

## **NatCAN Conference Report - 23rd February 2012 University of Central Lancashire**

### Introduction

In November 2008\*, grassroots people, wanting to connect and make a real difference, set up North West Community Activists Network (NWCAN). We believe that activists are experts in their own lives and need to create their own, shared identity; while we welcome support from professional workers, we are nobody's client group.

As we were forming NWCAN, the world financial crisis was looming and we realised that we needed to link up as widely as we could to find the strength to address wider economic issues and their impact on us all. Hence, in May 2011 we formed the National Community Activists Network (NatCAN). In eight months NatCAN's social network website has grown to over 630 members, hosting discussion groups on every topic that activists hold dear, in every region of the UK and now internationally too.

On 23<sup>rd</sup> February 2012, NatCAN held its first public meeting, a conference at the University of Central Lancashire in Preston. Over eighty people spent a day together, hearing some challenging thoughts from four guest speakers and chewing it all over in afternoon workshops.

This report covers what happened that day; it's not just a record – it's an inspiration for our next steps together



**David Malone** warned against the propaganda war being waged by the banking sector, which has the effrontery to claim that feckless people 'taking' loans they couldn't afford from the banks caused the financial crisis!

It isn't possible to 'take' money from a bank unless you happen to be an armed robber. Banks 'give' loans to people because it is in the bank's interest to do so. Loan managers are paid bonuses to approve loans. They lose their jobs if they do otherwise. It is the bank's responsibility to ensure that the client is able to repay the loan. The banks created a housing bubble by giving loans (mortgages) until there was virtually no one left – unemployed, without prospects or otherwise - to give unsustainable (sub-prime) loans to. Then the housing bubble burst, as they knew it would. Good business for banks was a catastrophe for everyone else.

We are repeatedly told that banks have a 'liquidity problem', that they don't have enough money to function (our fault not theirs) and therefore have to be bailed out by the public in the form of an austerity package, and all that it entails. In reality, the banks have a massive 'asset problem'.

The banks sliced up and packaged mortgages into so-called 'asset backed securities' then created a massive market in insurance for them, the so-called 'credit default swaps'. These 'asset backed securities' and 'credit default swaps' figure prominently on the Assets side of any bank's balance sheet and are now practically worthless. Banks assign their own value to their assets by using the so-called 'mark to model' value rather than the actual 'mark to market' value. Banks need assets to justify their existence and to continue 'giving' loans - but their assets are so much toxic junk, hence the problem.

Deregulating the banks has meant that they can do virtually anything they want without any legal consequence.

As David Malone says in his book 'The Debt Generation'

"The financial system had become systematically corrupt. It is no longer fit, or even designed, for the purpose of spreading wealth. It has become a means of looting wealth from those foolish enough to observe the

laws, and transferring it to those who regard themselves as far too clever and superior to have to bother with such trifling niceties.”

Banks are not too big to fail; banks are simply too big. The banks in Iceland were not bailed out; the population wouldn't allow it so they went bust. Compare the situation in Iceland now to the situation in Greece.

David's advice is not to accept the propaganda churned out by politicians and the corporate controlled media but to challenge it at every opportunity with basic logic.

It is the bank's responsibility to ensure you can repay the mortgage before they give it to you. If the bank gives you a mortgage that you cannot repay, whose fault is it? If you can't repay your mortgage, why should the public have to repay the bank on your behalf?

To again quote David from his book

“Two years on (from 2008), hundreds of billions of pounds later (trillions if you include the US bailout) and nothing, precisely nothing, has changed...except the original bad debts have now got much bigger. Now, instead of just banks, we have whole countries facing collapse as well. This is where the insane policy of bailing out the banks' bad debt has led us.”

Anyone with the desire to understand the financial crisis can do so by reading books such as [The Debt Generation](#), [The Enigma of Capital and the Crisis of Capitalism](#) or [Economyths](#).

Following [David Malone's blog](#) will keep activists up to date with developments as they happen.

Understanding the situation is one thing; knowing what can be done about it is another.

[Positive Money](#) is an organisation proposing a logical solution to the debt crisis. The videos they produce on the topic are available on the NatCAN website. They offer training for those sufficiently motivated to get on the speaking circuit and give presentations on the topic.

Activists should refute banking inspired propaganda at each and every opportunity, educate themselves to be more capable of countering propaganda, use independent news sources such as [The Real News](#) for information, join in relevant discussions on the NatCAN website and do not trust the political process but consider ways to actively campaign against the imposition of austerity and the continuous transfer of wealth from the middle class and the poor to a global elite.



**Tim Gee**, author of *Counterpower*, explained that for social movements to bring about fundamental change they have had to deal with the three pillars on which the power of ruling elites rests: ideology - the power of ideas, economics - the power of money and physical force - the police, armed forces and security services.

An analysis of recent in Egypt underlined the fact that, although the battle for ideas was easily won, as the spontaneous demands evolving from Tahrir Square were transmitted, locally and worldwide, via social media, the passive role of the armed forces was critical in the movement's success. The situation in Syria is somewhat different, as it was in Libya.

The battle for ideas is where campaigns for change begin. For thirty years or more we have been subjected to neoliberal ideology. As David Harvey says in 'The Enigma of Capitalism':

"The neoliberal movement that began in the 1970s, for example, constituted a radical ideological assault upon what the state should be about. To a degree it was successful (and often it was not). It led to wide-ranging state-sponsored changes in daily life (the promotion of individualism and an ethic of personal responsibility against a

background of diminishing state provision), as well as in the dynamics of capital accumulation.

In effect, the neoliberal revolution succeeded in privatising the production of the surplus. It liberated capital producers from constraints – including geographical constraints – and in the process undermined the progressive redistributive character of state functions. This produced the rapid increase in social inequality.

The problem of endless compound growth through endless capital accumulation will have to be confronted and overcome. This is the political necessity of our times.”

In pointing out the necessity of winning the battle for ideas, Tim underlined David’s contention that we must not succumb to the propaganda war being waged by the banking sector, who blame us for the financial crisis and claim that only they have the expertise to solve it by giving us more of the same.

In his book, Tim points out that:

“When governments, corporations or other ruling institutions yield power, it is not through the goodness of their hearts. It is to save face when the people themselves have already claimed power.

The classic definition of power – associated with the theorist Robert Dahl – is ‘the ability of A to get B to do something that B would not otherwise have done’. Counterpower turns traditional notions of power in their heads. Counterpower is the ability of B to remove the power of A.

In the hands of the few, power can be called oppression, repression, exploitation or authoritarianism – the ability to do a lot at the expense of the many. Meanwhile, movements for freedom, emancipation, liberation, human rights and democracy have a common idea at heart. That idea is Counterpower.

Politicians bemoan people’s lack of interest in politics. When they do so, they are usually bemoaning the lack of people supporting *their* politics. Because when a real political movement rises to challenge a

government, that government will do everything it can to hold the people concerned back. Governments will try discrediting the movement, smearing it, co-opting it, dividing and ruling it, or – if all else fails – crushing it.

Those who dominate a society have a whole range of tools available to them to keep certain issues off the agenda. They can deny there is a problem; they can concede that this is a problem but declare that the maintenance of the problematic situation is necessary in context of a bigger 'demon'; or, most insidious of all, they can declare that something is already being done about a certain problem while actually doing the exact opposite.

As early as 1918, Sylvia Pankhurst declared that, were a Labour government to be elected, it 'would be swept along in the wake of capitalist policy'. Her prediction proved prescient long into the future. Following the rise of neo-liberalism in the 1980s and 1990s, every mainstream political party in Britain signed up to capitalism's most extreme manifestation.

After centuries of struggle for the redistribution of power within the state, campaigners at the turn of the millennium faced a new challenge. As Joel Bakan's documentary film *The Corporation* puts it: '150 years ago the business corporation was a relatively insignificant institution. Today it is all-pervasive. Like the Church, the Monarchy and the Communist Party in other times, the Corporation is today's dominant institution.

Whether feudal, capitalist or communist, elites have promoted the view that change had stopped happening as a shroud to disguise the over-concentration of power. Neoliberals in the US in the 1990s such as Francis Fukuyama claimed that the world had already reached 'the end of history'. Some declared the Soviet Union a utopia. As has been quoted, as far back as 1794, Judge Braxfield declared that 'the British constitution is the best that ever was since the creation of the world and that it is not possible to make it better'. But it is always possible to make things better. Every time elites abuse power, people use Counterpower to challenge them."

Activists should consider how to win the battle for ideas first and foremost and then take whatever actions are open to them to influence the economic and coercive elements of the power structures against which they struggle.



**Andy Benson**, a founding member of [NCIA](#), explained how voluntary sector organisations and charities are no longer able to act independently and make judgments based on what they consider the best interests of their users, communities or society in general. Over time, due to the introduction and acceptance of 'service level agreements' and 'commissioning', they have become an arm of the state. With the push to accept a corporate model, contracts for service provision are going to huge organisations and the historic, locally-established voluntary sector is, at best, becoming a sub-contractor to big business, if not merely a sub-contractor to a sub-contractor.

We are experiencing the dismantling of the welfare state, with what is left being contracted out, a sustained attack of living standards and the continued enrichment of power and money. Politicians are making these decisions. So much of what we value is being demolished: sure start, libraries, museums, the arts, public services...it's time public servants and charities set aside self-interest and speak up for the public good.

He pointed out that the breakdown of solidarity due to the prolonged attack on unions and working class conditions, together with the mass exodus from political party membership, has left people without a 'tribal home'. We have become 'a trillion organisations with six members each', lacking the confidence that comes with belonging to much larger groupings and losing the large scale impact that can come with that. Fragmentation has led to loss of the capacity for the type of mass mobilisation we need now.

Andy suggests that the voluntary sector organisations and charities should put politics back into circulation, confront the power relations, seek peer solidarity and support, hassle the second tier organisations to come off the fence, redirect their resources and give proper support to groups trying to fight what is happening. It isn't good enough to accept commissions to implement state agendas that are detrimental to public good just to keep CEO's and a reduced staff in employment and hope to influence government policy in some small way from the inside.



**Nick Beddow** from the [Community Development Exchange](#) reminded us of W B Yeats's words – "All things fall and are built again"

It is obvious that hard times are ahead for those who pursue social justice and equalities when something in the region of 92% of the cuts are still to come; let alone peak oil, environmental destruction, poverty, patriarchy, imperialism – the list goes on. The audacity of the cuts left us in shock & awe. How can we have Big Cuts and Big Society? This is a 'pigs will fly critique' against a background, of burning community projects, widening inequalities and social destruction.

We can't look to others for help, competitive survivalism is plaguing the sectors - self-regard rather than fighting for resources at grassroots - so we have to build resilience in ourselves.

We are not like the crew of a battleship serving under the command of a captain. We are like small boats and when we work together as a flotilla we can find great strength in small numbers. Small boats inter-connecting are sustainable, can take a lead from anywhere towards a shared destination and give mutual aid. It's about connecting, support, morale and care

If we behave like small boats in a co-operating flotilla, we could be very powerful against the causes of widening inequalities and social injustice.



Where Community Development had to slide into programmes to survive, the conditions now demand we rediscover the fire in our bellies. When Child Poverty and Youth Unemployment is endemic, when women are suffering the brunt of the cuts, public services are being decimated, unemployment is rising and benefits are falling while others receive outrageous bonuses and defraud society by using tax havens - it's a wartime economy without homes fit for heroes.

We can transform the world if we work together. The new protest communities show how we're adding new meanings to the word 'community'.

NatCAN is developing rapidly as an online community. Face-to-face is always best but now we've got ways of staying close across the miles.

Now is the time to reassert Community Development values: Social Justice, Equality, Collective Action and Community Empowerment.

Empowered communities can work and learn together. Hierarchal structures are ineffective against leaderless networks - you can't wipe out something that doesn't have a hierarchical structure of 'the leaders and the led' but instead has a horizontal CD way of doing things – facilitating, connecting and offering guidance when we have something to offer. It's not up to a small group to lead anyone. It's about having shared values, a shared vision, sharing our thinking, acknowledging our differences, valuing our diversity and learning from each other.

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[Here's a reminder of what globalisation has brought us to](#)

(See Appendix below)

Appendix:

\*Coincidentally, it was November 2008 that Lehman Brothers went bust and it suddenly it became possible to imagine the end of capitalism – the system that replaced feudalism in the western world.

Since 2008, the political and economic environment has changed dramatically. The free market, self-regulatory, financial house of cards, built on faulty neoclassic economic ethos, came crashing down as spectacularly as the previous collapse of the Soviet Union. In the UK, the Coalition Government replaced New Labour and we entered a politically imposed age of austerity.

In his latest book, 'Why It's Kicking Off Everywhere', published November 2011, [Paul Mason](#) (BBC Newsnight economics editor) says:

"To most people it may feel as though this period of disruption started with the collapse of Lehman Brothers. But the real disruption began much earlier, with the onset of globalisation, and in particular after 2001. Once you grasp this, you can grasp the scale of the challenge facing those in power.

Right now, mainstream economics remains confused about the ultimate source of the disruption. Is it our greed? Are these the growing pains of the Chinese century? Was it all down to testosterone on the trading floors of the major banks?

Actually, the answer is staring us in the face, but it's unpalatable. The root cause, simply put, is globalisation, and the resulting monopolisation of wealth by a global elite."

Obscene wealth coexisting with abject poverty does not produce a stable environment.

People have rapidly become aware that what was previously taken for granted is simply no longer the case. The worldwide 'Occupy' movement has brought the entire 'system' under intense scrutiny; the ongoing revolutions across North Africa and the Middle East indicate that supporting repressive dictatorships in resource-rich countries is no longer ethically viable; the Euro Zone is in crisis, best epitomised by the

situation in Greece, Spain and Ireland and confidence in political parties of both hues, who proclaim 'more of the same', has plummeted.

It was against this background the first National Community Activists Network conference was held.