as the gentry. However, in contrast to their late-twentieth-century counterparts, they were subject to strict supervision from higher levels of authority. See Yaney, *The Urge to Mobilize*, Ch. 4.

48. This is not the same, however, as peasant participation, which Macey ("Contemporary Agrarian Reforms," 192–3) views as having been central to the Stolypin reforms. Also see Jane Burbank, *Russian Peasants Go to Court: Legal Culture in the Countryside, 1905–1917* (Bloomington, IN, 2004). This stands in stark contrast to the post-Soviet situation, in which land reforms were characterized by a lack of peasant interest or participation. Allina-Pisano, "Reorganization and its Discontents: A Case Study in Voronezh oblast'" in O'Brien and Wegren, eds., *Rural Reform in Post-Soviet Russia*.

49. Kerans points to the difficulty of using tools on thin strips, 328.

50. Kerans, 357.

51. Interview, farmer.

52. Interview, farmer, Liskinskii raion, July 1998.

53. See "Legislation on Bankruptcy in the Russian Federation: A Special Issue," *Review of Central and East European Law* 25:1–2 (1999).

54. http://www.liski.infobus.ru/sme.html

55. Interview with farmer.

56. Ibid.

57. Ibid.

58. Allina-Pisano, "Land Reform and the Social Origins of Private Farmers." This echoes Kerans' observation that households without livestock were one of two groups likely to favor dissolution of common grazing regimes.

59. Dorothy Atkinson, *The End of the Russian Land Commune 1905–1920* (Stanford, CA, 1983) 251. Wegren et al. take the opposite tack. Finding that psychological factors (e.g. "feeling happy") are correlated with acquisition of land, they infer that those factors determine, rather than reflect, plot expansion. Wegren et al., "Why Russia's Poor are Poor."

60. Kerans provides a useful explanation of this fundamental problem for smallholder agriculture, 333.

61. Interview, head economist of "Fatherland."

62. V. Ivanov, "Segodnja desjatok let…igraet vsemi kraskami 'Rassvet'" *Liskinskie izvestiia*, April 30, 1992, 4.

63. Wegren, *The Moral Economy Reconsidered*, 159.

64. Katherine Verdery finds this dynamic at work in Romania. Verdery, *The Vanishing Hectare: Property and Value in Postsocialist Transylvania* (Ithaca, 2003).

65. See Caroline Humphrey *Marx Went Away—But Karl Stayed Behind* (Ann Arbor, 1998), 445, and Allina-Pisano, "Reorganization and its Discontents."

66. Interview, head of kolkhoz im. Voroshilova.

67. For example, S. Bondarev, "Kak dela, zhivotnovod. Ne khvataet dnia," *Raionnyi vestnik*, July 23, 1991, 3.

68. M. Liskin, "V novykh usloviiakh khoziaistvovaniia. Dokhodnyi promysel," *Liskinskoe znamia*, April 30, 1991, 3.

69. Interview, director of agricultural artel "Chapaev."

70. Ibid.

71. Interview, head economist of "Fatherland."

72. Ibid.

73. Nikonov, "V partiiakh i dvizheniiakh."

74. Peter Lindner, *Das Kolchoz-Archipel im Privatisierungsprozess: Wege und Umwege der russischen Landwirtschaft in die globale Marktgesellschaft* (Bielefeld, forthcoming).

75. Nikonov, "V partiiakh i dvizheniiakh."

76. Tat'iana Zenina, "'Kollektivizatsiia' po-ermolovski: ne idesh' v kolkhoz—otrezhem vody," *Liskinskie izvestiia* August 27, 1996, 1. The villagers also were given the choice of paying 700,000 rubles per month for water. With salaries in the 100,000 ruble range, such an "option" was clearly impossible to exercise.

77. Interview, head economist of "Fatherland."

78. Interview, farmer.

79. Interview with farmer Maria Nikolaevna Kur'ianova, "Est' u nas takie fermery. Dat' uma zemle neprosto, esli netu sredstv dlia rosta," *Verkhnekhavskie rybezhi*, December 24, 1998, 3.

80. Interview, head economist of "Fatherland."

81. Nikonov, "V partiiakh i dvizheniiakh."

82. Ibid.

83. Aleksandr Marochin, "Pochemu v Voronezhe podorozhal khleb?" *Komsomol'skaia Pravda v chernozem'e* February 5, 2004.

84. Kardashov, "Raionnye budni. 'Glavnoe dlia nas—eto stabil'nost' ' " *Kommuna*, June 22, 2004. Kommuna.ru.

85. Kerans, 352.

86. Tatiana Kovaleva, "Skol'ko poluchaet vladelets zemel'noi doli? Na Kubani proveli analiz…" *Krest'ianskie vedomosti*, April 12, 2004.

87. Interview, head of "Pavlovskoe."

88. Interview, machinist of "Utra."

89. Allina-Pisano "Reorganization and its Discontents;" Macey, "Is Agrarian Privatization the Right Path?"

90. Interview, machinist of "Utra."

91. Inteview, district deputy head of agricultural management.

92. Interview, machinist of "Utra."

93. Interview, director of RTP.

94. Ibid.

95. Interview, director of agricultural artel "Chapaev."

96. Interview, head economist of "Fatherland."

97. Gaudin, 752.

98. This pooled risk across a relatively small group of people, increasing the burden on individuals within enterprises. If, in liberal capitalist economies, such arrangements may result in "islands of security within the economy with high waters all around," such islands were often quickly inundated in post-Soviet Russia. See Jennifer Klein, *For All These Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State* (Princeton, NJ, 2003) 257.

99. Atkinson, 26.

100. Interview, deputy head of district land committee.

101. Eduard Efremov, "Zemel'nyi vopros. Bezzakonie . . . v zakone?" *Kommuna*, March 17, 2006.

102. Ibid.

103. See, for example, Gavin Kitching, "The Revenge of the Peasant? The Collapse of Large-Scale Russian Agriculture and the Role of the Peasant 'Private Plot' in That Collapse, 1991–97," *Journal of Peasant Studies* 26:1 (1998).

104. V. Kolodezhanskii, "Khoteli kak luchshe. Poluchilos' . . . kak nikogda!" *Liskinskie izvestiia*, April 4, 1996, 2.

105. Interview, director of agricultural artel "Chapaev."

106. G. Aleksandrov, "S chego zakrugliaetsia 'Rodina'. O kakom moloke govorit', esli doiarki s sentiabria bez zarplaty," *Liskinskie izvestiia*, June 10, 1997, 2.

107. Aleksei Salchikov, "Kar'era pervoi v raione zhenshchiny-predsedatelia rukhnula. Kto ostanovit razval v 'Petropavlovskom'?" *Liskinskie izvestiia*, January 23, 1997, 1.

108. Leonid Vybornov, "Zybkoe ravnovesie," *Liskinskie izvestiia*, January 13, 1998, 2.

109. "Est' u nas takie fermery."

110. *Pokozateli ekonomicheskogo i sotsial'nogo razvitiia gorodov i raionov Voronezhskoi oblasti* (Voronezh, 2003), 35.

111. Interview, head of "Pavlovskoe."

112. Interview, head economist of "Fatherland" and interview, farmer.

113. Interview, head economist of "Fatherland."

114. Aleksandr Iagodkin, "Vzgliad na doklad ministra iz Voronezha. U kogo chto vyroslo i komu pora obrezat'" *Novaia gazeta*, February 9, 2004. Novayagazeta.ru

115. Ibid. Agricultural workers in the district made, on average, 1563 rubles a month that year. The official Liski administration website reports that the district was home to 8,319 agricultural workers in 2000: http://www.liski.infobus.ru/agriculture.html; This number has declined each year (in 1999–2000 for example, the agricultural labor force decreased by four percent). Changes in statistical reporting practices after 2002 led to a different picture, but the underlying reality did not appear to have changed. By 2004, the situation would seem to have improved, with wages for agricultural workers in Liski rising to 2440 rubles—430 rubles more than the regional average. However, inflation outpaced wages during the same period.

116. Interview, head of "Pavlovskoe."

117. Field notes in nearby district, August 1998.

118. Ibid.

119. Interview, machinist of "Utra."

120. Abraham Ascher, *P.A. Stolypin: The Search for Stability in Late Imperial Russia* (Stanford, CA, 2001).

The Hospital Employees' Union Strike and the Privatization of Medicare in British Columbia, Canada

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Abstract

In April 2004, the Hospital Employees' Union (HEU) waged an illegal strike that mobilized sections of British Columbia's working class to the brink of a general sympathetic strike. Influenced by BC's class-polarized political culture and HEU's distinct history, the 2004 strike represents a key moment of working-class resistance to neoliberal privatization. HEU was targeted by the BC Liberal government because it represented a bastion of militant, independent unionism in a jurisdiction that appeared overripe (from the neoliberal standpoint) for a curtailment of worker rights and a retrenchment of public-sector employment. HEU also represented a direct barrier, in the language of its collective agreements and collective power of its membership, to the privatization of health services and dismantling of Medicare. The militant agency of HEU members, combined with anger generated by a constellation of social-service cutbacks, inspired rank-and-file workers and several unions to defy collective agreements and embrace sympathetic strike action. This revealed differentiation in the strategy and tactics of BC's labor leadership, and enduring sources of solidarity in labor's ranks.

In April 2004, forty thousand members of the Hospital Employees' Union (HEU) participated in an illegal strike to prevent the privatization of their jobs and health services in British Columbia, Canada. At the height of the dispute, thirty-thousand unionized workers in the public and private sectors took sympathetic action in support of HEU, with the strike extending to saw-mills, public schools, power plants, food retailers, municipal halls, transit yards, and BC's ferry fleet. Community coalitions provided "flying pickets" to evade "no strike" language in collective agreements. An anticipated province-wide general strike coordinated by the BC Federation of Labor (BC Fed) was averted when HEU's leadership reached an agreement with the provincial government. The union won restrictions on future contracting out, but accepted a fifteen-percent wage rollback. Existing contracts covering housekeeping, food, and laundry services remained in the hands of private healthcare corporations such as Compass Group and Sodexho.

    The 2004 HEU strike provides a compelling window into the response of a regional working class to neoliberal policies and privatization.[1] It reveals

the limits of BC labor's challenge to the implementation of the "lean state."[2] The dispute, though centered in BC, highlights important themes in labor and working-class studies generally, including the transition from the theory to practice of the general strike, the propensity of women, immigrants, and workers of color to engage in illegal job action, conflict within and between public and private-sector unions and the nonunionized workforce, and tension between elected union leaders and a more militant rank-and-file leadership.[3] The strike also reveals the impact of postwar collective bargaining procedures on labor organization and militancy, the influence of an institutionalized social-democratic party on labor's strategy and tactics, and the response of workers and community coalitions to the retrenchment of the welfare state.

This study situates the HEU strike in a changing economic and political climate, with reference to the militant tradition of BC's working class. Unlike David Camfield, who emphasizes the role of the labor bureaucracy in curbing HEU militancy, this study highlights sources of solidarity within BC labor's ranks, particularly the role of the Canadian Union of Public Employees (CUPE) in mobilizing sympathetic action.[4] This fresh interpretation locates BC labor's response to the HEU strike within a pattern of class solidarity. With a union density exceeding fifty-five percent during the heyday of postwar growth, and a class-polarized party system that more closely resembles European patterns of partisan alignment than North American brokerage politics, BC occupies a distinct location within continental labor and working-class history.[5] In 2004, BC workers responded to the contracting out of healthcare services and a broader privatization agenda by gravitating toward a general strike in sympathy with HEU. This challenge to privatization demonstrates distinctions within BC's labor leadership and the willingness of a layer of workers and community supporters to defy the legal restrictions of postwar industrial relations.

British Columbia's Militant Tradition

As Martin Robin argued, BC's political culture bears the imprint of an "industrial frontier," where the extraction of primary resources under frontier conditions fueled radical political alternatives such as Marxism, and bred overt conflict between owners and managers of capital and the working class.[6] The Industrial Workers of the World flourished in BC prior to the First World War, on the heels of the Western Federation of Miners and American labor organizers, who straddled both sides of the international boundary conveying the message of class struggle to itinerant workers.[7] The Socialist Party of Canada, avowedly Marxist, elected Members of the Legislative Assembly from coalmining districts, establishing a tradition of independent labor politics that grew over the twentieth century.[8] While ethnic and gender tensions endured,[9] radicalism and militancy took root among BC workers, many of whom had migrated from Britain with previous contact in the labor movement and a desire to escape the rigid class system.[10]

Throughout BC history, periodic episodes of industrial solidarity have mobilized working-class people behind the bargaining demands of one section of workers—as the ephemeral slogan "general strike" moved from syndicalist theory into practice. Early episodes of solidarity centered on the United Brotherhood of Railway Employees' Strike (1903), Vancouver Island Coal Miners' Strike (1912–1914), and Winnipeg General Strike (1919). The latter coincided with a continental upheaval, which gave rise to the breakaway One Big Union, headquartered in Vancouver and led by BC socialists.[11]

Each of these episodes revealed common attributes, of relevance to the 2004 HEU strike. All were defensive in character, representing collective responses to attacks on one section of workers. All occurred in the absence of electoral mechanisms to seek redress, fueling the perception that workers must take action themselves. All encountered rigorous opposition from employers, backed by governments, police, media, and a judiciary that openly favored employers' interests. All elicited rigorous opposition from sections of the labor leadership. All were made possible by independent organizing among rank-and-file workers that provided alternatives to the established leadership. All were undermined by the absence of an effective political strategy, both in narrow terms of articulating an "end-game" for the strike, and more broadly in terms of articulating a path to a more egalitarian social order. Finally, all these episodes of solidarity relied too heavily on unionized workers, lacking support among the nonunionized—and often most exploited and least powerful—workers. This provided an opening for employers, state institutions, and labor officials to amplify divisions and reestablish traditional patterns of authority and domination. After each major episode of solidarity, the general strike receded from the consciousness of BC workers for a time, only to return.

The era of industrial legality following the Second World War enabled workers to secure a portion of the benefits of an expanding economy, while placing severe limits on working-class agency through "management rights" clauses and prohibitions on the right to strike during the life of collective agreements. This measure was aimed at blunting labor's historic weapon—the general sympathetic strike. What has been called the "postwar compromise" between capital and labor seldom resembled compromise in BC.[12] Workers and employers engaged in a perennial tug-of-war over the shape collective bargaining would take: certification procedures, the right to strike and picket, the operation of the Labor Relations Board and Workers' Compensation Board, and the use of court injunctions in labor disputes were hotly contested. Employers were formally required to recognize and bargain with unions chosen by workers, in a political and economic climate favorable to employers. Inaugurating a pattern that persists today, organized labor railed against specific pieces of legislation, such as Bill 87 in 1948, amendments to the Industrial Conciliation and Arbitration Act that AFL and CIO unions felt were "not designed to foster industrial peace."[13]

Public-sector workers' bargaining rights were contested as the welfare state expanded in postwar Canada.[14] A 1959 illegal strike by BC government workers

signified the changing composition of organized labor.[15] The traditional locus of militancy—the Communist-dominated unions in fishing, mining, shipbuilding, and forestry—shifted toward growing unions of white-collar and public-sector workers, such as the Canadian Union of Public Employees (CUPE), founded in 1963 and today Canada's largest union.[16] The election of the New Democratic Party (NDP) in 1972 extended collective-bargaining rights throughout BC's public sector, but tensions remained. Strikes at the government-owned Insurance Corporation of BC and BC Ferry Corporation revealed conflict between organized labor and the labor-aligned social-democratic party. Mirroring developments in all countries, the NDP's electoral considerations conflicted with demands for militant action arising from the working class.[17]

BC elected its first labor-aligned government as changes in the structure of international capitalism eroded the economic basis for the welfare state. Economic growth in North America, sustained since the war, slowed in the face of energy crisis and increasing competitiveness of Japanese and German manufacturing. The process intensified whereby capital became unhinged from the nation state and its regulatory apparatus. As Gary Teeple has argued, this internationalization of capital ("globalization") was accompanied by the political ideologies of neoconservatism and neoliberalism and the erosion of public support for the postwar welfare state and labor's social wage.[18]

In 1983, the implications of these global shifts arrived in BC. Social Credit, a free-enterprise coalition party, was narrowly reelected, despite forty-five percent support for the NDP.[19] Social Credit premier Bill Bennett announced a sweeping "Restraint" program, eliminating rent controls, firing government workers, and closing the Human Rights Branch.[20] The BC Fed joined forces with dozens of community organizations under the banner "Operation Solidarity."[21] Unlike its Polish namesake, however, BC Solidarity failed to defeat Social Credit and its "Restraint" policies. The first stages of a province-wide general strike—which saw teachers strike in sympathy with government workers—won some job protection, but cuts to human rights, tenancy protection, and community services remained. What was widely referred to as the "sellout" of Solidarity left a deep bitterness toward organized labor—and the BC Fed in particular—a rift that never fully healed.[22]

In 1991, the NDP returned to power. Social Credit had imploded, a worn-out machine discredited by a record of slashing social programs and attacking workers.[23] The resurgent NDP moved to restore social services, but the old contradictions of social democracy resurfaced. Logging of old-growth rainforest on Vancouver Island cut into the NDP's base, and cuts to social-welfare payments fed the perception that the party had lost direction.[24] The NDP was narrowly reelected in 1996, but atrophy was developing in labor's ranks, particularly among public-sector workers who had earned a reputation of militancy under Social Credit. BC's labor leaders were unwilling to confront "their government," even when this government introduced policies favoring employers more than workers. However, pockets of independent unionism remained. HEU social-service workers struck for eleven weeks in 1998, and a

CUPE school-support strike in 2000 ended in back-to-work legislation.[25] By 2001, the NDP itself resembled a worn-out machine, driven more by electoral calculations than a commitment to social-justice principles and workers' rights.[26] The party was routed in a general election, falling from government to two seats in a seventy-nine seat legislature.[27] The resurgent BC Liberal party—out of office since 1952 but revived under Gordon Campbell's leadership as the new free-enterprise coalition—took full advantage of an iron-clad majority, embarking on what the probusiness *Globe and Mail* described as an agenda of "legislative vandalism."[28]

HEU as a Militant, Independent Union

HEU was located at the nexus of the Liberal agenda of cuts and privatization. It was a bastion of militant, independent unionism, a "black sheep" that had severed then reestablished affiliation with parent-union CUPE, and demonstrated a willingness to strike—in 1992 and again in 1998—against "labor's" NDP government. This pariah in labor's ranks was an obvious target for a government intent on privatization and a curtailment of working-class power. More directly, HEU represented an institutional barrier to the dismantling of universal Medicare. Through the language of its hard-won collective agreements and the collective power of its membership, HEU had established a line of defense for its workers, who counted themselves among the most vulnerable strata of the unionized working class. Unlike the white male workers in the heavily unionized resource sectors, HEU consisted mostly of women, immigrants, and workers of color. Fully eighty-five percent of HEU members were women.[29] Immigrants accounted for twenty percent of BC's population, but thirty-one percent of HEU members; people of color represented nineteen percent of the general population, but twenty-seven percent in HEU.[30] Employed in housekeeping, food services, laundry, and support services in hospitals and health facilities, HEU workers provided services that appeared ripe for privatization. Transnational healthcare corporations lobbied the Campbell Liberals to tender for-profit contracts and eliminate publicly administered HEU jobs.[31]

The Hospital Employees' Union was formed in 1944 when female and male employees at Vancouver General Hospital merged their separate organizations. HEU's growth in subsequent decades paralleled the rise of public healthcare in BC and Canada. Federal grants for hospital construction in 1948 were followed in 1949 by a provincial hospital insurance plan, as a Liberal-Conservative Coalition government scrambled to keep the socialist Co-operative Commonwealth Federation (predecessor to the NDP) out of office.[32] In its first decade, HEU expanded to nineteen locals; it began negotiating regional contracts in 1961 (rather than separate contracts with each hospital) and in 1968 achieved its first master agreement, bargaining with an employers' association representing sixty-six BC hospitals. That year, the federal Medical Care Act established public health insurance in every

Canadian province, a universal single-tier comprehensive system that labor had demanded for decades. The struggle over adequate health funding and health-care workers' bargaining rights continued, however, as HEU moved outside the house of labor.[33]

In its early years, HEU was an active participant in Canada's labor move-ment, a directly chartered affiliate of the Trades and Labor Congress of Canada (AFL) and the National Union of Public Employees (NUPE). In 1963, it was a founding member of CUPE. HEU's first secretary-business manager, a Scotsman named Bill Black, served as NUPE vice-president in the 1940s, and as BC Fed president following the AFL-CIO merger in 1956. However Black's narrow defeat for the CUPE presidency in 1967—amid allegations of vote-rigging—set HEU down the road to secession. A CUPE organizing drive in acute-care hospitals inflamed HEU, which resented incursions into its jurisdic-tion. In 1970, HEU voted to leave CUPE, leading to the expulsion of HEU acti-vists from the Canadian Labour Congress (CLC), BC Fed and local labor councils.[34]

As a breakaway union in the 1970s, HEU successfully organized long-term care homes and private hospitals, and led its first province-wide strike at acute-care hospitals in 1976.[35] These successes fueled a "go-it-alone" atti-tude, a self-confidence that became engrained in the internal culture of the union and informed later bargaining strategies. The rise of neoconservatism and 1983 Operation Solidarity mobilization underscored the importance of greater cooperation, however. According to the union's official history, "it was clear to the HEU's leadership that strength lay in unity with community groups and labor organizations."[36] In 1984, HEU signed a letter of agreement with CUPE, establishing a trial period of affiliation and facilitating HEU's readmission into the CLC and central labor bodies. This agreement was renewed twice, and in 1994 HEU returned to CUPE, as a fully autonomous union with control over name, constitution, and structure. Fred Muzin, HEU president since 1993, serves on CUPE's National Executive Board.[37]

During its time inside and outside the house of labor, HEU has extended the benefits of unionization throughout BC's health sector. Its experience as a breakaway union, isolated from the rest of organized labor, provided impetus to the 2004 strike. An HEU activist, who agreed to an interview on the condition of anonymity, confirms this view:

> [HEU members] couldn't always depend on others to back them up and they did their own thing. They achieved one of the best health-care collective agreements in the country and therefore got their name as a fairly militant union, even though many of those achievements were made without strikes but just with a good membership base that took the issues on.[38]

Union president Fred Muzin, who began working at Vancouver's St. Paul's Hospital in 1977, attributes the union's tradition of militancy to "leaders who have been very forward thinking ... very progressive." The membership

"keeps its leaders very accountable. They don't give us an easy ride on anything .... The membership push the leadership."[39]

Muzin also points to a succession of fiscally conservative BC governments "that have not believed traditionally in investing in the public service." Finally, he identifies the experiences of HEU members, many of them immigrants, combating oppression and injustice in their countries of origin:

> We tend to be militant because a lot of our members come from other cultures that have been military dictatorships. Like some of our members from El Salvador, where the doctors led a strike for nine months in health care. They have a tradition of fighting much more draconian regimes. And they bring that sense of fighting for justice.

Muzin equates the targeting of HEU with "what Thatcher did in Britain to the mine workers." The Campbell government felt if it could destroy the most militant organization, "the organization willing to go on strike and shut down an essential service, if they could limit or destroy us they would basically have control of labor. They would be able to deunionize the province."[40]

By the 1990s, HEU was the largest union of women in BC.[41] Former HEU shop steward Glenda Hemstreet, who lost her job as a care aid because of contracting out, believes gender was a factor in the government's attack on HEU.[42] Hospital workers were targeted, Hemstreet suggests, "because we're women and they want to bring our levels down. This government wants everybody broke, everyone poor. They want to get rid of the middle class and why not pick on women?"[43] In their 2001 collective agreement, HEU members had narrowed the wage differential between male and female workers in various classifications to below four percent.[44] However, shortly after assuming office, Liberal Labor Minister Graham Bruce told the legislature that "we all benefit from the flexibility of the free market," foreshadowing a rollback of pay-equity gains; Colin Hansen, Minister of Health Services, pledged to give "the health authorities as much flexibility as possible."[45] The attack on women healthcare workers belonged to a broader policy agenda that disproportionately impacted women. As the authors of the study *Losing Ground* conclude, Liberal policies "tossed equality and justice overboard."[46]

HEU's militant tradition reflected its history and its composition as a union of women, immigrants, and workers of color, who in all jurisdictions have been among the first to feel the impacts of neoliberal privatization. HEU leaders and activists, however, have differing views on the extent to which tradition influenced the 2004 strike. President Muzin emphasizes provincial-government policy over tradition: "It was more the pent up frustration of negotiating an agreement and having a government break it, fire 8000 people, primarily women, for no legitimate reason ... The employers never bargained. It's like they knew there was going to be legislation. Because the collective bargaining process, especially after Bill 29, had really been destroyed."[47] One HEU activist, however, views the union's independent tradition as a major factor behind the

strike: "[HEU members] went into it knowing they weren't getting a lot of support from leaders of other labor organizations. But where that might have intimidated some other unions, lacking that support, they had a long history of acting on their own and forged ahead with a plan to win."[48]

Throughout the 1990s, BC's NDP government had resisted healthcare privatization as Canada's federal government offloaded social spending onto the provinces. From a fifty-fifty funding formula when Medicare was established in 1968, the federal contribution withered to fourteen percent, the remainder falling on cash-strapped provincial governments.[49]

The 2001 BC Liberal victory opened the floodgates to privatization. BC's fifty-two regional health boards were amalgamated into five health authorities, empowered through legislation to find "efficiencies" in service delivery.[50] Bill 29, the Health and Social Services Delivery Improvement Act, suspended the bargaining rights of HEU members and other healthcare workers, enabling public-sector employers to unilaterally alter or remove hard-fought provisions in collective agreements that restricted contracting out.[51] A $2-billion tax cut created a fiscal crisis, providing a pretext for spending cuts and layoffs.[52] Tenders were issued for housekeeping, food, and laundry services in hospitals and care homes, under the guise of "cost-savings" but driven by ideological motives.[53] Six thousand HEU members were fired, replaced by low-wage workers employed by transnational contractors, including Compass, Sodexho, and Aramark.[54] Glenda Hemstreet was among those whose job was contracted out: "Once all this stuff starts it's the management that starts attacking. People feel like they are being harassed and isolated and picked on."[55] In the midst of the layoffs, HEU members voted fifty-seven percent to reject a concessions agreement negotiated between their union and the Health Employers Association of BC, which would have limited contracting out.[56]

Across the province, sweeping cuts to social services alienated women, social-assistance recipients, seniors, people with disabilities, students, aboriginals, and union members, giving rise to community coalitions in dozens of towns and cities.[57] When the remnants of the HEU contract expired in spring 2004, the battle lines were drawn.

The Strike

On Sunday, April 25, 2004, the anticipated conflict in the health sector came to a head. A mediator had walked away from negotiations saying the sides were too far apart; health employers sought $750-million in concessions, while HEU members voted eighty-nine percent in favor of a strike.[58] The union launched a full-scale, legal strike, picketing every hospital and long-term care facility in BC.[59] "They ripped up the contract and over 6000 workers were tossed on the street," HEU secretary-business manager Chris Allnutt said. "Look at the trust level. Since starting talks another 2500 workers have been tossed on the street."[60] Both sides had carefully marshaled their forces, but subsequent events were not entirely anticipated. Importantly, the HEU strike

(which began as a wider health facilities strike encompassing several unions) assumed the character of something greater than a conventional labor dispute—it came to symbolize the fight for public healthcare in BC. This helps explain massive public support for the strikers, and the depth of anger directed toward the Campbell government. The discontent generated by the constellation of cutbacks in the preceding three years was channeled through the agency of the HEU strike.

Community coalitions generalized HEU workers' grievances to other sections of society, pulling diverse groups of workers into the strike. Tactically, community coalitions mobilized non-HEU members to HEU picket lines. Since 2001, HEU members had joined nurses, teachers, and other public-sector workers in building linkages with community organizations. While the success and staying power of these coalitions varied greatly, they provided crucial sites of activism, popularizing direct action and picketing in a series of protest days in 2002 and 2003. From Nanaimo to Nelson, Delta to Dawson Creek, and Vernon to Victoria, these coalitions provided a forum for cross-fertilization on a range of issues. Hospital workers supported the demands of antipoverty groups for social housing and a guaranteed annual income; teachers advocated for seniors and against the closure of women's centers.[61] When the strike erupted in 2004, healthcare workers—HEU, BC Nurses' Union (BCNU), Health Sciences Association (HSA), BC Government and Service Employees' Union (BCGEU), International Union of Operating Engineers— were joined by citizens on large and militant picketlines. Passing motorists and pedestrians indicated emphatic support; cars honked frequently with little visible opposition.[62]

The extent of public support, combined with picketline strength, inspired HEU workers to defy Bill 37, back-to-work legislation passed during an all-night sitting of the legislature on April 28. The Health Sector (Facilities Subsector) Collective Agreement Act prohibited picketing and imposed a contract containing a fifteen-percent wage rollback, an extension of the workweek from 36 hours to 37.5, and a "retroactivity" clause that required employees to pay two week's back wages.[63] It was essentially the same contract that had been rejected by HEU members a year earlier, only devoid of any restrictions on contracting out. The retroactivity clause inflamed public opinion, strengthening support for HEU and intensifying hostility toward the Campbell government. "It's an absolute abuse of power to pick on the working people," James Donaldson, a cook at Victoria's Royal Jubilee Hospital, told the *Times Colonist*.[64] Even members of the BC Liberal caucus expressed concern over the retroactivity clause.[65]

Bill 37 drew a line between HEU and all other unions in the health-facilities bargaining group. As one HEU activist recounts:

> Remember, this wasn't an HEU strike, it was a facilities sector healthcare workers strike, which included many other unions. All of those unions, with no exceptions, went back to work the day of the legislation . . . Many individual members didn't

cross the line but the direction from their leadership certainly was to cross the lines.[66]

Following passage of Bill 37, confusion developed when BCNU, HSA, and BCGEU members crossed picketlines in accordance with the law, but within hours the lines held firm.[67] The character of the dispute changed in this new context into a wholesale rejection of the legitimacy of the Campbell government. The flouting of the government's legal authority by HEU members, and the widespread sympathy for this illegality among sections of the public, moved the dispute toward a general sympathetic strike—a tactic popularized by the community coalitions and a Vancouver group calling itself the Prepare the General Strike Committee, which consisted of seasoned militants around the Vancouver & District Labour Council. The general strike was no longer a matter of conjecture. Confidence within the rank-and-file leadership was evident in an email forwarded by Victoria's Communities Solidarity Coalition (CSC) to activists across BC: "General Strike—Monday Noon. Pass it on."[68]

The HEU strike occurred in a changed political culture, amid structural changes in BC's economy and state. The 1983 Operation Solidarity mobilization coincided with an opening volley in capital's attempt to rollback the welfare state and labor's social wage. It conflicted with widely accepted notions of government's role in society, of social rights of citizenship that had gained acceptance in preceding decades, among both unionized and nonunionized workers. In contrast, the HEU strike coincided with a belated attempt to implement neoliberal privatization; the BC Liberal agenda had already been carried out by kindred governments (wearing the party label Conservative) in Saskatchewan, Alberta, and Ontario.[69] In the two decades since Operation Solidarity, working-class British Columbians were bombarded with neoliberal propaganda from increasingly concentrated media organizations, aligned with private-enterprise political parties.[70] A layer of BC workers, particularly in the nonunionized tertiary service sector, accepted neoliberal prescriptions of privatization, public-sector layoffs, user fees, and deunionization.[71] The once-powerful private-sector unions—the Industrial Wood and Allied workers (IWA) and United Fish and Allied Workers Union—had experienced massive declines in members, finances, and power in the face of resource depletion, technological change, and corporate consolidation. The IWA responded to its waning power by entering into "partnership agreements" with the Campbell government and transnational health corporations—described as "rat agreements" by HEU—that facilitated the privatization of HEU jobs.[72] Finally, as mentioned earlier, working-class militancy atrophied during the decade of NDP government (1991–2001), as labor leaders aligned with the government consolidated power. BC's working class was demobilized and vulnerable to the ensuing attack.

Despite these internal tensions, thousands of BC workers mobilized to support the HEU strikers and defend Medicare. In the absence of a viable electoral vehicle to seek redress—with the NDP reduced to two legislative

seats—BC workers once again gravitated toward the general strike. Bills 28 and 29, passed in 2002, had inaugurated instability in the public sector, revealing the government's lack of respect for "the sanctity of collective agreements"; the legislation signified capital's unwillingness to operate within the existing rules-based system of industrial relations, and produced openness among sections of workers to engage in "illegal" strike action. In December 2003, ferry workers had struck illegally for several days, defying a government-imposed "cooling-off" period and paralyzing the thirty-one ferry routes on BC's coast. When the union reached an agreement ending the strike, some workers and community activists voiced the word "betrayal."

The development of a grassroots leadership within the community coalitions was a determining factor in the movement toward a general strike, but so too was the divergence of strategy *within* organized labor—particularly the independent stance of CUPE's BC division. Labor has never been an undifferentiated mass, a monolithic bureaucracy that mechanically blocks efforts toward solidarity. Along with assisting the formation of community coalitions, CUPE BC actively prepared its membership for sympathetic job action. In 2002, a "Solidarity Vote" was conducted in every local empowering the provincial union to respond to attacks on one section of workers with tactics including a province-wide walkout.[73] When CUPE workers at the University of British Columbia struck in 2003, and were legislated back to work, CUPE was pressured to act on the Solidarity Vote; the threat of coordinated CUPE action forced UBC workers and the employer into binding arbitration.[74] At the 2003 BC Fed convention, CUPE delegates urged coordinated action against the Campbell government. Meeting in caucus, CUPE agreed to "take action ourselves," as one delegate described it.[75]

During the 2003 ferry workers' strike, local CUPE leaders voted to "support and commit to mobilizing our members to respond to a call from CUPE BC and/or the BC Fed for a political protest that would include walking off the job."[76] Such a protest, called Democracy Day (and later Community Action Day), was contemplated in support of ferry workers, but no action taken. Early in 2004, CUPE BC appointed zone coordinators for each region, distributed information on legal issues, action guidelines, and provision of vital services, and debated the timing of the proposed protest strike. Some wanted to set a firm date, while others believed the protest should be tied to a specific issue, or "trigger event." Locals were informed to prepare for action on twenty-four to forty-eight hours notice, to avert preemptive court injunctions. On April 21, CUPE BC met in convention on the eve of the looming HEU dispute. Zone coordinators were supplied with picket signs for distribution to locals.[77]

On April 29, responding to HEU's defiance of Bill 37, CUPE leaders in Victoria decided to act.[78] Inspired by media reports of wildcat strikes at sawmills and power plants, the leadership of several Victoria locals agreed to strike the following day. CUPE BC was notified, and at a conference call of zone coordinators that evening, union president Barry O'Neill declared: "This is the trigger ... We are invoking the Solidarity Vote."[79]

On Friday, April 30, an estimated thirty-thousand workers across BC struck in support of HEU, and as a protest against the legislated contract and government interference with the right to strike.[80] In Victoria, several thousand public-sector workers participated in the sympathetic job action, which disrupted ferry and transit operations and paralyzed the public-school system when teachers refused to cross CUPE protest lines. Thirty-nine thousand students were affected. From community colleges and libraries to municipal halls and public-works yards to the regional landfill, CUPE members walked off the job. "The walkouts centred primarily on Vancouver Island but appeared to spread by the hour," Victoria's *Times Colonist* reported.[81] In Quesnel, a resource town in the central interior, workers in two sawmills walked out, as did pulp-and-paper workers at the Elk Falls mill in Campbell River.[82] At BC Hydro, a government-owned electricity company, nearly one-thousand electrical workers and clerical staff joined the wildcat strike.[83] In Nanaimo, bonds of solidarity nurtured during the ferry workers' strike resurfaced when "community pickets" shut down BC Ferries operations at Departure Bay. CUPE municipal workers also walked out. The April 30 wildcat strike disrupted schools and municipal services from Richmond, Burnaby, Vancouver, Delta, and Pitt Meadows in the Lower Mainland to Kelowna, Kamloops, Quesnel, Prince George, and Dawson Creek in the interior.[84]

As CUPE BC president O'Neill reported to zone coordinators on a conference call that night, 15,000 to 25,000 CUPE members in twenty-seven locals had walked out, with 60,000 members expected to strike on Monday, May 3.[85] However a crucial decision of CUPE also impeded a widening of the strike: zone coordinators were instructed to remove all picket lines by 3 PM on April 30, a decision that was resisted at several CUPE worksites, where members feared— correctly—that "if they took the lines down, they would not go back up again."[86] The April 30 strike was also undermined by the absence of the BCGEU, which had experienced concessions and layoffs at the hands of the Campbell government but refused job action. Nonetheless, the militant example of April 30 forced the hand of the BC Fed, which began preparations for wider action on May 3. BC was on the brink of a province-wide general strike.

On Saturday, May 1, retrospective commemorations of International Workers' Day were usurped by more immediate forms of working-class action. Millworkers from Campbell River, Quesnel, and Prince George continued to strike, as HEU picket lines held firm and large protest marches wound through Vancouver, Victoria, and other urban centers.[87] "I've never seen the kind of labor activity in many decades in this province that we're seeing the last twenty-four hours," BC Fed president Jim Sinclair said.[88] Ken Georgetti, president of the Canadian Labour Congress, called the retroactivity clause in Bill 37 "an affront to democracy," and said the CLC's BC affiliates and fifty-three local labor councils were mobilizing behind HEU.[89] Importantly, two private-sector unions, the Canadian Auto Workers and renegade IWA, declared their intention to join the May 3 strike, as did the BCGEU, BC Teachers' Federation, Canadian Union of Postal Workers

(CUPW), Workers' Compensation Board Employees' Union, and Greater Vancouver transit workers.[90] A "Coordinated Job Action Plan," prepared by the BC Fed and leaked to the *Vancouver Sun*, revealed an escalating series of wildcat strikes, culminating in the targeting of major hotels, cruise ships, retail outlets, and other private-sector workplaces in metropolitan Vancouver.[91]

The government and its allied agencies responded to this working-class challenge in predictable ways. The Labor Relations Board (LRB) ordered CUPE school-support staff back to work, and prohibited picketing. Complaints were also levied against millworkers at Campbell River and Prince George. The HEU appeared in BC Supreme Court for violating Bill 37 and a LRB back-to-work order, and Judge Robert Bauman found the union guilty of contempt.[92] "They should stop breaking the law," Campbell said in a televised address. "It is absolutely wrong for patients to be held hostage."[93] BC Fed officers met in emergency session with Labor Minister Bruce in an attempt to reach a settlement. The government's message—that it was "Fighting Big Labor"—concerned union leaders, particularly since internal polling suggested this resonated not only with the general public, but with their own members. When the government asked "Who Runs This Province? The Unions or the Government?" it acknowledged the potential of working-class power, but also framed the debate in ways that left labor leaders scrambling for a solution short of a province-wide strike.[94]

Strategically, BC's working class was sandwiched between a labor leadership that had never intended to lead a general strike (and was therefore unprepared to do so), and a rank-and-file leadership that was feverishly agitating to pull workers out, with no plan in place. Groups such as Victoria's CSC provided determined leadership on the picket lines, but lacked a broader strategy. Neither the elected leadership nor the militant leadership that arose from the rank and file had prepared for a strike of any duration or intensity. The old dilemma of political strategy reappeared at the crucial hour. For years, organized labor had deferred political leadership to the NDP, with labor leaders serving on the party's governing bodies and subordinating rank-and-file demands for sympathetic job action to the party's electoral strategy. Union members were urged to seek redress at the ballot box rather than take action themselves by striking in support of HEU. No political vehicle existed to provide the direction necessary to sustain a successful general strike.

Confusion and lack of strategy were evident at a coordinating meeting of Victoria unions in the BCGEU hall on May 2, in which the CSC played a major role. A heated debate developed over whether the proposed May 3 strike signaled the beginning of an unlimited general strike to force the resignation of the Campbell government, or was merely intended as "strike support" for HEU. Several speakers insisted that the "HEU brothers and sisters are in the drivers' seat," that their jobs were on the line, and that Monday's action had to be considered in this context. "If they get a resolution to their dispute,

it's over," speakers argued, asking rhetorically, "What are our demands, otherwise?" As one activist later recounted:

> This wasn't about toppling the government. This was about a labor dispute...[HEU members] were fighting to achieve specific goals. Once they had achieved those goals, in whatever form they were comfortable with, that was it.[95]

Others argued emphatically that a decisive moment had arrived, that the sympathetic strike had grown into something larger than HEU. This position was voiced by rank-and-file leaders from CUPW, CUPE, and HEU. This debate highlighted the basic contradiction between those subscribing to an implicit syndicalism—embracing the strike tactic as a vehicle for political change—and those more modest in outlook and approach, supporting a general strike as a defensive measure to support HEU's bargaining demands.

On Sunday, May 2, as workers at the BC Railway walked out and union locals throughout BC prepared to strike the following morning, negotiations between the HEU, BC Fed, and provincial government continued.[96] According to one observer, "going out Friday strengthened the bargaining hand of the Fed," revealing that union members were willing to walk and intensifying the government's desire to resolve the dispute at the negotiating table.[97] Finally, on the evening of May 2, a deal was struck and approved by HEU's provincial executive by a vote of thirteen to seven, at a meeting attended by several BC Fed officers. The agreement retained the fifteen-percent wage cut, but removed the retroactivity clause, limited further contracting out to 600 FTEs, and provided an additional $25 million in severance pay.[98] According to HEU president Fred Muzin:

> We felt that it was the maximum that we were going to be able to achieve at that time and place . . . There was a great ground swell to the point where people forgot that the genesis was a bargaining dispute. Because people felt the injustice was so great, they felt that the fightback was an ability to redress all the ills of society.

HEU's decision to accept the government's offer and call off the strike without a ratification vote reflected a belief that BC labor could not sustain the kind of action necessary to force a change in government:

> We would have liked to see Bill 37 eliminated. In effect, when you have a government with two opposition members, that's tantamount to overthrowing the government. Was that achievable? At the end of the day the executive decided no, it wasn't. That would have been unprecedented in Canada and we didn't think there was enough momentum to do that . . . We needed to get the government to step down and order another election which really requires, in a country where there is no precedent, sustained job action. . . So Monday would have been a party but Tuesday would have been a massive hangover. That's the challenge of leadership. Having to make really tough unpopular decisions.

Muzin says the executive was motivated to ensure HEU's survival: "We didn't want to become the sacrificial lamb for a government that was intent on making an example of HEU and destroying us as an organization."[99]

In a notice advising members to "stand down," CUPE BC took credit for forcing the Campbell government "to blink."[100] Those who had envisioned a heroic fight between BC's working class and the neoliberal regime, however, had hoped for more than a "blink." From union offices across BC, telephone networks were activated and members informed that the next day's disruption was not required. Confusion could be detected in some circles, relief in others, as BC's working class stepped back from the brink of a general sympathetic strike.

On May 3, the anticipated shutdown did not occur. However, demonstrating the extent of organizing independent of the BC Fed and provincial labor leadership, many HEU picketlines held firm throughout the day. In Victoria, transit buses remained in the barn, BC Ferries operations were disrupted, and Quesnel experienced a sympathetic strike of 5000 workers—a majority of the town's workforce.[101] "We're suffering here," Quesnel teachers' president Brian Kennelly said, expressing how anger at social-service cuts translated into support for HEU.[102] The Quesnel strike closed virtually all public services, two sawmills, and major grocery stores.[103] Despite these examples of sympathetic job action, the May 3 solidarity strike was scattered unevenly in different communities and across different economic sectors. It lacked the mass character the proposed BC Fed action would have entailed.

The sentiment of a layer of rank-and-file workers was evident when picketlines appeared outside the Burnaby and Victoria HEU headquarters, and clerical staff refused to cross.[104] This represented a final act of defiance, however, rather than the stirrings of a determined challenge to the labor leadership. "For those of you who see events of the last few days as a political call to arms, please holster your weapons until the next election," the *Vancouver Sun* advised.[105] Business leaders called for an overhaul of collective bargaining in BC's public sector.[106] By May 4, the picketlines were gone. BC returned to the more orderly pattern of industrial relations where the balance of social forces favored employers rather than workers.

"My personal feeling is that we could have achieved a lot more if that support had been there or if there was a better plan in place before they took the strike on," an HEU activist laments. "It seemed to me there wasn't a plan going into it."[107] However one CUPE activist, who was influential in the Victoria strikes, is less pessimistic about the outcome:

> We scared the shit out of the Fed. We scared the shit out of the government. We gave the members the confidence that they could actually do something. If people had been smart, they would have been patting themselves on the back afterwards, instead of pointing fingers. But everybody needs to be more radical than everyone else . . . And anything we do is never good enough.[108]

HEU president Muzin is appreciative of the support his union received:

> I think the grassroots members were out in front of their leadership and that was
> reflected in some of the decisions. But I think the affiliates in the Fed provided as
> much support as they could understanding they each have their own cultures, they
> each have their own histories, their leadership each have their own pressures. The
> support was great. Could it be more? Sure. But that will evolve.[109]

Conclusion

HEU was uniquely situated to find itself at the epicenter of the conflict that
erupted in spring 2004. A fiercely independent union, consisting mainly of
women, immigrants, and workers of color, HEU was empowered by its tradition
of militancy and role as a defender of Medicare. The union's history and the
language of its collective agreements made HEU the vehicle for a broader
working-class challenge to privatization. HEU's relative distance from the main-
stream of organized labor was both an asset and a weakness. Independence
fueled the perception among HEU members and leaders that internal strength
was essential, but also foreshadowed ambivalent solidarity in response to the
strike; independence was essential to mobilize HEU members to fight against
privatization, but looked increasingly like isolation as BC's labor leadership
lobbied HEU leaders to call off the strike.

The ambivalent working-class response to the HEU strike—from enthu-
siastic support and sympathetic job action to reluctance and opposition—high-
lights political tensions within BC labor's ranks. As Peter McInnis observed in
his study of the making of Canada's postwar industrial relations system, formal-
ized collective bargaining facilitated "political atrophy, which has left workers ill
equipped to confront a resurgence of employers' reactionary incursions within
today's 'global' economy."[110] Social democracy, because of its orientation
toward electoral success, operates within a sharply defined tactical and organiz-
ational framework that has shunned militant action and adapted slowly to neo-
liberalism. To achieve far-reaching objectives—and even defend existing
social-democratic gains—BC labor must confront its incomplete understanding
of the purposes and exercise of the general strike, and its complex relationship
with the NDP.

The mobilization surrounding the HEU strike suggests the tendency
toward class solidarity forms a persistent, if contested, tradition within BC's
working class. In 2004, opposition to neoliberal cutbacks and privatization
was channeled through the agency of the HEU strike, as workers defied collec-
tive agreements to support hospital workers and defend Medicare, a cherished
Canadian institution. Community coalitions and CUPE were integral to the
movement for a general strike. However the absence of a coherent strategy
for the effective use of this tactic—by both elected and grassroots leaders—
was labor's Achilles heal, mediating against a widening of the strike and

producing disillusionment in the strike's aftermath. The 2004 HEU strike reveals the possibilities and dangers in working-class struggles globally. It demonstrates the agency of a regional working class to mobilize against privatization, but also reveals contradictions in labor's ranks that inhibit more successful challenges to the political prescriptions of globalized capital.

NOTES

1. Neoliberalism is examined in Gary Teeple, *Globalization and the Decline of Social Reform: Into the Twenty-First Century*, Second Edition, (Aurora, 2000); Harvey Feigenbaum, Jeffrey Henig, and Chris Hamnett, *Shrinking the State: The Political Underpinnings of Privatization* (Cambridge, 1998); John Shields and B. Mitchell Evans, *Shrinking the State: Globalization and Public Administration "Reform"* (Halifax, 1998); Stephen McBride and John Shields, *Dismantling a Nation: The Transition to Corporate Rule in Canada* (Halifax, 1997); Mike Burke, Colin Mooers, and John Shields, eds., *Restructuring and Resistance: Canadian Public Policy in an Age of Global Capitalism* (Halifax, 2000). For healthcare restructuring in Canada and BC, see Pat Armstrong and Hugh Armstrong, *Wasting Away: The Undermining of Canadian Healthcare* (Don Mills, 2003); Sylvia Fuller, Colleen Fuller, and Marcy Cohen, *Health Care Restructuring in BC* (Vancouver, 2003).

2. Alan Sears, "The 'Lean' State and Capitalist Restructuring: Towards a Theoretical Account," *Studies in Political Economy* 59 (1999), 91–114; Kim Moody, *Workers in a Lean World: Unions in the International Economy* (London, 1997).

3. See Mark Leier, *Red Flags and Red Tape: The Making of a Labour Bureaucracy* (Toronto, 1995).

4. David Camfield, "Neoliberalism and Working-Class Resistance in British Columbia: The Hospital Employees' Union Struggle, 2002–2004," *Labour/Le Travail* 57 (Spring 2006), 9–41.

5. BC working-class history is not, however, "exceptional" or isolated from developments in other jurisdictions. See Leier, "W[h]ither Labour History: Regionalism, Class and the Writing of BC History," *BC Studies* 111 (Autumn 1996), 61–75. Union density in BC peaked at 55.4 percent in 1958. Statistics Canada, *Labour Force Historical Review* (2004).

6. Martin Robin, "British Columbia: The Company Province," in Robin, ed., *Canadian Provincial Politics: The Party Systems in the Ten Provinces*, 2nd Ed. (Scarborough, 1978), 29–60.; also Paul A. Phillips, *No Power Greater: A Century of Labour in British Columbia* (Vancouver, 1967).

7. Leier, *Where the Fraser River Flows: The Industrial Workers of the World in British Columbia* (Vancouver, 1990).

8. Ross Alfred Johnson, "No Compromise—No Political Trading: The Marxian Socialist Tradition in British Columbia" (Ph.D. diss., UBC, 1975); Ronald Grantham, "Some Aspects of the Socialist Movement in British Columbia" (M.A. thesis, UBC, 1942); Robin, *Radical Politics and Canadian Labor* (Kingston, 1968).

9. For racism and ethnic tensions, see Gillian Creese, "Exclusion or Solidarity? Vancouver Workers Confront the 'Oriental Problem,'" *BC Studies*, 80 (Winter 1988–89), 24–51. The struggle for women's equality in organized labor is examined in Betty Griffin and Susan Lockhart, *Their Own History: Women's Contribution to the Labour Movement in British Columbia* (Vancouver, 2002).

10. See, for example, Dorothy G. Steeves, *The Compassionate Rebel: Ernest Winch and the Growth of Socialism in Western Canada* (Vancouver, 1977).

11. David J. Bercuson, *Fools and Wise Men: The Rise and Fall of the One Big Union* (Toronto, 1978).

12. See Peter McInnis, *Harnessing Labour Confrontation: Shaping the Postwar Settlement in Canada, 1943–1950* (Toronto, 2002); Leo Panitch and Donald Swartz, *From Consent to Coercion: The Assault on Trade Union Freedoms*, 3rd Ed. (Aurora, 2003), 9–21; Bryan D. Palmer, *Solidarity: The Rise and Fall of An Opposition in British Columbia* (Vancouver, 1987), 14–19.

13. "AFL and CCL Unions Combine to Oppose ICA Act Amendments," *CCF News* (Vancouver), April 22, 1948; also "Labor fights fascist curbs," *Pacific Tribune* (Vancouver),

April 23, 1948. Roly Gervin, secretary-treasurer of the Vancouver and New Westminster Trades & Labour Council (AFL), and William Mahoney, western director of the Canadian Congress of Labour (CIO), represented BC affiliates in a joint delegation to the legislature.

14. British Columbia, *Report of a Board of Reference into the British Columbia Civil Service Act* (Victoria, 1959).

15. Bruce McLean, *A Union Amongst Government Employees: A History of the BC Government Employee' Union, 1919–1979* (Victoria, 1979).

16. Jo Dunaway, *We're Your Neighbours: The Story of CUPE BC* (Vancouver, 2000); "Union Membership in Canada—2004," *Workplace Gazette* 7:3 (2005), 44. Communist influence in BC unions is explored in Jerry Lembcke and William M. Tattam, *One Union in Wood: A Political History of the International Woodworkers of America* (Madeira Park, 1984); Homer Stevens and Rolf Knight, *Homer Stevens: A Life in Fishing* (Madeira Park, 1992); Howard White, *A Hard Man to Beat: The Story of Bill White, Labour Leader, Historian, Shipyard Worker, Raconteur* (Vancouver, 1983); and Irving Abella, *Nationalism, Communism and Canadian Labour: The CIO, the Communist Party, and the Canadian Congress of Labour, 1935–56* (Toronto, 1973), 111–138.

17. Frances Fox Piven, "The Decline of Labor Parties: An Overview," in Piven, ed., *Labor Parties in Postindustrial Society* (Cambridge, 1991), 1–19. The 1972–1975 NDP government is examined in Lorne John Kavic and Gary Brian Nixon, *1200 Days: A Shattered Dream: Dave Barrett and the NDP in BC 1972–75* (Coquitlam, 1978); Dave Barrett and William Miller, *Barrett: A Passionate Political Life* (Vancouver, 1995).

18. Teeple, *Globalization and the Decline of Social Reform*.

19. British Columbia, *Statement of Votes* (1983).

20. Magnusson et al., eds., *The New Reality: The Politics of Restraint in British Columbia* (Vancouver, 1984); Palmer, *Solidarity*, 21–24.

21. William K. Carroll, "The Solidarity Coalition," in Magnusson et al., eds., *The New Reality*, 94–113.

22. Thom Guine, *How Operation Solidarity Became Operation Soldout* (Toronto, 1985).

23. British Columbia, *Statement of Votes* (1991); Stan Persky, *Bennett II: The Decline & Stumbling of Social Credit Government in British Columbia 1979–1983* (Vancouver, 1983) and *Fantasy Government: Bill Vander Zalm and the Future of Social Credit* (Vancouver, 1989); Magnusson et al., eds., *After Bennett: A New Politics for British Columbia* (Vancouver, 1986).

24. See Debra J. Salazar and Donald K. Alper, "Reconciling Environmentalism and the Left: Perspectives on Democracy and Social Justice in British Columbia's Environmental Movement," *Canadian Journal of Political Science*, 35 (2002), 527–66; "Welfare fraud report to be released soon," *Vancouver Sun* (hereafter *Sun*), January 11, 1993; "Beware," *The Peak* (Burnaby), September 16, 1996.

25. HEU Activist. Interview by authors (hereafter HEU Activist interview). Digital recording. Victoria, BC. September 28, 2005; *Hansard: Official Report of Debates of the Legislative Assembly of British Columbia*, April 2, 2000.

26. William K. Carroll and R.S. Ratner, "The NDP Regime in British Columbia: A Post Mortem," in Carroll and Ratner, eds., *Challenges and Perils: Social Democracy in Neoliberal Times* (Halifax, 2005), 105–136; Jim Herring, *Labour, the NDP. . . and our Communities* (Victoria, 2003), 2–4.

27. British Columbia, *Statement of Votes* (2001).

28. "Campbell's Breach," *Globe and Mail* (Toronto), January 30, 2002. Before the 2001 election, Campbell told the HEU's *Guardian* newsletter: "I am not tearing up any agreements." See "Gordon Campbell Interview: Moving to the Middle," *Guardian* 18 (November–December 2000).

29. McIntyre & Mustel Research, HEU Member Profile Survey, March 2002, as quoted in Marjorie Griffin Cohen, *Destroying Pay Equity: The Effects of Privatization in British Columbia* (Vancouver, 2003), 10.

30. Ibid.

31. "FHA turns over hospital cleaning functions to French corporation," HEU Press Release, 1 Oct. 2003; also "Union tackles hospital company," *The Record* (New Westminster), July 28, 2004.

32. "Election Fantasia," *CCF News*, March 27, 1948; "Hospital Plan for $10 a Year," *CCF News*, March 11, 1948; Patrick L. McGeer, *Politics in Paradise* (Toronto, 1972), 99–101;

Dorothy G. Steeves, *Builders & Rebels: A Short History of the CCF in British Columbia, 1932–1961* (Vancouver, 1961), 17–18.

33. Patricia G. Webb, *The Heart of Health Care: The Story of the Hospital Employees' Union, the First 50 Years* (Vancouver, 1994), 19–26, 33–37.

34. For developments culminating in the split, see Webb, *Heart of Health Care*, 37–42.

35. Ibid., 42–62.

36. Ibid., 80.

37. Ibid., 80–81.

38. HEU Activist interview.

39. Muzin, Fred, Interview by authors (hereafter Muzin interview), Digital recording, Burnaby, BC, September 19, 2005.

40. Ibid.

41. Webb, *Heart of Health Care*, 6.

42. This view is echoed in Jerry P. White, *Hospital Strike: Women, Unions, and Public Sector Conflict* (Toronto, 1990) and Judy Darcy, "The Right to Strike," in Linda Briskin and Lynda Yanz, eds., *Union Sisters: Women in the Labour Movement* (Toronto, 1983), 171–179. The right to strike is a women's issue, Darcy argues, because those occupations most often subject to antistrike restrictions—such as healthcare and teaching—are women-dominated.

43. Hemstreet, Glenda, Interview by authors (hereafter Hemstreet interview), Digital recording, Victoria, BC, September 30, 2005.

44. Cohen, *Destroying Pay Equity*, 9.

45. *Hansard*, August 16, 2001 and January 27, 2002.

46. Gillian Crease and Veronica Strong-Boag, *Losing Ground: The Effects of Government Cutbacks on Women in British Columbia, 2001–2005* (Vancouver, 2005).

47. Muzin interview.

48. HEU Activist interview.

49. Canada, *Final Report of the Commission on the Future of Healthcare in Canada* (The Romanow Report) (2002).

50. Zoe Towle, *Report to PAR-BC Members on the Health Authorities Health Services Redesign Plans*, April 23, 2002, http://www.par-bc.org/uploads/news/1071174415-health.authorities.redesign.may3.2002.pdf

51. Health and Social Services Delivery Improvement Act, [SBC 2002] Chapter 2, http://www.qp.gov.bc.ca/statreg/stat/H/02002_01.htm; *Hansard*, January 27, 2002.

52. "Dealing with the Cuts," *The Peak*, February 4, 2002.

53. Niknaz Kahnamoui, "After Outsourcing: Working Collaboratively to Deliver Patient Care?" (M.A. thesis, Simon Fraser University, 2005), 13–15.

54. "Hospitals: 27 surgeries cut on Island," *Times Colonist* (Victoria), April 25, 2004.

55. Hemstreet interview.

56. "Hospitals: 27 surgeries cut on Island," *Times Colonist*, April 25, 2004. This 2003 agreement would have limited contracting out to 3,500 jobs.

57. David Beers, ed., *Liberalized: The Tyee Report on British Columbia Under Gordon Campbell's Liberals* (Vancouver, 2005).

58. "Hansen warns of strike legislation," *Times Colonist*, April 25, 2004.

59. "Lengthy surgical backlog forecast," *Times Colonist*, April 26, 2004.

60. "Hospitals: 27 surgeries cut on Island," *Times Colonist*, April 25, 2004.

61. HEU Activist interview.

62. Ibid.

63. "The Terms of Forced Return," *Times Colonist*, May 1, 2004; "HEU defies work order," *Times Colonist*, April 29, 2004.

64. "Jobs on the line," *Times Colonist*, April 29, 2004.

65. "MLAs worried about retroactivity," *Times Colonist*, May 1, 2004.

66. HEU Activist interview.

67. Ibid.

68. Text of email, April 29, 2004, in possession of authors.

69. James M. Pitsula and Ken Rasmussen, *Privatizing a Province: The New Right in Saskatchewan* (Vancouver, 1990); Yonatan Reshef and Sandra Rastin, *Unions in the Time of Revolution: Government and Restructuring in Alberta and Ontario* (Toronto, 2003).

70. BC's three largest newspapers, the *Vancouver Sun*, *Vancouver Province*, and Victoria *Times Colonist*, were owned by Canwest Global Communications, which contributed

$30,000 to the BC Liberals in 2001. Canwest founder I.H. Asper was former leader of the Manitoba Liberal party. David Black, publisher of eighty weekly newspapers, chaired the government-appointed BC Progress Board and won an untendered $101,252 government contract in 2004. See "Premier's Office Offers Contract to Publisher," *Georgia Straight* (Vancouver), June 3, 2004; Elections BC, *Political Party Financial Disclosure Statements* (2001).

71. Campbell's Liberals received fifty-eight percent of the popular vote in 2001. In federal politics, BC voters gravitated toward the fiscally conservative Reform Party and Canadian Alliance, which captured forty-nine percent in 2000. British Columbia, *Statement of Votes* (2001); Elections Canada, *Thirty-Seventh General Election 2000: Official Voting Results*.

72. "IWA condemned," *Georgia Straight*, February 26, 2004.

73. Solidarity Vote ballot (2002), CUPE BC, in possession of authors.

74. "UBC Crisis Heats Up," March 23, 2004, http://www.cupe.bc.ca/1280. CUPE president Barry O'Neill said the strike was "now a dispute between UBC, the government and the 67,000 CUPE members in BC."

75. CUPE Activist. Interview by authors (hereafter CUPE Activist interview). Digital recording. Victoria, BC. May 20, 2005.

76. Resolution approved at CUPE BC All-Presidents' Meeting, December 15, 2003, Vancouver, in possession of authors.

77. CUPE Activist interview.

78. Ibid.

79. "Notes on CUPE BC conference call," April 29, 2004, in possession of authors. O'Neill reported that eleven locals were committed to action on April 30 and fourteen more on May 3. Eighteen locals were "not sure," while another eighteen did not respond. Two unidentified locals said "no" to the request for strike action.

80. "Labour crisis deepens," "Strike domino topples wide range of services," and "Tense standoff grips province, unions as 70,000 protest," *Times Colonist*, May 1, 2004; "Pickets, Protests and Promises of More to Come," *Sun*, May 1, 2004.

81. "Tense standoff grips province, unions as 70,000 protest," *Times Colonist*, May 1, 2004.

82. "Strike plans were extensive as other unions were joining HEU," *Vancouver Province* (hereafter *Province*), May 3, 2004.

83. "Hydro wildcat slows services," *Province*, May 1, 2004.

84. "HEU defies labour board, continues strike with new public service allies" and "Expect a patchwork labour situation in BC Monday," *Province*, May 1, 2004.

85. "Notes on CUPE BC Conference Call," April 30, 2004, in possession of authors; also "Around the Province," *Sun*, May 1, 2004.

86. CUPE Activist interview; see "Tense standoff grips province, unions as 70,000 protest," *Times Colonist*, May 1, 2004.

87. "May Day marchers threaten major labour disruptions in BC," *Sun*, May 3, 2004; "Hansen: Illegal pickets must stand down," *Times Colonist*, May 2, 2004.

88. "'Deep Struggle,' says BC labour boss," *Times Colonist*, May 1, 2004.

89. "National labour leaders back HEU," *Sun*, May 1, 2004.

90. "Teachers to honour HEU picket lines—schools would close," *Sun*, May 1, 2004; "Brace for manic Monday," *Times Colonist*, May 2, 2004.

91. "Coordinated Job Action Plan," reprinted in "A blueprint for havoc," *Sun*, May 1, 2004.

92. "Hated retroactivity clause dumped," *Times Colonist*, May 3, 2004; "Talks resume to settle HEU dispute," *Sun*, May 3, 2004.

93. "'Deep Struggle,' says BC labour boss," *Times Colonist*, May 1, 2004.

94. "This was the argument that was going to kill the general strike," a participant on a May 1 CUPE conference call suggests. CUPE Activist interview; also "'Deep Struggle,' says BC labour boss," *Times Colonist*, May 1, 2004; "Voices of reason struggle against a darker tune," *Sun*, May 1, 2004.

95. CUPE Activist interview.

96. "BC may avert massive labour shutdown," *Sun*, May 3, 2004.

97. CUPE Activist interview.

98. "Deal leaves strikers furious, but union leaders urge return to work," *Times Colonist*, May 3, 2004.

99. Muzin interview.

100. "Privatization curbed but BC health care workers still hit hard," CUPE Press Release, May 3, 2004, http://www.cupe.ca/www/media/health_care_privatiz

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109. Muzin interview. At HEU's next regular convention, held in Burnaby in October 2004, fifty delegates questioned the provincial executive's decision to call off the strike. Despite the tense debate, Muzin was re-elected president. Chris Allnutt, secretary-business manager and the union's lead negotiator, resigned prior to the convention. See "Sparks fly at HEU convention," *People's Voice* (Vancouver), November 1–15. 2004.

110. McInnis, *Harnessing Labour Confrontation*, 192–93.

A Class Approach to Municipal Privatization: The Privatization of New York City's Central Park

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Abstract

The privatization of New York City's Central Park in 1998 was among the most high-profile municipal privatizations in the US during the 1990s. Since then, the park's privatization has been cited as an exemplary model of privatization. This essay develops a unique class approach to municipal privatization and uses it to reconceptualize Central Park's privatization. In doing so, it argues that the park's privatization involves an important contradiction—one that regards its ostensible status as one of the nation's most famous and treasured *public* goods against its production as a *capitalist commodity*. This class approach to the park's privatization yields four insights. First, it underscores the limitations of the hegemonic cost-efficiency calculus that has long informed the municipal privatization discourse. Second, it raises important questions regarding the troublesome relationship between democratic principles and capitalist production relations. Third, it offers an alternative to a wage-led approach to privatization. Finally, and paradoxically, it provides a framework for theorizing "progressive" privatizations.

From its inception, New York City's Central Park has reflected, internalized or played host to many of the contradictions characteristic of an urban capitalist environment: uneven and unequal geographic development; intense struggles over class, race/ethnicity, gender, and sexual orientation; clashes between various forms of capital (e.g., financial and merchant); and, conflicts regarding "appropriate" social and political behavior. This essay brings to light another contradiction: the park's ostensible status as one of the nation's most famous and treasured public goods against its production as a capitalist commodity. In highlighting this contradiction this essay develops a unique class approach to reconceptualize the park's privatization.

This class approach to privatization yields four benefits. First, it serves to underscore the limitations of the hegemonic cost-efficiency calculus that has long informed the municipal privatization discourse. Second, it prompts important questions regarding the troublesome relationship between democratic principles and capitalist production relations. Third, it offers an alternative to a wage-led approach to privatization. Unlike that approach, a class approach facilitates the articulation of a consistent political position on privatization. Finally, and seemingly paradoxically, it provides a framework for theorizing "progressive" privatizations.

Municipal Privatization: Theory and Discourse

Despite the different forms municipal privatizations may take (e.g., contracting, franchise concessions, managed competition, etc.), they involve transfer of the production of a public good or service to a private entity—in most cases to a for- or nonprofit one. Thus, privatizations are often understood and described conceptually in locational or spatial terms, viz., production no longer takes place "inside" the public sector but "in" the private sector. In the context of the theory of privatization that underlies the existing municipal privatization discourse, the theoretical importance imputed to this locational/spatial transfer derives from the fact that it is held to result in substantive changes in the environment within which the production of public goods and services takes place. While these changes are many and diverse, the municipal privatization discourse places primary emphasis and focus on two: the managerial process and the competitive process.

The focus on the managerial process reflects the public-choice theoretical tradition that informs the theory underlying this privatization discourse. This theory's groundwork was laid in the 1950s and 1960s by Milton Friedman, William Niskanen, Gordon Tullock, and Anthony Downs.[1] Central to this theory was the development of an analogy between the budget-maximizing bureaucrat and *Homo economicus*. A departmental commissioner was theorized as trying to maximize his budget just as (in neoclassical economic theory) an individual or firm was assumed to maximize utility or profit. Due to asymmetries of information between the commissioner and her boss (the mayor), the result of this maximizing behavior was inefficiency and oversupply in the public sector. This result stood in sharp contrast to the perfect information case in neoclassical economics which begets efficiency. That budget-maximizing behavior lay at the heart of bureaucratic inefficiency and/or oversupply became widely accepted during this period, especially by public-choice theorists and many economists.

The privatization discourse's focus on the competitive process reflects the seminal work of Charles Tiebout who sought to characterize local governments as firm-like.[2] According to Tiebout, the local governments comprising metropolitan areas could be thought of as offering various packages of services to consumer-voters that would move to the community that best satisfied their given preferences, i.e., they would, "vote with their feet." Tiebout's work suggested that local governments shared common characteristics with industrial firms. Each local government produced particular products (services), enjoyed different economies of scale, serviced voter-consumers, and acted under various constraints. The result was a novel and powerful conceptualization of the system of municipal government. The import of this conceptualization for Tiebout stemmed from the fact that it provided a solution to the theoretical problem of how the optimal level of local expenditures on public goods was to be determined. Competition between local governments, Tiebout hypothesized, similar to the benefits it assured in the private sector (under certain

conditions), would create efficiency in the public realm. The import of Tiebout's work for the theory of privatization, meanwhile, rested squarely on the analogy he drew between government entities and industrial firms. This suggested that competition (and the efficiency its presence was thought to produce in the private sector) could be replicated (in various ways) within the public sector.

These two analogies came to serve as the foundation upon which the modern theory of municipal privatization and the discourse it spawned rests. Specifically, because they are understood to invoke substantive changes in the managerial and/or competitive processes associated with the production of public goods and services, privatizations should, in theory, increase the efficiency or cost-effectiveness of the production of many public goods and services. Thus, a powerful and decidedly deterministic/reductionist conceptualization of privatization processes emerges. Privatization acts are placed in the first position of a simple logic chain, viz., privatization increases competition and/or alters the managerial environment, and this alteration begets a set of outcomes. While efficiency has most often been the principal outcome variable of interest (especially in public policy arenas), other widely analyzed outcomes include municipal expenditures, public-sector wages and employment, and service quality and quantity.

In the context of the municipal privatization discourse, the result of this conceptualization-cum-reductionism is that analytical attention has inevitably been directed towards this circumscribed set of outcome variables. As a consequence, most analyses of municipal privatizations reflect this focus and concentration on these outcomes. These outcomes (often grouped into "costs" and "benefits" in order to rationalize policymaking) are presumed to be not only identifiable but also (and, more heroically) calculable. Policy debate inevitably reverberates around questions concerning the post-privatization direction (and magnitude) of change in these types of variables, viz., a privatization will increase/decrease: the efficiency of public service delivery, municipal expenditures, public-sector wages or employment levels, etc. The predictable result is a litany of studies with contradictory findings that, nevertheless, share a common ontological framework.

There is an important corollary of this conceptualization of privatization. Namely, the private for- and nonprofit entities that become responsible for the production of a public good or service upon its privatization are of little theoretical or empirical interest. At moments when these entities do become objects of focus it is often due to prior interest in some element of the outcome set. Explicit theoretical and/or empirical investigation of these entities is rare. This neglect means that the entities central to municipal privatizations rarely figure prominently in broader interpretations and understandings of municipal privatizations.

The analytical neglect of these entities reflects and is reinforced by the influence of neoclassical economics' approach toward the enterprise on the theory of privatization. On the assumptions that a municipal privatization process generates or replicates a set of constraints (i.e., a specific managerial

and/or competitive regime), and that the entity involved in the privatization is a
for-profit one, the neoclassical profit-maximization assumption short-circuits
theoretical or empirical interest in the entity. If the entity involved in the priva-
tization is a nonprofit, it is assumed that its mission (understood in contradistinc-
tion to that of a for-profit) works to obviate any additional theoretical or
empirical investigation. In both cases, these entities' behavior and relation to
the larger urban environment within which the privatization process takes
place are assumed to be adequately represented by their characterization as
for- or nonprofit. The result is that analytical attention is invariably directed
away from the entities that lie at the center of privatization processes and
toward a heavily circumscribed set of outcome variables such processes are pre-
sumed, in theory, to alter.

A Class Approach to Municipal Privatization

Three concepts structure a class approach to municipal privatization: the class
process, reproduction, and overdetermination.[3] A class process is understood
to be an economic (as opposed to a natural, political, or cultural) process that
involves the production, appropriation, and distribution of surplus labor.
Unlike many approaches to class, the class approach to municipal privatization
developed here understands class as an adjective describing a specific process,
i.e., class is not understood as a referent. Depending upon the form that the
surplus labor takes as well as the commodity/noncommodity status of the
product it gives rise to, and the type of remuneration its performer receives, a
class process may be further specified as a feudal, ancient, capitalist, or commu-
nist one.[4] Further, class processes may be classified as either fundamental or
subsumed. The former relates to the production and appropriation of surplus
labor, while the latter pertains to the subsequent distribution of realized
surplus labor to specific entities. The distribution of cuts of realized surplus to
these entities is vitally important as it ensures that such entities (e.g., banks,
the state/municipality, shareholders, advertising agencies, consultants, etc.) con-
tinue to perform functions (or, provide conditions) that allow surplus labor to be
produced in the first place. This distributive (or, subsumed class) process allows
the fundamental class process (and, thus, the entity, e.g., a typical industrial capi-
talist firm, "hosting" it) to be reproduced. A different way of conceptualizing the
reproduction process is to see it as a means of analytically connecting or relating
a capitalist commodity producer to her larger social environment. A portion of
the surplus value the capitalist realizes upon the sale of her commodity is sub-
sequently distributed to the many entities in the social totality which provide
the conditions that enable the capitalist to produce and appropriate surplus
value.

     The third concept central to a class approach toward privatization is over-
determination. This concept flows from a specific conceptualization of the social
totality that sees it as comprised of sites (e.g., the enterprise, state, or household)
of bundled processes (economic, political, cultural, and natural ones). This

vision imparts an understanding of ceaseless movement or change to the social totality and the sites within it. It follows that the processes comprising any site not only "overdetermine" that site, but they simultaneously overdetermine one another. This implies, for example, that the fundamental and subsumed class processes that help constitute a capitalist commodity-producing enterprise not only necessarily overdetermine one another but also overdetermine (and are overdetermined by) all of the other many processes constituting the site.

Overdetermination implies considerably more than mere mutual effectivity or causation, e.g., two or more independent processes mutually influencing one another. Instead, the crux of the concept is constitutivity—an idea that renders problematic the independence notion upon which the idea of mutual effectivity rests. The concept therefore entails a distinct approach to and understanding of causality: no one process may be understood to be the unique effect of one or some subset of other processes. And, no single process, or subset of processes, may be deemed the unique cause(s) of any other process. This approach to and understanding of causality is referred to as an antiessentialist or antireductionist social theory or ontology. Unlike essentialist and reductionist social theories, an antiessentialist social theory holds that no one process or site in the social totality can be explained by reducing it to some essential single (or, set of) process(es) or cause(s). The next section explains what the adoption of these three concepts implies in regard to analyzing privatization processes.

From a class perspective, the interest in any privatization process lies in considering the class changes it invokes. Specifically, the privatization of a public good or service means it is no longer produced as a mere use-value. A public park, for example, is consumed by the public and is therefore useful. It does not generally have exchange value, however; it is not produced as a commodity for exchange.[5] Municipal workers generally produce parks. Because these workers' labor does not yield an exchangeable commodity, and because they exchange their labor-power against revenue (they receive a wage from the municipality out of collected tax revenues) not capital, the production of a public park, like municipal goods and services in general, does not involve a class process as no surplus is produced.[6]

Once a public good or service is privatized it becomes an object of exchange (a commodity), i.e., it represents both a use-value and an exchange value. Regardless of the institutional form the privatization takes, this exchange occurs between the municipality undertaking the privatization process and the entity that comes to produce the good or service. From a class perspective, this means the public good or service is produced under starkly different social relations. In particular, its production now requires a class process. There are three possibilities regarding this class process's origins. First, a municipal privatization may generate a new enterprise. The creation of public authorities and public-private partnerships are representative examples. In this case, the class process brought into being via a municipal privatization would occur together (simultaneously) with the creation of a new enterprise. Second, a municipal privatization might transfer production to an existing

enterprise that did not (prior to the privatization) host a class process. In this case, the privatization would generate (bring into being) a class process within an existing enterprise. As discussed below, Central Park's privatization was representative of this type of privatization. Third, a municipal privatization might transfer production to an enterprise that already hosts a class process. Contracting with a capitalist producer represents the paradigmatic example of this type of privatization process. Unlike the first two cases, this type of privatization would not generate a new class process but would support an existing one.

Two points flow from this focus on the class dimension of privatization. First, from a class perspective, a municipal privatization means a public good or service is no longer a mere use-value. Following privatization the good or service is commodified and its production involves a class process. In the vast majority of the municipal privatizations carried out in the US over the past quarter-century, these class processes have tended to be capitalist ones. In other words, after privatization, municipal public goods and services represent capitalist commodities containing surplus value. This means these goods and services—goods and services a democratically-elected body decides to provide its citizens—will henceforth be produced via a capitalist class process that will yield a surplus from which a profit may be derived. What is the import of this from a class perspective? Capitalist class processes exclude those who produce surplus (productive workers) from participating in deciding how the fruits of their labors will be distributed (These distributions constitute the subsumed class process, described above). In most cases, such distributions are carried out by a board of directors or trustees (often in conjunction with management input). This exclusion implies that capitalist class processes are inherently undemocratic. The undemocratic nature of capitalist class processes provides a basis for deeming them exploitative (The exploitation theme and its connection to undemocracy is returned to below).

Second, recognition of the class dimension of privatization processes constitutes the beginning point for a class analysis of the process. Once the class process has been recognized, understanding how it is reproduced becomes the central task of the class analysis. For example, the class analysis of Central Park's privatization analyzes how the reproduction process of the organization that came to produce the park following its privatization (the Central Park Conservancy (CPC)) impinges upon various agents and institutions in New York City. In this way, the park's privatization is analytically related to the larger social environment within which it took place. In other words, analysis of the CPC's reproduction process provides a vehicle for explicating some of the complex and heretofore little-recognized effects the park's privatization may have given rise to.

Important implications flow from this approach toward municipal privatization. In particular, the presumption that municipal privatizations have some unique or singular outcome, a presumption that pervades the existing municipal privatization discourse, is jettisoned. An *overdeterminist* class approach toward

municipal privatization reconceptualizes the process as an ensemble of overde-
termined and contradictory class processes. This reconceptualization reflects a
nondeterminist or nonreductionist way of thinking about privatization. As a
result, the types of determinist ontological logic that inform the existing munici-
pal privatization discourse are displaced.

The approach's embrace of an overdeterminist ontology and class process
focus, and the subsequent displacement of the traditional discourse's reduction-
ist ontology and closely-related focus on the efficiency outcomes of municipal
privatization process, moreover, represents a critical shift. The point of any
class-analytic study is to examine one particular process—the class process—
and how it complexly impinges upon and reacts to many other processes with
the purpose of constructing a class-based knowledge of the object in ques-
tion—here, municipal privatization.[7] In contrast, the mainstream discourse's
general fixation on the efficiency outcome (or, a very narrowly circumscribed
set of similar outcome variables) has meant that many processes involved in
any municipal privatization are either discounted or ignored. In contrast, a
class approach toward municipal privatization not only seeks to recognize and
explore (but some of) these many processes, but also realizes that their social
effects will, "endlessly ramify in overlapping and interacting ways."[8]

New York City's Fiscal and Park Crises

New York City's 1970s experience came to symbolize the depth and severity of
the urban fiscal crisis that cascaded across the country during the decade.
Between 1969 and 1976, New York City lost 588,000 jobs—a startling 15.5
percent decline.[9] Its manufacturing sector shed 285,000 jobs, a decline of
thirty-five percent, over the same period. The city lost 51,500 public-sector
jobs in 1976 alone. As employment opportunities shrank, the city's population
plummeted, declining 10.4 percent (a loss of over 800,000 persons) during the
1970s. Despite the associated decline in its labor force, the city's unemployment
rate rose from under five percent in 1970 to twelve percent by mid-1975, before
receding to 8.5 percent in late 1979.

The city's fiscal crisis hit its park system hard. Under the austerity program
the city was forced to adopt following its bankruptcy, the Parks Department's
(Parks) budget declined $40 million between 1974 and 1980, a sixty-percent
cut in real terms.[10] The number of full-time permanent park workers dropped
from a late 1960s peak of nearly 6,100 to 4,800 in the early 1970s, and then
declined to 2,600 by 1979.[11] Central Park may have lost as much as forty-four
percent of its full-time workforce during the decade.[12] Between fiscal year
1975 and 1976 Parks' capital budget was slashed to $5 million from $24
million.[13] Unsurprisingly, the quality of the city's parks, including Central
Park, deteriorated dramatically. The extent of Central Park's deterioration
led New York State Senator Daniel Patrick Moynihan to threaten then-Parks
commissioner Gordon Davis with a federal takeover of Central Park unless
something was done about the "national disgrace."

The city's fiscal crisis' effect on its park system, moreover, came on the heels of a period during which the demand for Central Park had increased dramatically. This increase reflected the political and cultural movements that had altered the use of Central Park during the 1960s.[14] "Love-ins," "be-ins," and "fat-ins" became regular features infusing the park's social, cultural, and increasingly political atmosphere (the park was used for large-scale antiwar rallies during this period). These trends, moreover, coincided with policy decisions to reallocate park spending toward programs and away from maintenance and capital improvements.[15] Both developments meant that the city's park system was in dire shape before its fiscal crisis began.

The Emergence of the Central Park Conservancy

In 1979, Davis appointed Elizabeth Barlow Rogers Central Park administrator. Rogers, who held a degree in city planning from Yale University, was an avid park activist and author of books and articles on parks and Frederick Law Olmstead, one of Central Park's codesigners. In the years prior to her appointment, Barlow had launched efforts to save the park, raising private monies for restoration, and recruited volunteers to do maintenance and horticulture in the park.[16] Davis asked Rogers to raise her own salary as administrator. In December 1980, New York City Mayor Koch officially recognized the formation of the Central Park Conservancy (CPC).

The Conservancy's board of trustees comprised thirty-four individuals, many of whom were executives of major corporations located in the city. The board included six public trustees, three appointed by the mayor, and three city officials that served *ex officio*. Rogers served as both the Conservancy's chief executive officer as well as Central Park administrator. The administrator is appointed by the mayor and reports to the Park's commissioner, but is paid by the Conservancy. The Parks Commissioner retained official control over park policy. While the Conservancy's ostensible mandate was (and, continues to be) fundraising and park stewardship, it began to play (in tandem with its success at fundraising and restoration) a significantly greater role in the park's operations. By 1990, the Conservancy was supplying half the park's annual operating budget, half the funds for its capital improvements, subsidizing half of the park's staff, and providing almost all of the park's recreational and cultural programming.[17]

Soon after the CPC's formal recognition, Davis issued a report declining Bulgarian artist Christo's request for a two-week permit to install an unprecedented twenty-five mile long exhibit consisting of apricot-colored fabric banners hung from metal frames throughout the park. Davis's report was more than a denial of a park permit, however. The document set out Davis's intentions to affect a shift in park policy. While acknowledging the good intentions of his predecessors who had embraced policies that placed a high value on the park as a place for recreation, education, and cultural activities, Davis argued that limits on how the public used Central Park were long overdue.[18]

Davis's policy dovetailed with the Conservancy's focus on restoring the park during the 1980s. At the center of this restoration process laid Rogers's deep commitment to an Olmsteadian ideology, which viewed the park as, "a scenic retreat, a peaceful space that would act as an antidote to urban stress."[19] Guided by a series of studies carried out during the early 1980s, the CPC embarked on an ambitious restoration plan.[20] The CPC also began efforts to program the park, inaugurating a host of exhibitions, music series, and educational programs. By the end of the 1980s, the CPC had raised more than $65 million for the park's restoration. While the CPC's fundraising efforts were important to the park's widely acknowledged and trumpeted rebirth during the decade, it remained true that the city paid for nearly three-quarters of the park's improvements.[21]

The CPC's restorative program continued during the 1990s, fueled by a five-year capital campaign during 1987-1991 that raised $50 million. The CPC's influence over Central Park policy and usage grew in tandem with its fundraising success. This influence and the CPC's focus on restoration also led to growing differences with various public groups' visions of the park's proper usage.[22] Moreover, the city's severe early 1990s recession, which resulted in deep cuts in park's budget, forced a reluctant CPC to redirect its privately-raised funds away from restoration toward subsidizing the park's maintenance personnel.[23] These events not only furthered the CPC's influence over the park, but also heightened the city's reliance on the CPC.

The city and the CPC continued to jointly operate Central Park under a rather loose agreement until 1993, at which point, this agreement was transformed into a more formal memorandum of understanding (MOU).[24] This MOU established policies and procedures of mutual concern regarding the park and its operations. It did not require either party to obligate funds and did not create a legally binding commitment between the two parties. The agreement between the CPC and the city soon morphed again, however, under the mayoralty of Rudolph Giuliani.

The Mayoralty of Rudolph Giuliani and the Privatization of Central Park

The election of Rudolph Giuliani as New York City's mayor marked a turning point for New York City government. Giuliani made privatization a key platform of his 1993 campaign.[25] While privatization was hardly new to New York City government—many services provided by the city had long been provided under contract—Giuliani's privatization program was not only a response to fiscal constraints, but, more pointedly, strategically aimed at improving the overall performance of city agencies.

While the successes and failures of Giuliani's privatization initiatives are debatable, it is undeniable that he delivered on his campaign promise. This is true despite the fierce opposition he often faced as well as the important defeat he suffered in an attempt to privatize the city's hospital system. During his eight years as mayor, Giuliani implemented sixty privatization initiatives.[26] These

included contracting out fleet management in Parks and custodial work at public schools, franchising private ferries, divesting radio and television stations, and crafting a public-private partnership for new school construction. By far the most high-profile privatization Giuliani implemented, however, was Central Park's.

Until early 1998, the MOU governed the relationship between the CPC and the city. In February 1998, Giuliani changed this relationship by entering into a renewable eight-year contract with the CPC. Under the contract, the CPC was obligated to perform, "responsibilities associated with maintaining and repairing Central Park for the benefit of the public, including the provision of programs and activities that will increase public interest in and awareness of Central Park."[27] The contract also specified the two parties' respective financial commitments.

Beginning with the fiscal year that began July 1, 1997 (the first year of the eight-year contract), the CPC was obligated to raise and expend annually a minimum of $5 million with respect to maintenance, repairs, programming, landscaping, and the renovation and rehabilitation of existing facilities in Central Park.[28] In consideration of these services, the city paid the CPC $1 million in the contract's first year. In the second year of the contract, the city paid the CPC an amount equal to $1 million if the $5 million threshold was met in the prior fiscal year, and $0.50 for each additional dollar raised and expended by CPC in excess of $5 million (up to a maximum equal to an additional $1 million). The structure of the contract in the third year was identical to year two except that the city also agreed to pay the CPC an amount equal to fifty percent of annual net concession revenues generated in the park above $6 million (up to a maximum of an additional $1 million). The remaining years of the contract were similar save for an increase to $2 million in the maximum paid for concessions.

Central Park's privatization was clearly not designed to foster competition. Instead, the official policy rationale for the park's privatization centered on the managerial process underlying the park's production. In the run-up to the park's privatization, CPC Trustee and benefactor, Richard Gilder, wrote, in an essay urging the city to turn the park's management over entirely to the Conservancy:

> What most tips the scales in favor of a management contract should be beyond dispute: the Conservancy does a better job running Central Park than the Parks Department can. The Conservancy's great advantage comes in staffing. It hires and pays its horticulturists, groundskeepers, and cleanup crews as any private employer would. If they do well, they advance. If they do poorly, they're fired. Conservancy staffers are flexible enough to do more than one task, so they can be assigned to whatever job needs doing most urgently. And most crucial perhaps, the Conservancy is able to instill a real sense of pride in those who work for it; they come to think of Central Park as *their* park.[29]

Gilder's remark is noteworthy as it echoes one of the aforementioned focal points of the municipal privatization discourse. From a public policy standpoint,

the rationale for the park's privatization turned on the management process (in this case, as that process related to managing human resources).

A Class Interpretation of Central Park's Privatization

From a class perspective, once the contract between the CPC and the city was signed, Central Park—the 840 acres that arguably comprise the nation's most famous urban space and which lie at the center of the world's financial capital—became a good that no longer constituted a mere use-value, but one that also comprised exchange value. Thus, the privatization process commodified Central Park. The CPC became the producer and seller of the "Central Park commodity" while the city became its buyer.[30] As explained, the import of this commodification-cum-privatization from a class perspective rests on the idea that following privatization, the park's production came to involve a class process. Because the surplus this class process generates takes the form of surplus value, the class process spawned by the park's privatization and which yields Central Park qua commodity is a capitalist one. This implies that the productive workers employed by the CPC are exploited. Similar to typical industrial wage laborers, the CPC's workers are excluded from participating in decisions regarding how the fruits of their labor (once realized) are subsequently used or distributed. In the case of the CPC, such distributive decisions are made exclusively by the CPC's board in conjunction with management.[31] To reiterate, this exploitative capitalist class process reflects the exclusion the CPC's workers endure; this exclusion represents a specific type of undemocracy—one unique to the economic (class) process those workers participate in.

   To what uses might the surplus produced by the CPC's productive workers be put, or how is it distributed? The answer to this question necessitates exploration of the CPC's reproduction process.

The CPC's Reproduction Process

As explained, capitalists, like the CPC, must reproduce their class processes if they are to survive. They do so by distributing portions of realized surplus value to those that provide them with conditions of existence, (e.g., dividends to shareholders, interest payments to bankers and bondholders, rents to landlords, fees to advertising agencies, salaries to managers, and taxes to government entities).[32] Surplus value is realized via the sale of commodities. It is out of these sale proceeds that capitalists make such distributions. Whatever is left over after this distributive process constitutes profit.

   Unlike many capitalists, the CPC's sale of the Central Park commodity has never allowed it to cover its necessary distributions. In fact, proceeds from the sale of the Central Park commodity have been insufficient to cover the park's production costs.[33] In other words, the CPC produces the Central Park commodity at a loss each year. For fiscal years 1998 to 2003, the city paid the CPC for the Central Park commodity: $1 million, $2 million, $2.176 million, $2.477 million, $2.677 million, $2.853 million. The park's production costs for

these years totaled: $13.9 million, $16.6 million, $16.5 million, $15.8 million, $13.2 million, and $12.6 million.[34] Despite these shortfalls, the CPC has thrived, producing a commodity widely heralded as being virtually unrivaled (among urban parks) in both aesthetic and programmatic terms. How has the CPC managed such a feat—or, how has it managed to reproduce itself or, its capitalist class process?

Notwithstanding Gilder's claim, one activity, distinct from its daily production of the Central Park commodity, has driven the CPC's success: fundraising. The centrality of fundraising to the CPC's reproduction (and the park's "successful" privatization) process raises an important question. Namely, what are some of the potential implications of this fundraising, and how might consideration of them necessitate a rethinking of the common interpretation that holds the park's privatization as an exemplary model of privatization?[35]

In many respects, the CPC's success at fundraising is not surprising. Central Park is not only New Yorkers' "backyard" but also the backyard of one of the most densely packed groups of rich people in the world. While it is hard to dismiss the effects this fundraising has had on the park's quality, the CPC's fundraising success has not been universally embraced by New Yorkers. Those who have raised questions regarding the park's privatization have tended to couch their critiques in equity terms. As many have pointed out, the park's privatization has effectively resulted in a two-tiered park system.[36] Visits to the city's other parks amply testify to the veracity of this notion. Moreover, the park's privatization insulates Central Park from budget constraints. As long as the CPC meets its fundraising obligations, the city is obligated to buy the Central Park commodity from the CPC. Other city parks do not enjoy such insulation. The city and the CPC have responded to such fiscal equity concerns by pointing out that other parks (and, their neighbors) are free to imitate the CPC model.[37]

While the visibility of the city's parks has helped push the question of fiscal equity to the forefront of critiques of the park's privatization, there are other effects (related to the CPC's fundraising activities and its role in reproducing the CPC's capitalist class process) that are arguably just as, if not more, troubling.

Following the park's privatization, the CPC significantly expanded its fundraising efforts and increased its fundraising-derived revenue. In the six-year period prior to the park's privatization (1992–1997), the CPC's fundraising revenue averaged $10.7 million annually. During the first six years following the park's privatization (1998–2003), these revenues jumped to $16.9 million annually. This increase was undoubtedly heavily influenced by the fact that following the park's privatization fundraising became critical to the CPC's ability to reproduce its capitalist class process. The CPC's fundraising success (or, Central Park's successful privatization) holds important implications for the city's nonprofit sector.

New York City has a vast nonprofit sector. The city has over 27,000 registered nonprofits, of which 9,078 file annual reports with the Internal Revenue Service.[38] These filing organizations expend $43 billion annually, and employ

an estimated 528,000 persons, or fourteen percent of the city's resident employment base. The sector receives thirty percent of its revenues from contributions, while the average nonprofit receives fifty-three percent of its revenues from contributions.[39] While the reliance on and sources of contributions varies widely across the sector's segments, fundraising undoubtedly constitutes a key condition of existence for the majority of the city's nonprofits.

Clearly, Central Park's privatization and the role the CPC's wildly successful fundraising efforts have played in its success heightened the demand for donations. Put otherwise, the park's privatization increased competition among the city's nonprofits for fundraising donations. Whether the CPC's fundraising success undermined the ability of other nonprofits to secure fundraising dollars is of course in principal unknowable. On one hand, many new nonprofits are created every year in the city. Many of these, presumably, rely on donation revenue. This suggests that competition for donations is tied to the nonprofit sector's overall growth. On the other hand, it is unclear whether or not the post-privatization fundraising dollars the CPC captured would have been captured by some other nonprofit. The larger point thus is not to suggest that the CPC's fundraising success can be tightly linked to other nonprofits' fundraising failures.[40] Rather, the point is to underscore the fact that the park's privatization served, by design, to heighten this type of competition. This point has rarely, if ever, been acknowledged.

Competition for fundraising donations among nonprofits is not well understood—there is scant academic research on the topic.[41] Two studies that speak to the issue, however, are noteworthy. Susan Rose-Ackerman shows that competition for fundraising donations reduces the level of service provision relative to funds raised for all charities.[42] More recently, Inkyung Cha and William Neilson have argued that, "when more charities attempt to raise funds from the same pool of donors, the charities must work harder to get a given individual's donation."[43] As a result of this heightened competition for donations, the premium associated with the extra time, effort, or incentives a charity must provide to garner contributions increases. This increase, "causes dead weight loss, so that the total amount of charitable services provided falls after a new charity enters into the market."[44]

Given evidence of a decline in the proportion of operating expenses that contributions cover within the nonprofit sector, there is reason to believe that competition for donations among nonprofits has become increasingly more intense.[45] To the extent that privatizations like Central Park's increase the demand for donations within a locale's nonprofit sector, they heighten such competition. Tougher competition for donations likely forces some nonprofits (in particular, those least successful at fundraising) to seek alternative revenues. Two potential sources of revenue are noteworthy.

Unsuccessful nonprofit fundraisers may attempt to make up their fundraising shortfalls by raising the prices of the commodities they produce. In many cases, such commodities are sold to a government entity. For example, many human services nonprofits contract with the City of New York to provide

various human services commodities. In New York, fundraising contributions account for forty-four percent of human services nonprofits' revenues. These types of nonprofits, the majority of which are small, are often unable (like the CPC) to support full-time fundraising staff, hence, their ability to compete in an increasingly competitive fundraising arena is limited. Thus, to the extent they exacerbate fundraising competition, Central Park-like privatizations could play a role in increasing the nonprofit sector's call on public resources via increases in the prices of some of the commodities it sells to the public sector.[46]

Alternatively, some nonprofits, faced with stiffer fundraising competition, may pursue commercial activities. This would bring them into direct competition with for-profits.[47] Thus, to the extent they exacerbate fundraising competition, Central Park-like privatizations could play a role in contributing to an increasingly common but poorly understood form of competition.[48]

The point of the foregoing discussion is to underscore the limitations of the ontological framework that pervades the existing municipal privatization discourse, and which has contributed to its general fixation on a narrowly circumscribed set of outcome variables, especially efficiency. As suggested, the discourse on municipal privatization has long sought to group these outcomes into costs and benefits—generally in order to justify or oppose privatization initiatives. In the case of Central Park's privatization, a class approach's focus on the class dimension necessitates an investigation of the CPC's reproductive process. This investigation reveals that fundraising, which is not a production-related activity, allows the CPC to reproduce the capitalist class process which yields the Central Park commodity, and has thereby underwritten the park's successful privatization. The effects of this fundraising-cum-reproduction are hardly neutral, however. It necessarily impinges in important concrete ways on the city's nonprofit sector, i.e., it gives rise to potentially real and important costs that have previously gone unacknowledged.

A class approach to privatization thus demonstrates the contradictions inherent in all privatizations. It does so by anchoring its analysis of privatization processes in the reproductive efforts of the entities involved in these processes. From this point, it reaches out and begins to connect these efforts, and thus a privatization process, to the larger social environment within which a privatization takes place. As it does so, it brings to light a host of these processes' less visible effects; effects rarely considered in assessments of their efficiencies or costs.[49]

While the foregoing discussion highlighted one of Central Park's privatization's less visible effects, there are other implications of the park's privatization that are equally as troubling as those related to the CPC's fundraising activity. In considering these, the next section picks up the theme of exploitation introduced earlier.

Back to Exploitation

The previously introduced concept of an exploitative capitalist class process motivated an exploration of the CPC's reproduction process. As stated, the

basis for the determination of a class process's characterization qua exploitative hinges on the question of whether productive workers have a say in how the fruits of their labors are distributed. In cases in which workers do not, they are exploited. As a consequence, an exploitative class process can be characterized as one involving a specific form of undemocracy in a specific economic process (the class process). While the exploitation-cum-undemocracy endured by the CPC's productive workers is troubling in its own right from a class perspective, recognition of its existence is intimately linked to another form of undemocracy within the CPC's reproduction process.

In addition to its fundraising revenue, the CPC also relies on returns to its endowment portfolio in order to reproduce its capitalist class process. The CPC's board of trustees permits the use of total return (interests, dividends, and realized gains, net of investment management expenses) on the portfolio at a per fiscal year rate of up to five percent of a three-year moving average of the portfolio's fair market value. A significant portion of the portfolio derives from fundraising donations that donors or the board designate for long-term investment. The CPC's portfolio fiscal year-end market value for the years 1997 to 2003 equaled: $42.9 million, 53.6 million, $84 million, $113.6 million, $93.9 million, $89.9 million, $101.8 million.

The exclusive control the CPC Board exercises over the portfolio points back to the paradoxical relationship noted at the outset of this essay: namely, that between the park's production as a capitalist commodity and its ostensible status as a treasured public good, a status of locational, cultural, and aesthetic uniqueness which allows it to capture and capitalize significant resources. There is little doubt that the CPC board has done a fine job at protecting the portfolio's value. What is less clear is whether or not the park's privatization ought to have simultaneously granted the CPC exclusive control over the significant resources the park captures. Put otherwise, does the CPC's control of the portfolio fly in the face of a valid, democratic-based, public claim to participate in decisions regarding how the monies "its" park captures might be used? Indeed, there is good reason to believe that some of these resources might be put to other uses (e.g., redistributed throughout the city's park system) if the public had a genuine say in such decisions.[50]

In addition to the specific forms of undemocracy that surround Central Park's privatization—one tied to the class process that yields the park qua capitalist commodity, the other linked to its capitalist producer's exclusive control over the vast resources the park captures—there is yet another democracy issue worth mentioning. This issue came to light in the summer of 2004 amid attempts by an advocacy group (United for Peace and Justice) to secure a permit to hold a large protest rally on Central Park's Great Lawn during the New York City-hosted 2004 Republican National Convention.

As is well known, Mayor Michael Bloomberg successfully denied the permit after an intense court battle (as noted, the Parks' Commissioner retained full control over park policy when the park was privatized; thus, the City retained authority over the issuance of permits). As debate over the permit raged, the

CPC, sensing a need to make its position on the matter clear, weighed in. In a statement posted on its website, the CPC explained why it sided with the administration. While acknowledging its support of First Amendment rights, the CPC wrote, "Our concern is that an event of this magnitude, with 250,000 people expected to attend, would severely damage not only the Great Lawn but also other areas of the Park."[51] The CPC went on to cite the history of Central Park's deterioration in the 1970s and early 1980s and its subsequent restoration, noting that the Great Lawn had been restored at a cost of $18.2 million.

While it is difficult to relate this event directly to the park's privatization (the permit debate would ostensibly have arisen regardless of how the park is produced), the CPC's statement nevertheless calls attention to the need of all capitalists to protect their investments. Historically, such protection has often been secured by capitalists through political processes. In the CPC's case, such protection takes the form of policies that limit the type of activities that take place within the park. Such limitations are of paramount importance to the CPC. To the extent such policies did not exist, and to the extent this implied a reduction in the park's aesthetic quality, the ability of the CPC to demonstrate to donors that their investments are well used and protected, could be undermined. This could imperil the organization's fundraising efforts—efforts which allow it to reproduce the capitalist class process upon which the park's successful privatization has been built.

The forms of undemocracy surrounding Central Park's privatization are deeply ironic, as the park has, since its inception, been widely considered one of the greatest American experiments in social democracy ever undertaken. As Davis once remarked, "Of all its great achievements and features, there is none more profound or dramatically moving than the social democracy of this public space."[52] In highlighting the specific forms of undemocracy that surround the park's privatization, the class approach developed here underscores the contradictions inherent in attempts to square democratic principles with capitalist relations of production.

The Wage Question and Progressive Privatizations

A class approach to privatization yields two further benefits. First, unlike a wage-led approach, it facilitates articulation of a consistent political position on privatization. Second, it provides, paradoxically, a vehicle for theorizing progressive privatizations.

Labor's post-privatization wage outcome has been a longstanding concern of the left, as lower labor costs are presumed to play an important role in driving private producers' alleged cost advantages vis-à-vis public producers. Two studies conducted in the 1980s that have figured prominently in the literature suggest there is considerable ambiguity surrounding the post-privatization wage issue. A 1989 report by The National Commission on Employment Policy (NCEP) analyzed the effects of thirty-four separate city and county privatizations by tracking the employment and wage outcomes of more than

two-thousand affected workers.[53] The report found that private contractors hired more than half of affected public-sector workers. Twenty-four percent of affected workers were transferred to other government jobs, seven percent retired, and three percent were laid off. The study also concluded that there were more instances in which affected workers' wages *increased* than decreased. Differences in benefits were found, however; government benefits were often more generous than those provided by the private sector. A 1984 US Department of Housing and Urban Development study that compared wage levels for eight services in twenty California cities—half of which produced the service in-house, and half relied upon private production—revealed little difference in the wage levels in the two sectors.[54] Comparable benefit levels were also found.

Reflecting its experience with privatization under former Prime Minister Margaret Thatcher, more extensive investigation of the pre- versus post-privatization wage question has been carried out in the UK. The findings emanating from this body of research have also proven decidedly mixed on the wage question. According to Andrew Pendleton, "Anecdotal evidence collected by the Trades Union Congress on companies privatized in the early years of the Thatcher Government uncovered some unfavorable developments for workers…but there was no evidence of a generalized downward movement in either rate of pay or total pay."[55] M. Bishop and J. Kay's study of pay in the public and private sectors and in privatized companies between 1979 and 1988 found that the average level of pay *increased most* in privatized companies.[56] I. Haskel and S. Szymanski's comparative study of fourteen public-sector firms (four of which were privatized during the study period) and the economy as a whole, found that the growth in wages during the 1980s was similar in the two groups.[57] Kieron Davis and Howard Walsh's survey of compulsory competitive tendering in forty local authorities found that only seven percent of successful contractors reduced basic pay and less than fifteen percent abolished the bonus system or cut holiday entitlements.[58]

The ambiguity surrounding the post-privatization wage question hinders the articulation of a consistent political position on privatization, as any particular privatization may prove beneficial or detrimental to labor on wage grounds. This is not the case if privatization is approached from a class perspective.

A class analyst's political position on any privatization hinges on the class form the privatization takes. If a privatization generates a new class process or relies upon an existing class process that is exploitative it is viewed negatively on the grounds that the public good or service is, post-privatization, produced via an undemocratic class process. Thus, a class analyst could support a privatization in which workers' wage was observed to decline, but which allowed them to participate in decisions regarding how their surplus was distributed. In this way, a class approach to privatization, unlike a wage-led approach, greatly aids in the articulation of a consistent political position on privatization.

Progressive Privatizations? As noted, the majority of municipal privatizations that have occurred in the US over the past twenty-five years have either

supported *capitalist* class processes or generated new ones. However, from a class perspective (and a left perspective, more generally), an important consideration is whether or not municipal privatizations must yield capitalist class processes. Could they be designed to spawn or encourage noncapitalist production processes? While the details and conditions that would yield such a privatization lie beyond this essay's scope, the question holds far-reaching policy implications for the left.[59] In particular, it suggests that privatizations might afford viable opportunities for pursuing democratic (i.e., noncapitalist and nonexploitative) enterprise formation. The vast sums of monies (pensions) public unions have at their disposal provide a source of funds that could be tapped to help bring such possibilities to fruition. The fact that the majority of privatizations carried out over the past twenty-five years in the US have been (from a left perspective) anything but progressive is in part a reflection of a failure to recognize their class dimension and possibilities, which is to say that the positing of progressive privatizations is hardly utopian fantasy. Indeed, there is evidence in the global context that privatizations may afford progressive opportunities.[60] Such opportunities, should they come to fruition, would, of course (from a left perspective that placed class at the center of its privatization analyses), constitute the quintessential dialectic moment so many analysts sympathetic to class have sought in an era seemingly dominated by ever-widening and deepening capitalist relations of production.

NOTES

1. Anthony Downs, *Inside Bureaucracy* (Boston, 1967); Milton Friedman, *Capitalism, Freedom and Democracy* (Chicago, 1962); William Niskanen, *Bureaucracy and Representative Government* (Chicago, 1971); Gordon Tullock, *Politics of Bureaucracy* (Washington, D.C., 1965)

2. Charles Tiebout, "A Pure Theory of Local Expenditures." *The Journal of Political Economy* 64 (1956): 416–424.

3. The original formulation of the Marxian class theory upon which this approach to privatization builds upon is set out in, Stephen A. Resnick and Richard D. Wolff, *Knowledge and Class: A Marxian Critique of Political Economy* (Chicago, 1987).

4. Karl Marx, *Capital: A Critique of Political Economy, Vol. 1*, ed., Frederick Engels. Trans. Samuel Moore and Edward Aveling, (New York, 1967), 209.

5. A park (like Central Park) may nevertheless influence the exchange values of other commodities, e.g., condos, co-ops, hotel room stays, and horse-carriage rides. Hence, the park qua commodity and its post-privatization exchange value should not be conflated with other commodities' exchange values.

6. In Marxian class terms, municipal employees are "unproductive" because they do not produce commodities containing surplus. Instead, the goods and services they produce represent use-values. These use-values are important to other production processes, many of which yield surplus. The point is that municipal workers are not generally involved in a class process—given the narrow definition of a class process set out. This fact does not imply that they are not (have not been) implicated in class struggles. From a class perspective, municipal privatizations are understood to be symptomatic of a unique form of class struggle. The public sector retrenchment that began in the 1970s and continues today reflects a form of struggle between the various parties that receive cuts of capitalists' surplus value. Hence, the state or municipality, shareholders, landlords, advertisers, and managers all struggle for shares (viz., taxes, dividends, rents, fees, salaries, and bonuses) of surplus value. Capitalists have been successful in reducing the share of surplus the state/municipality receives. In this light,

public-sector retrenchment (reflected in things like privatizations) is understood to be symptomatic of such struggle. This struggle obviously affects municipal workers. However, this struggle and its impact on municipal workers, is qualitatively different from the type of class struggle capitalist wage workers engage in. These workers struggle over the very existence and magnitude of surplus value. Hence, while both municipal workers and capitalist wage workers engage in class struggle, the objects over which they struggle are fundamentally different.

7. This knowledge is thus produced by a class analyst.

8. Richard Wolff, "Limiting the State versus Expanding it: A Criticism of this Debate" in *Contemporary Economic Theory: Radical Critiques of Neoliberalism*, ed. Andriana Vlachou, (London: 1999), 73.

9. New York State Department of Labor Statistics (NYSDOL). All employment data cited from the NYSDOL's establishment employment series. Unemployment and labor force data cited from NYSDOL's local area unemployment statistics.

10. Roy Rosenzweig, Elizabeth Blackmar, *The Park and the People: A History of Central Park* (Ithaca, 1992), 502.

11. Ibid.

12. E.S. Savas, *A Study of Central Park* (New York, 1976).

13. Rosenzweig and Blackmar, *The Park and its People*, 503.

14. Ibid., 447–463. See also, Eugene Kinkead, *Central Park: The Birth, Decline, and Renewal of a National Treasure*, (New York, 1990), 105–109.

15. Rosenzweig and Blackmar, *The Park and its People*, 502.

16. Kinkead, *Central Park: The Birth, Decline, and Renewal*, 120.

17. Rosenzweig and Blackmar, *The Park and its People*, 510.

18. Elizabeth Hawes, "Whose Park is it Anyway?" *New York Times*, August 16, 1987, A9.

19. Elizabeth Barlow Rogers, James Marston Fitch, Marianne Cramer, et al., *Rebuilding Central Park: A Management and Restoration Plan* (Cambridge, 1987).

20. For details on restoration during the 1980s and 1990s see, Kinkead, *Central Park: The Birth, Decline, and Renewal*.

21. Rosenzweig and Blackmar, *The Park and its People*, 514.

22. Hawes, "Whose Park is it Anyway?"

23. Rosenzweig and Blackmar, *The Park and its People*, 522.

24. Memorandum of Understanding between New York City Department of Parks and Recreation and the Central Park Conservancy, March 31, 1993. Unpublished copy in author's possession.

25. "More Attacks On Dinkins As Giuliani Speeds Pace" *New York Times*, August 9, 1993, B1. Alison Mitchell, "Mayor Given Array of Ideas On Privatizing" *New York Times*, January 9, 1994, A21.

26. Rudolph W. Giuliani, *Reengineering Municipal Services, 1994–2001: Mayor's Management Report Fiscal 2001 Supplement*, The City of New York, 267–269.

27. Agreement between The Central Park Conservancy and City of New York Parks & Recreation (February 11, 1998), 2. Unpublished contract in author's possession.

28. Only those costs and expenses of performing these activities are included in the computation of the $5 million. Costs and expenses attributable to the corporate or fundraising offices and, City- or Parks-originated contributions to the CPC in excess of $100,000 are excluded.

29. Richard Gilder, "Set the Parks Free" *City Journal* 7.4 (1997).

30. The fact that the park is not exchanged via a market mechanism, but via a privately negotiated contract, does not imperil its theoretical specification as a commodity. Commodities may be (and have been) exchanged via various mediums throughout history.

31. In many capitalist commodity-producing entities, such distributive decisions are made by a board of directors.

32. The CPC does not make many of these distributions which are those more common of an equity-issuing (publicly-held) capitalist. This does not jeopardize its theoretical status as a capitalist, however. The class approach deployed here allows capitalists to be differentiated according to the sets of distributions they make in order to reproduce the class processes they host.

33. These production costs (outlays on constant and variable capital) are separate from distributional outlays, as well as, outlays on general support staff, overhead, and fundraising operations.

34. Author's calculations based on the Central Park Conservancy's Financial Statement and Schedules, 1998–2003. Unpublished copies in author's possession.

35. Blaine Harden, "Neighbors Give Central Park a Wealthy Glow" *New York Times*, November 22, 1999, A1.

36. Ibid.

37. Ibid.

38. John E. Seley and Julian Wolpert, *New York City's Non-profit Sector* (New York, 2002), xxi.

39. Seley and Wolpert, *New York City's Non-profit Sector*, 43–44. All statistics in this paragraph are from this source.

40. It is worth noting that given the fact that sixty-eight percent of the city's nonprofits (excluding the health and supporting organizations segments) have annual expenditures of $500,000 or less, the $7 million annual average increase in donations the CPC captured following the park's privatization could have supported several nonprofits.

41. This is surprising given that nonprofits are acutely aware of this type of competition. See, Association of Fundraising Professionals, *Association of Fundraising Professionals, State of Fundraising Report 2003* (Alexandria, VA, 2003).

42. Susan Rose-Ackerman, "Charitable Giving and 'Excessive' Fundraising" *The Quarterly Journal of Economics* 97 (1982): 193–212. Rose-Ackerman's use of the word "charities" is synonymous with nonprofits.

43. Inkyung Cha, William Neilson, "Is Competition Among Charities Bad?" Working Paper Series No. 0116, (Texas A&M University, 2001), 1.

44. Ibid., 9

45. Burton A. Weisbrod, ed., *To Profit or Not to Profit?* (Cambridge, 1998), 15.

46. There is evidence that declines in donations lead some non-profits to rely more heavily on government sources of revenue. See Seley and Wolpert, *New York City's Non-profit Sector*, 62–63.

47. The growing commercialism of the non-profit sector has become an increasing focus of academic attention over the past decade. See Weisbrod, *To Profit or Not*.

48. Weisbrod, *To Profit or Not*, 5.

49. While space constraints preclude elaboration here, it can also be shown formally that the CPC's fundraising may *reduce* the city's capitalist sector's rate of accumulation. See, Oliver Cooke, "Rethinking Municipal Privatization: A Marxian Class Analysis of the Privatization of New York City's Central Park" (Ph.D. diss., University of Massachusetts, Amherst, 2005).

50. The fact that the CPC Board includes six public officials does not redress this issue. These officials' dual positions as "keepers of Central Park" and public servants necessarily renders their board memberships problematic. Moreover, public officials have long been leery of antagonizing the CPC (See Rosenzweig and Blackmar, *The Park and its People*, 520). Interestingly, the CPC Board has debated whether it should redistribute some of the wealth Central Park captures throughout the city's park system. See Harden, "Neighbors Give Central Park a Wealthy Glow."

51. Central Park Conservancy, "The Right to Rally and the Great Lawn" Central Park Conservancy website, July, 18, 2004.

52. Rosenzweig and Blackmar, *The Park and its People*, 525.

53. U.S. Department of Labor, National Commission on Employment Policy (NCEP), *The long-term implications of privatization* (Washington, D.C., 1989). Cited in Christi Clark, Robin A. Johnson, and James L. Mercer, "Impact of Privatization and Managed Competition on Public Employees" in *Local Government Innovation*, eds., Robin A. Johnson and Normal Walzer, (Westport, CT, 2000), 191–211.

54. Barbara Stevens, "Delivering Municipal Services Efficiently: A Comparison of Municipal and Private Service Delivery" (Washington, D.C., 1984). Cited in Clark, Johnson, and Mercer, *Local Government Innovation*, 195.

55. Andrew Pendleton, "What impact has privatization had on pay and employment? A review of the UK experience" *Industrial Relations* (Canada) 52 (1997), 554–583.

56. M. Bishop, J. Kay, "Privatization in the UK: Deregulatory Reform and Public Enterprise Performance," in *Privatization: A Global Perspective*, ed., V. Ramanadham, (London, 1993). Cited in Pendleton, "What impact has privatization had on pay and employment?"

57. J. Haskel, S. Szymanski, "Privatization and the Labour Market: Facts, Theory and Evidence" in *Privatization and Economic Performance*, eds., M. Bishop, J. Kay, C. Mayer

(Oxford, 1994). Cited in Pendleton, "What impact has privatization had on pay and employment?"

58. Kieron Walsh and Howard Davis, *Competition and Service: The Impact of the Local Government Act, 1988* (London, 1993).

59. These conditions are set out in, Oliver Cooke, "Are Progressive Privatizations Possible?" Paper presented at Critical Perspectives on Third World Development Conference, New School for Social Research, New York, NY, October 29, 2004.

60. Since 1992, trade unions in China have aggressively established economic enterprises. By the end of 1998, Chinese trade unions had launched 65,000 economic entities (See: http://www.acftu.org.cn/volindus.htm). Of course, the question of whether or not these enterprises qualify as democratic ones is an empirical question. In any event, if these enterprises exhibit noncapitalist class processes then the much ballyhooed rise of China might well owe much to noncapitalist enterprise formation. There would be deep irony could it be shown that China's march toward capitalism had simultaneously spurred the growth of such enterprises. The idea of union-supported or financed democratic enterprises (one perhaps comprised of former municipal employees) that could produce public goods and services following their privatization, deserves more careful consideration. Remarkably, Andy Stern, the president of Services Employees International Union (SEIU), the largest union in the United States, recently commented, "Maybe privatization isn't such a terrible thing for people." See, Matt Bai, "The New Boss" *New York Times Sunday Magazine* January 30, 2005. Stern's comment might be true *if and only if* privatizations could be harnessed to pursue democratic enterprise formation. Another example can be found in the creation of worker cooperatives and microenterprises. Such enterprises have often been used to help absorb workers laid off as a result of the privatization of former state enterprises. As in the Chinese case, the critical question regarding such cooperatives and microenterprises is, "what type of class processes do they exhibit?" The point is that the creation of cooperatives and microenterprises (as byproducts of privatization processes) may afford opportunities for establishing noncapitalist enterprises.

Workforce Responses to the Creeping Privatization of the UK National Health Service[1]

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Abstract

When the British National Health Service was founded in 1948, professional employees and support staff, with the exception of family doctors, worked directly for the state. Since the 1980s, private employment in the National Health Service (NHS) has steadily grown. Beginning with the outsourcing of support services, the number of privately-employed workers in the National Health Service has gradually increased. This paper argues that marketization in the health sector has increased dramatically under the New Labour government. As policymakers have moved from ideological to pragmatic justifications for marketization, union opposition has similarly become more pragmatic and less ideological. With unions unable to stop these reforms, they have turned to the practical concerns of their members in partially-privatized workplaces under complex employment arrangements. This article shows that while ideologically opposing marketization, unions and employees have been forced into a more pragmatic position. Research at two privately-funded public hospitals shows that unions in the workplace have used their resources to protect their members, as thwarting the involvement of the private sector is nearly impossible.

Introduction

When the National Health Service (NHS) was founded in 1948, professional employees and support staff, with the exception of General Practitioners (family doctors) worked directly for the state.[2] From doctors and nurses to cleaners and maintenance staff, workers were employed directly by the state and were all public-sector employees. Since the 1980s, private employment in the National Health Service has steadily grown. Beginning with the outsourcing of support services, the number of privately employed workers in the National Health Service has gradually increased. Since the election of the Blair government in 1997, private sector involvement has massively expanded across the public services. Most new hospitals have been built through private-sector contracts with consortia that design, build, maintain, and operate all nonclinical services in the facilities. At the same time, the private provision of clinical services has increased, through the use of Independent Sector Treatment Centers at which private companies provide routine services (such as cataract surgeries and MRI scans) to NHS patients, funded by the State. The increase in health service capacity since 1997 has been the result of

increased expenditure significantly directed to private contractors. This research looks at the employee experience of the Private Finance Initiative, examining the complexities of the employment relationship and the role of trade unions as private-sector service provision increases.

This paper argues that marketization in the health sector has increased dramatically under the New Labour government. As policymakers have moved from ideological to pragmatic justifications for marketization, union opposition has similarly become more pragmatic and less ideological. With unions unable to stop these reforms, they have turned their attention to the practical concerns of their members in partially-privatized workplaces under complex employment arrangements. While protecting current members, unions have an opportunity to expand their membership by appealing to privatized ancillary healthcare staff.

Our research shows that while ideologically opposing marketization, unions and employees have been forced into a more pragmatic position. Some unions, such as Unison, have maintained a twin-track approach, fighting privatization on the national level while also working to protect members in partially privatized workplaces. As Moira Fischbacher and P.B. Beaumont point out, "little is known about the extent and nature of trade union involvement and, indeed, that of staff more generally, or the negative aspects and externalities of a lack of involvement."[3] Our research addresses this gap by focusing on the experience of staff in these new, hybrid public-private healthcare workplaces. In their case study of a single Private Finance Initiative (PFI) hospital, they find that "the expressions of exclusion and poor communications indicate that the level of trust between management and the employees may actually have worsened [in the transition to the new PFI facility]."[4] Our research at two PFI hospitals confirms this finding; communication was often poor and accountability structures were unclear and frequently ineffectual (particularly in one of the two hospitals). Our evidence shows that unions in the workplace have used their resources to protect their members, as thwarting the involvement of the private sector is nearly impossible.

Employees and their unions have fought what they perceived as the creeping privatization of the health service. The unions focused on questions of service quality and value for money, also emphasizing the traditional public-service ethos behind the health service, as contrasted with the profit motive of the private sector. However, with the Labour commitment to private-sector involvement, unions have not been able to stem the tide of marketization. While many still publicly oppose private service provision, employees and their union representatives have shifted their focus to the workplace experience in this new mixed economy of healthcare. This reflects the requirement for public-service trade unions to bolster membership as public-sector union density has declined by 2.9% from 61.5% to 58.6% between 1995 and 2005.[5]

Local union representatives often act as a crucial interface between public and private managers in the same hospital. In responding to members' concerns, these representatives become a crucial point of communication between the

different entities and accountability structures supposedly providing a unified service. Unions now need to bargain in a fragmented environment. A key concern for unions has been the so-called two-tier workforce, the situation where new private-sector employees are employed on less-favorable pay and terms and conditions than longer-serving employees, transferred from the NHS, who undertake the same work. A government agreement with the trade unions (the so-called Warwick Agreement of 2005) should phase out this two-tier structure, although the implementation is ongoing.[6] Employees in new, privately-financed hospitals have expressed particular dissatisfaction with the design of their new workplaces, and with the perceived poor quality of many support services, such as cleaning and catering. In order to retain their influence, unions have tried to recruit these private-sector employees into membership, with varying degrees of success. Unions have taken a twin-track approach: resisting marketization in general while protecting their members in the marketized workplace.[7]

We define marketization as the whole range of practices that introduce both competition and private sector service provision into the NHS. This ranges from simple outsourcing to complex, long-term privately financed and operated facilities. These practices encompass a variety of employment arrangements. This includes outsourcing entire services (such as cleaning, catering, and maintenance), as was begun in the 1980s. It also includes the broader arrangements by which the hospital pays for the service and all management and service provision is performed by private sector employees. There are also more complex agreements under some of these arrangements, generally negotiated by the unions, in which employees may either be retained as direct NHS employees or may work on protected terms and conditions and pay levels roughly equivalent to those of NHS staff. The emphasis within union and policy discourse on creeping privatization reflects the incremental step-by-step approach adopted by the Labour government that has been subject to little public consultation and has proved difficult to resist.

There are several key public-private hybrid forms of healthcare delivery currently operating in the UK. Almost all NHS facilities have some services provided by contractors, at a minimum parking services, and most often at least cleaning and catering services. We focus on the workplaces with more substantial private-sector employment. Specifically, we look at hospitals operated under the Private Finance Initiative, and more briefly the fully-privatized Independent Sector Treatment Centers (ISTCs). Both of these types of facilities take private employment significantly further than simple subcontracting of support services.

The NHS currently directly employs about 1.3 million people. Of these, fifty percent are professionally qualified (doctors, nurses, and scientific, technical, and therapeutic professions). While the number of professional staff has been increasing in the National Health Service since 1995, the number of non-professional staff has not kept pace. Indeed, the number of building services staff directly employed in the NHS declined almost fifteen percent between 1995 and 2005, even as the number of professional staff increased by thirty-three

percent and the clinical capacity increased.[8] This decline in directly employed support staff is a result of the increasing use of private contractors to provide these services.

In the past, the NHS has been perceived as having a strong organizational culture, part of a broader "public sector ethos."[9] Historically, the NHS offered its employees generous pensions and competitive wages, even for relatively unskilled workers. The entire UK public sector was often described as a "model employer" and was a reliable source of lifelong employment for many employees at all skill levels.[10] Since the 1980s however, NHS services have not been wholly operated by public-sector entities. Instead, services are provided by public-private hybrids which are much more varied in their employment practices.[11]

The major unions in the National Health Service fall into two main categories: general unions and professional unions. The largest general union is Unison, a broad public service union with about 1.3 million workers, especially concentrated in the health service and local government sectors. Unison represents 400,000 workers in the healthcare sector.[12] Other general unions representing fewer healthcare workers include the GMB and Amicus. The largest professional unions in the National Health Service are the British Medical Association, representing about 130,000 doctors, and the Royal College of Nursing, representing about 380,000 nursing staff.[13] There are also smaller recognized professional unions of groups such as physiotherapists and radiographers.

We argue that the key effects of NHS marketization on employees have been in the form of decentralization and fragmentation of employment. Unions, especially Unison, have tried and failed to end marketization nationally, and instead have adopted a more pragmatic approach to protecting their members in the workplace. Locally, unions have continued to focus on problems with marketized services, both for employees and for service users. Depending on the strength of the local union branch, unions have achieved mixed results with this strategy.

Generally, unions perceive that their members are working under worse pay and conditions than they had been when all services were performed by NHS staff, but they have been able to improve pay and conditions under some circumstances. Where local representation is strong, private-sector employees have reached near parity with their public-sector counterparts, and in some cases government guidelines have added weight to this union claim. The move towards increasing marketization has accelerated since 1997 (the election of Tony Blair's New Labour government), and the union stance, although not uniform, has been reactive rather than proactive. This stems from the relationship between unions and the Labour government, union general support for improvement and increased spending on the health service, and the difficulties of confronting creeping privatization. Union members have also tended to be either ignorant of the implications of reforms, or apathetic when they are not directly affected, asking for union action only once they realize the impact of the changes.

The research presented here was undertaken between 2003 and 2006, both at the peak level and in PFI hospitals. Thirty two semistructured interviews were conducted with national and regional union officers and investors in private finance initiative facilities. In addition, interviews were conducted with managers and union representatives in two PFI hospitals, including revisiting one of the sites. In order to understand the internal union debates around these issues, we also attended annual union conferences where the role of the private sector in healthcare provision and the workplace experience were debated by members and officers. The data, then, does not come from a single perspective, but from the triangulated views of individuals both in the workplace and stakeholders in PFI at a broader level.

The balance of this paper examines the evolution of marketization in the National Health Service since the election of the first Margaret Thatcher government in 1979. We then present our findings on the employee experience of marketization in the workplace, arguing that unions have played an essential role in safeguarding pay and employment conditions in the workplace, even as their national resistance to marketization has largely failed.

The Evolution of Marketization under Conservative Governments 1979–1997

The Conservative government of 1979 was elected on a wave of antiunion sentiment following the extensive industrial action during the previous "winter of discontent." These events reinforced the Conservative Party's profound distrust of public provision and its antipathy towards the power of public-service trade unions. Eighteen years of Conservative government enabled a more sustained and ideologically motivated reform agenda to be pursued, reflected in the wholesale privatization of nationalized industries and public utilities, alongside the promotion of liberalization to foster competitive markets. Within core public services, especially the high-profile and politically sensitive NHS, the Conservative government proceeded more cautiously. Policies to foster marketization coexisted with the strengthening of managerial hierarchies accountable to central government, whose interventions were frequently orientated to short-term electoral considerations. By 1997, radical reforms in the organization and management of the health service had been introduced and the influence of health service trade unions severely restricted, but concerns about the electoral consequences of too bold an embrace of marketization and the resilience of the professions curtailed the ambitions of successive Conservative governments.

Compulsory Competitive Tendering (CCT)

The use of private firms to supply support services such as cleaning, catering, and laundry to hospitals had not been unknown prior to the 1980s, but was relatively small-scale and arose in response to labor shortages in the 1960s. Private contractors were more costly than in-house provision as hospital administrators were effectively delegating their recruitment problems to private contractors who paid higher wages.[14] These small-scale, local initiatives were very different

from the mandatory regime introduced by the Conservative government from 1983. Health authorities (the administrative organizations that oversaw hospitals) were instructed to test the cost-effectiveness of their support services and to accept the lowest tender unless "compelling reasons" dictated otherwise.[15] These reforms coincided with measures to strengthen the management process; measures which had been triggered by the recommendations of the Griffiths report, the first government-commissioned report to bring managerialism to the National Health Service.[16] The implementation of general management led to greater emphasis on individual rather than committee decisions and increased the influence and legitimacy of management in relation to professional staff, particularly doctors.

These changes were crucial for the implementation of forms of marketization because the former consensus style of NHS management made the implementation of market-style reforms almost impossible. This near-impossibility was evident from the failure of government efforts to encourage health authorities to market test in the early 1980s, as well as in the hostility of many administrators to the imposition of mandatory tendering.[17] Ambivalence towards outsourcing within the NHS remained prominent because managers were reluctant to cede control over a significant portion of their workforce to an outside employer, nor did they want to jeopardize service standards by fragmenting ward-based care.[18] The number of contracts won by private contractors comprised less than a quarter of the total (see Table 1), and the private sector complained vociferously about the structural bias towards in-house bids. More perceptively, and highlighting the sensitivities associated with privatization for government, the Secretary General of the Contract Cleaning Association argued that contractors were:

> Learning the hard way that Government is more concerned about minimizing the immediate political problems used by contractors than in treating them fairly.[19]

This is in contrast to the current situation, where PFI contracts almost invariably include the outsourcing of support services as part of the contract.

TABLE ONE   NHS contracts awarded 1983–1989

Service	In-house	Private Contractors	Total
Domestic	825 (72%)	314 (28%)	1,139
Catering	450 (96%)	21 (4%)	471
Laundry	158 (73%)	57 (21%)	215
Other (e.g. portering)	38 (45%)	47 (55%)	85
Total	1,471 (77%)	439 (23%)	1,910

Source: Trades Union Congress, Joint NHS Privatisation Research Unit, 1990.

Irrespective of whether a contract was awarded in-house or contracted out, the tendering process placed downward pressure on terms and conditions of employment and contributed to large-scale job losses among support staff. This was acknowledged by the Treasury when it stated that:

> Most of the savings from contracting arises because contractors offer poorer conditions of employment.[20]

Even when basic pay rates were protected, hours of work were often reduced, and bonuses, holidays, and sick pay entitlements were eroded. The deterioration in pay and conditions was invariably greater for women workers, often employed on a part-time basis; private contractors rarely pursued the equal-opportunity policies typically found in the public sector. The imposition of mandatory competitive tendering therefore provided managers with an incentive to alter work organization and increase their control over the labor process, and therefore also contributed to work intensification.[21]

These outcomes contributed to the government's objective of reducing trade-union influence. Support services workers were a particular concern of government because of high levels of trade-union organization and a history of mobilization. Trade unions opposed competitive tendering as part of a broader campaign against privatization, but confronted considerable difficulties in a context of declining membership and deteriorating union finances. The implementation of the policy at local level, over a lengthy period of time and with differing employer strategies, militated against effective national action. Instead, trade unions committed themselves to support local branches that opposed privatization, with ultimately unsuccessful industrial action to prevent contracting out at the hospital level. National union policy encouraged opposition to the tendering process to illustrate the strength of workforce sentiment, but this approach sometimes encouraged authorities to contract out services and enabled the government to portray the trade unions as "producer orientated" and opposed to enhanced efficiency.[22]

A more high-profile strategy focused on highlighting contract failures and challenged the efficiency savings attributed to outsourcing. A stream of publications focused on poor standards of service due to high staff turnover and low levels of training.[23] These criticisms gained a high public profile, forcing the industry to publish its own rebuttal of what it termed "a smear campaign."[24] Although it sensitized the public to poor standards and created a climate of public suspicion towards contracting out, the campaign failed to alter government policy. As discussed below, unions have continued to present evidence that privatization leads to a decline in service quality. By the early 1990s the scale of public-service job losses and the associated decline of union membership had precipitated the merger of three public-service unions to form Unison. Contractors, however, felt that they had been used by the Conservative government to force the NHS to increase efficiency but had gained relatively little market share because of the government's refusal to force hospitals to contract

out services.[25] Managers were also becoming disenchanted with the mandatory nature of competitive tendering as they sought to increase their operational autonomy. The longer-term significance of the competitive tendering initiative was that not only did it undermine union influence among nonprofessional staff but it also established the principle that health authorities need not provide all hospital services themselves, ushering in the next phase of marketization via the creation of the internal market.

The Internal Market and the Emergence of PFI

In the early 1990s market relationships were further embedded in the health service. An internal market was established that separated the commissioning of healthcare by district health authorities from the provision of healthcare. The service providers, NHS trusts, typically comprised a single large hospital or hospitals that competed against each other for government revenue. Trusts were established as corporate bodies with their own board of directors; had scope to employ their own staff directly on trust terms and conditions of employment; were required to meet target rates of return on assets; could borrow subject to annual financing limits and had discretion to dispose of surplus assets. Trust status allowed managers to opt out of nationally determined pay and conditions of employment and the chance to manage budgets more flexibly.

Managers experimented with changes in work organization, skill-mix, and working-time arrangements and made greater use of temporary employment, altering the composition of the workforce and the roles undertaken.[26] There was also a harder edge to many of the reforms, with more assertive policies on the control of sickness absences and increases in workload throughout the health service.[27]

The central assumption of the internal market was that workload would be linked more closely to resources, with competition between providers stimulating increased efficiency and responsiveness. These changes would in turn facilitate changes in working practices. By separating the financing of healthcare from its provision, it provided opportunities for the expansion of the relatively small private hospital sector. For the first time health authorities could channel resources into the independent sector if they could provide the same level of service in a cost-effective way. The problem was that this form of "dictated competition" embodied contradictory tendencies.[28] Increased managerial autonomy came up against increased centralized control as the Conservative government became anxious about the political costs of the internal market and intervened to prevent hospital closures or job losses. The Conservative government wanted the benefits of competition without the pain of market adjustment. In a planned health system, the market was inevitably highly regulated and incentive structures were relatively weak. Health authorities sought to protect their own local hospitals in a period of budgetary stringency and had little scope to alter service patterns.

The private hospital sector gained some work from health authorities, mainly linked to initiatives to reduce lengthy waiting times, but the flow of NHS patients to the private sector remained very small. Despite the radical intent of the internal market being blunted Tony Blair's health policy advisor concluded that "some things did change for the better during the internal market period and that whatever efficiency gains were made in the mid-1990s are now in danger of being lost."[29] These comments foreshadowed the reintroduction of market-type incentives in the health service from the end of the second term of Blair's Labour government.

The final element of the conservative reforms established the Private Finance Initiative (PFI), during the early 1990s when the public sector borrowing requirement (the budget deficit) was more than £40 billion. Under the PFI system, a private consortium is contracted to finance, design, build and operate public service facilities. It usually involves the outsourcing of support staff as part of the contract, effectively superseding the policy of competitive tendering. The NHS Trust makes an agreed annual payment for the duration of the contract (usually twenty-five to thirty-five years), which represents the first obligation on a trust's revenue. PFI is a system for the procurement of services, rather than only capital assets (like buildings). The attraction of PFI for the government and potentially for service users is that it enables the acquisition of new hospital services more rapidly than could be achieved via conventional financing because of the longer period over which assets are financed. This is in contrast with the upfront investment needed for conventional financing of hospitals, where the government must pay for the capital assets at the start of the project. Such arrangements have been justified by the belief that PFI draws on specialist private-sector expertise that can make efficiency savings and which share the risks of construction delays and other cost overruns.[30] In practice the degree of risk transfer has proved a highly contentious issue and Unison has argued that profits derived from PFI, including additional profits from refinancing deals, show that unacceptable levels of profit accrue from PFI schemes.[31] This view is contested by the private sector who argue that it is not straightforward to attract institutional investors to invest in PFI schemes and that PFI schemes are more risky than critics acknowledge.

The Conservative governments were unable to convert their support for PFI into signed PFI contracts for new hospitals due to administrative complexities and associated transactions costs. Private-sector consortia expressed concern that if a trust became insolvent their income stream would cease, making PFI an unattractive investment option. These fears were allayed after 1996 when legislation was passed to ensure that the government took responsibility for such payments in the event of insolvency. Private consortia also expressed concern at the large administrative costs associated with a lengthy and bureaucratic tendering process.

When the Conservatives left office in 1997 they had established the preconditions for a rapid extension of the marketization agenda under New Labour.

The influence of public-service trade unions and their capacity to oppose government policy had been severely weakened by the policy of compulsory competitive tendering, and a more critical scrutiny of producer interests had entered the public debate. CCT and the subsequent establishment of the internal market established the principle that healthcare would remain publicly-financed, but not necessarily publicly provided. Although significant administrative and political constraints hindered the degree to which private-sector firms had been able to advance their interests in the nascent healthcare market, by redefining these difficulties as essentially technical problems, New Labour sought to depoliticize their marketization agenda and thereby advance it more fully than under the Conservatives. In this context a particularly important feature of the Conservative legacy was the establishment of a cadre of managers drawn from nonclinical backgrounds that were able to convert government aspirations for a more "business like" NHS into concrete managerial initiatives. Medical staffs' aspirations were increasingly judged in terms of whether they coalesced with the "business" priorities of the trust. These managerial changes facilitated the rapid advancement of the marketization agenda under New Labour.

New Labour's current healthcare policy is based on their repeated assertion that "the key test is what works."[32] Contrary to union belief, the government argues that it does not have a bias towards private-sector provision, but rather towards increased capacity and improved service delivery by whichever sector works best. New Labour's current direction is not only a return to something close to the internal market, but also the creation of further channels for private providers to compete for NHS contracts.

The Marketized National Health Service in Practice

Marketized services are now spread throughout the NHS and the role of the private sector is rapidly expanding. The UK Department of Health has built, or is currently building, seventy-nine new hospitals using PFI since 1997.[33] In contrast, only six new hospitals have been built in the same time period using traditional public funding.[34] Interviewees stated that the only realistic option for building a new hospital, in almost all cases, was through a PFI scheme. According to a recent report, "by 2008, the NHS will be spending at least £5 billion annually on care supplied by the private sector."[35]

Much of the prior research on the role of the private sector in delivering NHS care focuses on measures of performance, such as cost-effectiveness and value for money, cleanliness, and total bed numbers. Most of these studies conclude that the private sector has not delivered improved performance, and in some cases it has diminished overall performance.[36] We focus not on the overall quality of the service for patients but on the changing nature of the employment relationship within the marketized health service. Damian Grimshaw, Steve Vincent, and Hugh Willmott argue that public-private partnership arrangements "represent an important example of how the traditional role of the government as employer and service provider is being transformed."[37]

Indeed, in the case of many of these new hybrid forms, the government is neither employer nor service provider but only purchaser. "In principle, the antagonistic dualism of public versus private provision is replaced by the harmonious, synergistic duality of partnership."[38]

Most of the key stakeholders have not changed their positions on PFI based on evidence of PFI in practice. Unions, such as Unison, that were opposed to marketization, have found evidence to confirm this view, while the government has cited new facilities, reduced waiting lists for procedures, and reduced waiting times in hospitals as evidence of success.[39] The main bases for criticism of PFI hospitals by the unions, and some academics, fall into the following categories: Excessive profits and/or financial terms unfavorable to the public purse; poor-quality building design; poor-quality support services; inferior treatment of private staff as compared with their public-sector counterparts.[40] These perceived flaws encompass problems for the government (poor value for money), for employees (poor pay and working conditions), and for service users (inappropriate or inflexible design of facilities, inadequate cleaning and catering services, etc.). Union officers from Unison and the Royal College of Nursing (RCN) mentioned specific examples of wards that were too narrow and whole hospitals lacking rest areas for staff. An editorial in the *British Medical Journal* described the PFI as "a failure" because it is "simply too complicated" for the NHS.[41] While this diagnosis may be premature, at least as far as the New Labour government is concerned, PFI in practice has remained highly controversial even as it has proceeded apace.

Employee Voice and Staff Involvement

The fragmentation of the hospital workforce among multiple public and private employers was a key concern for union officers and representatives. Staff and union representatives expressed initial dissatisfaction with the day-to-day management of private contractors, especially when compared with the NHS. One transferred porter quoted in a union report described his private employer as "despicable."[42] However, the current experience is much more varied. One union representative stated in an interview that his employees were more secure, felt less threatened by layoffs, and had access to better, newer equipment when privatized than they had when employed by the NHS. In some hospitals, unions have successfully negotiated release time for representatives of contract staff. In other cases, direct hospital employees who are union stewards have had to tread a fine line: they are not technically supposed to represent (or use resources or release time from the hospital employer on behalf of) contract employees, yet these staff are in the same workplace and may be facing similar or worse problems with no collective or individual voice. One senior manager for a private contractor showed his awareness of this problem in communication and commitment, stating that "you've got to get the staff on board, you've got to deal with all their hopes and fears, antipathies, whatever; bind them into the unit; work with the new clients and matrons, the trade unions."[43]

An officer in a professional union, the Royal College of Nursing, who covered an early PFI hospital stated that members often do not systematically object to (or fully understand) these new organizational settings unless or until their ability to deliver high quality care is compromised. She stated that "all [the members] want to do is go into work in the morning, deliver the care to the patient, and go home at night."[44] This officer believed that the union should have developed a more strategic response to PFI and public-private partnerships at an early stage, even though its members are not transferred to private employers: "I think that . . . years ago . . . .we should have took (sic) on board that even though our members might not be directly affected, indirectly we would be affected and patient care would be affected."[45] Instead the professional unions, as opposed to the general public-service unions, have been rather reactive and have become troubleshooters after the new facilities are operational. Another professional union officer covering a different PFI hospital stated that once the hospital became operational, members realized that "this would be a different beast than the one that we had been used to before."[46]

Finance and Value for Money

Those unions that are opposed to PFI have tended to oppose it in its entirety. They have not differentiated between problems arising from PFI and other more longstanding problems such as poor project management; for example, poorly-designed buildings may not be inherently caused by the system of financing (contractors and finance firms blame poor design on poor specifications written by whichever public agency is purchasing the facility). Unions have usually grouped all the problems with PFI facilities together, in an effort to demonstrate that PFI hospitals deliver badly-designed buildings, poor-quality healthcare, inadequate support services, and undeserved private profits. Unions have pointed out that it is particularly jarring to see private investors reap multimillion-pound profits from refinancing lucrative PFI contracts while staff lose their jobs and services are cut due to budget shortfalls.[47]

Union representatives and officers argued against the financial arrangements of PFI hospitals for two reasons. The first was that the system was simply inappropriate; the private sector should not be profiting from public services and taxpayer money should not go to private profits. The second argument applies more specifically to the earliest PFI hospitals. Union officers argued, and investors generally agreed, that the hospitals had negotiated very poor deals due to their inexperience. As such, investors were able to reap huge profits and at times increase these profits by refinancing the debt at a later stage. This was the case in several early PFI contracts, including the Norfolk and Norwich University Hospitals, where investors received about £80 million from refinancing the project, while several hundred employees are facing layoffs because of hospital budget shortfalls.[48] The investors in turn argued that this profit was justified as it was a reward both for clever negotiation and for shouldering the risk associated with the investment. One union representative argued that

"the private sector is better at negotiating contracts than the public sector; they know how to screw money out of the public sector" and went on to point out that the public employees suffer potential job losses because of this.[49]

Hospitals across the NHS are currently running at a deficit and predicting service cuts and job losses. It is not straightforward to disentangle financial problems caused by the cost of the PFI (and the fixed payment to the consortium every year) and those caused by other problems with NHS funding and rising costs. However, one union representative estimated that about fifty percent of the deficit at his hospital (totaling close to £15 million) was because of the cost of the PFI itself. Some scholars have argued vociferously that PFI projects are too expensive and that the value of risk transferred to the private sector is inflated in order to make the contracts politically palatable, and that the contracts are inflexible because they last for decades. In short, "the private finance initiative substantially increases the cost of hospital building."[50] Even the Audit Commission, an independent government body, in its investigation into NHS deficits, stated that PFI projects placed a "burden" on trusts, although it emphasized the drain on "management capacity" more generally rather than specifically on the hospital's budget.[51] Unions have exploited negative connotations of private-sector profit as part of their general campaign against marketization, but with little progress on this front.

Building Design and Working Environment

New PFI hospitals, especially the first sites in operation, have had serious (and heavily publicized) problems with layouts and physical functioning of buildings. One regional union officer described the PFI hospital in her area as "badly-designed" and went on to mention numerous design flaws, including railings that "are wonderful ligature points for a potential suicide" and hallways that were too narrow. This officer argued that the lesson from this early PFI hospital was "get nurses, get the stewards, get the health and safety reps, get the infection control team, get all these people in [at the beginning]."[52] Other design problems in PFI hospitals include lack of administrative and clerical space, narrow wards, and ineffective heating, cooling, and waste systems.

Staff and union representatives generally felt that staff had not been consulted on the design of the new buildings. A major problem is that the bidding consortia are made up of many parties, many of whom are remote from the workplace and the frontline of service delivery. One worker argued that "the whole set-up is a complete mess. They claim they consulted staff over the design of the new hospital . . . they certainly didn't ask the correct staff—the ones working there—or they consulted them and completely ignored them."[53] While it is difficult to ascertain the extent to which PFI is to blame for these problems, especially with so few traditionally-financed hospitals for comparison, the perception that PFI hospitals are poorly designed is widespread among union activists. Many interviewees expressed concern that the

profit motive led to poor-quality construction. One member in a union report described the building as "cheap and nasty."[54]

Support Service Quality

The so-called hotel services such as cleaning, catering, and parking have been privatized in most NHS hospitals since at least the early 1990s. In the PFI hospitals, almost all services which are neither clinical nor part of the senior management function are performed by private contractors. This may include lab services, medical records, and other essential support services. Managers in PFI hospitals were aware of the concerns of continuing employees, regarding both working conditions and service quality, and saw the possible pitfalls of ignoring these concerns.

Employees consistently expressed a view that the NHS has functioned more smoothly when support staff were directly employed. This view was disputed by many of the private contractors and investors, one of whom dismissed this as a false "nostalgia," arguing that there were problems with support services even when staff were all employed by the NHS.[55] However, the high turnover and the use of subcontractors and temporary agencies were mentioned as a key concern by several union representatives. One member of parliament agreed, that "the NHS is all about team work, and splitting up the workforce is a very worrying development."[56] In one hospital, a union representative claimed he had evidence that illegal immigrants were being used to provide support services. In another hospital a nurse alleged that "we had two members of staff, cleaning staff, that were escorted off the ward: one was a sexual offender and one was a drug addict."[57] Staff clearly perceive that the increased casualization of this work and the high turnover of support staff is detrimental to overall service quality and may put patients (and indeed employees) at risk.

Many staff in PFI hospitals felt that the hygiene standards in their hospitals were unacceptable. Union publications have highlighted this point. One staff member stated that "the cleanliness here is a joke."[58] At a time when hospital-acquired infections have received media and political attention, this has become a rallying point for the unions. A report commissioned by Unison argued that there is a clear link between the contracting-out of cleaning services and the spread of infection in hospitals.[59] Again, the positions here are rather fixed and difficult to support with evidence; those in favor of marketization argue that there is no intrinsic reason that marketized services cannot be of a high standard. Those opposed to marketization argue that it is the profit motive that directly leads to inferior service quality.

Employee Terms and Conditions and the Two-Tier Workforce

The question of the two-tier workforce (employees with different pay levels, terms, and conditions doing the same jobs) has been a key concern for national and local union representatives since contracting out began in the National

Health Service. Under the TUPE (Transfer of Undertakings [Protection of Employment]) law, the pay levels, terms, and conditions of existing employees were protected when their employment transferred to the private sector. However, new employees may be employed by the contractor and would work on whatever conditions were set by the private employer. In practice, this meant that workers doing the same job would be receiving different pay and benefits for the same work.[60] In 2005 Unison estimated that about 40,000 people were privately employed in the National Health Service, about three-fourths of whom received less than their NHS counterparts in categories such as basic pay, sick leave, and vacation entitlements.[61] (It is very difficult to estimate the number of employees in this situation, as turnover is extremely high and there is significant use of contingent workers, especially those employed through agencies). Union representatives report frustration with the fragmentation of employment, and the many layers of contracting and subcontracting. One representative reported employees doing the same job under nine different sets of terms and conditions. Differing grievance procedures for each group of employees also complicates management's task. In particular, many interviewees pointed out that the NHS pension has traditionally been very good, and losing access to this pension represents a significant decrease in total compensation. For unions that were initially structured around national, centralized collective bargaining, this creates an enormous organizational challenge.

In its 2001 election manifesto, the Labour Party picked up on the unions' concern about the treatment of privatized staff: "[The] Private Finance Initiative (PFI) should not be delivered at the expense of the pay and conditions of the staff employed in these schemes. We will seek ways in which, within the framework of PFI, support staff could remain part of the NHS team."[62] Initially, this meant the "Retention of Employment" model through which staff in service areas which were privatized could continue to be employed by the NHS but managed by the private contractor.[63] New staff were employed directly by the contractor. However, it took until 2005 to reach an agreement with the unions on ending the two-tier workforce in the NHS, following a critical resolution at the Labour Party conference and union threats to withdraw support from Labour at the election, and the agreement has not yet been implemented. Under the terms of the 2005 Warwick agreement, the Labour government pledged to eliminate differential terms and conditions for employees in the NHS. While welcoming this move, the unions have also expressed concerns that not all employees will benefit from the change. Also, since competitive bidding to provide support services often rests on cutting payroll costs, it is not yet clear whether private contractors will be as eager to bid on services, if they are forced to abide by NHS pay levels. Some private contractors pointed out in interviews that they are relieved that the worst employers will not bid on these projects, leaving contracts available for more scrupulous service providers.

Under the status quo, staff directly employed by private providers have a degree of protection, in that unions and the government are pushing employers to offer staff equivalent pay to their public-sector counterparts. However, it is

not clear whether this model will sustain private-sector investment, as the payroll is the largest expense in service delivery, and increasing the payroll may reduce potential profit, or increase costs to the public if the expense is passed on. Unions have continued to emphasize national-level collective pay determination even after the complex pay restructuring exercise of recent years.[64] However, private contractors have so far been unwilling to negotiate pay nationally, even when they recognize unions and negotiate with them on non-pay issues. Contractors have consistently tried to set wages on a contract-by-contract basis. Private providers are able to gain some flexibility by offering lesser pensions and holiday and sick pay allowances, while broadly adhering to public-sector pay levels. However, private contractors are pushing for flexibility as a means both to innovate, and to profit. One recent report argued that in the context of the increased use of private-service providers, "the relevance of national pay bargaining for the NHS will increasingly be called into question."[65]

Independent Sector Treatment Centers

The most recent form of private sector NHS provision is in the form of Independent Sector Treatment Centers (ISTCs). ISTCs are private (nonprofit or for-profit) clinics providing routine health services under contract to the NHS. Under the terms of the contract, the private entity provides every aspect of the service, including directly employing the medical and clinical staff. The ISTCs provide diagnostic and routine elective surgeries, such as MRI scans and cataract surgeries. The Department of Health's stated goals for ISTCs including increasing capacity, providing patients with choice, improving innovation and productivity, and introducing "contestability between providers of healthcare services of NHS patients."[66] This last objective shows that the ISTCs are a central element of the increased competition and marketization in public healthcare provision in the UK, and increase the incentive for private providers to compete with each other. Overall, the use of ISTCs is increasing rapidly.

The initial impetus behind ISTCs was supposedly to increase NHS capacity and reduce waiting lists and waiting times. The Department of Health expects ISTCs to provide over 170,000 procedures per year by the end of 2007. By the end of 2008, ISTCs may provide 250–400,000 elective procedures per year, and two million diagnostic procedures per year. By 2008, the ISTCs are expected to provide up to fifteen percent of elective surgeries.[67] The total cost of these centers is expected to be £4–5 billion.[68]

Unions have generally tried to relate their concerns about employment to questions about the overall quality of service provision. For example, Amicus argued that "Amicus members, overwhelmingly highly trained and qualified health professionals, are not averse to change where that change serves the needs of the patients to whom they are committed."[69] This appeal to the knowledge and authority of professionals in determining when and how change is

appropriate typifies the current pragmatic opposition and response to private health provision. Similarly, in its response to questions on ISTCs, the Royal College of Nursing stated that "we believe good health services are based on a strong workforce that is engaged, consulted and which receives proper investment and fair reward."[70] The RCN has generally avoided ideological objections to privatization because many of its members work in the independent sector, and because it is not affiliated to the Labour Party or the Trades Union Congress and therefore tries to avoid party politics.[71] This statement typifies their view, that professional knowledge must be respected and that the workforce must be treated fairly, regardless of whether a state or private entity is providing the service. In the case of ISTCs, the RCN is eager to ensure that these new facilities provide identical pay and terms and conditions of employment to their private-sector counterparts.

Unison, the large general public-service union, has opposed ISTCs in principle as well as in practice. Its submission to a parliamentary committee stated that: "Unison believes that the money which is currently being handed over to the private sector could be better spent enabling the NHS to increase its capacity."[72] It went on to say that: "Unison contends that the future of ISTCs is about a sustainable market for the private sector and not what is in the best interests of patients or the public purse."[73] These two statements demonstrate the unions' concerns with ISTCs both in principle and in practice.

Unions are the established employee representatives for directly employed NHS staff at all levels, with pay and terms and conditions (or at least pay frameworks) negotiated nationally.[74] However, with the marketization of services, the number of employers has increased exponentially. Many private-sector employers have refused to negotiate pay with the unions, although the companies are now under pressure to match NHS pay. Unison has also had difficulty working with at least one private employer, which has been unwilling to recognize or bargain with the union.[75]

Conclusions

The employee experience of the marketized NHS has been decidedly mixed. Employees and their unions have made a number of arguments against the private provision of services. While many unions have started from an ideological opposition to private firms profiting from healthcare, they have since become more pragmatic. Responding to the actual experience of marketized healthcare, unions have argued that these arrangements provide poor value for money, inferior quality care, and unacceptable working conditions and pay. The unions have continued to oppose private provision nationally, but have begun to channel more resources into protecting members in marketized workplaces, and sought to increase membership in the rapidly expanding private services sector, a much more pragmatic strategy. However, it has proved difficult to mobilize the public around these issues, especially in comparison with public campaigns against local hospital closures.

The New Labour government, in office since 1997, has advanced the marketization of the NHS far more quickly and broadly than had previous Conservative governments. New Labour was initially elected with a large majority, such that even sizable parliamentary revolts by its own members could not stop NHS reform legislation. Union pressure on Members of Parliament was not sufficiently influential to thwart the passage of new laws regarding the NHS. Unions tended to agree with the government that reform was needed and that the NHS had long been underfunded, but they disagreed with the solution proposed by New Labour. For its part, Blair and his government have portrayed the unions' view as inflexible and protecting their own narrow producer interests, against the interest of public consumers. Under the guise of "modernization," New Labour has implemented a series of incremental, complex, and constantly changing reforms, rather than a single radical shift, which the unions, weakened since the Thatcher era, have been powerless to stop.

With no real basis for comparison with pure public healthcare provision, it is almost impossible to disentangle the effects of marketization with broader problems of healthcare delivery, which might exist even in a public workplace. Since marketization has been part of the NHS since the 1980s, there is little basis for demonstrating which of the current problems (with the exception of the ideological issue with private profit in healthcare) necessarily derive from private contractors. However, some of the problems of communications and accountability leading to poor service qualities are certainly perceived by staff on the frontline as direct consequences of privatization.

Although unions seem to have lost the ideological argument on privatization, there have been a few benefits to unions. When disagreements with private employers have come close to strikes, union officers report increased membership, often reaching eighty- to ninety- percent density for support staff. Unions have also begun to put more resources into representing and recruiting these members (for example, Unison created a Private Contractors Unit). This is likely both to help existing members and to enable further recruitment in areas which actually have increasing employment. On the pragmatic front, unions have been able to win many battles, even while losing the ideological war.

NOTES

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The Politics of Ports: Privatization and the World's Ports

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Abstract

The recent controversy over a foreign-owned company running a US port brought attention to the creeping privatization of work in ports worldwide. Since the 1980s, there has been a head-long rush to privatize ports. The pace can be best described as rapid and chaotic. For some economists privatization is seen as a method to increase efficiency. But the process has substantial critics. For many privatization is perceived as problematic. There is evidence that the process does not indeed lead to savings and greater efficiency. Instead, the process has been haphazard and far from uniform in its application. Even where there is an entrenched presence, savings from privatization have yet to be realized. Others have made the point that the process cannot be transferred to ports in the developing world. That is, the multiplicity of ports and transportation problems in the interior make privatization more like wishful thinking than a policy that can work.

The recent controversy over a foreign-owned company running a US port brought attention to the creeping privatization of work in ports worldwide. The issue of foreign ownership hit a raw nerve in the continuing debate about security on US borders. Representative Harold E. Ford Jr. (Democratic-Tennessee) captured the fearful mood when he announced, "President Bush wants to sell this port [Baltimore]-and five others-to the United Arab Emirates, a country that had diplomatic ties with the Taliban, the home of two 9/11 hijackers, [and] whose banks wired money to the terrorists."[1]

The United Emirates company, Dubai Ports World, appeared shocked by the heated reaction. Dubai Ports World had worked in tandem with British company P&O Ports to obtain the contract to run cargo terminals in Baltimore. Mark Montgomery, P&O senior vice president of East Coast operations explained, "We were a little naïve about the way American politics works."[2] The Dubai firm was but one of the new companies vying for control of ports around the world. Across the globe multinational companies in partnership with smaller companies have begun to dominate port operation. P&O Ports, for example, operates terminals in Great Britain and Australia, Argentina, Indonesia, the Philippines, China, Pakistan, India, Thailand, Mozambique, Sri Lanka, Belgium, and Russia. P&O Ports also shares partnerships with other national companies.[3]

The privatization of the world's ports is not a new phenomenon. There has been a headlong rush to privatize ports Since the 1980s. The pace can be best described as rapid and chaotic. Privatization has multiple meanings. It could

mean simply the transfer of state-run assets to private hands but with the state maintaining control over port development and security. It can also entail selling and giving up both assets and control. The myriad scenarios are daunting, depending upon local political and economic circumstances.[4] In either case a profound transformation has taken place where the nation-state has relinquished financial holdings and control. For some economists privatization is seen as a method to increase efficiency. After decades of government involvement in the port industry, it has been argued that the situation is ripe for change. Taking the state out of the mix, it is argued, releases the state from the day-to-day decisionmaking. Just as vital, privatization has driven away the financial obligation that many nation-states have been committed to.[5] Additionally, by selling the public enterprise the state can acquire substantial payments that can be immersed into government coffers.

But the process has substantial critics. For many privatization is perceived as problematic. There is evidence that the process does not indeed lead to savings and greater efficiency. Instead, the process has been haphazard and far from uniform in its application. Even where there is an entrenched presence, savings from privatization have yet to be realized. Others have made the point that the process cannot be transferred to ports in the developing world. That is, the multiplicity of ports and transportation problems in the interior make privatization more like wishful thinking than a policy that can work.[6]

While market forces are touted as the cure for inefficient state stewardship, the case has not been proved. In some cases, decline is merely a case of geography and luck. Ports on the west coast of England have suffered from a shift of trade from the United States to Europe. The degradation of the ports of Liverpool and Bristol is not due to inefficiency; they are merely facing the wrong way. But even taking into account geographic explanations, economists Kevin Cullinane and Dong-Wook Song argue there is little empirical evidence to show that market forces can do a better job than government control. They argue instead that the process has "resulted from the idea that public policy on this particular issue is influenced much more by political philosophy and convenience than by the rigors of economic analysis."[7] The rush to embrace Adam Smith by the Margaret Thatcher Governments (and others), was to rip away government ownership and control. This notion of control fits a strategy to reduce the influence of trade unions and thus deflate wage costs. Britain's dockworkers and the Transport and General Workers Union (TGWU) had wielded considerable economic and political power during the 1950s–1970s. Dock strikes were common throughout the second half of the twentieth century. Such strikes could cripple or threaten an economy heavily dependent on trade for its existence. The TGWU was seen by shippers, and port and government officials, as either an instigator of such conflict, or a worthless bystander. So for all the platitudes regarding efficiency, one of the main motivations was to contain union power while enhancing managerial control.[8]

The process has also been resisted by dockworkers. They are positioned at the point of attack where their wages and working conditions are threatened by

a vigorous push to cheapen costs. Privatization is seen as nothing more than an attempt to transform work and undercut trade-union power. In 1995-1998, Liverpool dockworkers fought a long hard battle against port employers over the issue of right to manage. The struggle captured the attention of trade unionists across the world and became both a symbolic and real battle between the global forces of multinational corporate power and port workers. The confrontation was but one of many episodes in the aggressive privatization of government industries and assets. It was only fitting that a dispute in Liverpool's docks would transform itself from a local issue to that of a global confrontation. It was in Great Britain that the ports were first privatized. Under Margaret Thatcher's Conservative Government a slew of state-run industries were privatized. And by the late 1980s this policy was expanded to the nation's ports.

When examining the theme of privatization one must first recognize that this is not a unique phenomenon. Throughout the nineteenth century most ports around the world were run as private entities with little government involvement. While governments might pay some attention to dock and port development and security, the day-to-day exercise of loading and unloading ships was left to individual firms and stevedores. Not until the twentieth century did workers manage to overcome employer power and gain some semblance of power on the docks. Throughout the western industrialized nations trade unions began their long march for trade-union recognition and power. By the beginning of the 1930s trade unions had established a stronghold on many of the waterfronts of the world's ports. In the US, for example, the International Longshoremen's Association (ILA) had secured control over Atlantic and Gulf Coast ports, while on the West Coast the International Longshoremen's and Warehousemen's Union (ILWU) predominated. Each union epitomized different union cultures, one more democratic than the other. Ultimately though, longshoremen on both coasts could boast of a semblance of trade-union protection.

The Second World War was another transformative period. European port workers embarked on a strategy to regain control of their working lives. Instrumental in this approach were friendly nation-states. In Great Britain, for example, the Labor Government passed legislation to decasualize the industry. Under the auspices of the 1947 Dock Labor Scheme, port workers were guaranteed work payments, even when work was not available. So attendance pay was given to offset lack of work. But such regimentation came at a price. Wage levels for different cargoes and working conditions had be bargained through local dock labor boards or the National Dock Labor Board. This institutionalizing of the work and bargaining process alienated many dockworkers. Their sense of localized power was threatened by the apparatus of local and national boards. Such estrangement led to reoccurring battles with not just the labor boards but with their union leadership as well.[9]

Throughout the 1950s and 1960s a series of wildcat or unofficial strikes whacked the industry. Each attempt by respective governments (both Labour and Conservative) and the labor boards to rein in the dockworkers led to

further instances of confrontation. Troops unloading perishable cargoes were a common sight on the London docks. This cycle of unrest made many on the right and center ready to change the system of industrial relations on the nation's docks and ports.

Beginning with Margaret Thatcher's electoral victory in 1978, the newly-formed Conservative Party embarked on a policy of privatization. Industries such as British Telecom and British Gas came under the auctioneers' hammer. Such a policy was welcomed by many economists as a way to stream-line nationalized industries and bring the order of market forces into play. Echoing Tory Government concerns the argument was made that to privatize was to liberalize the economic system. Thus the sale could have a series of ben-eficial effects. The sale of government assets could add badly-needed funds to the government's budget. Private control was also equated with efficiency; dis-missing lackadaisical state managers in favor of their private counterparts would usher in more refined forms of managerial control and function.[10] Much was made also of allowing dockworkers to become shareholders. Democratizing ownership, through the sale of shares to workers, would finan-cially invest workers in their respective enterprises. However, a more important but understated purpose was to do away with machinery that protected workers' jobs and workers' rights on the job.

After successfully privatizing a group of nationalized industries, the Tory government turned its attention to the nation's docks and ports. It was clear that Great Britain had a surplus of ports and those new technologies of contain-ers and roll-on and roll-off initiatives had changed the work landscape. In 1989, the government sold off Sealink and other maritime assets. Clearly the Conservative government wanted to repeat its earlier successes with gas, oil, and telecommunications. Correspondingly, nationalized ports were sold off and series of new companies were formed to run the nation's ports.[11]

While the privatization process was underway the government went one step further and dismantled the National Dock Labor Scheme. In one fell swoop on July 3, 1989, job protection and union scales were swept away. Although not explicitly part of the privatization process, the dismembering of the Scheme gave management and owners the weapons to rein in worker control. As one private port official put it: "For many port managers, July 3, 1989 became the first day of rest of their lives. No longer would they have to put up with such infamous restrictive practices as 'bobbing,' or 'ghosting' or 'welting.' No longer would they have to acquiesce to dictates from Transport House [TGWU headquarters]. At last they became managers of their own des-tinies."[12] Managers used the new set of relations to demand new forms of con-tract labor. Dockworkers now had to sign "flexible" contracts that forced them to work where and when managers demanded. Overtime restrictions were tossed out, and in some cases, overtime payments were done away with. Union strongholds like London were dodged by focusing on Tilbury and other ports like Felixstowe. Although the rationale was that each of these ports had deep-water facilities to handle larger container ships, the bypassing

of London made the transition to privatization that much easier. In sum, 6,500 dockworkers were made redundant.[13]

The process of privatization in tandem with the abolishing of the National Dock Labor Scheme was virtually completed by the late 1990s. In Liverpool the new owner was the new corporate entity, the Mersey Docks & Harbor Company (MDHC). This pattern was followed in Southampton. Southampton dockworkers attempted to gain control of hiring by buying shares with management following the 1991 Ports Act. Unfortunately they were forced to sell their shares at £2.50; ultimately the company was sold to MDHC for £38 a share. Thus the notion that dockworkers would share in the benefits of capitalist ownership disappeared.[14] But it was ports like Felixstowe and Tilbury that ushered in a new set of relations. Both ports had weak trade-union traditions. Indeed, London dockworkers were generally suspicious of their brothers in Tilbury, labeling them "turnip bashers" or "carrot-crunchers" due to their rural and conservative leanings.[15] These ports were taken over by private entities ushering in new regimes of control. Correspondingly, wages were cut. The working process was also transformed. Managers demanded flexibility in the new contracts, which entailed "longer hours, shorter breaks, lower manning levels, unrestricted flexibility, and the compression of several job categories."[16] Many veteran dockworkers refused to accept the new regime and accepted "voluntary" redundancy. Although losing a sizable section of their skilled workforce, managers reasoned that in the long term their greater control would provide larger dividends.

In Liverpool, such a managerial philosophy clashed with a restless workforce. The Liverpool dockworkers remained members of the TGWU and were wiling to fight to maintain their limited control over the work process. It was this attempt to maintain control that provided the spark for the 1995–1998 confrontation. On September 25, 1996, a gang of dockworkers were informed they would be working overtime to finish loading a ship so it could sail on time. Although the decision came late in the day, what was most inflammatory about the situation was that the gang was told they would be not be paid the established overtime rate. When they turned to shop stewards for guidance they were fired. In turn, the gang set up pickets and other dockers refused to cross. Ultimately, the entire dock force of 500 men was summarily dismissed for breach of contract. For the locked-out men, the dispute was seen as a managerial attempt to eradicate the union presence and to effect a casualization of the workforce. As one dockworker leader pointed out, the intention of the employers was to use the dispute as a "wedge of casualization."[17]

Because this dispute was over secondary action (the dockworkers' refusal to cross a picket line), it was clearly unlawful under existing labor law. The TGWU therefore could not make the strike official for fear of damaging financial penalties. So from the beginning the dispute was an unofficial one. This situation was not necessarily unique. Most dock strikes in the postwar era were not sanctioned by the TGWU. Indeed, there was tradition among British dockworkers of taking unofficial action, even to the extent of ignoring their union leaders' calls for a return to work.[18] The Liverpool strikers immediately

began to organize a fighting organization. The strategy encompassed both a local and international perspective. Throughout the Liverpool area (Merseyside) they sponsored marches, rallies, forums, and fundraising activities. Collections were regularly taken in Liverpool's shopping centers. Critically supporting this activity was the Women on the Waterfront group (WOW). Made up of dockworker wives, WOW was instrumental in gathering financial donations and speaking to potential supporters around the country, and appearing on local and national radio and television. They even took the dramatic step of picketing the homes of MDHC directors and managers, and during the Christmas of 1995 they sang carols to the occupants. WOW members also spoke before the Trades Union Congress and the TGWU in a vain effort to garner their official support.[19]

The lack of support by the TGWU and the International Transport Federation forced the organizers to look further afield for sustenance. Soon the organizers were calling on dockworkers worldwide to support their cause. Trips were made to the United States, France, Belgium, Spain, Sweden, Canada, Australia, and New Zealand. By internationalizing their struggle, the Liverpool dockworkers hoped for concrete support. Indeed, they got it. International dockworker unions gave generous financial donations. Just as vital, they also engaged in sympathetic action. Those shipping companies that continued to use the Liverpool docks were targeted. In Denmark, France, Sweden, Australia, and the East Coast of the United States, dockworkers refused to work ships or engaged in slow-down work. By successfully internationalizing the dispute, the Liverpool dockworkers had garnered much-needed moral and financial support.[20]

Indeed the success of the international effort has led many to pose the action as a template for future action. The transnational focus is hailed as a tactic to glean support and put the offending companies on the defensive. Authors such as Richard Hyman and Kim Moody have put forward the argument that workers, with or without union sponsorship or encouragement, should engage their multinational adversaries on a global scale. Thus to counter globalization and its attendant powers, workers need also adopt a global perspective.[21]

The issue is not so clear-cut, however. The Liverpool dockworkers basically lost their fight and they were forced to accept redundancies in January 1998. This was not necessarily a failure of international collaboration, but rather that the dispute was not officially sanctioned. Correspondingly, the dockworkers and their families had little local or national institutional support. As for the international solidarity displayed, both economic and moral, the limited actions by dockworkers worldwide were ephemeral. The slowdowns in foreign ports did just that; slow down the movement of shipping. But the actions were few and short-lived. It was at the local level that support was keenly felt. It was the wider community support that brought in larger amounts of badly-needed cash. The day-to-day contacts with supporters and allies enabled the dockworkers and their family members to survive the twenty-seven-month-old dispute.

Perhaps too much has been made of the critical nature of international solidarity. In the case of the United States, the picture is riven with localism and strength. Both the International Longshoremen's Association (ILA) and the International Longshoremen and Warehousemen's Union (ILWU) still dominate the nation's ports. Because the ILA and ILWU hold such strategic power, employers and shippers cannot easily bypass their areas of strength. On the West Coast, for example, there are no other ports that shippers can use because all are organized. The same applies with the ILA. Their dominance on the East and Gulf Coasts ensures their survival and continuing strength.[22] This is not to suggest that international action or solidarity has no value. It is a tactic that can effectively shore up striker morale, but until the international workers engage in sustained, sympathetic strike action, solidarity is merely a supportive function. In the case of the Liverpool dockworkers, they turned to international support only after their union refused to actively get involved in the strike. In a sense, then, the turn to the international was a reactive effort.[23]

The key to the future is perhaps an amalgam of all trajectories. When confronting a global economic entity it makes sense to turn to the international arena for support. But it is at the local and national levels where conflicts will finally be resolved. It is one thing to express international solidarity in terms of resolutions and financial donations, but quite another for national groups to engage in sustained, direct action. The increasing global privatization of ports ensures that workers have to think and act internationally. But until an issue simultaneously affects the world's dockworkers, the local will predominate.

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"Blame the System, Not the Victim!" Organizing the Unemployed in New Zealand, 1983–1992

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Abstract

The restructuring of capital and the transformation of the workforce in the late twentieth century has produced a newly-shaped working class; one that encompasses those in insecure work and unemployed workers. With this repositioning has come new political organizations of unemployed workers, of which Te Roopu Rawakore o Aotearoa, the national New Zealand organization for unemployed workers, is an example. This organization of unemployed was not only significant for its existence in the face of poverty, status disintegration, and a perceived sense of social worthlessness, but also for the tripartite ideology its members employed. Unemployed workers in New Zealand combined the identity politics of race and gender with a class-based critique of society to demand "the right to work and a living wage for all."

> In New Zealand now there's a movement strong, the unemployed sing a battle song. We'll fight the government for a better deal, the right to work they cannot steal. In towns and cities we will rise, the people now will hear our cries, for justice and a living wage, only this can satisfy our rage.[1]

In January 1998, during the occupation of the Ècole Normale Supèrieure by French unemployed, Pierre Bourdieu congratulated the growing unemployed movement for their protest actions and described them as a "French exception," a "social miracle."[2] He had argued, only one month earlier, that the organization of the unemployed was an impossibility; that unemployed workers, without secure material resources or high levels of self-esteem, could not conceive a revolutionary project or act politically.[3] Similarly explaining the lack of political organizing among the unemployed, social theorists have argued that unemployed people experience their social status as an individual issue or personal failing rather than as a public issue of social structure.[4] These three factors—poverty, status disintegration, and a sense of personal worthlessness—are presented to explain the disinclination of the unemployed to involve themselves in mass protests against unemployment.[5] And yet, as the French example demonstrates, the unemployed have organized, have protested, and have acted politically. This article argues against French exceptionalism by way of an historical case study of another unemployed movement, one which organized nationally in New Zealand during the 1980s.[6] This organization was not a social miracle; it merely has remained invisible in the historical record so far, as had the French unemployed movement. By recognizing the changed nature of the

workforce by the late twentieth century and the new shape of the working class—a class that encompasses those in insecure work and unemployed workers—organizations of the unemployed will no longer seem impossible, but explainable, and even foreseeable.

The restructuring of capital and the transformation of work led to a dramatic global repositioning of the working class, inside and outside the workforce, in the 1980s and 1990s.[7] This shift to corporate globalization caused manufacturing industries of advanced capitalist countries to go into decline, a radical increase in numbers of people in insecure employment or what Manuel Castells calls "flex-timers"[8]—part-time, temporary, subcontracted, or outsourced workers—and a substantial rise in structural unemployment.[9] The working class became more heterogeneous and fragmented in nature, and the insecure proletariat found new ways to organize, sometimes contrary to the expectations of social theorists. Social theorists have analyzed the rise of new social movements in the 1980s and 1990s and described "identity politics," the politics of gender, sexuality, race, ethnicity, or religion, as the (re)new(ed) subject positions from which to champion a set of rights, predominantly at the expense of class struggle.[10] In the words of Alain Touraine: "in a post-industrial society, in which cultural services have replaced material goods at the core of production, *it is the defense of the subject, in its personality and in its culture, against the logic of apparatuses and markets, that replaces the idea of class struggle.*"[11] However, unemployed workers in New Zealand combined the identity politics of race and gender with a class-based critique of society when traditional forms of class struggle, inside the trade unions, was on the decline. As I demonstrate in this article, the national organization of unemployed and beneficiaries was given a Maori[12] name—Te Roopu Rawakore o Aotearoa—not only to honor the movement's bicultural structure (Maori unemployed were given separate representation in the organization to recognize their status as colonized subjects), but most importantly to indicate that it was a movement of people *who had nothing* (its literal translation), a movement of have-nots, the excluded, the dispossessed—and this was very much regarded as a matter of class. The veil of invisibility cast over women's experiences of underemployment and unemployment was torn asunder by a number of outspoken, politicized, unemployed women who formed the core leadership of Te Roopu Rawakore o Aotearoa, and thus issues of gender also came to the fore.

Transformation of the Workforce

The legacy of the 1930s depression—economic hardship, wasted labor and inadequate state relief for unemployed—influenced the social and economic policy of the first New Zealand Labour Government, elected in 1935. The fundamental philosophy of the first Labour Government, encapsulated in the 1938 Social Security Act, was that the state had a responsibility to protect a citizen's welfare "from the cradle to the grave." Full, well-paid, productive employment

was the basis of a citizen's welfare, and state provision of publicly-funded health, education, and housing assistance was a way to ensure productive workers. Income support was envisaged as a minimal and largely temporary provision to sustain people moving between well-paid jobs. Policy was centered on the creation of a strong, interventionist state. The Labour Government's external policy insulated New Zealand from overseas influences; it established protective tariffs, imposed import licenses, and created market agencies for New Zealand's primary exporters.[13] Internal economic policy focused on maintaining small-scale farming and manufacturing, with some diversification. The internal economy was regulated by price stabilization and wages were set by Arbitration Court rulings which were tied to contemporary economic conditions. Wage-earners benefited from the stabilization of the economy but the trade unions became relatively weak during this time because they depended on the state (through the Arbitration Court) for political and institutional authority.[14]

In New Zealand, prior to the Second World War, the occupations in ascendancy were those associated with processing primary produce and servicing the farming sector. However, after the war, the state sector increased in size with the development of the welfare state, and manufacturing occupations also increased. This pattern is similar to what had occurred in the United States and northwestern Europe. The New Zealand farming community declined and by 1971; only twelve percent of the labor force was directly engaged in farming.[15] The growth and diversification of the manufacturing industry was encouraged by the war effort and continued right through the 1960s, with manual laborers comprising thirty-eight percent of the workforce in 1971. The service economy expanded the most in the postwar decades and by 1971, white-collar workers made up forty-one percent of the workforce. With the continuing expansion of the white-collar workforce—salaried workers such as teachers, social service personnel, technicians, administrators, and clerical staff—came the growing participation of married women in paid employment.[16] By 1971, two-thirds of the female labor force and one-third of the male labor force were involved in white collar jobs in New Zealand.[17]

In the postwar decades, the most striking change was the number of married women participating in the workforce, especially in part-time work. The percentages for married Pakeha (New Zealand women of European descent) women increased from 7.7 percent in 1945 to 19.9 percent in 1966.[18] In 1966, women comprised twenty-seven percent of the labor force, rising to thirty-five percent in 1984. However, women continued to be employed in a narrow range of occupations at lower rates of pay and with limited opportunities for advancement. The advent of equal pay in the public sector in 1960 and in the private sector in 1972 did not bring equal opportunity. In 1995, the pay gap between women and men averaged eighteen percent. This varied according to industry: Construction workers had an eight-percent wage gap (but very few women worked in construction), business and financial services had a 32.5 percent wage gap and banks were particularly bad, with a 38.3 percent wage gap.[19]

An exodus of Maori from rural areas that had begun on a small scale during the Depression and the Second World War accelerated between 1961 and 1966. In 1945, one-quarter of the Maori population were living in urban areas; however, by 1966, three-fifths of the Maori population had migrated to towns and cities.[20] Three-quarters of the Maori population lived in urban centers by the mid-1970s, with one-fifth of that number living in Auckland. In 1956, 26.76 percent of Maori workers were engaged in agriculture, forestry, hunting, and fishing, and 52.96 percent were in manufacturing, construction, transportation, storage, and communications industries. While 18.6 of the non-Maori population earned over £700 per year, only 3.36 percent of Maori workers were in this income bracket. Few Maori had the opportunity to pursue professional, managerial, and clerical positions: only 6.56 percent in 1956 compared to 26.69 percent for the non-Maori population.[21] Maori workers were recruited

TABLE ONE	Occupational Distribution of Maori, Pacific Islander, and Total New Zealand Population in 1971[22]					
Occupation Major Groups	Pacific Islander No.	%	Maori No.	%	New Zealand Total No.	%
Professional, technical and Related Workers	654	3.95	2,717	3.83	139,390	12.46
Administrative and managerial workers	33	0.20	139	0.20	28,403	2.54
Clerical and related workers	1,198	7.24	4,561	6.43	108,381	16.12
Sales workers	258	1.56	1,471	2.07	115,226	10.30
Service Workers	1,603	9.68	5,743	8.10	77,381	6.92
Agricultural and forestry workers	266	1.61	9,410	13.27	129,650	11.59
Production and related workers, transport equipment operators, and labourers	11,940	72.13	42,482	59.92	424,127	37.91
New workers seeking employment	57	0.34	989	1.39	2,628	0.23
Workers reporting occupations unidentifiable or inadequately described	342	2.07	1,512	2.13	5,942	0.53
Workers not reporting any occupation	142	0.86	816	1.15	4,240	0.38
Armed Forces	61	0.37	1,058	1.49	11,467	1.02
Total	16,554	100	70,898	100	1,118,835	100

to fill unskilled and semiskilled industrial and commercial vacancies which opened up with economic expansion in the postwar decades. Seventy percent of Maori male workers had found employment in blue-collar occupations by 1966. Pacific Islanders migrated to New Zealand in increasing numbers during the 1960s and 1970s looking for employment, which they also found predominantly in the blue-collar workforce.

As the world economy went into stagnation in the late 1970s, and New Zealand's export prices fell, there was not sufficient domestic growth to generate enough jobs for the workforce. New Zealand workers, from the late 1970s to the early 1990s, experienced a declining manufacturing sector, increased service-sector work but of a part-time and temporary nature, structural unemployment and underemployment, and rising poverty levels. This continued deterioration owes much to the policy decisions of the fourth Labour Government elected in 1984. These policies will be explained shortly.

The average number of registered unemployed recorded by the Labour Department in New Zealand had remained fairly consistently below one thousand prior to 1967. However, in that year, unemployment statistics exceeded 3,000, and rose to 6,881 in 1968. Unemployment figures decreased again until they reached 994 in 1974 before beginning to rise sharply in the late seventies.[23] From 1977 until the mid 1980s, unemployment in New Zealand rose dramatically, but government-sponsored job creation schemes, which engaged half the unemployed, obscured the fact until 1985.[24] The unemployment rate rose from 3.8 percent to 11.1 percent between September 1986 and March 1992.[25] Compared to seventeen other Organization for Economic Cooperation and Development (OECD) countries in 1991, only Ireland and Spain had higher standardized rates of unemployment than New Zealand.[26] Most jobs were lost in the manufacturing sector: between 1985 and 1989 two-thirds of the overall employment decline came from the manufacturing industry despite the fact that it employed less than a quarter of the workforce.[27] By 1993, two-thirds of all New Zealand's employed worked in services: fifty-five percent of men and seventy-one percent of women.[28] While the growth of the service industry offset some job losses, it did not halt the employment decline.

New technology not only led to the retrenchment of the workforce in New Zealand but also changed the way people were employed, increasing the numbers of temporary and part-time workers. In 1995, part-time work made up twenty-nine percent of filled jobs; this was a huge increase from five percent in 1961. Between February 1987 and August 1995, part-time jobs grew by seventy-six percent, and full-time jobs decreased by seven percent.[29] Women remained the majority of part-time workers (three-quarters in 1994), but the numbers of men engaging in part-time work grew significantly over this period.

The Population Census in 1986 revealed that more women suffered from unemployment than men: 9.1 percent compared to 5.1 percent of the working population.[30] Unemployment also affected ethnic minorities—Maori and Pacific Island peoples—more negatively, in part because they were

predominantly located in the manufacturing sector. In 1989, Maori were only 5.9 percent of the labor force but 16 percent of the unemployed; their unemployment rate was 20.1 percent. Pacific Islanders had an unemployment rate of 17.2 percent.[31] Young people also made up a large percentage of the unemployed as the following table indicates.

Unemployed as a Percentage of the Full-time Labor Force in New Zealand[32]

		1986 %	1991 %	Increase in Unemployed
NZ Maori	15–64 years	12.2	23.3	+11.1
NZ Maori	15–24 years	19.9	35.5	+15.6
European/Pakeha	15–64 years	3.8	8.4	+4.6
European/Pakeha	15–24 years	8.1	16.9	+8.8

Labor-force trends indicated that "the unemployed were more likely to come from low-paying and insecure jobs, from among the disabled and the handicapped, from the oldest and youngest members of the labor force, from racial and ethnic minorities, from areas or districts with high unemployment, and from those sectors of society with the least marketable skills."[33]

"Blame the System, Not the Victim"

Those sections of society which became unemployed first—working-class women, school leavers, Maori, and Pacific Islanders—were also those that became politically organized in the late 1970s and early 1980s to protest a government that was not facing the reality of growing unemployment in New Zealand. Groups of predominantly unemployed people formed to act as advocates on behalf of unemployed and beneficiaries at the Department of Labour and the Department of Social Welfare.[34] The Palmerston North Workers' Unemployed Rights Centre was set up in 1978. Vivian Porzsolt, who was the first coordinator of the Palmerston North Centre commented in 1981: "We've had people come into the Workers' Unemployed Rights Centre in Palmerston North without a cent in their pockets. If we cannot wring the money out of the Department of Social Welfare, we must go to the Mayor's Fund or local charity groups for vouchers for food or rent. It is a disgrace that New Zealanders must submit to this sort of degradation."[35] The Wellington Unemployed Workers' Union sprang into being at Christmas in 1979 when fifteen-thousand Temporary Employment Project (TEP) workers were made redundant. At nineteen, Jane Stevens was one of those workers, and early the following year she organized the first public meeting and protest of unemployed workers in Wellington and became the group's coordinator. Branches of the Wellington Unemployed Workers' Union were organized in working-class suburbs of Wellington, the Hutt in 1981 and Porirua in 1982.

People who initiated these groups had often experienced unemployment themselves (although this was not always the case) and recognized the human cost of joblessness, the loss of personal self-worth, dignity, and respect, which often led to depression, frustration, and an inability to motivate oneself. They connected this loss of self-worth with the breakdown of families and friendships, with mental illness, drug and alcohol abuse, and outbreaks of violence and crime. As well as the human cost, they recognized the more structural costs to New Zealand society, such as the cost of the payment and administering of benefits, the loss of production and work skills, and the consequential reduction in consumer demand.[36]

The public image of unemployed people, promoted by the news media in the early 1980s, was one of the social deviant, "dole bludger" or "victim."[37] Because of the years of full employment after the Second World War, the dominant myth, that any New Zealander could obtain a job if they wanted one, persisted, despite rising unemployment during the late 1970s. People, especially men, defined themselves socially by their paid labor. Thus, for those who became unemployed, there was a social stigma attached to an already economically disadvantageous position. Relying on the dominant work ethos, National Government politicians (like the media) were able to depict the jobless as "dole bludgers" or social deviants who did not wish to work.[38] Article headlines in major New Zealand newspapers from 1982 read: "Govt. Crackdown on Dole. Purge of the Unemployed"[39] and "Drive to End Dole Careers."[40]

Unemployed groups sought to challenge the Government's failure to create jobs and encouraged unemployed workers to view their position as a collective experience of oppression rather than as an individual's personal failure to find work.[41] Dave McPherson, the coordinator of the Hutt Unemployed Workers' Union, organized the publication of *Dole-drums* in 1982, which for ten years became a crucial organizing and educational tool for unemployed people nationwide. *Dole-drums* began with a print run of 3,000 and at its height reached a circulation of 12-13,000. In the first edition of *Dole-drums*, the leading headline read: "Blame the system—not the victim! Fight Unemployment!" The article continued:

> *There are 90,000 New Zealanders registered as unemployed or on special work!* The real number of unemployed may be anything from two to three times that number. Certain groups do not gain anything from registering, so they don't bother. This includes married women and people under 16 who are not entitled to the dole. Others do not register because they believe the Government's propaganda that they will be dole bludgers, that they are too lazy to work and that there is plenty of work around if you are prepared to go out and look for it! BULLSHIT. It is the Government's fault that the unemployed do not have jobs.[42]

The social stigma attached to unemployment was disputed by these newly-established organizations, and they found ways to relieve the poverty and distress of those families and individuals attempting to live on a benefit.

By 1983, twenty-two unemployed workers' centers had formed around the country. There were unemployed groups in a diverse range of places: rurally-based unemployed centers, such as Te Whare Awhina, a Maori unemployed center in the Hokianga, north of Auckland; tourist towns, such as Taupo; and farming service-towns like Feilding had unemployed centers. The main cities all had unemployed centers and some—such as Auckland, Palmerston North, Wellington, and Christchurch—had more than one.[43] Some groups were sponsored by trade unions, others by churches and community groups, and some were entirely independent. Thus it was that, in 1983, questions arose as to how to coordinate these groups more effectively to put pressure on the government to address growing unemployment.

At a meeting of over two hundred people representing thirty-one unemployed groups in 1984, Jane Stevens was elected the first coordinator of a fledgling national movement for unemployed and beneficiaries. A National Unemployed Workers' Charter was drawn up which laid down the principles unemployed groups held in common and became a movement-building tool for social change. The Charter stated that the economic and political system caused unemployment, that unemployment was not the fault of unemployed workers, that unemployment could only be solved by policies designed to serve people's needs, not private profits, that the unemployed were part of the labor movement and had the same interests as workers, and finally that, while unemployment existed, the people affected must be recognized and have their rights and welfare promoted.[44] It demanded:

1. Government and public recognition of the extent and effects of unemployment.
2. Policies aimed at meaningful work available for all, regardless of sex, sexuality, race, age, marital status or disability.
3. Equal distribution of the wealth and leisure created by the new technology.
4. An adequate income for all unemployed workers.
5. No discrimination against unemployed and temporary workers.
6. No discrimination among beneficiaries due to race, sex, sexuality, age, marital status, nationality or disability.
7. Full rights and responsibilities as Trade Unionists.
8. Recognition and support of unemployed workers' groups by the government and the trade union movement.
9. Free access to information on government department decisions and policies affecting the unemployed.
10. Full information on all benefits and entitlements; published in all main languages used in New Zealand.
11. The protection of personal privacy and dignity of all beneficiaries.[45]

The movement was created *by* unemployed workers *for* unemployed workers, by people who regarded themselves as victims of the system and demanded "the right to work and a living wage for all" from the New Zealand government.

While Sir Robert Muldoon's National Government was in power, the trade unions, represented by the Federation of Labour (NZFoL), the Combined State Unions (NZCSU), and Te Roopu Rawakore o Aotearoa, were relatively united in their opposition to the government's employment policies. In the early 1980s, trade unions played a defensive game and opposed economic change that brought mass redundancies and layoffs. Campaigns and conferences were organized with unemployed workers, and financial aid was offered for setting up unemployed workers' organizations. However, in 1984, the NZFoL decided to oppose the formation of an independent unemployed movement. This change of heart occurred because the Labour Party, the traditional political wing of the labor movement, was elected to Government that year. The NZFoL and NZCSU changed their political strategy to one of nonconfrontation and uncensorious support of the Labour Government in the hope of influencing policies on labor issues.[46] Because Te Roopu Rawakore did not support the Labour Government uncritically, they were accused by some trade unionists of betraying working-class unity. And the Labour caucus, contrary to their preelection political rhetoric, instituted neoliberal economic policies which increased unemployment and exacerbated poor living conditions for working-class people.

Prior to the 1984 election, two opposing philosophies on political policy had been operating within the Labour Party. The first of these was "corporatism," a negotiation between employers, unions and the state to develop a broad consensus on economic and social issues. A 1984 Economic Summit conference was born out of the promotion of such corporatist ideas. Representatives from different sectors of the community, business leaders, farmers, retailers, workers, and unemployed were called together at Parliament Buildings for the Economic Summit to discuss their views on economic policy. Jane Stevens, who represented Te Roopu Rawakore at the summit, stated, "I am here to demand on behalf of low income people a bigger slice of the cake and redistribution of the wealth in this country that does exist but only in the hands of a few."[47]

The second philosophy operating in the Labour Party, in contrast to corporatism, was based on the technocratic principle that democracy was a threat to economic policy. Its lead advocates, such as Roger Douglas, who became Minister of Finance, recommended divorcing economics from social policy and the political sphere, and allowing economic decisionmaking to occur in the marketplace.[48] This alternative philosophy became dominant in the fourth Labour Government, despite the corporatist platitudes of the Economic Summit. In the aftermath of the summit, the economy was radically restructured, following the methods suggested by Treasury and business leaders, rather than the suggestions of workers or unemployed.

The Fourth Labour Government adopted policies that were opposed to the concept of full employment, which had been the main economic policy of consecutive governments during the previous forty years. Rising unemployment

during the later 1980s was a direct result of policy decisions made by the Labour Party during their first term as government.[49] Financial liberalization began to be instituted in December 1984, with an end to external capital controls and the later floating of the dollar in March 1985. Though the economy continued to expand and unemployment dropped during 1985 to forty-eight thousand, this was soon followed by a (government-induced) sharp rise in the exchange rate, which in turn inevitably led to increases in unemployment. The government maintained fiscal deficits by cutting domestic spending which forced up domestic interest rates, attracted foreign investors and forced up the exchange rate. Thus importing became more profitable and undermined the traded goods sector which the devaluation of the dollar in 1984 had been intended to assist. The removal of subsidies and other forms of economic protection reinforced this trend. The only money being made was by speculative investors and those in the finance, commercial property, and construction sectors. As firms found it more difficult to compete on an international scale, they reduced production and employment.

New Social Movements, Identity Politics, and the Demise of a Class Position

Verity Burgmann, a political scientist, characterizes the 1980s as a time when the Australian labor movement went into decline, and along with it an analysis of society based on class.[50] At the same time, new movements "championed the interests of those who experienced social, political, and cultural oppression, whatever their economic circumstances—a black person, a woman, a gay man—or the interests of the human race, irrespective of class."[51] Social movements were largely antisystemic organizations run by those with "intellectual capital," which included the middle class and those peripheral to the labor force—the unemployed, students, housewives and the retired. This new constituency utilized nonhierarchical and democratic methods of organizing (in contrast to the labor movement, which they regarded as overly bureaucratic and hierarchical); they "practised, in the present, the future social changes they sought."[52] Constructing a shared identity remained an important part of movement building, but for some social movements, influenced by postmodernism, identity politics became an end in itself rather than a collective force underpinning protest to eliminate poverty and oppression. Politics of recognition replaced politics of redistribution, and new social movements lost their capacity to effect real change.[53]

True to these descriptions of new social movements, Te Roopu Rawakore organized outside of the labor movement and political parties in the early 1980s. The movement was nonhierarchical in style, organized from the bottom up with consensus decisionmaking, and run by people made peripheral to the workforce, primarily unemployed, but also some who identified as middle-class. Those representing unemployed at national meetings forged a bicultural structure, giving Maori and Pakeha unemployed equal representation in the movement, practicing, in the present, the utopian vision they held; of a nation where

power was held equally by the colonizer and the colonized. They championed the rights of women and ethnic minorities; however, they not only demanded that social, political, and cultural oppression be recognized, but that resources generated by new technologies and restructured workforces be redistributed to those who needed them. What was radically different about Te Roopu Rawakore—when compared to other social movements—was that it held class identity at the heart of its politics.

Class

The primary analytic framework utilized by New Zealand unemployed groups was based upon class or at least socioeconomic disadvantage. Becoming unemployed was perceived as a loss of status, in terms of both earning a living and being a member of the working class. Unemployed were defined by what they were not; they were not workers. As a class-in-itself, unemployed workers were shut out of the workforce and marginalized, even excluded, from production. For many this was an objective category: unemployment brought socioeconomic disadvantage and was experienced as a personal failure to find work. For others, being unemployed was understood as a form of exploitation by governments and employers; a pool of unemployed workers was used to drive wages and conditions down and increase the profits of production. Unemployed workers lost their traditional bargaining power (and the bargaining power of unions was equally reduced); they could not hold their labor for ransom and thus had to find innovative ways to put pressure on their class enemies to bring about political change. Street protest became a common tactic of the unemployed to voice their concerns. Sue Bradford, who was involved in the Auckland Unemployed Workers' Rights Centre from its inception in 1983 and became the national coordinator of Te Roopu Rawakore o Aotearoa in 1987, summed this up: "We are not workers so we can't go on strike and we're not Big Business so we don't have the money to spend on advertising. All we have left is us, people, and the strength of our convictions."[54] The New Zealand Government, which mediated between New Zealand citizens and the global economy, was regarded as "the enemy" by the unemployed. They connected structural unemployment with government policies to lower inflation, sell off state assets, end job-creation schemes, and retrench welfare. And they clearly recognized that working-class people were the economic victims and scapegoats of these policies.

The Unemployed Workers' Charter demanded that the government recognize the unemployed as members of the working class; that they were dispossessed workers rather than bludging off the system, as they were depicted. Members of the Wellington Unemployed Workers' Union stated they believed "the Government has a vested interest in high unemployment and that it deliberately makes economic decisions that will profit its friends running the banks and factories, finance houses and insurance companies, while at the same time it ignores the basic right of working people to a decent standard of living and

a fair share of the wealth of this country."[55] Wellington unemployed centers, using survey material collected from poor areas of Wellington such as Canons Creek, argued that working-class people were more likely to suffer from unemployment than wealthy people, and among the unemployed, women, ethnic minorities, and young people were hit harder.

Gender

Unemployed workers' organizations utilized nonhierarchical ways of operating, which were introduced by women, such as Jane Stevens and Sue Bradford, who had participated in the consciousness-raising groups of the New Zealand women's liberation movement during the 1970s. The Wellington unemployed unions were strongly supportive of women's rights and encouraged women to play public roles for the unemployed centers. In this regard Stevens commented:

> Women have been very prominent in the unemployed workers' movement since I've been involved. The reason being that they are the worst affected by unemployment, and it's a new area not dominated by men—it's not a male position so women could play a leading role... Women are often put down because they haven't had the same public experience as men. There are lots of articulate women out there but it's been a hard road to hoe. We're often labelled as 'one of those feminists' if we don't move when pushed around or when we speak up... [W]omen with the problem of racism are at the bottom of the scrapheap. We have to contend with racism and sexism.[56]

Lorraine Wilson, from the Wellington Unemployed Workers' Union, was another staunch advocate of women's rights. In a *Dole-drums* article entitled "It's Our Right," Wilson commented:

> I see women as being up against the roughest deal. We face not only the chronic shortage of jobs (particularly for women) but also the sexist attitudes that continue to prevail in order to keep us down if not out of the workforce. We are treated as reserve labour... In this society, work is imperative to survival, and it should be recognised that no one person's survival is any more important than anybody else's. As women, our 'right to work' can never be overlooked. We are a strong and powerful force. We will stand up and be heard.[57]

Wilson's primary concern was for married women; she described married women as given lowest priority in the work force and ineligible for an unemployment benefit because it was presumed their husband would provide for them. She encouraged all women to register with the Department of Labour to show the true levels of unemployment. *Dole-drums* also published women's stories of unjust treatment at Department of Social Welfare offices and encouraged women to seek assistance from unemployed centers if they were

experiencing similar difficulties.[58] While women's unemployment issues did not manifest themselves structurally—a separate wing of the national unemployed and beneficiaries' movement was never established for women—women's rights informed the discourse of many unemployed centers because most centers were coordinated by women. In 1983, only seven out of the twenty-two unemployed groups listed were run by men. This predominance of women had an impact upon the way the unemployed movement was forged and the various campaigns that were run.[59]

Race/Ethnicity[60]

Maori people, since signing the Treaty of Waitangi with the British in 1840, have experienced ongoing dispossession and marginalization in New Zealand. British colonial administrators, and later the New Zealand settler government, refused to recognize or protect Maori political, economic, and social systems and denied Maori people full access to the rights and benefits of British citizenship. The Treaty of Waitangi—at least theoretically—had offered recognition and protection of Maori society (in all its aspects), and the rights and benefits of British citizenship to Maori people, and thus it became a powerful symbol of social justice for Maori. Maori used the Treaty to legitimate a demand for the redress of the historical effects of long-term land alienation: poor health, inadequate housing, poverty, and unemployment. The Waitangi Action Committee (WAC), an Auckland-based Maori activist group, was initiated in 1979 and asserted with a new voice "te tino rangatiratanga o te iwi Maori," that is, the sovereignty of Maori people, collectively, over their lives and resources. WAC's political philosophy was to organize a "liberation struggle against racism, sexism, capitalism, and government oppression."[61] The tactics practiced by WAC to bring about social transformation were publishing newsletters, establishing networks with Maori and Pakeha organizations, organizing demonstrations and marches, and challenging politicians at public events. They were influenced by the Black Panthers in the United States but stopped short of armed struggle. Both Huhana Oneroa, coordinator of Te Whare Awhina, the rurally-based Maori unemployed group in Hokianga and Anna Meihana, from the Auckland Unemployed Workers' Rights Centre, were influenced by these movements and committed to Maori self-determination. They, among others, brought these principles and tactics into the unemployed movement.

In the early 1980s, Te Whare Awhina became involved in such rural issues as the impact of high unemployment, racism at the Department of Social Welfare in Kaitaia, and the remote areas clause. The remote areas clause was a Department of Social Welfare interpretation of Section 58(1)(c) of the Social Security Act, which stipulated that a person could receive an unemployment benefit only if they had "taken reasonable steps to obtain suitable work."[62] In 1983, the remote areas clause interpretation was used to deny people benefits if they moved to an area where no work was available.[63] This issue was of special concern to Te Whare Awhina because the Hokianga was deemed "remote,"

there being an endemic lack of paid work available. They began appealing cases of this nature at least as early as 1982.[64]

During a Te Roopu Rawakore national meeting in 1985, 150 people occupied the Department of Social Welfare in Kaitaia. Protesters demanded that the Minister "remove the remote areas clause, revamp the Social Welfare Act to recognise papakainga and Maori values generally, and give more support to people on the land."[65] Oneroa commented: "Many have gone to the city to work, become unemployed, and returned home. It's their own ancestral home, but they still have difficulty getting the dole and often miss out altogether."[66] Under pressure from the unemployed, the Director of Kaitaia Social Welfare agreed to revise his interpretation of the remote areas clause and, the following day, five more people were able to receive the unemployment benefit.[67] And from reports later, the Department of Social Welfare staff treated people noticeably better. Jane Stevens recalled that for many involved this was their first action in a very economically depressed area, and it gave people a sense of achievement to stand up for their rights.[68]

In 1985, half the members of Te Roopu Rawakore (affiliate groups numbered twenty-seven) were Maori, and this had a significant effect upon the way Te Roopu Rawakore was eventually structured as a bicultural organization. Although Maori unemployed had been involved in the process of the formation of Te Roopu Rawakore o Aotearoa, they felt that the organizational structure was Pakeha-dominated and oriented. Therefore, at the end of a Te Roopu Rawakore national meeting, Maori groups and individuals caucused to discuss their role in the movement as *tangata whenua* (indigenous peoples).[69] An article written for *Dole-drums* stated: "There has been a growing concern within Te Roopu Rawakore o Aotearoa about matters pertaining to Maori unemployed representation, and seeing that as Maori and as tangata whenua of Aotearoa [New Zealand] we make up the greatest percentage of the unemployment figures, it's about time we got together to decide our own destiny."[70]

Te Iwi Maori Rawakore, the Maori wing of Te Roopu Rawakore, was initiated at a meeting in Westport in July 1985. Significantly, a group of Maori women led this process: Huhana Oneroa, Anna Meihana, Angela McGregor from the Porirua Unemployed Workers' Union, Charlene Duff from the Buller Unemployed Centre, Jane Stevens, and Anna McKenzie from the Wellington Unemployed Workers' Union. The discussion centered upon whether representation should be structured around tribal areas or regions and actual centers. Because Maori representatives were often working outside their tribal areas, they decided that it made more sense to structure Te Iwi Maori Rawakore around regions and centers to combat unemployment. Each region had to elect a Maori representative to be sent to National Planning Committee meetings and to raise money for travel to national events. A Maori coordinator would be selected to share Stevens' workload as national coordinator and relieve some of the pressure in the national office. The only point of tension was the debate over whether the elected Maori coordinator should be male or female. Some of the male Maori activists attending firmly

opposed the leadership role being given to a Maori woman.[71] Angela McGregor gave her opinion of this discussion: "It was expressed by some (mainly of the male species) that the person who becomes the Maori co-ordinator be male. One of the reasons being that the National Coordinator (Jane Stevens) is female and that a male should balance it up. To me it doesn't matter what sex the person was as long as they're capable of doing the job and doing it well."[72] These proposals were taken back to the wider meeting, and the new bicultural structure was accepted.

Te Iwi Maori Rawakore became the Maori wing of the movement, and Anna Meihana was elected Tumuaki Maori, the Maori national coordinator, in 1985. People of Polynesian descent were encouraged to become involved in Te Iwi Maori Rawakore, but this wing of the movement firmly prioritized the rights of Maori. Meihana, as the new Maori coordinator, introduced herself in a *Dole-drums* article and explained how belonging to the Waitangi Action Committee had led to her commitment to Maori nationalism as a basis for challenging the system:

> It was a real buzz finding that Maori side of me that had been missing for so long before, and in being amongst my own people fighting for self-determination and Maori sovereignty. That [Waitangi Action Committee] was a really good group to start off working in because of their uncompromising stand on Maori self-determination—They believe in Maori control[;] after all Aotearoa is our country, and so do I... I want to see us taking over and getting back what[']s rightfully ours... and I'm glad to see the pakeha people in Te Roopu Rawakore are giving up a lot of their white privileges for us.[73]

Another member of the Waitangi Action Committee, Donna Awatere, explained how struggles for justice in the 1980s were not simply about Maori nationalism. She experienced "racism, capitalism and sexism as three sides of a prism oppressing women, and especially Maori women. Thus to her, attacking on any one of these fronts [was] an integral part of fighting for a feminist revolution. She stressed, however, that feminists must not make the mistake of the male Left, trusting that the other sides of the prism will collapse if one is smashed. All must be attacked simultaneously."[74] This philosophy of attacking racism, sexism, and capitalism simultaneously remained dominant among the leadership of Te Roopu Rawakore, although it was not an easy philosophy to put into practice. Te Roopu Rawakore o Aotearoa was a significant movement, not only because it was a national movement of unemployed but because it organized under a tripartite rubric of race, gender, and class. More similarly to other social movements organizing in the 1980s, a distinctive activist culture was formed within Te Roopu Rawakore.

Tactics of Protest

From the national office in Wellington Meihana and Stevens worked together to organize campaigns to protest government policies of welfare retrenchment and

the phasing out of job-creation schemes. Government funding for community providers of temporary work schemes was an important source of money for the coordinators of unemployed workers' centers. This funding was used to build strong organizations to lobby for the rights of unemployed and beneficiaries. When these schemes began to be cut back and phased out, unemployed centers suffered, and some collapsed in 1986. Stevens played a strong lobbying role at a Government level but when it became clear that the Labour Party had no intention of responding to suggested policy changes by unemployed workers, the tactics of protest became more important than ever. Whenever a national meeting was held in different places around the country, a march through the main town center or occupation of Department of Social Welfare buildings was instigated. Unemployment numbers continued to climb but welfare staff were at least forced to reevaluate their treatment of unemployed people, under the watchful eye of unemployed center advocates.

1987 was a difficult year for Te Roopu Rawakore; there was a leadership crisis after Stevens resigned and Meihana was left to run the national office on her own. The Labour Party was reelected with the support of the trade union national body, much to the disgust of Te Roopu Rawakore, and unemployment continued to climb. It was clear unemployment was not going to be a brief phenomenon, and the Labour government dropped all pretense of job creation. Sue Bradford, from the Auckland Unemployed Workers' Rights Centre, became the national coordinator of Te Roopu Rawakore, Huhana Oneroa, from Te Whare Awhina, was elected Tumuaki Maori, and the national office moved to Auckland in late 1987. Together, Oneroa and Bradford planned a strategy to reunite the unemployed movement around a key set of demands publicized by a national march on Wellington. This March Against Unemployment, as it was called, demanded that the government deliver more jobs, a living wage, and human rights for beneficiaries and that it honor the Treaty of Waitangi.[75]

In 1988, a small band of unemployed began the trek south across the North Island, growing in number as they stopped in each small town to hold a rally, make speeches and pick up more participants from unemployed centers. By the time they reached Wellington, a crowd of two thousand rallied outside the Parliament Buildings and presented Te Roopu Rawakore's alternative employment policy to Phil Goff, Minister of Employment.[76] This strategy successfully rendered visible the plight of the unemployed, uniting unemployed groups into a cohesive force for change. Most importantly, in the long-term, it gained recognition from the trade unions, who finally decided formally to acknowledge Te Roopu Rawakore's representation of unemployed workers in late 1990.[77] It failed, however, to force the government to deliver more jobs or a living wage for unemployed workers. In terms of honoring the Treaty of Waitangi, the Labour Government continued to drag its feet on implementing the 1985 Waitangi Amendment Act.

The Waitangi Tribunal was instituted in 1975 to hear any claim by Maori people that some action of the Crown had been prejudicial to them and in

conflict with the principles of the Treaty of Waitangi. The major drawback of this act was the only infractions that could be heard were those that had occurred after 1975. The Labour Party had promised that if elected in 1984 it would grant the Tribunal retrospective powers to 1840, and true to its word, it did so with the 1985 Waitangi Amendment Act. However, the tribunal did not begin hearings until 1986, and by that stage over 150 claims had been lodged, causing a backlog. The claims process was also being undermined by the Government's corporatization policies. The State-Owned Enterprises Act 1986 was instituted to allow the Government to sell off nine publicly-owned profitmaking assets to the private sector: government land, electricity, forestry, telecommunications, coal, airways, the Post Office Bank, Post Offices, and Government Property Services. Many of these assets were on land under claim. Maori went to the courts to gain safeguards for the Tribunal process, instituted in the form of the 1987 Treaty of Waitangi (State Enterprises) Bill. This Act gave the Tribunal binding power to make recommendations on claims involving land that was to be transferred by the Crown to State Owned Enterprises. However, the Act did not come into power until 1988. The Tribunal was so underresourced that only fourteen claims had been heard by then and 154 were still pending.[78] These claims for restitution dominated the Maori political agenda during the late 1980s and Maori participation in Te Roopu Rawakore campaigns suffered as a result. Maori activists became more engaged in organizing pan-tribal structures rather than building bases inside bicultural organizations such as Te Roopu Rawakore. Te Iwi Maori Rawakore failed to maintain a cohesive national structure across tribal and geographical boundaries inside Te Roopu Rawakore, and it became almost nonexistent in 1989.

Bradford continued solo as national coordinator of Te Roopu Rawakore and, like Jane Stevens, she championed national protest events as the best tactic to pressure the government on unemployment issues. In 1990, under the same heading that began the first issue of *Dole-drums*: "Blame the System—not the victim," the reporter stated:

> Unemployed people from around the country converged on the capital on July 10 for three days of protest to remind [the] New Zealand public Government economic policy has left over 250,000 people without jobs.... The three days of demonstrations saw unemployed take over the Business Round Table (BRT) offices, protest BRT directives to persuade government to cut social welfare benefits across the board; a traffic stopping demonstration at the NZ Reserve Bank, to protest the sale of New Zealand forests to overseas interests; and a street march to parliament to protest benefit cuts and work for the dole schemes.[79]

Bradford explained that, with little resources, it made more sense for unemployed groups to come together in one city to participate in direct action on a particular unemployment issue.[80] She believed that protest action built unity between unemployed people and impacted upon the government and the public through the media.

Disintegration of Labor

The unions were hit hard by mass unemployment and Labour policies that privatized government agencies and deregulated industries. The Meatworkers' Union, a bastion of blue-collar militancy, came under threat in the 1970s and 1980s from mechanization, export of live sheep, and the dismantling of large meat works in favor of smaller satellite works.[81] Public-sector unionism was downsized in the wake of the State-Owned Enterprises Act 1986 and trade-union membership, generally, went into decline. Registered private-sector unionism decreased from 519,705 in 1981 to 486,483 in 1989, while public-sector unionism decreased from 192,800 in 1985 to 162,342 in 1989.[82] The New Zealand Council of Trade Unions (NZCTU) was formed in October 1987; an amalgamation of the Federation of Labour and Combined State Union unions that aimed to present a more centralized front of blue- and white-collar workers and act as a counterweight to the increasingly centralized power of employers. This strategy was determined in many ways by the Labour Relations Act of 1987, which required unions to have at least one thousand members before they could bargain with employers. As a result, the number of unions was reduced from 223 in 1986 to 112 in 1989.

After Labour was reelected in August 1987, the NZCTU decided to enter into what was called "strategic unionism," following the example set by the Australian Council of Trade Unions. This was a political policy to move away from "arguing over the distribution of the proceeds of production to intervening in the process of production itself and, at the national level, in economic policy process that ultimately determined employment opportunities for union members."[83] In exchange for a greater say in government policy, the NZCTU would take responsibility for increasing productivity and cutting wage costs, pursue a strategy of "shifting bargaining away from occupation and towards enterprise and industry, changing work methods, negotiating around improvements to productivity, and recognising the need for modern, internationally competitive production systems."[84] However, the NZCTU gained very little political clout from this strategy and trade-union leaders were not consulted on any significant economic policy decisions.

Between 1988 and 1990, nine unions disaffiliated from the Labour Party.[85] Conflicts that had existed inside the Labour Party and the unions since 1985 finally came to a head in April 1989 when Jim Anderton, Member of Parliament, quit the Labour Party and formed the New Labour Party. Many of those who had maintained their positions of Center to Left in the Labour Party joined Anderton, along with others who had remained outside of mainstream political parties. Sue Bradford became the New Labour Party's first vice-president, although this was a position that only lasted until early 1990. In the face of disintegrating support for Labour, the National Party, New Zealand's traditionally conservative party, was elected to government in 1990.

Bruce Jesson reflected upon the decline of the unions since the mid-1980s, and diagnosed two main causes: One was their resistance to change, their

insistence on the adequacy of a purely economic analysis in a newly neoliberalized economy. The other was their unwavering support for the Labour Party. He wrote:

With the benefit of hindsight it is obvious that the unions have handled the political changes of the last six years extremely badly. On the one hand, they weakened their own position with their virtually uncritical support of the Labour Government. And on the other hand, they were too resistant to change.... With the unions weakened, and their bureaucratic structures out of touch with the workforce, there are going to be large numbers of workers who are vulnerable and exploited. They will be exploited as individuals, though, in the atomized conditions of the laissez-faire economy, and the methods of unionism will not often be appropriate. This applies even more to the beneficiaries, many of whom have been pushed below the poverty line but who suffer in isolation. The situation seems to call for a new form of organisation, oriented to the rank and file rather than bureaucracies, that isn't confined to any particular occupation or industry, whose function is to expose and resist the oppressive conditions that are developing in New Zealand. Something akin to a union but broader in scope and not as rigid.[86]

Te Roopu Rawakore was an example of an organization that was "orientated to the rank and file rather than bureaucracies" but by 1991, the creation of some new form of organization, akin to a union but for both workers and unemployed workers, was all but impossible. The National Government dealt a crippling economic blow to both organized unemployed and unionized workers in 1991: First, benefit cuts were instituted, which made living on a benefit barely survivable and organization increasingly impossible. The cuts included abolition of the universal family benefit, which had been paid to all children irrespective of income. Benefit entitlements were substantially tightened for those made redundant or who left jobs "voluntarily." The household income of beneficiaries fell from seventy-two percent of the mean household income in 1981 to fifty-eight percent in 1993.[87] Second, the Employment Contracts Act was instituted, which gave employers the right to refuse to negotiate with unions, to individualize workers' contracts, and to use lockouts to gain concessions from workers. The new law devastated the union movement, and membership fell from forty-one percent of the workforce to twenty-two percent by 1995.[88]

In 1991, Simon Lyndsay took over the coordination of Te Roopu Rawakore, operating from the Taranaki Unemployed Workers' Rights Centre in New Plymouth. The national operating budget was cut in half as the funding environment for Te Roopu Rawakore became increasingly difficult and the National Government continued to cut back welfare services for the poor. Lyndsay commented in late 1991: "The political events of the last year; benefit cuts, user pays health, the superannuation fiasco, the introduction of the Employment Contracts Act, Work for the Dole schemes, and of course the relentless rise in unemployment has meant that we have been forced to operate in a reactive way against those who are determined to smash the Welfare State."[89] In the face of such policies, Te Roopu Rawakore began to fragment.

In 1992, Te Roopu Rawakore faced an internal challenge to its central ideology based on class. A young group of anarchists came to the fore in the movement in the early nineties and demanded that the philosophy of "the right to work" be replaced by "the right to welfare;" that people should not have to work if they did not want and all citizens should be provided for. The socialist understandings of the unemployed as dispossessed workers came under threat, and this led to bitter ideological battles that were never resolved. People turned on each other and as a consequence the movement fragmented into a number of isolated groups, with some groups collapsing altogether. While individual unemployed groups continued to operate, a national collective agenda no longer existed and there ceased to be an effective national voice for the unemployed.

Conclusion

Te Roopu Rawakore o Aotearoa was not a social miracle. It was born out of the struggle for recognition as dispossessed workers rather than dole bludgers, and out of a demand for the redistribution of resources gained by the state and employers when jobs were dismantled and restructured. Its emphasis on the politics of ethnicity or race and gender, together with class, make it a little unusual, but there have been a number of similar unemployed organizations, worldwide, that have arisen in response to the transformation of the workforce. It was not only the French unemployed (Bourdieu's social miracle) who began organizing marches and occupations in 1994, but Germans, Italians, Spanish, Greeks, British, and others in Europe as well. In 1997, these organizations combined their efforts to march across Europe "against unemployment, insecurity and exclusion,"[90] pursuing similar tactics to Te Roopu Rawakore's March Against Unemployment in 1988.

The global transformation of work in the late twentieth century created a heterogeneous and fragmented working class, with much of its membership either in insecure employment or unemployed. Contrary to the expectations of social theorists, some unemployed workers overcame the obstacles of poverty, low status, and a sense of personal worthlessness, and organized themselves collectively to demand the right to work in the 1980s and 1990s. Te Roopu Rawakore o Aotearoa, the New Zealand national unemployed and beneficiaries' movement, is an example of an organization that championed the rights of women and ethnic minorities while maintaining a class position at the heart of its politics. Organizers of the movement refused to take personal responsibility for being unemployed and blamed the system for removing "the right to work." Unemployed workers demanded that resources generated by new technologies and restructured workforces be redistributed to those made peripheral to the labor force. The trade-union movement was also challenged, not only to acknowledge the unemployed as dispossessed workers, but to reform union structures and become more responsive to its membership and ex-membership.

If we, as labor historians, are going to take seriously the challenge to enrich the meaning of class in our work, then we should turn to organizations of

unemployed workers to discover a new consciousness of class struggle in the postindustrial ghettos, in the small-town neighborhoods gutted of their local industry, and among the growing numbers of landless farmers who, with increasing militancy, demand the right to work and the right to live.

NOTES

1. *Dole-drums*, March, 1983.

2. Pierre Bourdieu, *Acts of Resistance Against the Tyranny of the Market*, trans. Richard Nice (New York, 1998), 88.

3. Ibid., 83.

4. Keith Grint, *The Sociology of Work*, 2nd ed. (Cambridge, 1998), 39. In support of such arguments he cites C. Wright Mills, *The Sociological Imagination* (Harmondsworth, 1970); S. Buckland and S. MacGregor, "Discouraged Workers?: the Long-term Unemployed and the Search for Work," in *Unemployment: Personal and Social Consequences* ed. S. Fineman (London, 1987); A. Sinfield, *What Unemployment Means* (Oxford, 1981).

5. Ibid. In support, Grint cites D. Gallie, "Employment, Unemployment and Social Stratification," *Employment in Britain*, ed. D. Gaillie (Oxford, 1989); K. Forrester and K. Ward "Organising the Unemployed?: the TUC and the Unemployed Workers Centres," *Industrial Relations Journal* 17 (1986): 46–56.

6. For a broader history of this movement refer to: Cybèle Locke, "Organising the Unemployed: The Politics of Gender, Culture and Class in the 1980s and 1990s," *On The Left: Essays on Socialism in New Zealand*, ed. Kerry Taylor and Pat Maloney (Dunedin, 2002), 151–168; "Historical Consciousness and the Unemployed: Invoking Symbols from the Past to Protest a Cause," *New Zealand Journal of History* 35 (2001): 70–83; "Demanding 'Jobs With Justice': Maaori and Paakehaa Organisation of the Unemployed in the 1930s and 1980s" (Ph.D. diss., University of Auckland, 2000).

7. Manuel Castells, *The Rise of the Network Society*, 2nd ed. (Oxford, 2000).

8. Ibid., 281–82. This definition is based on the work of Martin Carnoy, *Sustaining Flexibility: Work, Family and Community in the Information Age* (Cambridge, MA, 2000).

9. Ricardo Antunes, "The World of Work, the Restructuring of Production, and Challenges to Trade Unionism and Social Struggles in Brazil," *Latin American Perspectives* 27 (2000): 11.

10. Verity Bergmann, *Power, Profit and Protest: Australian Social Movements and Globalisation* (Sydney, 2003).

11. Alaine Touraine, *Qu'est-ce que la démocratie?* (Paris, 1994), 168. Cited and translated by Manuel Castells, *The Rise of the Network Society*, 22.

12. The indigenous peoples of New Zealand.

13. Ian Shirley, Brian Easton, Celia Briar, Srikanta Chatterjee, *Unemployment in New Zealand*, (Palmerston North, 1990), 24.

14. Tom Bramble and Sarah Heal, "Trade Unions," in *The Political Economy of New Zealand* ed. Chris Rudd and Brian Roper (Oxford, NY, 1997), 126–29.

15. Graeme Dunstall, "The Social Pattern," in *The Oxford History of New Zealand* 2nd ed., Geoffrey W. Rice, (Melbourne, 1992), 460.

16. Shirley, Easton, Briar, and Chatterjee, *Unemployment in New Zealand*, 26.

17. Dunstall, "The Social Pattern," 461–62.

18. Melanie Nolan, *Breadwinning: New Zealand Women and the State* (Christchurch, 2000), 205–6.

19. Anne Else, *False Economy: New Zealanders Face the Conflict Between Paid and Unpaid Work* (Auckland, 1996), 59.

20. I. Pool, *Te Iwi Maori. A New Zealand Population, Past Present and Projected* (Auckland, 1991), 153.

21. Michael King, "Between Two Worlds," in *The Oxford History of New Zealand* 2nd ed., Geoffrey W. Rice, (Melbourne, 1992), 299.

22. Cluny McPherson "Polynesians in New Zealand: an Emerging Eth-Class?" in *Social Class in New Zealand* ed. David Pitt (Auckland, 1977), 102.

23. Shirley, Easton, Briar, and Chatterjee, *Unemployment in New Zealand*, 30.

24. Job creation schemes were piecemeal, assisted a minority of those without work and only offered temporary employment, from six months to two years maximum. These schemes reached a peak in January 1985, when they assisted almost fifty-two thousand people, before they went into decline due to a decision by the fourth Labour Government to phase out fully subsidized job creation schemes.

25. John Deeks, Jane Parker, and Rose Ryan, *Labour and Employment Relations in New Zealand*, 2nd ed. (Auckland, 1994), 397.

26. Ibid.

27. Ibid.

28. Anne Else, *False Economy*, 60.

29. Ibid., 63.

30. Shirley, Easton, Briar and Chatterjee, *Unemployment in New Zealand*, 126.

31. Ibid., 126–7.

32. Paul Spoonley, "Racism and Ethnicity," in *New Zealand Society: A Sociological Introduction* ed. Paul Spoonley, David Pearson, and Ian Shirley (Palmerston North, 1994), 94.

33. John Deeks, Jane Parker, and Rose Ryan, *Labour and Employment Relations in New Zealand* 2nd ed. (Auckland, 1994), 397.

34. People described as beneficiaries are those in receipt of benefits that are not work-related; for example, Domestic Purposes benefits for single parents or pensions for retired people.

35. Federation of Labour and the Combined State Unions, *Out of Work. The Fight for Full Employment* (Wellington, 1981), 8.

36. Ibid., 4.

37. S. Leitch, "Unemployment in New Zealand, 1981-1983: A Study of the Presentation by Radio, Television and the Press of a Major Social Problem" (Ph.D. diss., University of Auckland, 1986), 177. "On the dole" referred historically to men on relief work in the 1930s. By the 1980s it was used to describe anyone on an unemployment benefit.

38. Ibid., 178–179.

39. *Otago Daily Times*, March 26, 1982.

40. *The New Zealand Herald*, March 26, 1982.

41. Cybele Locke, "Organising the Unemployed," 152.

42. *Dole-drums*, May, 1982.

43. *Dole-drums*, March, 1983.

44. *Dole-drums*, June, 1983.

45. *Dole-drums*, August, 1983.

46. Bruce Jesson, "The Ruthless Destruction of the Unions," *Republican* 71 (1991): 5.

47. B. Consedine, "Inequality and the Egalitarian Myth," in *Culture and Identity in New Zealand* ed. D. Novitz and B. Wilmott, (Wellington, 1989) 182.

48. Shirley, Easton, Briar, and Chatterjee, *Unemployment in New Zealand*, 34.

49. Shirley, Easton, Briar, and Chatterjee, *Unemployment in New Zealand*, 33.

50. Burgmann, *Power, Profit and Protest*, 250.

51. Ibid., 18.

52. Burgmann, *Power, Profit and Protest*, 18–19. She cites the theories of Barbara Misztal, "New Social Movements: Plurality of the Forms of Struggle," *Social Alternatives* 6 (1987), 13–16; Alberto Melucci, *Nomads of the Present: Social Movements and Individual Needs in Contemporary Society* (London, 1989); Klaus Offe, "Challenging the Boundaries of Institutional Policies: Social Movements Since the 1960s" in *Changing Boundaries of the Political*, ed. C.S. Maier (Cambridge, 1987).

53. Nancy Fraser, "Rethinking Recognition," *New Left Review* 3 (2000): 107–20. Cited in Burgmann, *Power, Profit and Protest*, 27.

54. Oral Interview with Sue Bradford, conducted by Karen Davis, Tape 29, June 4, 1993, Auckland, Te Roopu Rawakore o Aotearoa Oral History Project (TRRoAOHP).

55. *Dole-drums*, May, 1982.

56. *Dole-drums*, September, 1984.

57. *Dole-drums*, June, 1982.

58. *Dole-drums*, March, 1983.

59. Cybèle Locke, "Organising the Unemployed," 151–168.

60. I use both terms here because the unemployed protested racism in the workforce and championed the rights of Maori as a unique ethnic identity.

61. Ranganui Walker, *Ka Whawhai Tonu Matou: Struggle Without End* (Auckland, 1990), 220.

62. *Revised Statutes*, 32, 678.

63. J.W. Grant, Director-General of Social Welfare to the Auckland Unemployed Workers' Rights Centre (AUWRC), November 14, 1984, Remote Areas file, AUWRC, Auckland People's Centre.

64. Brian T. Kearns, from Kohukohu, was denied a benefit by the Department of Social Welfare on the grounds that he was residing in a remote area. J.W. Baker, for the Director-General of the Department of Social Welfare to Brian T. Kearns, August 13, 1982, Remote Areas file, AUWRC, Auckland People's Centre.

65. Unreferenced newspaper article, April 31, 1985, 1985 newspaper file, Auckland Unemployed Workers' Rights Centre, Auckland. Papakainga: home place, a place from where your family connections spring from.

66. Ibid.

67. *Craccum*, March 19, 1985.

68. Oral Interview with Jane Stevens, conducted by Karen Davis, Tape 7, December 3, 1992, Greytown, TRRoAOHP.

69. Oral Interview with Sue Bradford and Bill Bradford, conducted by Karen Davis, Tape 5, November 1992, Auckland, TRRoAOHP.

70. *Dole-drums*, July, 1985.

71. ibid.

72. *Te Awa Iti*, August 6, 1985.

73. *Dole-drums*, October, 1985.

74. S. Coney, "Coalition Politics," *Broadsheet*, September, 1981, in *Been Around for Quite a While: Broadsheet: Twenty Years of Broadsheet Magazine*, ed. P. Rosier (Auckland, 1992), 34.

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81. Tom Bramble and Sarah Heal, "Trade Unions," in *The Political Economy of New Zealand*, ed. Chris Rudd and Brian Roper (Oxford, NY, 1997), 131.

82. Ibid., 128.

83. Ibid., 134–5.

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87. M. Mowbray and N. Dayal, "The Fall and Rise(??) of Household Incomes," *Social Policy Journal of New Zealand* 2 (1994): 114, 120.

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Racism in a "Raceless" Society: The Soviet Press and Representations of American Racial Violence at Stalingrad in 1930

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Abstract

In late August 1930, two white American workers from the Ford Motor Company in Detroit were tried for attacking a black American laborer at one of the Soviet Union's prized giants of socialist industry, the Stalingrad Traktorostroi. Soviet trade-union authorities and all-union editors used the near month-long campaign to bring the two assailants to "proletarian justice," in order to cultivate the image that workers in the USSR valued American technical and industrial knowledge in the construction of the new socialist society, but vehemently rejected American racism. They reinforced this image in publications by juxtaposing visual depictions of Soviet citizens' acceptance of black Americans as equals against those which portrayed the lynching of black workers in the United States.

In an entry to his diary labeled "Stalingrad, August 1930," William Henry Chamberlin, then the Moscow correspondent for the *Christian Science Monitor*, recorded that he and his wife traveled to "the newly built Stalingrad tractor factory in order to attend the trial of two American mechanics." He wrote that the two defendants, "Mr. Lewis" and "Mr. Brown," were charged with "'racial chauvinism' for having become involved in a brawl with the sole Negro employed at the works."[1] The 1930 court proceedings to which Chamberlin alludes demonstrate that at a time when Soviet leaders admitted the country's industrial inferiority and recruited a substantial number of American (and other foreign) workers to help build socialism, they also portrayed the Soviet Union as superior to the United States in terms of its treatment of black or "dark-skinned" peoples.[2] Placing American racism on trial in Stalingrad constituted one means by which officials in Moscow cultivated the image of the USSR as an enlightened, "raceless" society, that is, a society where "race" did not limit an individual's access to rights.

Soviet trade-union authorities, however, did not want the trial to appear merely as the result of their own efforts. Rather, they depicted the campaign against the two American racists as the product of the widespread indignation of Soviet and foreign laborers. These men and women had been brought together at Soviet industrial giants like the Stalingrad Traktorostroi, Magnitogorsk, Moscow Elektrozavod, and Nizhnii-Novgorod Automobile Factory, to fulfill the demands of the First Five-Year Plan (1928-1932).[3] Throughout the month of August 1930, the central press systematically reported that workers of these and

other enterprises were enthusiastically attending meetings to protest the assault on
"our brother," electing worker representatives to serve as public prosecutors at the
trial, and incessantly demanding that the assailants be expelled from the country.[4]
As will be shown, these frequently published reports and the court proceedings
themselves deliberately made foreign and Soviet laborers appear to be members
of a nascent international proletariat who were committed to inaugurating a
new socialist society where racial and national discrimination were absent.[5]

During the campaign to bring "Mr. Lewis" and "Mr. Brown" to proletarian
justice, Soviet authorities pursued additional, complimentary means to promote
the image of Soviet racial equality in spite of the persistence of national animosity
and anti-Semitism throughout the country.[6] All-union editors printed photo-
graphs and pencil sketches of the victim of racial hatred in Stalingrad whom
they constructed as the "ideal or heroic black worker." They also published
visual images of black American Communists who were in Moscow participating
in the Fifth Congress of the Profintern or Red International of Trade Unions
(*Krasnyi internatsional profsoiuzov*) from August 15-30, 1930. Alongside these
visual depictions of black Americans as political actors in the capital and articles
about the latest developments in the Stalingrad trial, the central press reproduced
photographs and cartoons of black men who had been lynched in the United
States. These lynching images, counterposed against those of black Americans
being accepted as "equals" in Soviet society reinforced the Stalingrad trial's jux-
taposition of Soviet citizens' alleged enlightenment in regards to the artificiality of
race and racial hierarchies against white Americans' ignorance.

What took place between the three American workers in Stalingrad that
inspired Chamberlin and his wife to travel to the new tractor plant? What pro-
vided central trade-union leaders with an unprecedented opportunity to represent
the populace as united in disgust at two Americans' attempt to import US racism
into the Soviet Union? The following analysis endeavors to tell this story and, in
turn, further a fledgling yet extremely important discussion among Slavicists
which seeks to reconcile the place of race in the history of the Soviet Union.
Francine Hirsch and Amir Weiner contend that during the interwar decades
Soviet leaders were distinct from and believed themselves superior to their
European and US contemporaries because they based their population policies
on the sociohistorical categories of class or nationality at the explicit rejection
of the biological category of race. By trying two white American men for attack-
ing a worker simply because he was black, authorities sought to visualize and
glorify as enlightened the policies of the Soviet state.[7] The Stalingrad trial, in
other words, was part of a larger effort predating the Cold War to forge the
USSR's identity in direct opposition to the exclusionary racial politics of the puta-
tively more civilized, capitalist West epitomized by the United States.[8]

American Racism on Trial

On Thursday, July 24, 1930, around six o'clock in the evening at the Stalingrad
Tractor Factory, Robert Robinson, a black American worker, was walking away

from the cafeteria when two white American men, Lemuel Lewis and William Brown, confronted him.[9] All three Americans had been recruited from the Ford Motor Company in Detroit by Amtorg, the Soviet trading agency based in New York. They were in Stalingrad to help build and operate what Soviet leaders prized along with Magnitogorsk, Elektrozavod, and Nizhnii-Novgorod Automobile Factory as one of the giants of the new socialist industry, the Stalingrad Traktorostroi named for Feliks Dzerzhinskii.[10] Lewis and Brown had arrived together, in May, with the majority of the other American workers at the tractor factory, which numbered around three hundred and seventy. Robinson, in contrast, had arrived on the twentieth of July, just four days before the confrontation.[11]

When the two intoxicated white Americans saw Robinson walking in their direction, Brown teased Lewis remarking, "Look, here comes your brother!" Lewis responded by contemptuously asking Robinson, "Where did you come from?" Because Robinson answered him with sarcasm, Lewis admonished his fellow worker not to forget that he was black and needed to answer him, a white man, with deference. Brown similarly reminded Robinson to "not forget your place" and threatened that if "you do not leave here in three days we will drown you in the Volga." Lewis then called Robinson a "black dog" as well as some other names which the local authorities described as unprintable. When Robinson responded by calling Lewis a "bastard," he and Brown lunged at the black worker. In self-defense, as witnesses for both the defense and prosecution testified, Robinson picked up a stone from the ground. This initially forced Lewis to retreat, and Robinson started to walk away from them.

According to a Russian worker who was watching from the cafeteria, Lewis and Brown again pursued Robinson. Lewis, who caught up with Robinson first, punched the black worker twice in the face, knocking his glasses on the ground. When Robinson tried to grab Lewis, both men fell down. In another attempt to free himself, Robinson bit Lewis' neck. At several points during this altercation, Brown supposedly held Robinson's arms so that he could not retaliate. In a rather fortuitous turn of events for Soviet officials, it was not until some Russian workers arrived on the scene that the three men were pulled apart, and Robinson was liberated from the grip of his white American assailants. Meanwhile, a group of white American workers had been looking on the entire time and laughing.[12] Local police questioned and released both Lewis and Robinson that evening. They conducted no further investigations in the weeks that followed until *Trud*, the organ of the All-Union Central Council of Trade Unions (VTsSPS), exposed news of the assault to the country on August 9, 1930.[13]

Central newspapers portrayed workers throughout the Soviet Union as quickly and simultaneously responding to the initial reports and near daily front-page coverage of the assault on Robinson. Yet, for clearly strategic purposes, the foreign and Soviet laborers of the Moscow Elektrozavod were portrayed as the most active. As Sergei Zhuravlev argues, during and after the First Five-Year Plan Soviet leaders considered Elektrozavod to be such a high priority that it came to symbolize socialism.[14] It follows therefore that

all-union editors presented workers from this particular giant of socialist indus-
try as paragons of proletarian enlightenment who were at the forefront in
denouncing racist conduct as impermissible in a socialist society. According to
the central press, Elektrozavod laborers organized a mass protest meeting at
which they asked James Ford, a prominent black American Communist, to
speak. They also invited Robert Robinson to work at their factory, and later
issued a reassurance that "we are all on his side."[15] More importantly, the
papers even credited the Elektrozavod community with suggesting that *Trud*'s
editors, with the assistance of the Central Committee of the Metal Workers
Union, form an international workers' brigade. Comprised of nine to ten
Soviet and foreign workers from the country's major industrial centers,
members of the brigade would serve as community prosecutors at the trial.
Trud's editors promptly approved what was scripted as the workers' proposal
and contacted representatives of the Metal Workers Union in Leningrad,
Khar'kov, Rostov-on-Don, and Tula. They requested that each immediately
hold a meeting to appoint a laborer to represent them and, by implication,
the entire international proletariat in condemning the two white American
assailants of a black worker.[16]

   The trial opened in one of the main halls of the Stalingrad Traktorostroi on
Friday evening August 22, 1930, roughly a month after the assault had
occurred.[17] The seven male and two female members of the international
workers' brigade had arrived in Stalingrad four days earlier. They were intro-
duced in the press as: Ozerov of *Trud*'s editorial board; Kirillov of the Central
Committee of the Metal Workers Union; Becker, whom trade-union officials
described as one of the "conscious" Americans in Stalingrad; Erast, a Latvian
from the Khar'kov State electric factory; Gavrilov of the Central Committee
of the International Organization for Assistance to Revolutionary Fighters
(*Mezhdunarodnaia organizatsiia pomoshchi bortsam revoliutsii* or MOPR);
Kondrat'ev of the Khar'kov Traktorostroi; Blaich of Sel'mashstroi in
Rostov-on-don; Rodzinskaia of Elektrozavod in Moscow; and Ferdinand
Knut, a German concrete worker of Leningrad.[18]

   The main objective of members of the international workers' brigade was
to prove that Lewis and Brown attacked Robinson only because he was black or
more specifically because he was "by nationality a Negro." Clearly, from the
white American assailants' perspective "Negro" signified an inferior race, and
by assaulting Robinson they were transferring their American racial norms to
Soviet society. Accordingly, in their statements in the central press many
workers, editors, and the defendants themselves attributed the assault on
Robinson to racial hatred (*rasovaia nenavist'*) and racial enmity (*rasovaia
vrazhda*). However, in the Soviet Union "Negro" signified a distinct nationality,
therefore the crime for which members of the international workers brigade
needed to convict Lewis and Brown was "national chauvinism" rather than
"racial chauvinism." Accordingly, in the Stalingrad courtroom the terms
"national hatred" (*natsional'naia nenavist'*) or "national enmity" (*natsional'naia
vrazhda*) were primarily used to describe Lewis and Brown's assault on

Robinson. Workers and all-union editors occasionally attempted to compensate for the difference between Lewis and Brown's motivations and the language of the Soviet law code by condemning both "national and racial hatred."

Lewis himself employed this tactic when immediately preceding the start of the trial, he apologized to the Soviet proletariat for failing to comprehend the pernicious consequences of "national and racial dissension." Yet during the trial, he retracted his apology and insisted that it had been a mere scuffle between two workers, that Robinson had been the aggressor, and that his drunkenness had made him unaware of what he was doing.[19] The community prosecutors had a vested interest in refuting Lewis's claims. From a practical perspective, the charge of national chauvinism was a counterrevolutionary offense and carried a harsher penalty than mere physical assault. Symbolically speaking, such a charge meant placing at the defendants' bench and condemning "the entire capitalist system and social-fascist trade unions" which had inculcated Lewis and Brown, and all white workers with hatred of blacks.[20]

Before a crowd of one thousand workers, and a larger audience listening to the trial broadcast in the dormitories and barracks, female brigadier Rodzinskaia proclaimed that it was absurd to argue that Lewis "who today calls Russian workers red scum, and tomorrow Negroes black dogs," attacked Robinson independent of any prejudice.[21] Knut similarly stressed that chauvinism and racial hatred were clearly "the motives of this crime." Ozerov, who was equally adamant, put it another way: Lewis attacked Robinson because in America "attacking a Negro is not considered a crime." In addressing the claim of intoxication, Rodzinskaia emphasized that the two white Americans committed their crime in a state of full consciousness. She then facetiously asked, "If Lewis and Brown were really in such a drunken state, why did they not beat each other?"[22]

The two defendants made the job of the community prosecutors easier by often undermining their own argument that they had become involved in a scuffle with a worker who just happened to be black. For example, when placed on the witness stand, Lewis claimed that he was unaware that participating in conversations with fellow members of the American colony "about the need to remove the Negro from the factory" was wrong and violated Soviet law. And in regard to the actual assault, he explained: "I did not think that I would be brought to trial. In America, incidents with Negroes—this is considered simply street fighting." Brown corroborated Lewis' statement, commenting that, "in America, this would be treated as a joke." Furthermore, when asked to elucidate upon the source of white animosity towards black people in the United States, Lewis attributed it to the fact that blacks were neither "clean" nor educated. Brown, whom the prosecution repeatedly stressed was a member of the American Federation of Labor, responded by shamelessly stating that "Negroes were slaves, and should remain slaves."[23] There can be little doubt that all-union editors were eager to print these inflammatory comments. They epitomized the blatant racism and chauvinism of "civilized" America that the new socialist society, which the trial itself signified, had supposedly obliterated and rendered impermissible.

A Discourse of Indignation

In 1941 George Padmore, who had been living in Moscow in 1930 when Lewis and Brown were placed on trial, recalled that "the Russian workers were so indignant at white men treating a fellow-worker in that fashion simply because of his race, that they demanded their immediate expulsion from the Soviet Union."[24] Padmore's reminiscence testifies to Soviet authorities' success in framing the Stalingrad campaign in a discourse of workers' indignation and incessant demands that the two American racists be expelled from the country. To be sure, indignation was the only proper, "proletarian" way for Soviet and foreign laborers to respond publicly to this manifestation of American racism in Stalingrad. In other words, "proletarianness" and the code of conduct associated with the enlightened "New Soviet Person" entailed more than just punctuality, a readiness to exceed work assignments, maintenance of a clean home, and refraining from spitting on the floor. It also required at least an ostensible disdain for and rejection of national chauvinism and racism.[25] Articulating indignation at the racially-motivated assault, then, whether individually or collectively, became a means for workers to assert their "proletarianness" or membership in the international proletariat that was portrayed as emerging in the central press.

When *Trud*'s editors broke the story, they claimed that the attack on a black worker at the Stalingrad Traktorostroi had provoked tremendous indignation (*vozmushchenie*) among the laborers there.[26] In the days that followed, as reported in the all-union newspapers, the workers in Moscow factories such as Dinamo and Elektrozavod, as well as members of the city and oblast sections of MOPR, discussed the manifestation of racial prejudice and expressed their anger.[27] In their protest statements, foreign workers in Kiev, Khar'kov, and Rostov-on-Don proclaimed that Lewis's "vile" (*gnusnoe*) behavior can only arouse "profound indignation."[28] Indignation was also shown to have affected the young proletariat. Participants at an International Pioneers Conference in Moscow and the workers of the Siberian publishing house and the Siberian youth newspaper, *Molodoi rabochii*, articulated their outrage at the assault.[29] All-union editors frequently complimented these specific protest statements with general assertions that the Americans' conduct had "understandably" and justifiably elicited indignation throughout the country.[30] They only questioned the sincerity of a particular group's anger, and by implication, their claims to proletarian status, when the notorious American committee of the Stalingrad Traktorostroi issued a protest resolution immediately before the trial.[31]

As Padmore's earlier comment indicates, this widespread outpouring of indignation was paired with what the press made to appear as the equally universal appeal that Robinson's two assailants be deported from the Soviet Union. This demand was attributed to two hundred foreign laborers in Leningrad, workers of Krasnyi Putilovets, Ruhr miners working in the lower Moscow basin, workers of Avtomobil'noe Moskovskoe Obshchestvo (AMO),

laborers of Sel'mashstroi in Rostov-on-Don, the "conscious" American workers at the Stalingrad Traktorostroi, and American laborers of the Nizhnii-Novgorod Automobile Factory.[32] During the trial, the press reported that Ferdinand Knut voiced this popular appeal by declaring, "in the name of the Leningrad proletariat and in particular the foreign workers working in Leningrad, I demand the severest punishment, their expulsion from the USSR." As Gavrilov likewise averred, "we together with the Russian proletariat request that the community court rule to punish the criminals severely, to banish them from the borders of the Soviet Union, because they contaminated the territory of the socialist republic."[33]

Why did trade-union officials encourage workers to insist on expulsion as the most appropriate, harshest punishment for Lewis and Brown rather than imprisonment? On a practical level, deportation signaled a return to the vast unemployment and hunger of the depression-ridden United States. Symbolically, expulsion sent a message to the large number of (noncommunist) American workers who remained in the Soviet Union to help build socialism: racists belonged in a racist society. According to the all-union press, workers and authorities repeatedly reminded Lewis and Brown that they were in a country that was "building socialism," the tempo of which was made possible only by upholding "the equality of all people."[34] Thus, by attempting to practice racism—to "transfer to Soviet soil the fascist ways of America"—Lewis and Brown became "counterrevolutionaries" and "fascists" who had threatened to inhibit the construction of socialism.[35] How else, then, if the image of the Soviet Union as a society intolerant of racial and national chauvinism was to be maintained, could the Soviet working community be expected to respond to these racists, but with indignation? And what other verdict short of expulsion could the proletariat of a "raceless" society demand for them?

After six days of testimony from witnesses and various speeches of the defense and prosecution, the court issued its verdict on August 29, 1930, at ten o'clock in the evening. Lewis and Brown were found guilty, and sentenced to two years imprisonment under article fifty-nine of the Criminal Code regarding national chauvinism. Almost immediately thereafter, their sentence was commuted to ten years banishment from the Soviet Union. This decision was based on the court's premise that the two assailants had been raised under the American capitalist system which purposefully inculcated its workers with hatred of blacks.[36] The message here was clear. Any individual raised in the Soviet Union would be held to a higher standard, and consequently, given a harsher punishment, if they ever dared to raise a hand to a black worker.

Since the all-union press had portrayed Soviet and foreign workers as calling for the expulsion of the two Americans en masse, the formal court proceedings appear merely as a theatrical fulfillment of their demand. In one sense, this was not unusual. The outcome of Soviet show trials of the 1920s and 1930s were often determined beforehand. Thus their objective became proving the "legitimacy, correctness, or validity of the predetermined

decisions."[37] Similarly, members of the international workers' brigade did not simply reiterate the appeal of "workers" that the men be deported. Instead, they concentrated on proving its "legitimacy, correctness, and validity" by demonstrating that Lewis and Brown had attacked Robinson only because he was black. Herein is the uniqueness of the Stalingrad trial: the court proceedings proved "correct" what was depicted as the predetermined decision of foreign and Soviet laborers rather than that of officials in Moscow.

The Making of a Heroic Black Worker

Who was Robert Robinson, whom William Chamberlin had described only as "the sole Negro employed at the [Stalingrad tractor] works"? Or, more significantly, how did Soviet authorities present him? Robinson was produced as heroic black worker, and to some degree, as oppressed black victim during the near month-long campaign to bring his white American attackers to justice. Personal information was necessarily omitted and replaced by constant assertions of Robinson's blackness and innocence. While, on the one hand, this emphasis nearly eliminated Robinson the individual, on the other, it sought to overturn the historical Western, and in this case particularly, American dichotomy that paired blackness with guilt or immorality.[38]

When *Trud* and *Rabochaia gazeta* first identified Robert Robinson as the victim of the assault, they simultaneously reported that Stalingrad Traktorostroi workers characterized him "as a highly skilled, conscientious worker" and "great comrade." Readers were also informed that Robinson had defied the order of a group of Americans to leave the cafeteria during dinner. As *Rabochaia gazeta* explained, Robinson specifically told his antagonists that he was in the Soviet Union, and therefore did not have to listen to them. In an editorial, Mikhail Danilov emphasized that there was something very positive if not exhilarating in all this "kulak violence"—namely, that "THE NEGRO ROBINSON REFUSED TO SUBMIT TO THE SAVAGE DEMAND OF HIS WHITE COUNTRYMEN." Therefore, "the Negro Robinson already understands, what the American [L]ewis does not; that in the country of Soviets there is no and there can be no racial inequality."[39]

On August 12, 1930 *Trud*'s editors printed a sketch of Robinson's profile on the front page in which he was depicted wearing glasses and a shirt and tie. Robinson signed his name at the bottom of the sketch along with the message written in English, "Best wishes for your success," which must have been addressed to the laborers of Elektrozavod who had invited him to join their worker family. In a very short interview, Robinson explicitly thanked them, but insisted that he must remain at the Stalingrad Traktorostroi because if he left, then he would only be giving the "American slaveowners" there what they wanted. Robinson explained that although some of the American workers and interpreters had begun to treat him with even greater contempt since the attack, the "Russian workers as usual have remained my friends."

He also requested that the Elektrozavod workers stay in correspondence with him.[40]

Printed biographical information about Robinson was limited to the brief mention that he had worked in Cuba, the West Indies, Brazil, and Detroit.[41] Thus, only two points about him were clear from published statements: Robinson was black and he was innocent. Variations of the phrases, "only because he is black, not white" and "only because he is a Negro," became standard. From the very outset of their coverage, *Trud*'s editors stressed that the "Negro-worker" was attacked "ONLY BECAUSE, he is—a Negro."[42] *Rabochaia gazeta* similarly reported that the white American "beat up the Negro Robinson only for this, that he is BLACK." As deputy chairman of the Supreme Court of the Russian Soviet Federated Socialist Republic (RSFSR), F. Nakhimson, put it, the two "reactionary" Americans thought they were in a type of "capitalist paradise where they could raise a hand to a Negro worker, only because, he is a Negro."[43] Foreign workers of the Moscow Elektrozavod followed the example of editors and authorities by declaring that the fact that Robert Robinson was assaulted "only because he is a Negro, not white" was humiliating for the entire proletariat. Likewise, a group of over twenty American specialists at the First State Clock Factory in Moscow denounced Lewis and Brown for attacking Robinson "only because he is black."[44]

Robinson emerged from all these articles, letters, and resolutions of protest as a heroic black worker who stood up to the American racists by asserting his rights as a black worker in the fatherland of all workers. He, in other words, unlike Lewis and Brown, did not treat as mere propaganda Soviet claims that the USSR was intolerant of racial animosity. After the assault, Robinson declared that he would remain at the Stalingrad Traktorostroi because he refused to acquiesce to the designs of the American racists. Workers wrote Robinson letters of support, coworkers attested to his skill and diligence, while Robinson himself testified to the friendliness, and by implication, enlightened thinking of the Russian laborers with whom he worked. Very simply, the Robinson whom authorities constructed was easy to support if not like.

Interestingly, readers were never provided with the complete description of the altercation between Robinson and his two white antagonists, as narrated at the beginning of this essay. This means that they were unaware that Robinson fought back not only verbally but also physically. The Stalingrad prosecutor repeatedly emphasized, and witnesses for the defense even confirmed, that Robinson completely acted out of self-defense. Yet editors of the all-union papers or higher-ranking authorities above them had obviously deemed this information inappropriate for the construction of the heroic black worker. Undoubtedly, information that Robinson physically retaliated against his attackers would have rendered more problematic the simultaneous effort to produce him as a victim, a victim of racial injustice (representing the racially oppressed of the world) who was viciously assaulted by two American fascists and needed Soviet workers to defend him. In a sense, then, Soviet officials perpetuated the stereotype of black males as defenseless "Sambos" desperately in need of

white protection for their survival. The caretakers of Robinson's attack, in other words, reinforced the racist ideology they ostensibly sought to destroy, thereby further illuminating their own lack of understanding of the race question.

An even more glaring omission in the creation of Robinson as heroic black worker was any mention of his occupational specialty. Although this can be guessed at from considering his place of employment, the Stalingrad Traktorostroi, it was still never clear exactly what type of work he did there (keeping in mind that the central newspapers never reported that his last employer was the Ford Motor Company). This particular omission supports the argument that what was most important about Robinson was that he was black and innocent. In addition to his work specialization, any other personal information about Robinson, such as his age, marital status, family life, or educational level would have made it more difficult for him to stand in for and symbolize all black workers.

Such an erasure of Robinson the individual also furthered all-union editors' objective to transform the confrontation between he and the two white Americans into an "event" that the working community and Soviet officials could organize meetings around, discuss, and condemn. In several articles concerning the attack, Robinson's name was not even mentioned but was replaced by phrases like "the Stalingrad incident," "the incident in Stalingrad," and "the Stalingrad affair." Therefore, despite the fact that authorities brought his white American assailants to justice, because their primary concern was representing the Soviet Union as a country intolerant of racism, they rendered Robinson the person irrelevant to their story.

Proletarian Law versus Lynch Law

In the only other visual representation of Robert Robinson in the all-union press, he was featured on *Trud*'s front page on August 30, 1930, surrounded by fellow foreign workers who served as community prosecutors during the trial. This photograph could be accurately read with Robinson as oppressed black victim, that is, as a paternalistic depiction of these six white men and one white woman as his defenders and protectors. Yet the editors' main intention in printing the photograph at the end of the trial was most likely to visualize its overall objective: to foster the Soviet Union's image as the only country which accepted Robinson and all black laborers as equals. This thesis is supported by the fact that photographs of other black Americans who were in Moscow attending the Fifth Profintern Congress, frequently accompanied articles concerning the campaign against the two American racists.[45] For example, on August 9, 1930, *Trud* printed a photograph of black American female delegate and Philadelphia needleworker, Helen McClain (Jenny Reid) on the front page. Next to her image editors printed the story which first exposed news of the assault as well as the protest resolution of the Stalingrad Traktorostroi workers in which they "remind(ed) comrades who do not understand that the USSR is the fatherland of all workers, including Negroes."[46]

Clearly, McClain's photograph was published for symbolic purposes: the Profintern Congress did not begin until six days later on August 15, 1930, and there were no articles concerning either it or the global conference of female workers which she also attended.[47]

James Ford, the first black American named to the Profintern's Executive Bureau at the end of the congress, was shown several times on *Trud*'s front page often in conjunction with stories regarding the attack on Robinson. In one of the photographs, which had been taken after he addressed the aforementioned protest meeting at Elektrozavod, Ford is donning a black suit and tie and standing at the center of a group of male Russian workers. He is shown with his arms around the two men closest to him in brotherly unity. Excerpts from his speech were printed adjacent to this blatant illustration of Soviet racial equality. On another occasion, Ford, who is wearing the same formal attire, is depicted with his right fist in the air, the symbol of interracial unity. In this instance, Ford's photograph, like McClain's previously, was surrounded only by articles regarding the campaign against Lewis and Brown.[48]

Sketches and photographs of Isaiah Hawkins (Jack Bell), another black American delegate to the Profintern Congress and an official of the National Miners' Union in Pittsburgh, Pennsylvania, also frequently graced the pages of the all-union newspapers throughout August 1930. As strong evidence of the symbolic function of his visual image, Hawkins was featured on the front pages of both *Komsomol'skaia pravda* and *Trud* shaking hands with a Russian delegate in what the two papers labeled a "brotherly meeting."[49] In addition to their photographs, the Soviet press also printed the speeches that Ford and Hawkins each delivered during the congress regarding the struggle against racism within the revolutionary trade unions.[50] By printing visual images as well as the remarks of black American male communists (Profintern records contain no evidence that McClain addressed the assembly), editors presented the Soviet Union as a place where racism did not exist. That is to say, it appeared as an enlightened society which afforded young black men the opportunity to be thinkers, speakers, and leaders without any threat to their physical safety. This image of Soviet racelessness contrasted sharply not simply with the two Americans' treatment of "the Negro worker" in Stalingrad, but also with white Americans' treatment of black workers in general.

This point was made most forcefully on August 28, 1930 when two other black American men, Thomas Shipp and Abraham Smith, aged eighteen and nineteen years, respectively, appeared in a large photograph on the front pages of *Trud* and *Komsomol'skaia pravda*. Their murdered bodies were shown dangling above a crowd of well-dressed white men and women who were smiling and looking shamelessly at the camera. *Komsomol'skaia pravda*'s editors only published a brief caption with the now famous photograph of the Marion, Indiana, double lynching which had occurred on August 7, 1930. It explained that "American farmers forcibly seized from prison two Negroes who were suspected in the murder of a white woman, and executed them via a trial by lynching." *Trud* provided even less indication of the men's identities,

or where, when, and why the lynching had taken place. A small caption simply read, "The trial by lynching of two Negroes." Obviously, *Trud's* readers were expected to know intuitively that this image had been taken somewhere in the United States, the details of which were inconsequential; just another example of horrific racial violence in bourgeois America. Strategically, the article published adjacent to it related the developments in the trial of Robinson's attackers.[51]

Two days later, *Komsomol'skaia pravda's* editors printed on the front page a smaller image of a black male lynch victim with minimal, inaccurate information about the murder, and a headline that announced "In the homeland of Lewis." Like *Trud*, they similarly placed it next to articles about the Stalingrad court proceedings. The headline of one of these stories proclaimed: "The USSR is eliminating racial dissension." The association of the Soviet Union with the enlightened law of the proletariat and the United States with "medieval" lynch law was unmistakable.

Prior to printing these photographs, *Komsomol'skaia pravda* had also published a lynching cartoon next to an article about the campaign against the two American racists. It featured a bare-chested black man, his mouth contorted in agony, with a noose around his neck. The top caption threatened, "We will chop off the clutches of the Hangman." The bottom caption appealed to Soviet citizens directly: "Workers! Struggle against the lynching of your Negro-proletarian brothers!" An obese, white male capitalist wearing a top hat, long coat, and gun holster, was shown tacking a sign above the victim's head, which warned all black workers, "Do Not Dare to Struggle for Your Rights," and was signed in English penmanship, "The State of Indiana." The signature was an obvious reference to the Marion double lynching and indicates, as the editors noted, that the cartoon had been taken from the *Daily Worker*.[52] The organ of the United States Communist Party had printed the cartoon two weeks previously. The only difference between the versions of the cartoon found in the *Daily Worker* and *Komsomol'skaia pravda* was that the bottom caption in the former emphasized to American readers, "They can't do that in the Soviet Union."[53] There was no reason to explicitly state this in the Soviet youth paper since it was conveyed through the daily reports regarding developments in the trial of a black worker's assailants.

The image of a lynched black man was also featured in *Rabochaia gazeta* amidst stories regarding the manifestation of American racism in Stalingrad. The editors accurately located the crime geographically, noting in the caption that it depicted the "charred corpse" of a black man "who was burned alive in America, in Sherman, the state of Texas." Yet as in the cases previously described, the paper omitted mention of who the victim was, the specific reasons or justification as to why he was lynched, or that the murder had occurred three months earlier on May 9, 1930.[54] Clearly, the editors of *Rabochaia gazeta*, like their colleagues, had printed it in order to juxtapose the image of the Soviet Union that was emerging from reports regarding the effort to bring Robinson's two attackers to account for their racist conduct,

against the visual image of the routine lynching of black male laborers in the United States.

This contrast was not always limited to visual representations. A Moscow needleworker who had lived in the United States for thirty years inadvertently furthered America's association with barbarous lynch justice and the Soviet Union with civilized proletarian justice. When a *Rabochaia gazeta* reporter asked him his opinion of the assault on Robert Robinson at a factory protest meeting, this worker, Tsiprus, allegedly commended the two Americans for their conduct in Stalingrad, remarking that, "Negroes are snakes. They all need to be lynched or subjected to lynch law." According to Isaiah Hawkins, Tsiprus's statements roused "all kinds of indignation among workers of the Soviet Union." All-union editors depicted the outraged laboring masses as demanding that trade-union officials bring Tsiprus to account for his explicitly chauvinistic comments.[55] On August 17, 1930, a workers' court in Moscow which bore striking similarities to the comrades-disciplinary courts and agitational-trials of the early Soviet era, promptly tried and condemned Tsiprus. It expelled him from the needleworkers union for three months or until he was able to demonstrate, through community service, his commitment to proletarian internationalism.[56] Tsiprus provided Soviet trade-union authorities with an additional opportunity to implement proletarian justice against another racist that "civilized" American society had produced. In other words, it allowed them to again "demonstrate to the world, that the USSR is the fatherland for all the proletariat: white, black and yellow, against whom no kind of national inequality will be allowed to exist."[57]

Conclusion

What is the significance of Stalingrad to this narrative? Although Moscow was the primary stage from which communist leaders projected the image of the country as a brotherhood of peoples, the fact that the assault on Robinson occurred at the Stalingrad Traktorostroi was rather fortuitous for them.[58] Placing American racism on trial at a giant of socialist industry enabled authorities to foster the impression that these massive industrial complexes were not simply producing the technological products which would facilitate the arrival of a new socialist society. They were also producing the enlightened new Soviet people who would populate it. The central press provided further evidence of this by depicting the workers of another Soviet industrial giant, the Moscow Elektrozavod, at the forefront of the campaign to bring the two American racists to account for their chauvinistic conduct. But Stalingrad was significant for yet another reason. It could stand in for all provincial RSFSR towns to signify that racism and national inequality had been transcended throughout the entire country, not just in the capital of internationalism.

Over seventy years ago William Chamberlin witnessed more than a simple trial of two American men. He witnessed the culmination of a state-orchestrated campaign against American racism which laid the foundation for the even more

far-reaching protest that MOPR launched eight months later to liberate the young black American men condemned to death in Scottsboro, Alabama on false rape charges. In fact, the Scottsboro legal lynching confirmed the image of American race relations that Soviet editors had propagated in the all-union press throughout the campaign against Robinson's assailants.[59] But in addition to laying the groundwork for the Soviet Scottsboro protest, the court proceedings against Lewis and Brown provided the model and inspiration for the series of trials that the United States Communist Party subsequently organized to help eradicate white chauvinism within its ranks. The first and most popular of these was the trial of August Yokinen held in Harlem on March 1, 1931.[60]

During an era when biological racism was paramount in European and American social thought, officials in Moscow claimed a monopoly on modern civilization and enlightenment in what was then a unique way: they cast themselves and their citizens as staunch opponents of racism. The Stalingrad trial of two American racists thus visualized what Francine Hirsch and Amir Weiner have identified as Soviet leaders' resolute rejection of Western authorities' politics of racial exclusion. There can be little doubt that the slippage between the image of the Soviet Union as a society without racism and reality was considerable, and that the widespread participation of workers in the trial was orchestrated "from above." Yet, at the same time this essay does not discount the possibility that some Soviet and foreign workers may have been sincerely committed to inaugurating a new society where racist conduct like that which Lewis and Brown perpetrated was absent.[61]

Trade-union officials and all-union editors portrayed foreign laborers as particularly vocal in denouncing the assault on Robinson. They were shown as not only formulating numerous protest resolutions but also comprising the ranks of the international workers' brigade. Clearly, authorities' objective was to distance other foreign workers in the country from any stigma that Lewis and Brown's racist actions may have conferred on them as a whole. Their role as the "big brother" to Soviet workers with whom they were expected to share their technical knowledge could therefore remain intact, if they were shown to be just as outraged as the Soviet laboring masses at white American men raising a hand against a black worker.[62]

At a juncture in Soviet history when the privileged category of "worker" was being reconfigured to include women, students, and peasant in-migrants, the Stalingrad court proceedings symbolically extended those boundaries to embrace a black migrant laborer from Detroit, as well as all other black laborers.[63] This reflected the contemporary shift in Comintern policy which, starting with the declaration of black Americans as a nation at the Sixth Congress in 1928, elevated black American workers' importance in the international proletarian movement and status in the revolutionary family.[64] Two white Americans were at the same time stripped of the identity of "workers" and expelled from the fatherland of all workers. This was because they had assumed that their whiteness would automatically exonerate them for attacking a black laborer, while Robinson's blackness would automatically indict him.

Soviet leaders, therefore, used Lewis and Brown's gross underestimation of their commitment to maintaining the façade of Soviet racelessness in order to strengthen it.

NOTES

1. William Henry Chamberlin, *Russia's Iron Age* (Boston, 1934), 362–4.

2. On Soviet leaders' interest in portraying the USSR as a superior, modern society amidst the rise of fascism and the Great Depression, see Stephen Kotkin, *Magnetic Mountain: Stalinism As a Civilization* (Berkeley, 1995). For officials' pride in Soviet nationality policy as distinguishing them from Western imperialists, see Francine Hirsch, "The Soviet Union as a Work-in-Progress: Ethnographers and the Category *nationality* in the 1926, 1937, and 1939 Censuses," *Slavic Review* 56 (Summer 1997): 251–78; Terry Martin, *Affirmative Action Empire: Nations and Nationalism in the Soviet Union, 1923–1939* (Ithaca, 2001); and Yuri Slezkine, "The USSR as a Communal Apartment or How a Socialist State Promoted Ethnic Particularism," *Slavic Review* 53 (Summer 1994): 414–52.

3. Foreign workers played a critical role in the development of Soviet industry in the early 1930s. According to Sergei Zhuravlev, during the most intensive phase of industrialization, nearly 35,000 foreign workers, specialists, and their families were living in the Soviet Union, most of whom were Germans followed by Americans. See *"Malen'kie liudi" i "bol'shaia istoriia": Inostrantsy moskovskogo Elektrozavoda v sovetskom obshchestve 1920-kh-1930-kh gg.* (Moskva, 2000), 29–31. Besides John Scott who wrote about his experiences in Magnitogorsk in *Behind the Urals*, the most notable American to work in a socialist giant was Walter Reuther. Before he began his long tenure as president of the United Auto Workers in 1936, Reuther had worked with his brother in the Nizhnii-Novgorod State Automobile Factory (GAZ) from roughly 1933–1935. See Nelson Lichtenstein, *The Most Dangerous Man in Detroit: Walter Reuther and the Fate of American Labor* (New York, 1995).

4. Only two scholars have briefly discussed the trial. See Allison Blakely, *Russia and the Negro: Blacks in Russian History and Thought* (Washington, DC, 1986), 101; and Woodford McClellan, "Africans and Black Americans in the Comintern Schools, 1925–1934," *International Journal of African Historical Studies* 26 (1993): 371–90. The contemporary press claimed that the trial had the country's "unabated interest," see "Rabochii sud nad amerikantsami izbivshimi negra," *Komsomol'skaia pravda*, August 24, 1930, 4; "Attack on Negro Red still stirs Moscow," *New York Times*, August 11, 1930, 4; "Moscow stirred by attack on Negro," *Daily Worker*, August 13, 1930, 2; "Russia acts to halt racial prejudice," *Afro-American*, August 23, 1930, 1; and "Moscow stirred by attack on Negro," *Pittsburgh Courier*, August 23, 1930, 1.

5. On the Soviet press, see Matthew Lenoe, *Closer to the Masses: Stalinist Culture, Social Revolution and Soviet Newspapers* (Cambridge, 2004).

6. On the persistence of ethnic animosity and anti-Semitism, see, for example, Sarah Davies, *Popular Opinion in Stalin's Russia: Terror, Propaganda and Dissent, 1934–1941* (Cambridge, 1997), 82–90, 135–7; David Hoffmann, *Peasant Metropolis: Social Identities in Moscow, 1929–1941* (Ithaca, 1994), 124–5; Hiroaki Kuromiya, *Freedom and Terror in the Donbass: A Ukrainian-Russian Borderland, 1870s–1990s* (Cambridge, 1992), 147–8, 160, 198, 246; Terry Martin, "The Origins of Soviet Ethnic Cleansing," *Journal of Modern History* 70 (1998): 813–61; and Lewis H. Siegelbaum and Andrei Sokolov, *Stalinism as a Way of Life: A Narrative in Documents* (New Haven, 2000), 42–43, 71–72, 259–67, 364, 369–70.

7. In his study on the Soviet League of the Militant Godless, Daniel Peris argues that the objective of most propaganda campaigns during this era was to glorify the enlightened nature of the Soviet state. See *Storming the Heavens: The Soviet League of the Militant Godless* (Ithaca, NY, 1998).

8. For this important discussion, see Eric Weitz, "Racial Politics without the Concept of Race: Reevaluating Soviet Ethnic and National Purges," Francine Hirsch, "Race without the Practice of Racial Politics," and Amir Weiner, "Nothing But Certainty," in *Slavic Review* 61 (Spring 2002): 1–29, 30–43, 44–53. See also note 2.

9. Robinson was a naturalized United States citizen born in Jamaica. See note 41. On the identities of Lewis and Brown, see "Obvinitel'noe zakliuchenie po delu izbieniia rabochego negra na Stalingradskom traktornom zavode," *Gosudarstvennyi arkhiv Rossiiskoi Federatsii*

(GARF), fond 5469, opis' 14, delo 382, listy 18–19; and *Polk's City Directory, 1929–1930: People's Wayne Country Bank serving Detroit, Highland Park, Hamtramck, Dearborn, River Rouge, Ecorse*, (Detroit, n.d.), 1316; "To deport Americans for attack on Negro," *New York Times*, August 31, 1930, 10; "American worker who attacked Negro now regrets his act," *Daily Worker*, August 25, 1930, 2; "Detroit and Toledo race-haters must return to America," *Pittsburgh Courier*, September 6, 1930, 1; and "Prejudiced Americans in Russia to be deported," *Amsterdam News*, September 3, 1930, 3.

10. On the propagandistic significance of the Traktorostroi, see Kurt Schultz, "The American Factor in Soviet Industrialization: Fordism and the First Five-Year Plan, 1928–1932," (Ph.D. Diss., Ohio State University, 1992), 136–48.

11. For arrivals, see GARF, f. 5469, op. 14, d. 382, ll. 15–16; and "Opyt massovogo primenenia truda amerikanskikh rabochikh i tekhnikov na Stalingradskom traktornom zavode," *Rossiiskii gosudarstvennyi arkhiv sotsial'noi i politicheskoi istorii* (RGASPI), f. 495, op. 30, d. 648, ll. 120–126. For the population total, see "Zasedanie Sekretariata TsK VSRM ot 17 avgusta 1930 g.," GARF, f. 5469, op. 14, d. 382, l. 4; and *Records of the Department of State Relating to Internal Affairs of the Soviet Union, 1930–1939*, 861.5017—Living Conditions (Reel 37).

12. GARF, f. 5469, op. 14, d. 382, ll. 1, 15–18. Robinson had become disillusioned with the Soviet project by the time he recorded his autobiography but still claimed that Russian workers in Stalingrad had respected him and had intervened during the assault. See *Black on Red: My 44 Years Inside the Soviet Union* (Washington, DC, 1988), 65–73.

13. Local authorities were held just as culpable for the assault on Robinson as Lewis and Brown. See, for example, "Obzor raboty soiuznykh organizatsii metallistov," GARF, f. 5469, op. 14, d. 383, ll. 3–38. *Pravda* provided the description of the altercation that corresponded most closely to that found in the trial transcript; "19 avgusta—sud nad amerikanskimi rabochimi, izbivshimi negra," *Pravda*, August 17, 1930, 5. US papers and the *Times* of London continued to erroneously report that Lewis had expelled Robinson from the cafeteria. See Walter Duranty, "Americans essay color bar in Soviet," *New York Times*, August 10, 1930, 9; "More Americans face accusations in Soviet," ibid., August 30, 1930, 5; "Russ workers won't stand US prejudice," *Afro-American*, August 16, 1930, 4; "Americans to be tried in Russia; evicted worker," *Amsterdam News*, August 20, 1930, 1; "Russians to deport prejudiced American," *Chicago Defender*, August 23, 1930, 3; and "Soviet and colour prejudice," *Times*, August 13, 1930, 9.

14. See Zhuravlev, "*Malen'kie liudi*," 47, 143–5.

15. "Pozornyi fakt na traktornom vskryl slabost' internatsional'noi raboty profsoiuzov Stalingrada," *Trud*, August 10, 1930,1; "'Ia ostaius' na traktornom,'" ibid., August 12, 1930, 1; and "My vsetselo na storone tov. Robinsona," ibid., August 14, 1930, 1.

16. "Pis'mo rabochikh Elektrozavoda gazete 'Trud,'" *Trud*, August 14, 1930, 1; "'Trud' prinial predlozhenie Elektrozavoda," ibid., August 14, 1930, 1.

17. The trial had been scheduled to begin as early as August 19, 1930; "Stalingrad, Moskva," GARF, f. 5469, op. 14, d. 382, l. 11.

18. By "conscious," trade union officials meant Americans who were sympathetic to Communism; GARF, f. 5469, op. 14, d. 382, ll. 3–4. For brigade members, see "'Trud' prinial predlozhenie Elektrozavoda," 1; "Inostrannye rabochie Leningrada posylaiut obshchestvennogo obvinitelia na stalingradskii protsess," *Trud*, August 17, 1930, 2; "Kak byl izbit tovarishch Robinson," ibid., August 18, 1930, 4; "Zavkom traktornogo budet dosrochno pereizbran," *Rabochaia gazeta*, August 18, 1930, 6; "Internatsional'naia rabochaia brigada 'Truda' vchera vyekhala na stalingradskii protsess," *Trud*, August 19, 1930, 1; "Inostrannye rabochie Khar'kova i Rostova poslali obshchestvennykh obvinitelei na stalingradskii protsess," ibid., August 20, 1930, 1; and "Luis i Braun pytalis' perenesti na sovetskuiu pochvu fashistskie nravy," ibid., August 28, 1930, 1.

19. GARF, f. 5469, op. 14, d. 382, l. 17; "Prigovor eshche ne vynesen," *Trud*, August 30, 1930, 1. For Lewis's original apology, see "Protsess ob izbienii negra tov. Robinsona otlozhen do 22 avgusta," *Pravda*, August 21, 1930, 5; "'Nikogda bol'she ne budu storonnikom natsional'-noi rozni,'" *Izvestiia*, August 22, 1930, 2; "'Nikogda bol'she ne budu storonnikom rozni ras i natsii,'" *Rabochaia gazeta*, August 22, 1930, 6; and "Apologizes to Russians," *New York Times*, August 22, 1930, 4.

20. "V SSSR net mesta rasovoi vrazhdebnosti," *Rabochaia gazeta*, August 11, 1930, 4; Ferdinand Knut, "Rasovaia nenavist'," *Trud*, August 19, 1930, 1; "Segodnia v Stalingrade nachinaetsia protsess ob izbienii negra tov. Robinsona," *Trud*, August 20, 1930, 1.

21. "Delo ob izbienii tov. Robinsona," *Pravda*, August 24, 1930, 3; "Nachalsia sud nad L'iuisom i Braunom," *Rabochaia gazeta*, August 24, 1930, 4; Chamberlin, *Russia's Iron Age*, 362–3.

22. "Vyslat' amerikanskikh fashistov iz predelov SSSR," *Rabochaia gazeta*, August 27, 1930, 6; "Luis i Braun pytalis' perenesti na sovetskuiu pochvu fashistskie nravy," 1; Ferdinand Knut, "Pered sudom vsia sistema kapitalizma," *Trud*, August 29, 1930, 1; "V Ameriku, k organizatoram sudov lincha!," ibid., August 30, 1930, 1.

23. "Nachalsia sud," 4; "Sud nad L'iuisom i Braunom, amerikantsam na traktornom 'ne nraviatsia negry,'" *Rabochaia gazeta*, August 25, 1930, 6.

24. George Padmore, "The Socialist Attitude to the Invasion of the USSR," *Left* 60, (September 1941): 193–9 (quotation, 196).

25. On "proletarianness" and the "New Soviet Person," see especially, Peris, *Storming the Heavens*, 78–83; Karen Petrone, *Life Has Become More Joyous, Comrades: celebrations in the time of Stalin* (Bloomington, IN, 2000), 1–5, 11–13, 66–69, 125; David L. Hoffmann, *Stalinist Values: The Cultural Norms of Soviet Modernity, 1917–1941* (Ithaca, NY, 2003), 45–56; and Lewis H. Siegelbaum, "The Shaping of Soviet Workers' Leisure: Workers' Clubs and Palaces of Culture in the 1930s," *International Labor and Working-Class History* 56 (Fall 1999): 78–92.

26. "My ne dopustim v SSSR nravov burzhuaznoi Ameriki," *Trud*, August 9, 1930, 1.

27. "My obrashchaemsia k amerikanskim rabochim," ibid., August 10, 1930, 1; "'Okruzhim negra Robinsona samym druzhestvennym vnimaniem,'" *Rabochaia gazeta*, August 15, 1930, 1; "Pozor khuliganam s traktorostroia, izbivshim negra Robinsona, MOPR zaiavliaet reshitel'nyi protest," ibid., August 14, 1930, 6.

28. "'Protestuem protiv zverinogo natsionalizma,'" *Trud*, August 11, 1930, 1; "Amerikanskie rabochie osuzhdaiut izdevatel'stvo nad rabochim-negrom na traktorostroe," *Izvestiia*, August 18, 1930, 3; "Rabochie amerikantsy osuzhdaiut nedevatel'stvo nad rabochim-negrom," *Trud*, August 18, 1930, 4; "Stalingradskaia prokuratura zamalchivaet delo ameri-kantsa Luisa," *Rabochaia gazeta*, August 17, 1930, 6; "Inostrannye rabochie Khar'kova i Rostova," 1.

29. "Nuzhen vsesoiuznyi smotr internatsional'nogo vospitaniia," *Trud*, August 28, 1930, 1; "Pionery Ameriki, Anglii, Bel'gii, Ukrainy o stalingradskom dele," ibid., August 20, 1930, 1.

30. "Delo ob izbienii rabochego-negra," *Izvestiia*, August 18, 1930, 2; "Usilit' inter-natsional'nuiu rabotu," *Put' MOPR'a* 23–24 (August 1930): 1; "Obshchestvennyi sud nad grazhdaninom Tsiprusom," *Komsomol'skaia pravda*, August 18, 1930, 4.

31. "Amerikanskie rabochie dolzhny osudit' postupok Nuisa," *Trud*, August 20, 1930, 2. On the "fascist-minded" American committee, see GARF, f.5469, op. 14, d. 382, l. 4; Ferdinand Knut, "Prigovor proletariata," *Trud*, August 31, 1930, 1; and Bill Dunne, "Detroit racketeers on the Volga," *New Masses* (September 1931): 10–12.

32. "Takie ne mogut nazyvat'sia rabochimi," *Rabochaia gazeta*, August 11, 1930, 4; "O chem govorit sluchai na traktornom zavode," *Trud*, August 12, 1930, 1; "Amovtsy trebuiut vysylki vinovnikov iz predelov SSSR," ibid., August 13, 1930, 1; "Na traktornom pobezhdaet solidarnost' proletariata," ibid., August 14, 1930, 1; "Postavit' izbivshikh negra pod ugrozy boikota," *Rabochaia gazeta,* August 15, 1930, 6; "Stalingradskaia prokuratura," 6; Knut, "Rasovaia nenavist'," 1; "Protest amerikanskikh rabochikh avtozavoda," *Trud*, August 19, 1930, 1; "Inostrannye rabochie Khar'kova i Rostova," 1; "Voina shovinizmu," *Rabochaia gazeta*, August 20, 1930, 4.

33. "Vyslat' amerikanskikh fashistov iz predelov SSSR," 6; "Prikhvostniam fashizma ne mesto v sovetskoi strane! Luis i Braun—agenty amerikanskogo fashizma," *Trud*, August 29, 1930, 1; Knut, "Pered sudom vsia sistema kapitalizma," 1; "Prigovor proletariata," 1.

34. "Rabochie fabriki 'Moskvoshvei' no. 5 reshitel'no osuzhdaiut amerikanskikh khuliganov," *Rabochaia gazeta*, August 11, 1930, 4; "Moskva, 31 avgusta," *Trud*, August 31, 1930, 1.

35. "Izbienie negra Robinsona – kontr-revoliutsionnyi vypad," *Rabochaia gazeta*, August 15, 1930, 6; "Amerikanets Nuis ne tol'ko khuligan, no i fashist," *Trud*, August 25, 1930, 1; "Vylazka kontrrevoliutsionerov," ibid., August 29, 1930, 1; "Luis i Braun pytalis' perenesti na sovetskuiu pochvu fashistskie nravy," 1; "V Ameriku, k organizatoram sudov lincha!," 1.

36. "Fashist Luis vysylaetsia iz SSSR," *Trud*, August 31, 1930, 1; "Posledovateli lincha v Stalingrade Liuis i Braun dolzhny byt' osuzhdeny," *Komsomol'skaia pravda*, August 30, 1930, 1; "Prigovor po delu ob izbienii negra Robinsona," *Rabochaia gazeta*, August 31, 1930, 2; and "Liuis i Braun vysylaiutsia iz SSSR," *Pravda*, August 31, 1930, 7. Several weeks after he

was deported, Lewis charged in the *Chicago Tribune* (September 21, 1930, A7) that the Stalingrad Americans were ill and starving. A member of the Stalingrad American colony refuted his accusations in the *Moscow News*, November 16, 1930, 7.

37. Robert Argenbright, "Marking NEP's Slippery Path: The Krasnoshchekov Show Trial," *Russian Review* 61 (April 2002): 249–75; J. Arch Getty, "*Samokritika* Rituals in the Stalinist Central Committee, 1933–38," ibid. 58 (January 1999): 49–70.

38. For the equation of blackness with the absence of purity, see, for example, David Brion Davis, *The Problem of Slavery in Western Culture* (Ithaca, NY, 1966), 447–9, 452–64; Anne McClintock, *Imperial Leather: Race, Gender and Sexuality in the Colonial Conquest* (New York, 1993), 5–7; 56–60; and Erol Lawrence, "Just Plain Common Sense: the 'Roots' of Racism," in *The Empire Strikes Back: Race and Racism in '70s Britain* (London, 1982), 31.

39. Mikhail Danilov, "Nuis i Robinson," *Rabochaia gazeta*, August 11, 1930, 4. For a similar sentiment, see "V Stalingrade gruppoi amerikanskikh rabochikh izbit negra," *Put' MOPR'a* 23–24 (August 1930): 13.

40. "O chem govorit sluchai na traktornom zavode," 1; "'Ia ostaius' na traktornom'", 1; "Pozornyi fakt na traktornom," 1.

41. Editors could have bolstered Robinson's image as the ideal international black laborer by elaborating on his work experience in Cuba, Jamaica, and Brazil, hotbeds of Marxist labor activity during this era. See, for example, Winston James, *Holding Aloft the Banner of Ethiopia: Caribbean radicalism in early twentieth-century America* (London, 1998). Robinson who was never a member of the Communist Party was elected to the Moscow city soviet in December 1934. See "Mandat deputata Robinsona," *Vecherniaia Moskva*, December 14, 1934, 2; and Robinson, *Black on Red*, 95–111.

42. "My ne dopustim v SSSR," 1; "Amerikantsy ne byvali na rabochikh sobraniiakh," *Trud*, August 13, 1930, 1. See also, "Obshchestvennyi sud nad grazhdaninom Tsiprusom," ibid., August 18, 1930, 4; "O chem govorit sluchai," 1; "My vsetselo na storone tov. Robinsona," 1; and "Pionery Ameriki, Anglii, Bel'gii, Ukrainy," 1.

43. Danilov, "Nuis i Robinson," 4; "V SSSR net mesta rasovoi vrazhdebnosti," 4.

44. "V redaktsiiu zhurnala 'Metallist'", GARF, f. 5469, op. 14, d. 381, ll. 84–85; "My vsetselo na storone tov. Robinsona," 1.

45. The Fifth Profintern Congress was intended to demonstrate that the organization had made good on its pledge to make the mobilization of black workers a priority. See "V RILU Congress, 17.8.30," RGASPI, f. 534, op. 1, d. 137, ll. 171–176; and "O rabote sredi negrov rabochikh," RGASPI, f. 534, op. 1, d. 154, ll. 78–79.

46. "My ne dopustim v SSSR," 1.

47. "Jenny Reid" is verified as Helen McClain in the list of United States delegates to the Congress in RGASPI, f. 534, op. 1, d. 170, l. 41; and in Harry Haywood's *Black Bolshevik: Autobiography of an Afro-American Communist* (Chicago, 1978), 328–9. McClain's image also appeared in *Trud*, August 15, 1930, 2; *Komsomol'skaia pravda*, August 21, 1930, 1; and *Pravda*, August 27, 1930, 2.

48. See *Trud*, August 10, 1930, 1, and ibid., August 13, 1930, 1. The first photograph was published in the *Negro Worker* 2 (February 1931): 17. For other images of Ford in the press, see *Trud*, August 15, 1930, 2; ibid., August 24, 1930, 2; and *Izvestiia*, August 19, 1930, 2.

49. *Trud*, August 23, 1930, 1; *Komsomol'skaia pravda*, August 23, 1930, 1. For other images of Hawkins, see *Pravda*, August 16, 1930, 2; and *Izvestiia*, August 22, 1930, 2. For verification of Hawkins' identity, see RGASPI, f. 534, op. 1, d.170, l. 42.

50. For Ford's and Hawkins's speeches, see "Negritianskie rabochie i Profintern," *Trud*, August 16, 1930, 2; "Negritianskii proletariat vystupaet na revoliutsionnuiu arenu," ibid., August 20, 1930, 3; "Revoliutsionnoe dvizhenie sredi negrov," *Izvestiia*, August 19, 1930, 2; "Piatyi kongress Profinterna," *Pravda*, August 22, 1930, 2; and "Opyt millionov - na organizatsiiu revoliutsionnykh boev," *Rabochaia gazeta*, August 21, 1930, 1.

51. A portion of this photograph appeared in *Ogonek* on June 20, 1931 (no. 7): 13, with articles about the Scottsboro legal lynching. This was one of the few images or articles printed in *Ogonek* from 1930–1936 which exposed Americans' "enlightened" treatment of black Americans. On the Marion lynching, see James H. Madison, *A Lynching in the Heartland: Race and Memory in America* (New York, 2001).

52. "Posledovateli lincha na traktornom zavode," *Komsomol'skaia pravda*, August 26, 1930, 4.

53. See *Daily Worker*, August 12, 1930, 2; "Headlines About Negroes," ibid., August 11, 1930, 1.

54. For the Sherman, Texas lynching, see Philip Dray, *At the Hands of Persons Unknown: The Lynching of Black America* (New York, 2002), 328–30.

55. "Grazhdanin Tsiprus iskliuchen iz soiuza," *Trud*, August 18, 1930, 1.

56. On the comrades-disciplinary courts and agit-trials, see, for example, Lewis H. Siegelbaum, "Defining and Ignoring Labor Discipline in the Early Soviet Period: The Comrades-Disciplinary Courts, 1918–1922," *Slavic Review* 51, (Winter 1992): 705–30; and Lynn Mally, "The Rise and Fall of the Soviet Youth Theater TRAM," *Slavic Review* 51 (Autumn 1992): 411–30. "Rabochie fabriki Moskvoshvei no. 5 vozmushcheny vystupleniem gr. Tsiprusa," *Rabochaia gazeta*, August 13, 1930, 6; "V otvet na antiproletarskuiu vykhodku Tsiprusa dopolnitel'no podpishemsia na zaem," ibid., August 17, 1930, 6; and "Prigovor rabochikh mass," ibid., August 18, 1930, 6.

57. Quoted in "SSSR-otechestvo dlia chernykh, zheltykh i belykh ras," *Trud*, August 11, 1930, 1.

58. On the "display" of non-Russian nationalities in Moscow, see, for example, Jeffrey Brooks, *Thank You, Comrade Stalin! Soviet Public Culture from Revolution to Cold War* (Princeton, 2000); Slezkine, "USSR as a Communal Apartment," 430–52; and Zhuravlev, *"Malen'kie liudi"*, 255–8.

59. For the Scottsboro protest, see James A. Miller, Susan D. Pennybacker, and Eve Rosenhaft, "Mother Ada Wright and the International Campaign to Free the Scottsboro Boys, 1931–1934," *American Historical Review* 106 (April 2001): 387–430; and Meredith L. Roman, "Another Kind of 'Freedom,': The Soviet Experiment with Antiracism and Its Image as a 'Raceless' Society, 1928–1936," (Ph.D. Diss., Michigan State University, 2005), 169–230.

60. On the connection between the Stalingrad and Yokinen trials, see "V Congress - 19th Session, 25.8.30," RGASPI, f. 534, op. 1, d. 145, ll. 115–116; *Race Hatred on Trial* (New York, 1931); I. Amter, "Significance of the Yokinen Trial," *Daily Worker*, March 9, 1930, 4; and Roman, "Another Kind of 'Freedom,'" 113–121.

61. On Soviet citizens' enthusiasm in building a new socialist society, see, for example, Sheila Fitzpatrick, *Everyday Stalinism: Ordinary Life in Extraordinary Times* (Oxford, 1999), 67–75, 132–8; and Jochen Hellbeck, "Speaking Out: Languages of Affirmation and Dissent in Stalinist Russia," *Kritika* 1 (Winter 2000): 71–96.

62. On foreign workers' role as "big brother," see Schultz, "The American Factor in Soviet Industrialization," 146–8; and Zhuravlev, *"Malen'kie liudi"*, 236–40, 272–4.

63. See especially, Kenneth M. Straus, *Factory and Community in Stalin's Russia: The Making of An Industrial Working Class* (Pittsburgh, 1997).

64. For interpretations of the Comintern's declaration, see Mark Solomon, *The Cry Was Unity: Communists and African Americans, 1917–1936* (Jackson, MS, 1998), 68–89; and Mark Naison, *Communists in Harlem During the Depression* (New York, 1983), 17–20.

BOOK REVIEWS

Andrew Sayer, *The Moral Significance of Class*. Cambridge, UK: Cambridge University Press, 2005. 256 pp. $29.95 cloth.

As Andrew Sayer declares in *The Moral Significance of Class*, "class matters because it creates unequal possibilities for flourishing and suffering" (218). It is for this reason that the work's main topic, the subjective experience of class, is an important one. His recognition of the interplay between the forces that shape us, as well as the agency we exercise in response to these structural forces, gives the work a refreshing complexity without sacrificing its sharp focus on the topic at hand. However, the work loses some of its potential force when advancing the argument that recognition of "gender, race, and . . . other differences . . . has come at the expense of interest in class."

The work is most valuable in its strong interrogation of the politics of "recognition" and the priority this concept has been given in political philosophy in recent decades. Sayer agrees that recognition is important to individuals and groups who may suffer from either a lack of such recognition or indeed from "systematic misrecognition." Yet the primacy given to recognition has been convenient for the neoliberal project in that the use (and abuse) of this term has obscured the need to address real inequalities.

Sayer attacks this justification from a number of angles. The first is by advancing a realist argument against extreme versions of social constructionism. That concepts such as morality and class are socially constructed does not mean that they do not lead to real human "flourishing and suffering." For: "All construction uses materials, and a necessary condition for the success of attempts at construction is that they use the materials according to their properties—properties that exist largely independently of their constructors and are not merely a product of wishful thinking" (11).

Nor will these properties cease to exist as a result of wishful thinking against them. Inequalities inherent to the existence of class do real harm to people and they cannot be remedied through verbal or symbolic recognition. This is notwithstanding the fact that such recognition may be desired and therefore should be fought for. But inequalities, as Sayer points out, can only be remedied through redistribution.

Secondly, Sayer points out that, given the reality of inequalities, any meaningful recognition would necessitate some degree of redistribution. A recognition of others' common humanity, combined with a recognition of the arbitrariness of the "natal lottery" of class (in which certain individuals are born into a life of greater material resources), would logically lead to altering inequalities through redistribution. As he puts it, "important though recognition

undoubtedly is, there is a danger of focusing too much on recognition itself and not enough on what it is for" (54).

To illustrate the point, Sayer uses the example of the politics of New Labour in Britain. He argues that their posture of recognition combined with their failure to enact redistributive policies seems to imply that simply rejecting prejudices will suffice to bring about fairness. Their emphasis on the role of "social capital" further serves to shift the responsibility for alleviating poverty onto the poor themselves rather than onto the government or the wealthy. (226)

Sayer's concern with the "visible and hidden injuries of class" leads to an analysis of how class is experienced and interpreted by lay actors. His initial step in this task is to draw upon Bordieu's concept of *habitus*, but to correct what he sees as its weaknesses and inaccuracies. *Habitus* is defined as "deeply ingrained dispositions which are the products of socialization" (22). *Habitus*, then, can be useful in understanding how class exists as an identity. What Sayer adds is an insistence that while we may develop *habitus* through socialization, we are also reflexive beings who interpret our situations and consider various ways to respond to them. He does not claim that these interpretations are always consistent or that they inevitably lead to the best choices, simply that we are not robots mindlessly playing out our ascribed roles of race, class, gender, and other identities. It is only though acknowledgment of these interpretations and considerations that we can understand how resistance to our ascribed roles is possible. And it is only by acknowledging their fallibility that we can understand why resistance is not inevitable.

Of course, it is not just false consciousness that prevents resistance. Sayer emphasizes that people's responses to their class positions can be "good" or "bad" (i.e., alleviate or cause harm in the short run), and that they can either reinforce or challenge the existence of these positions. Sayer emphasizes that there can be no one-to-one mapping in which actions taken by the privileged are necessarily bad or those taken by the oppressed are necessarily good, nor can there be any assumption that good responses are those leading to resistance while bad ones prevent resistance. For example, working-class pride can be considered "good" but it may in some cases encourage "acceptance rather than contestation of class" (182).

From the beginning, Sayer fails to define the book's geographic scope, which appears to be the "developed world." This can be inferred from statements such as "class consciousness and collective action on the basis of strong class identities...have declined" (15); because whether this has occurred in the "developed world" may be arguable, but if the claim is assumed to be global then it is broad and unsubstantiated to an almost absurd degree. Similarly, when Sayer states that quality of work is more important than money for most people, "with the exception of the poor," one can only imagine he is limiting his scope to areas where the poor are a minority, for treating them as an "exception" is otherwise ludicrous. A study of the moral significance of class within the "developed world" is a perfectly legitimate endeavor, but the scope of the work should be made explicit. For potentially untenable shifts in

focus can occur, as when reference is made in the last chapter to globalization's "race to the bottom" where the poor and working classes of the world are suddenly brought into the picture without any prior attention throughout the work.

While combating determinism through recognition of the diverse ways in which people may act in a given situation, at many points *The Moral Significance of Class* makes unsubstantiated generalizations about how people do in fact act. A lengthy description, for example, is given of how "elderly British lower middle class and working class women" view their relationships with medical doctors. (178–180) Yet it is not made clear if Sayer is citing his own research, or someone else's work, or whether he is basing his hypothesis on a chat he had with his mum. Such generalizations also extend to the upper classes, such as when he states that they are prone to "avoidance of strong facial expressions and displays of emotion," a claim which may be true but again is not given any basis through which the reader can assess its veracity. (164)

While these examples may seem trivial, the unsubstantiated claims in the book are more significant when they pertain to those he refers to as the "subaltern" (though the term "subaltern" here is used in a way that it could easily be substituted with "the oppressed" or "the disadvantaged"). Hence, when he discusses instances in which people may feel shame for various reasons, he claims that "misplaced" and "unjustified" shame (as opposed to a lack of shame or shame "warranted" by acknowledging what has been wrong in one's own behaviour) are "most common among the subaltern" (158). Later in discussing various responses to class, he claims—somewhat condescendingly—that "the subaltern, in particular, are likely to slide from one response to the next" (169). Yet these assertions are not justified, so developing theory and practice based on a belief in their veracity is a questionable enterprise.

The critical fault of the *Moral Significance of Class*, though, is its view of race, gender, "sexualities," and "other identities." As signified by the quote above, indicating his view that interest in these identities has come "at the expense of" interest in class, Sayer seems to believe that there is some sort of zero-sum game in which if race (or ethnicity or gender or sexuality or migrant status) wins, then class loses, because we cannot perceive of these realities at the same time. But why can't we?

For Sayer, these realities must be viewed separately because of key differences in them. First, he claims that while all other identity groups are "clamouring" for recognition, the poor want "to escape or abolish their class position rather than affirm it" (52). But here, and throughout the book, Sayer confuses what is meant by recognition of differences. For the struggle to recognize what is uniquely valuable in the cultures of racialized groups does not preclude the struggle to abolish racial categories themselves (and this is also true for struggles of other identity groups). The converse is also true, that the struggle to escape or (perhaps even better) to abolish class positions does not preclude celebration of what is valuable in working-class and poor cultures.

Sayer further argues that patriarchy (and by extension, racism, homophobia, and xenophobia) can be "gradually eroded from within the micro-politics of

everyday life" (170). while class structures *cannot*. "If men and women were to disregard gender norms, gender differences would fade, but economic class positions can be reproduced even in the absence of symbolic domination and hostility between the classes" (170).

In fact, if men and women simply *disregarded* gender norms rather than actively combating them, how could the status quo be changed? One thinks of male soldiers returning home to the US from the Second World War to claim the jobs that women had been so graciously performing for them in their absence. For even if gender norms had been disregarded at that moment in time, the task of distinguishing the validity of these rival claims to the same jobs would not have been an easy one. Sayer seems to be critiquing identity politics without even an adequate understanding of the difference between *non*racist, *non*sexist, *non*homophobic, *non*xenophobic behaviour and *anti*racist, *anti*sexist, *anti*homophobic, *anti*xenophobic behavior. For example, he states: " . . . while sexism and racism are not unusual in education, many teachers try not to be sexist or racist in their treatment of pupils and parents. At least some actors try to behave in a way that is indifferent to these divisions" (49).

This misses a critical point. Racism and/or sexism can exist in a variety of forms within the classroom. One example would be racist or sexist sentiments being made explicitly by students, which an antiracist, antisexist teacher would intervene to address. More subtly, it may take the form of privilege or entitlement by white, male students. Moreover, some students may have internalized racist or sexist messages coming at them from all directions outside the classroom, negatively affecting their self-image. *Indifference* to "these divisions" does not necessarily imply actively working with pupils to help them counteract the effects that racism and sexism have or have had on them. Nor does it necessarily imply that the teachers will engage in the struggle over which students end up in which classrooms to begin with (for example, in the US, by addressing school funding formulas) and with what expectations they end up there (for example, by addressing the types of products marketed differentially to young boys and girls). These struggles over systemic rather than individual racism and sexism are more typically antiracist and antisexist as opposed to nonracist and nonsexist.

Sayer moves on to theorize that class differentiation occurs through "both mechanisms that are sensitive to actors' identities and those that are neutral or indifferent to them" (71). While housing discrimination on the basis of race may be an example of the former, Sayer claims that deindustrialization is an example of the latter, because consumer tastes change without respect to the identities of the workers producing the goods. He is forced to admit that deindustrialization has identity-sensitive *effects*, but argues that this is a result of separate, *noneconomic* processes. (87–88) The causality is important in this instance because it supports Sayer's assertion that "capitalism does not depend on employing workers from certain gender or ethnic groups" (90).

But in fact capitalism has always depended on using, reinforcing, and expanding divisions of identity in order to justify inequalities, even if these

divisions can be characterized as culturally determined. The expansion of capitalism to its present scope leapt forward through the wide-scale imposition of slavery in the New World. And this was only possible through the racialized "othering" of Africans who were subjected to slavery. Sayer is arguing against whole bodies of literature which make this and related points, but he does not choose to directly engage these.

When Sayer asserts that the relationship(s) between racism/sexism and capitalism are not necessary, but rather contingent, it seems that he is saying that capitalism could have progressed differently. But this is always the case looking backwards. It is as if, were somebody to stave off hunger by eating bread, Sayer would argue that the bread was only contingent, not necessary, because she could have eaten cake. It is true that we can imagine a capitalism without racism or sexism, though I would argue that it has never existed. So perhaps we need to respond to Sayer by qualifying statements such as, "Capitalism depends for its existence on racism and sexism" and instead insist that, "The growth of capitalism as we know it has depended on racism and sexism." But *dependence* it has been.

If *The Moral Significance of Class* contributes to a revitalized attention to issues of class and of redistribution, it will be a worthy achievement. For this attention is needed, given the scope and trajectory of extreme inequalities in today's global economic order. If it does not accomplish this, however, it may be because the book has set up a false opposition between attention to class oppression and "other" forms of oppression.

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Kate Transchel, *Under the Influence: Working-Class Drinking, Temperance, and Cultural Revolution in Russia, 1895–1932*. Pittsburgh: University of Pittsburgh Press, 2006. 209 pp. $35.00 cloth.

The publication, in 1990, of David Christian's *"Living Water": Vodka and Russian Society on the Eve of Emancipation*, inaugurated a period of intensive scrutiny of the role of alcohol in modern Russian history. In English, at least three monographs have appeared in the past eight years alone, including Laura Phillips's book on working-class drinking cultures before and after the revolution and Patricia Herlihy's study of the battle against alcohol in the late imperial period, as well as the book presently under review. In Russian, V.K. Dmitriev's classic 1911 analysis of Russian alcohol consumption was reissued with annotation in 2001, and substantial discussions of alcohol and temperance have appeared in such broader works as N.B. Lebina's *Povsednevnaia zhizn' sovetskogo goroda. 1920/1930 gody* (1999). Centered, like most of its

predecessors, on the last two decades of imperial Russia and the first decade of the Soviet era, Kate Transchel's new monograph not surprisingly covers some of the same territory as these other works. Its major original contributions are to chronicle the postrevolutionary temperance movement and to trace the cultural construction of alcohol from the Revolution to the "Great Break."

Transchel's discussion of the late imperial period revolves around the tension between the imperial state's reliance on vodka revenues and social reformers' campaign to eradicate drunkenness. This tension has been something of a constant in modern Russian history, with the exception of Russia's brief experiment with Prohibition during the First World War; particularly during the late imperial period, it put reformers in a difficult position, as social criticism of drunkenness so easily shaded into political criticism of the government that profited from Russians' proclivity for drink. Drunkenness, moreover, was a striking feature of both rural and urban drinking cultures, with the difference that rural drinking tended to take the form of communal binges around holidays and life-cycle rituals, while urban working-class drinking was structured by the workweek and paydays. Middle-class temperance activists, themselves rarely teetotallers, considered both of these drinking cultures benighted and sought to replace traditional sociability in the tavern with such "cultured" diversions as going to the cinema, reading, or singing in a "Sober Choir." Alternatively, medical practitioners adopted the notion of "alcoholism" to distinguish between a chronic problem and the periodic binges of rural life.

In a somewhat modified form, these two approaches to alcohol resurfaced in the 1920s in the form of a rivalry between social hygienists and psychiatrists. Transchel offers an informative overview of this contest. Social hygienists advanced the thesis that alcoholism was a social ill, whose sources lay in poverty, illiteracy, and custom, while psychiatrists characterized it as a form of individual mental illness. Not surprisingly, given the broader trend away from collectivism in the cultural politics of the late 1920s, it was the psychiatrists who came out ahead. Transchel traces a similar shift in anti-alcohol propaganda in the second half of the 1920s in an engaging chapter entitled "Demon Vodka"; whereas the anti-alcohol poems, exhibitions, posters, and feuilletons of the first years after the Revolution portrayed drunks as so many victims of the oppressive old order, the mock trials and poems of the "Great Break" period cast alcoholics as enemies.

Students of working-class history will be disappointed at the brevity of Transchel's treatment of their theme. Its subtitle notwithstanding, *Under the Influence* devotes just two short chapters to workers' actual drinking habits. Like Laura Phillips, Transchel notes the importance of alcohol in assimilating new workers into the established shop-floor culture of the prerevolutionary period. Phillips, however, argues for the demise of prerevolutionary drinking customs, even while alcohol remained an important component of postrevolutionary factory life, and she also identifies gender as the main intraclass fissure that alcohol opened up. Transchel, by contrast, highlights elements of continuity between Russia's preindustrial drinking culture and the

postrevolutionary industrial order, and at the same time interprets Soviet drink-
ing patterns as evidence of an emergent class division between "veteran"
workers (here equated, somewhat problematically, with both "skilled" and
"vanguard" workers) allied with recently-promoted managers, and the recent
immigrants from the villages. The influx of peasants into the urban workforce
during the First Five-Year Plan (and, for that matter, 1895–1914) is familiar
to all historians of modern Russia, who have debated its impact on urban
society and politics for decades. Transchel adduces some new evidence in
support of the image of a deeply divided working class (e.g. the statistical
bureau's conclusion that unskilled workers drank nearly half again as much as
skilled workers), but her discussion is too cursory to make much of an impact
on this debate.

     With respect to its overall aims and utility, Transchel's book is something of
a hybrid. Evidently hoping to reach a broader audience, the author provides
background information about Russian history that specialists are likely to
find superfluous. With regard to its primary topic, however, it does not
provide the kind of comprehensive, synthetic treatment of alcohol that would
recommend it for use in the undergraduate classroom. That said, Transchel con-
tributes to the ongoing discussion of alcohol and its meanings for Russian
society under tsarist and Soviet rule, and specialists will want to read it.

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Megan Vaughan, *Creating the Creole Island: Slavery in Eighteenth-Century
Mauritius*. Durham, NC: Duke University Press, 2005. xi+341 pp. $23.95
paper; $84.95 cloth.

In English and in French "creole" applies to people born in tropical lands orig-
inally colonized by Europeans, and of various skin color and status passed down
from this earlier era of racial mixing. Creating a creole island is a story of diverse
peoples taking root and merging and in the process creating something unique in
language, cuisine, house-style, and other aspects of culture. Creoles are different
from the generation of immigrants who came from elsewhere, whether coerced
or of their own will, and different too from those who still belong to ethnic
communities with their own cultures. How this by-definition composite world
was created is the subject matter of this book by Megan Vaughan, to whom
we owe several innovative studies on contemporary East African history. The
place she looks at is Mauritius, a small and lonely island of the Indian Ocean.

     Today a fourth of the Mauritian population is officially considered "creole,"
and creole is construed as "of black origins," not as creole-speaking (which
almost everybody is on the island). Until the 1960s, creole had the broader

meaning we have indicated, as in other tropical lands once colonized by Europeans in Latin America and the Caribbean. Identity and origins are contested matters that fasten on language and ethnicity, and history is often enlisted in their discussion in a dubious way. As Vaughan notes, "concern with origins is also a concern with authenticity." She prefers to take creoles as who they are in contemporary Mauritius: a minority for whom slavery is a key word, a residual group whose identity has dwindled over time, and to set the historical record straight on creole ethnicity and language in due course. Mauritian slaves were quite diverse ethnically, they came from East Africa, Madagascar, and India; moreover, evidence is hard to find about African inputs in the creole language, whereas its French roots have been more easily identified by linguists.

"Unlike other groups, writes Vaughan, creoles have little in the way of remembered origins (...) they feel and are perceived as lacking an authentic culture, one which comes from some identified origins, located elsewhere (...) as if nothing which the island has produced itself through its own complex history could be real." It is this problematic creoleness of descendants from settlers and slaves (slavery was abolished in 1835), which intrigues Vaughan. Their "malaise" and alienation brings her back to Frantz Fanon and Édouard Glissant, both Martiniquans and forceful exponents of what was once known as *psychologie de la colonization*, rooted in Shakespeare's *Propero* and *Caliban* and Hegelian master-and-slave dialectics. Vaughan wants to find out how it was to be creole in Mauritius before its earliest occupants (there was no native) were numerically and culturally displaced by the Hindus and Muslims who arrived as indentured workers in the nineteenth century, when the sugar industry took off.

The first three chapters set a peculiar colonial décor, but one that is familiar to specialists of seventeenth-century European maritime expansion. Mauritius began as a watering-place, then became a fort on the Dutch East Indies trade route. The French took over in 1715 and remained in Mauritius for a century, roughly the time Vaughan is chiefly interested in, when the "creole island" was "created" and the world of slavery with it. As in other European settlements, precariousness and poverty, a siege mentality, and incessant quarrels among settlers plagued Mauritius in the first fifty years of French rule. This was a rough, male, and mobile world which contrasted with the more agriculture- and settler-oriented island of La Réunion. The 1770s, 1780s, and 1790s saw the emergence of a thriving entrepôt trade, with ships flowing from the East African coast and Madagascar (both important source of slaves) and other more distant places in the Indian Ocean. A Crown rule and a stronger administration were also established.

As elsewhere in the colonial and creole world, justice and master-slave relationships were some of the areas in which more capable and enlightened administrators saw to increase State control and regulation in the last decades of the eighteenth-century. This provided the author (after other historians of Mauritius to whom she pays an unfailingly generous tribute), with rich criminal records for the period 1741–1794. From these Vaughan draws most of her

material to sketch "the creole island." Chapters 4–9 show individuals free and enslaved in front of the judge, the court mediating worlds often at a great distance from one another culturally. The litigious side of things is often murky, sometimes murderous. Each chapter focuses on a particular case and the facts of life that surround it. They allow the author to look at many issues: who the slaves were and where they came from, relationships between whites and slaves, male relationships in a masculine place of trade and war, the masters' use of violence in labor relations, creole speech and what it reveals of slave mental world, and the creole sense of identity in relation to ethnicity as played out in the new court of the French Revolution.

Vaughan's search for the lost creole island remains inconclusive. Was it ever real? Its diversity, complexity, contradictions, multilayered and unstable texture, all words the author uses repeatedly throughout her book, stubbornly eludes us. "Slavery," she writes, "provided the central structuring principle of this society, but slavery itself was a highly diverse institution (. . .). The origins of slaves were peculiarly diverse." Vaughan also makes abundant use of the subjunctive mode: it appears, it might have been, we must assume, it would be reasonable to conclude, it may be, it would be unlikely, apparently, and so on. This is perhaps her style of history writing, close to contemporary literature and anthropology. Or the expression of her underlying skepticism about what historians can actually explain of the past. A confirmed historian, she is also aware that origins and creolization are elusive categories and she won't give into easy and fallacious conclusions on this subject.

More importantly, Megan Vaughan chose to narrow down her enquiry to the realm of subjectivity. Her study is not about the social world of slavery but about communication; feelings and perceptions people have about themselves about others, and whether a small group of people that circumstances threw together in highly harsh and unequal conditions could work out their differences and become a society. Subjective experience and psychological interactions made the creole island, *if* it ever existed. That is a world in which, by definition, things rarely can be shown to be one way or another. Occasionally the author introduces demographic or occupational data as contextual information. This reviewer has found that simple quantitative data can be helpful in identifying cultural processes worth looking at; they can provide an entry into the subjective world that Vaughan wants to explore. She has also limited herself to criminal records, leaving aside—as she is the first to acknowledge—wills and other notary records, and also birth registers. The latter sources might have offered other clues about people's sense of themselves and behaviors towards others. As insightful as they are, her analysis—limited to testimonies and exchanges in court—read at time like textual commentaries, not the historical reconstruction announced in her title: *Creating the Creole Island*.

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Patrick Frank, *Los Artistas del Pueblo: Prints and Workers' Culture in Buenos Aires, 1917–1935*. Albequerque: University of Mexico Press, 2006. 322 pp. $32.95 cloth.

In this perceptive and polished book, Patrick Frank explores how a group of Argentine visual artists sought to express the drama of the Buenos Aires's poor during the period between the wars. The book is primarily a collective biography of the artists that formed "Los Artistas del Pueblo" (The People's Artists) from 1917 to 1935: Giullermo Facio, Adolfo Belloq, José Arato, and Abraham Vigo. "Los Artistas" rented a space in Parque Patricios, a working-class suburb of Buenos Aires, that functioned as a collective studio, discussion room, and occasional gallery. These artists also shared an ideology and sense of purpose. Most of them were either children of European immigrant workers or immigrants themselves who had obtained a summary education in the arts and developed their careers outside the Buenos Aires arts establishment. Above all, "Los Artistas" were anarchist sympathizers and militants who considered visual expression an instrument for radical change.

Frank also offers an effective aesthetic critique of their production. He establishes a correlation between selected pieces of "Los Artistas" and works of their European and US contemporaries, proving that the group borrowed heavily from Social Realism. However, Frank does not portray "Los Artistas" as mere imitators of international trends. They were certainly afar from the post-impressionist renderings of gauchos and rural landscapes that, at the time, passed as Argentine art and the cosmopolitan modernism that lured elite thinkers like Jorge Luis Borges. Instead, "Los Artistas" developed their own language out of Social Realism. In addition, the locality of the subject matter—the *mestizo* (mixed-race) and immigrant workers, the *conventillos* (slums), and the low-lying backdrop of Buenos Aires's outer neighborhoods—adds an unmistakable Argentine flavor to their art, rendering it both universal and particular.

Their favorite medium was printmaking. Woodcuts, etchings, and lithographs seemed to suit the expressive needs of a revolutionary art. In contrast to the single art object of the bourgeoisie, prints can be easily reproduced and distributed among union halls and workers' libraries or designed to illustrate pamphlets, books, and music sheets. Furthermore, the sharp lines and economy of color highlight content over form and reach out to a public untrained in art appreciation. As one might expect, "Los Artistas" focused on a series of themes popular among the international left of the time: the squalor of the slum, the greed and vanity of the rich, the daily grind of the workers, the need for unionization and direct action, and the dire consequences of prostitution and alcoholism. Despite their predictable repertoire, "Los Artistas" stand out as both candid and powerful Argentine representatives of Social Realism.

In his analysis, Frank poses a question about the intent and audience of their art. According to testimonies collected in this book, the artists conceived of themselves as the voice and consciousness of the poor. They aimed to inspire revolutionary zeal among fellow workers by confronting them with a pictorial rendition of their own reality. To make their art available to workers, "Los Artistas" displayed their prints in halls provided by the extensive network of Socialist and Anarchist institutions. However, the fact that workers were able to see this art does not guarantee that they understood the message conceived by the artists. Frank suggests that while the spectrum of audience reaction is impossible to fathom, the working-class viewers might not have been moved by scenes that were all too familiar to them. Ironically, this art more likely inspired compassion among non-working-class viewers, as manifested in reviews published in elite publications such as the daily *La Prensa* and the literary magazine *Martin Fierro*. Frank concludes that although "Los Artistas del Pueblo" undoubtedly spoke for the people, their art did not necessarily represent the way working class people visualized their own existence.

Frank's book is recommended reading for those interested in both Latin-American cultural history and the intersection of art and labor history. Frank's narrative is vigorous and confident while his analysis of individual prints educates the layman in the subtleties of art appreciation. The book is also very informative for those interested in pre-Peronist Argentina. Several passages, such as those narrating the exchange between tango composers and the visual artists or the story of Mexican muralist David Siqueiros' visit to Buenos Aires, are especially luminous in their depiction of the bohemia in that city between the wars. The final chapter provides glimpses of the post-1935 career of Vigo and Belloq, the two surviving members of the group, and enumerates a series of artists who continued down the path of social realism first tread by "Los Artistas." Because the book does not advance past the Peronist period (1945–1955), we are still left to ponder the extent to which the official aesthetics of the worker-oriented Peronist government borrowed from the groundbreaking work of Facio, Belloq, Arato, and Vigo. Perhaps a future study done by Patrick Frank will address this question.

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Jane E. Mangan, *Trading Roles: Gender, Ethnicity, and the Urban Economy in Colonial Potosí*. Durham, NC; Duke University Press, 2005. xiii +277 pp. $22.95 paper.

Trading Roles is an exemplary work of social history on colonial Potosí, Spanish America's most important silver mining center. It builds on the research of

social and economic historians and also reflects more recent scholarly interests
in gender, identity, and cultural history. By making petty trade the center of her
book, instead of the silver industry or international commerce, Jane Mangan has
vastly increased our understanding of the lives of ordinary people as they nego-
tiated and shaped the economy of a city that was at the center of Spain's empire
in the Americas. *Trading Roles* is very well written and Mangan's meticulous
use of qualitative and quantitative sources always move her narrative along
instead of overwhelming it. The book will be essential reading for many
different groups of students of colonial Latin America, from those interested
in markets and credit mechanisms to those who seek a clearer understanding
of changing ethnic identities and gender roles.

The first chapter of the *Trading Roles* provides an overview of the growth of
silver mining in Potosí, the involvement of indigenous people in the mining process
and in trade, and the policy changes introduced by the colonial government in the
1570s to make the mines more productive and place control of the industry more
firmly in Spanish hands. The book's last chapter complements the first by discuss-
ing the decline of the mining center in the seventeenth century and how native
people, women, and the poor in general, were affected by the city's failing fortunes.
Mangan demonstrates that indigenous women were essential to local commerce
beginning in the mid 1500s and that those native women who managed to do
well a hundred years later were often those who had ties to the indigenous elite.

Chapter Two is a discussion of official attempts to control local commerce,
particularly *pulperias* or grocery stores. The Potosí city council sought to limit
the number of licensed pulperias and to guarantee that only married Spanish
men could own them. These regulations were presumably aimed at preventing
the sale of alcoholic beverages to indigenous workers and combating trade in
silver that workers illegally took from the mines. The town council maintained
that stores run by indigenous or mixed-race people, or those located in Indian
neighborhoods outside the city center, would more likely become venues for
crime or debauchery. Ultimately, market demand was such that the city
fathers were helpless to control the situation. Earlier than in many other
places in the colonial Andes, even humble people in Potosí were forced to
buy many things they had previously produced for themselves, and pulperias
sprouted in all areas of the city. By the seventeenth century, although most
urban commercial properties were still owned or rented by men, there were
women among their number, as well as Indians and people of African descent.

Bread and the Andean alcoholic beverage *chicha* are the subjects of the third
chapter. Although *chicherías*, establishments where the corn beer was served, were
vigorously condemned by local officials as promoting drunkenness, immoral beha-
vior, and violence, the authorities were pretty much helpless to prevent their pro-
liferation. Less expensive than wine, *chicha* soon developed a following among
almost all sectors of the population. If grocery stores (*pulperias*) were often
owned by men and looked after by women, the world of *chicha* was dominated
by women. Non-elite Spanish women who had to make a living often went into
the chicha business and hired indigenous women to make the brew.

If *chicha* was an indigenous drink that rapidly became popular with people of all ethnicities, bread was a European food that non-Europeans adopted in the colonial urban setting. Bread baking, unlike *chicha* brewing, was actively encouraged by the colonial government and its production was limited to a smaller group of more prosperous people. While there were some Spanish women who ran bakeries, the bakery owners were overwhelmingly Spanish men. So important was bread believed to be to the well being of the city that bakery owners received contingents of coerced laborers as mine owners received forced workers through the corvee system known as the *mita*. As in other places in Latin America, bakery workers were often slaves who were rented cheaply by their owners as a form of punishment for misbehavior.

One of the most interesting chapters in *Trading Roles* deals with credit and how virtually everyone in Potosí was strapped for cash. Anyone who has done research in colonial archives has run across many references to small debts and loans. Jane Mangan has put together massive documentation about minor credit activities to give us a picture of what urban social and economic life was really like. It makes sense that in a society that was in the process of being monetarized—in which people had to buy things they had never bought before and pay for them with money—that there would be a cash shortage. What is surprising is that specie should have been in such short supply in Potosí which, as Mangan puts it, was saturated with silver. Yet, while there were requirements to pay for certain things in cash, the economic system was far from completely capitalist and employers tried to save their own cash by paying workers in goods whenever possible. Furthermore, forced labor in the mining industry was profitable for mine owners precisely because the laborers, who made up a good portion of the native people in Potosí, received less than a living wage. The result of these circumstances was a society of chronic debtors who took out loans or pawned various goods, sometimes to start businesses, sometimes just to buy food. Both men and women borrowed and loaned money, with women, including indigenous women, often being in good positions to lend money because of their ties to commerce. The discussion of pawn provides an interesting view of the material culture of Potosí in which silver objects and fine indigenous textiles became "currency" for people of different ethnicities.

The penultimate chapter of *Trading Roles* deals specifically with women merchants and in it Mangan explores the importance of marital status to women's success in trade. Because of legal restrictions on married women, historians have suggested that they were less likely to be involved in commerce than widows who, facing no such restrictions, could be active businesswomen. Mangan concludes however, that, at least in Potosí, married women were no more hampered by legal barriers than were their single counterparts and that widows did not necessarily have the financial resources to become thriving entrepreneurs.

In *Trading Roles* Mangan not only examines the variety of economic and social roles of indigenous, mestizo, African and African-descended men and women in Potosí. She also brings poor and middling Spaniards, who are often

overlooked by historians, into the picture. Mangan also does an admirable job of showing how and why some indigenous people were able to benefit from colonialism without denying the exploitation that most suffered. Finally, her research raises a thorny problem that Andeanists tend to avoid: how can we explain the alacrity with which indigenous people engaged in commerce during the colonial period if, as most scholars maintain, the pre-Columbian economy functioned in most places without markets?

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Elizabeth Dore, *Myths of Modernity: Peonage and Patriarchy in Nicaraugua*. Durham, NC: Duke University Press, 2006. 272 pp. $74.95 Cloth; 21.95 paper.

Recent historical studies of Latin-American coffee-growing peasants have unearthed an array of seemingly endless differences. They have overturned earlier generalizations that rather uniformly associated emerging liberal "coffee republics" with elite dominance, peasant landlessness, authoritarian rule, and incipient capitalism. By emphasizing local peasant agency and historical specificity, the new scholarship has inevitably complicated the task of generalizing about the impact of coffee production on late-nineteenth and early-twentieth-century Latin America. The words of Fernand Braudel (*Capitalism and Material Life* [New York, 1973]) hover over the entire enterprise: "There is a danger that the history of coffee may lead us astray. The anecdotal, the picturesque and the unreliable play an enormous part in it."

Elizabeth Dore's intriguing new study of Diriomo, Nicaragua, "a metahistory of a small place," successfully avoids the perils of Braudel's warning. Located near Granada, Nicaragua's third largest city, Diriomo offered Dore a wealth of source material for a reliable study. Its municipal archive was never sent to the Archivo General de la República and thus escaped incineration in the aftermath of the 1931 Managua earthquake. Residents of Diriomo also brought Dore their personal records and provided her with oral historical testimony.

Dore begins with the "central premise" that "class, gender, and ethnicity can be separated theoretically but not experientially." *Myths of Modernity* carefully weaves the three together in its analysis of the complexities of Diriomo's transformation under liberalism and coffee cultivation between the mid-nineteenth century and the first decades of the twentieth. Collective land ownership and a common political community constituted the defining characteristics of Indian identity in Diriomo. Before coffee, stratification by wealth proved rather modest, whether among the ranks of the Indians or among the fifty or so ladino males that rented land from the indigenous commons and dominated Diriomo's municipal council.

Gender stratification, however, remained stark among both the indigenous and ladino populations. Indian common land rights excluded women. Among ladinos, patriarchal practice denied most women the exercise of their legal civic and property rights. Ladino male political cliques used their power in the municipal council to establish a patriarchal "moral ethos" with a strict code of conduct for elite ladinas and a more flexible one for indigenous women, thus affording ladino males some measure of impunity in their behavior toward the latter.

"In the late nineteenth century," Dore affirms, "land privatization transformed landscape and society in Latin America more than any other event since the conquest." Common property tenure covered most land in Nicaragua in 1870, but a half century later private property reigned. Yet, however revolutionary in its implications and however much the result of "relentless state intervention to divest Indians of the common property rights they had enjoyed since the conquest," this drastic change took place unevenly across Nicaragua under often contradictory laws. While Indians revolted in some places such as Matagalpa in 1881, in Diriomo Dore found "no evidence that the leaders of the comunidad indígena opposed privatization." The change in land tenure systems ended collective landholding, the principal basis of indigenous identity in Diriomo. The indigenous community withered away as a political entity, and by 1930 residents of Diriomo had become members of a mestizo peasant society.

Elite landowners from Granada aggressively expanded their estates and dominated the region's coffee cultivation, but, nevertheless, most Diriomeños managed to secure a place for themselves within the new liberal private property regime. Dore finds that at the turn of the century only four percent of Diriomo households lacked land or owned plots too small for subsistence. Another thirty-seven percent and an additional thirty-nine percent owned enough land to establish themselves as poor and middle peasants respectively. Rich peasants and commercial planters made up the remaining fifth of Diriomo households.

Privatization brought distinctly different gender consequences for the upper and lower levels of society. For the first time, indigenous females gained access to land, and before long fourteen percent of landholdings belonged to women, most from the ranks of the poorer peasantry. Dore sees a fundamental change in the material basis of gender relations among most inhabitants of Diriomo. Single women by the end of the nineteenth century governed nearly two-thirds of the female-headed households in Diriomo. Almost two-thirds of female merchants and artisans were either single or widowed, while less than a third of their male counterparts remained unmarried. Since married women forfeited control of their property, the absence of marriage for single or widowed women meant freedom to manage their own property and economic life without patriarchal male interference.

While liberalism in Dore's view thus effected a progressively gendered economic change at the popular level, its impact among relatively well-to-do families proved regressive. After the liberal reform of traditional inheritance and property laws, women from the families of commercial planters and rich peasants seldom owned land, although widows from oligarchic backgrounds might on occasion head large coffee estates as a family tactic to avoid any division of concentrated property holdings.

Patriarchy also governed the management of coffee's labor requirements in the Granada region. Successive Nicaraguan governments passed a detailed maze of oppressive legislation intended to force peasants to work for large coffee growers on the latter's terms. Passbooks, forced labor, and debt peonage all had a role in assuring an adequate labor supply in the Diriomo area. Peasant indebtedness gave planters control over their labor. The poor resisted this coercion through flight, acts of sabotage and violence, and at times through the court system. Dore argues on the basis of her oral interviews that "patriarchy from above" (patriarchal relations of reciprocity between planter and peon) mediated some of the harshness of the system. At the same time, "patriarchy from below" (senior male control within peasant households) enabled peasant men to guarantee coffee growers the labor of their wives and children as a means of paying off debt. In Diriomo, women and children made up about two-thirds of the coffee labor force, leaving many males free to cultivate the family's subsistence land.

Dore is right that gender analysis has been "virtually absent" from the extensive historical literature on Latin American debt peonage. Her examination of Diriomo establishes gender as a crucial factor in matters of land and labor in the late-nineteenth and early-twentieth centuries. One wishes that she would have extended her study forward with an equally thorough analysis of how things looked in 1930.

Regrettably, Dore makes only briefly refers to other peasant historical studies, yet her own "metahistory" cries out for a systematic comparison with the extensive scholarship on Latin American coffee-growing peasant communities. Instead, Dore spends too much time affirming and reaffirming that debt peonage impeded the emergence of capitalist labor relations in Nicaragua until well into the twentieth century. Her focus on this issue derives from her experience directing a research project for the Ministry of Internal Commerce in the early 1980s, a time in which the dominant Sandinista view of Minister of Agriculture and Agrarian Reform Jaime Wheelock Román argued that coffee and other agricultural exports had rendered most rural Nicaraguans landless proletarians rather than peasants hungering for individual land ownership. In her successful refutation of Wheelock's classic *Imperialismo y dictadura*, Dore unfortunately oversimplifies the views of Arnold Bauer and Alan Knight to an extent that misleads. Besides, she flails a dead horse. Historical scholarship over the last generation has highlighted the diverse mixtures of land and labor practices among Latin American coffee-growing peasantries, not the uniform emergence of capitalist

society. These flaws aside, Dore has produced an admirable pioneering study well worth reading.

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Colin A. Palmer, *Eric Williams & The Making of the Modern Caribbean*. Chapel Hill: The University of North Carolina Press, 2005. 352 pp. $34.95 cloth.

Since the death of Eric Williams in 1981, it is a breath of fresh air to read a new book about this colossal scholar. After Williams died, two scholars, Dr. Paul K. Sutton (*Forged From the Love of Liberty: Selected speeches of Dr. Eric Williams* [New York, 1981]) and Dr. Selwyn Cudjoe (*Eric E. Williams Speaks: Essays on Colonialism and Independence* [Wellesley, MA, 1991]), offered us compilations of his writings and speeches, but neither offered anything new by way of scholarship. Palmer's new work on the "Doc" is both timely and appropriate two-and-half decades later because Williams's scholarship is forever etched in the coconsciousness of historians who pay attention to his contribution not only to History but also to Government and Politics. As an authority on the Caribbean, Colin Palmer's voice is most welcome, especially given a recent debate (more speculative than scholarly) began by Selwyn Ryan et al. concerning Williams's death. While Palmer is an authority on the Caribbean, he is a rookie "Williamist." He proclaims:

> My scholarly interest in Eric Williams began in 1994, when the University of North Carolina Press invited me to write a new introduction to Capitalism and Slavery on the occasion of its republication. In subsequent years I conducted research in the Public Records in London, the Eric Williams Memorial Collection (EWMC) in St. Augustine, Trinidad, and the National Archives in College Park, Maryland. (xi)

While some scholars might take him to task for not interviewing some of Williams' contemporaries (13), the information Palmer has gathered from those archives has given us new insights and details on Williams and his broader political agenda. From the materials gathered, Palmer's work has made a valuable contribution to Williams' scholarship and will enable historians to embark on new areas of research on this Caribbean legend.

However, despite Palmer's brilliant contribution, some gaps remain. While I agree that Williams's grander intellectual stage was the Caribbean, I argue that "charity begins at home," and Williams must also be judged by his political practices. As a Trinidadian who has lived during the "reign" of Eric Williams ("The Doc") and witnessed firsthand these political practices, I will

briefly comment on three gaps: "Intellectual decolonization," "The Struggle for Chaguaramas," and his account of the 1970s Black Power uprising in "The Economics and Politics of Race." Of these gaps, "Intellectual decolonization" will be discussed first.

Palmer asserts:

> Inasmuch as Williams was thoroughly committed to the intellectual decolonializa-tion of the Caribbean region, he was a child of the times. He challenged the assumptions that permeated the colonial educational system as vigorously as he could but he was never able to completely exorcise those colonial demons from his soul. Williams was psychologically tied to the British, though much less so than many of his contemporaries. (35)

In what ways was Williams psychologically tied to the British? Why did he fail to "completely exorcise those colonial demons?" Unfortunately, Palmer does not extend his analysis in these areas. Instead, he accepts Williams's explanations. Therefore, an examination into Williams's "Intellectual decolonization" will help us understand why he failed to fully "exorcise the colonial demons."

In an address entitled "Massa Day Done" delivered at the "University of Woodford Square," Port of Spain, on March 22, 1961, Dr. Williams declared that "Massa is the symbol of a bygone age. Massa Day is a social phenomenon: Massa Day Done connotes a political awakening and a social revolution." This speech is an illustration of Williams's "Intellectual decolonization" even though it was subtitled "a masterpiece of political and sociological analysis." However, despite Williams's rhetoric, he never fully challenged "Massa." For example, He left Queen's Park Cricket Club and Trinidad Country Club to carry on their dis-criminatory policies of excluding blacks from membership. These two insti-tutions represented the bastion of "Massa Day" and Williams never sought to fight against their policies of racial exclusion. For a leader and intellectual who witnessed Jim Crow segregation in the United States, he brought no pol-icies to parliament outlawing racial discrimination. In other words, he allowed White privilege to continue while posturing on "Massa." Recently Ellis Clarke, former Governor-General and first President of Trinidad and Tobago and a high-ranking member of the People's National Movement asserted, "Not seeking to do any disservice to the late Dr. Eric Williams, he did not fight the colonial office and win Independence for us. He knocked at the door and found it was open and so independence was given to us on a platter" (*Trinidad Express*, July 31, 2006). This statement can be attacked on the grounds that it is oversimplified when in reality the process was much more com-plicated. However, it points to the fact that despite Williams's "badjohn" talk and rhetoric against "Massa," the British had no problems with him, at least compared with some of his contemporaries in Africa. In other words, his intel-lectual anticolonial talk was just talk. The British knew that Williams was not an agitator and revolutionary who would organize the masses to take insurrection-ary measures against them like Tubal Uriah "Buzz" Butler did in 1936. All along

they knew he was an accommodationist and a traditionalist who would continue with the status quo. This same "Intellectual decolonization" stands out clearly in William's handling of the Chagauramus issue.

Chaguaramus is situated in the Western peninsula of Trinidad and was home to US naval and military operations during the Second World War. It was one of several bases located throughout the island. The US was able to construct these bases as a result of an agreement between the British colonial government and the United States, whereby the British received some "aging" US battleships in exchange for the right to establish basses throughout the British Caribbean (See Eric Williams, *From Columbus to Castro The History of the Caribbean, 1492–1969* [New York, 1970]). Before achieving Independence, Williams and the People's National Movement (PNM) used this issue to have the lands returned to the people and government of Trinidad and Tobago. Palmer does a wonderful job of describing and analyzing this issue, but my contention with Williams is not that the struggle for the return of the land was not a legitimate one, but what did his government do with Chaguaramus after it was officially returned? For years, it remained a wilderness despite government's plan for its development, as the PNM's Election Manifestos from 1970–81 attest. Even under this present PNM dispensation, the plan for the redevelopment of this prime real estate is still done piecemeal basis. The point here is not to fault Eric Williams for his courageous struggle in rallying the nation against colonial domination, but to point out his lack of political will to fully develop Chaguaramus as he did with Point Lisas. Was he afraid of the Americans, seeing that Texaco and other US multinational corporations were busy setting up operations in the island? Writing about "intellectual decolonization" is one thing. Taking the struggle to another stage is the other. Just as Palmer missed this account, he also gave a one-sided account of the black power uprising in the "Economics and Politics of race."

In Palmer's account of the "black power" challenge to Williams's rule, he produces new evidence of Williams's handling of the crisis and his attempts to seek British assistance. This new evidence gives us fresh insight into Williams's difficulties disentangling himself from British colonialism. In addition, Palmer writes as if the black power movement comprised only of University intellectuals and National Joint Action (NJAC) activists). Central to the black power movement was the progressive Trade Union Movement, led in the main by the Oilfields Workers Trade Union (OWTU) and the Transport and Industrial Workers Union (TIWU). These unions were in the forefront of the struggle against Williams's economic policies (See Michael Als, *Is Slavery Again: Some Factors leading up to the Introduction of the Industrial Stabilization Act (ISA) 1965 in Trinidad and Tobago* [Port of Spain, 1970]) and the OWTU's website on the history of the OWTU). Williams was afraid of George Weekes and Clive Nunez and saw them as communist subversives. Because these leaders had challenged his earlier Industrial Stabilization Act and were on the verge of uniting the entire labor movement to challenge his rule, Williams felt all the more threatened and declared the state of

emergency. Had Palmer interviewed Clive Nunez, Michael Als, Joe Young, and Cecil Paul, he would have been able to fully capture the movement from a different perspective, rather than only relying on his principal primary resources.

Palmer's detailed account of Williams' intellectual contribution to the wider Caribbean has gone beyond what other scholars have written. His book is the first detailed account of Williams's political practice as it relates not only to Trinidad and Tobago but to the wider Caribbean. While many issues in the text might shock some readers and cause others to reexamine some of Williams's position on a number of issues, Palmer has done a superb work in exploring all the inherent contradictions of William's politics. His contribution, "missing gaps" notwithstanding, has allowed laypersons and scholars alike to learn of other aspects of Williams's political career. By providing us with this new material Palmer gives radical historians an opportunity to understand Williams through new interpretations, theories, and paradigms.

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Nicholas De Genova, *Working the Boundaries: Race, Space, and Illegality in Mexican Chicago*. Durham, NC: Duke University Press, 2005. 352 pp. $79.95 Cloth, $22.95 paper.

In Nicholas De Genova's *Working the Boundaries*, he seeks to use his ethnographic work amongst the Mexican immigrant community working in industrial plants in Chicago to explore the production of the ways in which "Mexican migration to the United States and the social status of Mexican/migrant workers are distinguished by an irreducible historical specificity that has been racialized, spatialized, legislated, and enforced. (6) Through an analysis of the way "race, space, and illegality are produced" and an exploration of "Mexican Chicago," the book begins with an ambitious attempt to tie various literatures together. De Genova conceives "Mexican Chicago" as a "lens" that posits "a critical transnational perspective that can reckon with U.S. nationalism and its imperial conceits by interrogating some of the constructions of race and space that intersect in the imagining and enforcement of the boundaries of the U.S. nation state and politics of citizenship" (96). Using a range of contemporary anthropological theory, historicity, and his own ethnographic work, articulating the factors that shape the production of what he refers to as "Mexican Chicago" appears to be the final aim of the project. As a result, *Working the Boundaries* must be analyzed not only through the points that are made, but also in how well "Mexican Chicago" is constructed as a lens from which to view particular issues.

De Genova seeks to historicize the idea of the immigrant, using work similar to that of Mae Ngai and partially drawing on the work of Lisa Lowe to "de-fetishize" the immigrant. Historicity is defined "against culture" (25) and De Genova notes that "Anthroplogy's disciplinary preoccupation with "cultural difference" has a defining historical relationship to what Partha Chatterjee has called the "rule of colonial difference" (19). In addition, the traditional paradigm where immigrants are constructed as the other by both the right and left wing is rejected. "Mexican Chicago" will provide a way to look at these issues without being encumbered by traditional baggage such as theories of assimilation or conceptual frameworks that definite immigrants as other.

The backdrop for the ethnography conducted from "May 1993 through December 1995" (6) that shapes the central section of the book are the contentious immigration debates of the mid-1990s. California's Proposition 187, the so-called "Save Our State" ballot measure that sought to bar even legal immigrants from many government services is the best illustration of the political frame that the fieldwork was carried out in. Once again, De Genova exhibits the methodological sensibilities that lead him to reject traditional cultural formulations. For his work as an English as a Second Language teacher, he uses Paulo Freire's *Pedagogy of the Oppressed* as an inspiration seeking to create an environment where ethnography is "an exercise in learning" (28). To dig deeper into his attempt to pinpoint "Mexican Chicago," De Genova sought to not be the traditional anthropological observer but a participant, learning from his students and participating in their environment. While his ideas are noble, the results of the ethnography raise questions.

To be sure, De Genova succeeds in providing an excellent theoretical framework, some fine ethnographic insights, and a review of history, the exact contours of "Mexican Chicago" are never fully defined. The historical background produced in the final major chapter is well-written and insightful, however, the observations that De Genova takes from his teaching experiences are often anecdotal and lack the systematic rigor of other sections of the book. A closer look at how successfully he explores the "race, space, and illegality" that shape "Mexican Chicago" shows that the bold pronouncements of his introduction do not come to fruition in his ethnography.

The area of race is exhibited primarily the way De Genova interprets his students' attempts to place themselves within the US ethnoracial taxonomy. The way language influences everyday life is a particular factor of analysis that is illustrated through a description of "*relajo*," a concept with varying definitions that "seeks irresponsibility. . .literally a freedom for nothing. (170) De Genova uses this to describe the ways Mexican immigrants differentiate themselves from African Americans while also distancing themselves from whiteness, which is closely identified with being "American."

Another area that would benefit from further development is De Genova's exploration of "spatialization." Much of this is based on the ghettoization of Mexicans into particular neighborhoods such as Chicago's Pilsen district and concentration into certain factories. Many of the factories where De Genova

worked were staffed by men and women from the same state and even villages in some cases. Immigrant groups have long been concentrated in particular enclaves, and a more in-depth picture of the separate physical space occupied by Mexicans would have been useful in clarifying De Genova's argument.

Despite using factories as the "sight" of ethnography, few attempts are made to engage studies of labor, and not enough emphasis is given to contemporary employment issues. The same weaknesses evident in De Genova's other ethnographic work reemerge here, in some ways to a greater extent because labor is not addressed to any great extent in the theoretical framework. Portions of De Genova's analysis are similar to works such as Barbara Ehrenreich's *Nickled and Dimed: On (Not) Getting By in America* (New York, 2001) of several years ago. One instance is De Genova's description of "Rita," a Puerto Rican Human Resources Manager. After having very congenial relations with the staff, a unionization effort creates a distance. This provides another example in which De Genova's ethnography could have gone beyond description to make Mexican Chicago a framework as clear in practice as it is in his earlier theoretical outline.

In sum, De Genova's book provides a substantial contribution to the literature at a very timely moment in both American academia and society. However, his work offers few original observations, he relies on existing literature for his historical sections, and his ethnography seems rather disjointed and unfinished. "Mexican Chicago" is clearly outlined, but its production remains a shadow. Despite these drawbacks, this important book will hopefully inspire further research in the areas of transnationalism, migration, and approaches that historicize contemporary cultural constructions.

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