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Mind the Gap!

Anarcho

October 6, 2017

The 2017 snap-election was notable for many things, not least the Tory party itself proclaiming that its policies have not worked. Well, it did not quite say that – the problems it admitted existed seemed to have no cause, they just were. No mention of who was in office for the past seven years nor whose ideology had dominated the political landscape since 1979. No, the problems were just there and without any origin – beyond ritualistic invocation of “Labour’s recession” (that is, the global crisis which originated in the American financial markets).

Thus the election campaign was marked by all the parties proclaiming that something was wrong and something needed to be done. Yet, at the same time, the Tories were keen to portray the dangers of a Labour victory that would undermine “our strong economy,” “our prosperity” and “our strong economic fundamentals” (“our” being non-defined, of course). How can you have “prosperity” and a “strong economy” when increasing numbers of people are finding it harder to make ends meet or joining the “just-about-managing” is left unasked, never mind unanswered.

The economy exists, surely, to ensure people’s needs are meet? Not under capitalism – hence the contradictions in the

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Tory campaign, contradictions which reflect the nature of capitalism itself.

The Tory mantra that being in work is the best way out of poverty rings hollow when used to answer the question of why so many people in work are in poverty (child poverty has been steadily increasing since 2010, with two-thirds of poor children are in working families). Britain was unique amongst developed nations in that it had economic growth but *falling* real wages over the last decade (wages in 2014 were almost 10 per cent lower than in 2007).

Wages, moreover, have not risen in line with productivity for the whole of the 21st century (at least), yet marginal productivity theory is still taught in universities as if it explained the real world. Ironically, as the economy was forced, by State intervention, to more closely approximate the economics textbooks by means of anti-Union laws, so the link between productivity and wages ended as the former continued to rise as the former continued to flat-line – unlike company director pay, which has rose from ten times that of the average worker to more than 160 times. Unsurprisingly, as wage growth fell, credit exploded – and more family members needed to become wage-slaves to keep family income at reasonable levels.

The share of wages in UK GDP has fallen from a peak of 76.2% in 1975 to 65.8% in 2015 which is the *real* fear underlying all the talk of Labour taking us “back to the 1970s” – and best not mention that real wages rose 22.7% between 1970 and 1979 nor the *Tory* government of 1970–74 whose economic mismanagement stoked inflationary pressures, made worse by the global oil crisis.

Outside of production, the impact of Thatcherism can also be seen. While average pay packets increased by 19% in nominal rather than real terms since 2006, the bills of the privatised utilities have increased far faster – the average gas bill by 73%, electricity by 72%, and water by 41%. The big six energy companies (which control 90% of the energy market) have been

overcharging customers by an average of £1.4 billion a year since 2012, rising to £2 billion a year by 2015. It has become so bad that, after denouncing the energy-cap proposed by Ed Miliband as Marxist madness, the Tories embraced it – much to the horror of those companies. Still, mere weeks after arguing against consumers having their bills capped to save them £100 a year, the boss of one utility, SSE, received a 72% pay rise to £2.92 million after “robust performance,” namely years of bumper dividend pay-outs which have almost doubled from 32.7p a share 10 years ago to 62.5p.

As for water, consumers are paying around £2.3 billion more a year in water and sewerage bills to the privatised companies than if they had remained in state ownership and almost all the industry’s post-tax income is paid out in dividends, while capital expenditure is financed by borrowings (now standing at £42 billion when there was no debt burden at the time of privatisation). Even the *Financial Times* has admitted water privatisation has failed – and its recommendation in the light of this failure of competition is, of course, more competition.

And best not mention the horror story which is housing. Fewer and fewer people can afford a mortgage and, in 2015, private renters paid 43% of average earnings on housing costs in England (rising to 72% in London) – from around 7% in the 1970s. Not by coincidence, by 2016 40% of ex-council flats sold through Thatcher’s “Right to Buy” were being rented out more expensively by private landlords. More than one-third of private rental properties fall below the Decent Homes Standard and Tory MPs – of whom 40% are landlords – voted down a Labour proposal that landlords should provide habitable homes. Evictions in the private rental sector are reaching record highs.

So the gap increases between product and pay, between profits and people. *Property is theft* is still true – how else can the many enrich the few?

The Tories are caught by the contradictions of capitalism, stuck in the gap between reality and rhetoric. Capitalism is not freedom as it is based on despotism in production – the worker sells their liberty and labour to the boss who, in return for ordering them around, keeps the product of that toil. Property is monopolised by the few and so any “free agreement” in such circumstances will benefit the stronger party – as shown by neo-liberalism. And as inequality rises, social mobility stagnates alongside wages: it is hard to sell “aspiration” when equality of opportunity needs equality of outcome.

So not trickle-down, but flood-up economics. Some kind-hearted liberals proclaim all this as examples of “market failure” but no: it is how capitalism *is meant to work*. That the resulting inequality undermines society and the economy is just one of many contradictions facing capitalism, contradictions which cannot be solved by asserting against all the evidence that the Tories “reject the cult of selfish individualism” and “abhor social division, injustice, unfairness and inequality”!

Part of Tory problem is ideological, namely the fetishisation of Thatcher. Yet Thatcherism is a capitalist response to a crisis caused when the working class is *too strong*. We are in a crisis caused by the working class being *too weak*. Ranting against “unions bosses” (that is, elected union officials implementing a legal strike ballot) when strike levels are at historically low levels only satisfies the party faithful in near empty conference halls: it does nothing for capital. Nor is there much left to privatise, not that channelling yet more money upwards will counteract the negative impact of the current levels of inequality. If anything, capitalism could do with the increased demand caused by higher wages strikes and public borrowing would produce. Lest we forget – for the Tories will never remind us – GDP per head rose by 2.6% per year between 1955 and 1979, while afterwards it has risen by only 1.6% per year. Indeed, almost all our current problems can be traced back to Thatcher.

(or vice versa); water companies owned by their consumers and run by their workers; railways under workers' control with strong links to passenger associations; solving the housing crisis must go beyond replacing the private landlord with a State official, tenants must control their homes collectively and individually; co-operatives should be favoured over capitalist firms in both production and consumption; workers should seek to exercise as much control *now* as possible over our labour as we fight to end wage-labour once and for all; this list is just as long...

The biggest gap remains, as ever, that between what *is* and what *could be*. We are a rich country which could provide well-being for all but the distribution of wealth and power is so dysfunctional even the Tories have to pay lip-service to doing something about it. The answer to the social question remains, as ever, in our hands and not in those of politicians, regardless of how nice or radical they seem. The answer lies in whether we remain content to let others act on our behalf or whether we take control of our fates.

We know what the former is like, are we willing to take the direct action and solidarity needed for the latter?

Little wonder May and Hammond have been left defending the abstract notion of a “free market” capitalist economy – mere months after proclaiming in their manifesto that they did “not believe in untrammelled free markets” – in the face of an opposition *which simply seeks to save capitalism from itself...* and, needless to say, the Tories have never once suggested that their anti-union laws are State intervention in the labour market, although they obviously are. They are just as oblivious to the contradiction of proclaiming the need to defend the “free-market” while proposing State intervention to help those suffering at its whims...

Can it be surprising, then, that the Tories have consistently failed their own economic tests? The latest example is how, post-Brexit-vote, the notion of giving an actual year for clearing the deficit disappeared at the same time as Osborne – although, incredibly, May is *still* celebrating how they have reduced the deficit they have *failed* to eliminate in the time promised in 2010 (and least we forget, they have borrowed more in the last 7 years than every single Labour government in history combined). All this will, undoubtedly, be as well remembered as Osborne stifling the 2010 recovery by austerity and Thatcher's deep recession and failure to control the money supply between 1979 and 1983: simply put, if you make the rich richer economic incompetency will always be forgiven.

For the Tories did not win “the battle of ideas” under Thatcher by force of logic or argument – they won by the use of *actual* force. Socialist ideas were not cast from the world of respectable discourse by eloquence, they were sent there by the batons of the police. Defeats of major (but isolated) strikes, not least of the miners and printers – aided by a deep economic slump and mass unemployment – did that. That, along with an uninspiring vision of socialism – essentially, a mixed private/State capitalism – expounded by organisation run by, and for, bureaucrats and politicians.

Now Labour seems to have its mojo back, finally dumping the neoliberalism with a human face of the Blair-Brown years. Yet they are focused on winning the next election – whenever that may be. If the Tories are anything, they are ruthless about maintaining office. This means that as much as Boris Johnson’s sense of entitlement means he believes he should be Prime Minister, it is unlikely that the Tories will provoke a change which may result in another “snap” election. After all, regardless of what so-many claimed once the results were in, that election was never considered a “gamble” – twenty-plus points ahead in the polls, the Tories saw the opportunity of crushing the (then feeble) opposition and took it. That their hubris and incompetence scuppered their plans is beside the point.

So it may be some time until another election – even if they do get rid of May sooner rather than later. However, that would not improve their situation. For when the Tories admit to problems, suggest solutions which involve borrowing, then their criticism of Labour disintegrates – why is an extra £10 billion for “Help to Buy” (which benefit the better-off few the most) okay, but not billions for, say, council housing or ending the rampant profiteering of the privatised utilities and railways? And this is important – far from being an existential threat to capitalism, for all Labour’s “radical” talk this was pretty standard policy between 1950 and 1975, for both Labour *and* Tories (and State ownership of utilities and key industries is mainstream in the rest of Western Europe).

The Tories have no ideas and are simply, at best, offering watered-down versions of ideas first raised by Labour. That the opposition are setting the agenda is significant: “There is no alternative” convinces fewer and fewer, particularly as it meant a new form of feudalism. Invoking the 1970s will not counteract a life-experience of being ripped-off daily in the world the Tories have created.

So hope is growing – and that is good for all radicals, anarchists included.

We must remember that the Labour Party’s policies can improve things, to some degree. What they will not do is challenge capitalism *as such*, rather they will save it – from its worst excesses as they did post-1945. However, a key problem is that the Labour Party still sees hope as lying in winning elections – this may be years still. Factor in the time needed to become accustomed to their new position then wage rises and other needed reforms will be some way down the line – ignoring the inevitable opposition of the State bureaucracy to policies considered too radical (this bureaucracy, along with the power of big business, is why they will be in office but not in power).

Again, we are faced with the gap between rhetoric and reality: the problems we face are pressing. This system of economic contradictions will continue until such time as we end it, by our own efforts. The task is to convince people that they need to act for themselves, to fight for what they need by their own direct action and solidarity.

We must organise – whether in a rank-and-file movement in the trade unions or in syndicalist union depends on circumstances and common-sense – to win wage increases, lower hours, more holidays as well as reducing insecurity and the authoritarianism of petty tyrants; we must resist the rollout of Universal Credit and the vicious attacks on the disabled; we must ensure that society sees squatting as a key part of the solution to the housing crisis; we must combat all attempts to restrict freedom of speech and association, knowing full-well that what is considered “unacceptable” by those in authority will constantly widen; we must oppose all bigotries wherever they appear; we must oppose the selling-off of public services and property; the list is long...

We must learn from the mistakes of the 1980s and *widen* struggles, rather than be picked off one by one. More – we must raise *libertarian* alternatives to both private *and* State capitalism: instead of privatisation/nationalisation, we must urge *socialisation* rather than replacing the boss with the bureaucrat