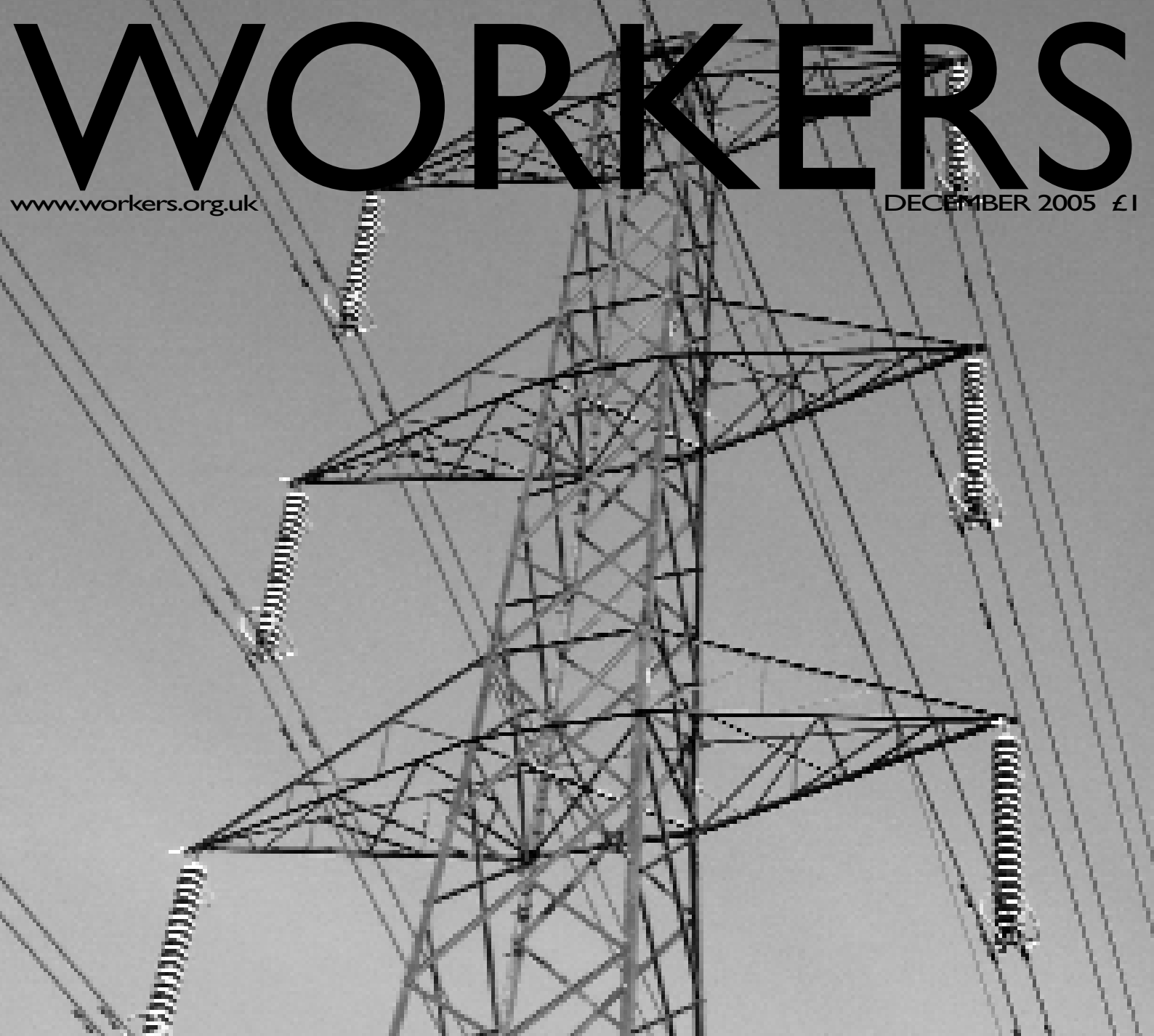


WORKERS

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DECEMBER 2005 £1



THE ENERGY GAP



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WORKERS

“The cost of war

THE IRAQ WAR cost Britain almost £3.1 billion up to the end of March, according to the Ministry of Defence. Its annual report shows operations in Iraq cost £910 million in the last financial year, as against £847 million in 2002/3 and £1.3 billion in 2003/4. The US spends around \$70 billion a year on the war.

In addition, the MoD spent £67 million in Afghanistan and £87 million in the Balkans in the year to March.

The casualties of the war in Iraq include at least 26,982 Iraqi civilians killed, 98 British soldiers killed, 2,019 US soldiers killed and 15,353 injured.

Contrary to what Blair says, the war on

Iraq has not made us safer. Even the US State Department, quoted on Voice of America News, has contradicted Blair's denial of any link between his foreign policy and terrorist attacks on British citizens.

Most Iraqis want the occupiers to leave their country. A Ministry of Defence survey found that 82% of Iraqis "strongly opposed" the presence of coalition troops in their country.

If the occupying governments wanted democracy in Iraq, they would withdraw their troops at once. But if they want to control Iraq's oil, then they will keep the troops in there. Which is what they are doing.

Charity belongs..out of school

EVERY SECONDARY school in England is to receive £500 as part of a package on charitable giving called "A Generous Society". Pupils will be encouraged to top up the £500 through fundraising efforts of their own, and will be responsible for managing the fund.

Paul Goggins, the "minister for charity", apparently unaware of the considerable amount schools do for charity, said, "What we want to do now is to put into people's minds the notion that giving is something that you do on a long term basis, not just in response to disasters." He wants the ethos of giving to rub

off on their parents. And he wants "the giving nation curriculum", teaching pupils about the voluntary sector, rolled out to primary schools.

With Blair's ministers wanting charities to take on an ever-increasing role in the provision of public services, including in education, services and institutions cannot be left to amateurs and religious fundamentalists. We need to show our support for fully trained professionals. Wasting curriculum time teaching about charities is not an option. Do we not want to live in a country that has no need for charities?



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**NHS****POLICE****PAY****YOUTH WORK****ENGINEERING****AUTOMOBILES****SHEFFIELD****EUROTRASH****WHAT'S ON****NEWS FOCUS**

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They're all right, Jack

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The new pensions scandal

New NHS privatisation attack

A FURTHER TRANCHE of NHS specialist agencies are now under threat of privatisation from health secretary Patricia Hewitt. An organisation called the Business Service Authority is to be created to take over the functioning of the Dental Practice Board, the NHS Logistics Authority, the NHS Pensions Agency, the Prescription Pricing Authority and the NHS Counter Fraud and Security Management service.

The proposed BSA will be responsible for procuring and commissioning the work of these specialist NHS agencies from the private sector. Thousands of NHS jobs are at risk of redundancy or enforced transfer to the private sector. The transfer will be advertised across the EU and the United States. This is the third NHS privatisation Hewitt has proposed since the May general election. As in the other cases, consultation or negotiation with the trade unions has been minimal or non-existent. Health trade unions were advised at a ministerial briefing that the changes were a fait accompli.

Though Hewitt has done a body-swerve over earlier privatisation initiatives, such as the Commissioning a Patient-Led NHS review announced in July, numerous Primary Care Trusts and Strategic Health Authorities are continuing to privatise. Oxfordshire is planning to contract out all its NHS management structures at PCT level; a pilot for a three-year management system has been announced and was to be advertised in the EU and USA. Thames Valley SHA is rumoured to be looking to contract out all funding of health provision to front runner United Health, a US private conglomerate.

But mounting opposition, primarily from Unison and other NHS trade unions, GPs and even the Tory County Council, has forced the government to put the plan on hold. Hewitt speaks of "reform" and "contestability" to disguise her real intention: to turn the clock back to pre-NHS days through privatisation and the profit-driven market.

•For 15 years health professionals, trade unionists and local supporters have been campaigning for a new maternity and children's hospital at St James Hospital in Leeds. Finally in 2004 the government agreed to the hospital, in principle – for 2012. Twenty-two years to get a new maternity hospital. Two months for the decision to be put at risk by the government's Commissioning a Patient-Led NHS review.

The Department of Health has 'guaranteed' £45 million of work for each of the next five years to a private centre being built in nearby Wakefield, financed by robbing Leeds and other acute hospitals of money promised but not committed. St James has already lost £14 million from its budget after the government switched local Primary Care Trust contracts to the private sector, so perhaps the £230 million agreed for the maternity unit is about to become another worthless government "principle".

If you have news from your industry, trade or profession we want to hear from you. Call us or fax on 020 8801 9543 or e-mail to rebuilding@workers.org.uk

POLICE

Euro-regionalisation

CHARLES CLARKE has said he wants to merge the 43 county police forces to 12 regional "strategic task forces" or "superforces", depending upon which hype the government uses. The proposals miraculously match up with the EU's regionalisation plan for England and Wales.

Of course the proposals are backed up by supposed research, cost savings and modernisation language, all to hide the real purpose: to establish a national and regional policing structure in line with the EU, a policy which has been on government agendas since the early 1970s.

PAY

They're all right, Jack

THE TOTAL PAY of top company directors rose by 18% last year, according to the Income Data Services annual board room survey. Almost half of directors now receive more than £1 million, with eight receiving packages worth more than £5 million. IDS, which has assessed directors' pay for the last 15 years, said that it had never seen so many get so much money.

Under this government there are now over 750,000 millionaires in Britain, surpassing the number of teachers by 200,000. Who's Who is to publish a directory of the top 5,000 names with assets of over £5 million. The devaluing of mere millionaires is such that it is now deemed necessary to have at least £3 million to live a millionaire lifestyle.

As a contrast, average wage settlements last year were between 3 and 3.5%.

EUROTRASH**The latest from Brussels****EU fails audit test (again)**

THE EU'S COURT of Auditors said it could not vouch for almost all of the £68 billion spent by Brussels last year because fraud checks were still not in place – the 11th year running that the accounts have failed to be approved. Court President Hubert Weber told the budgetary control committee that he could not sign off on the EU's agricultural spending, its structural fund payments, its internal policy payments or its external actions payments.

The man who broke the bank...

PRINCE ALBERT II of Monaco, whose fortune is estimated at two billion euros (£1.4 billion), received 287,308 euros in subsidies from the EU through the Common Agricultural Policy last year for farm land in France. France's 2,530 largest farm operators get more subsidies than its 182,270 smallest farms, about 40% of the total.

Rebate? What rebate?

EU PRESIDENT Jose Barroso has insisted that Britain must give up its EU budget rebate in order to reach an agreement on the budget. He said that Britain benefits from a "rebate that is not justified at the current time" and should accept its "modernisation".

Naughty Hungary

BRUSSELS is demanding that Hungary cut its infrastructure investment and social welfare benefits to meet the EU's targets laid down in the growth and stability pact, even though Hungary is not a member of the Eurozone. Hungarian Prime Minister, Ferenc Gyurcsany, has reacted angrily to the EU's threats to withhold development funds unless Hungary obeys.

It's not dead, say Germans

AS PART of the new German coalition agreement, both the CDU and the SPD have pledged to use the German 2007 presidency of the EU to revive the EU Constitution. They say, "We stand for the European constitutional treaty ... We pledge to continue the ratification of the European constitutional treaty." The new coalition is to pursue budget consolidation as its economic priority, which will most likely turn the five-year-long EU-imposed stagnation into a full-scale depression.

Youth work stays secular



THE BODIES that validate training courses for youth workers, the Education and Training Standards Committees for England, Wales, Scotland and Northern Ireland, have reaffirmed the importance of a secular approach after considering proposals for various faith-based training courses, in at least one case from a company big in private education.

And several more such proposals were received recently for Christian evangelical and Muslim youth work courses.

Youth work is an advanced form of informal education practice. It deals with the social and political education of young people on the basis of a voluntary relationship between the young person and the youth worker. The "curriculum" of learning is negotiated between the two. It deals with young people's senses of

personal and social identity. Youth workers challenge ill-informed bigoted ideas and antisocial behaviour and promote collective values. They do so in a way that helps the penny to drop and young people learn through their experience and dialogue about human shared citizenship and values.

To equip youth workers to undertake this sensitive role, training courses have developed curricula based on modern secular values. In order to operate, the training courses are licensed by a strict validation process. This checks the quality resourcing and curricula and value base of the proposed courses.

Originally course providers came to the union (CYWU) alone for approval.

In response the ETS debated the significance of non sectarian and secular qualification criteria. Youth workers need to be equipped to deal intellectually and professionally with sensitive ideas about behaviours and human worth. They cannot do this if they hold prejudices. They have to challenge what is inappropriate from a progressive value base, which balances tolerance with an intolerance of divisiveness. Pre-Reformation or pre-Enlightenment attitudes are inappropriate in this sector or the divisions in communities and superstition run rife. Community cohesion and non segregation depend very greatly on youth workers embedded in local communities.

Young minds have always been targeted by the self appointed angels and bigots. By keeping its secular approach the youth work profession is helping to keep the heavenly choir out of education and thereby enable young people to deal more effectively with the real world.

ENGINEERING**Pay agreement at Goodrich**

WORKERS AT the major engine management system supplier Goodrich Engine Control Systems, Birmingham, have agreed to a two-year wage settlement after a short period of industrial action during September.

With industry average rises running slightly higher than that offered by the

company the workforce was disappointed with the outcome. The pressures of moving some component manufacturing to China with the consequent loss of some jobs weighed heavy during the later stages of the negotiation. "The deal is poor, but what can you do when the stability of the site is removed," said one worker.

The company, which used to be owned by Lucas Industries, was sold a few years ago to TRW, and then sold on again to the US-owned Goodrich Corporation.

SHEFFIELD INDUSTRY

The last stainless steel

SHEFFIELD IS TO see the closure of its last stainless steel plant in early 2006. Sheffield, where stainless steel was invented in 1913, has now reached the end of the road for steel production. 700 steel workers are to be made redundant and the

annual 300,000 tons of products transferred to other plants belonging to the Finnish owners, Outokumpu.

The embossed hallmark Made in Sheffield was a sign of quality and excellence and the city supplied cutlery to the whole world. Sheffield had over 40,000 steel workers in 1980, but soon its fame will rest only in an industrial memory.

Dismantling Longbridge

WHAT FUTURE for Rover's Longbridge plant and the 5,000 workers who have been made redundant? The Chinese owners, Nanjing Automobile, press on with drip feed press releases, all indicating positive plans, but practice and action speak louder. The production of 100,000 cars a year and employment of 1,200 workers is proposed for Longbridge by 2010, but only if finance can be raised in the USA. The proposal is deemed "completely unrealistic" by competitors in the auto industry, especially Chinese competitors. Any new joint venture to re-establish Rover seems as distant as the joint ventures the Phoenix Four claimed were in the pipeline.

200 Longbridge staff have been offered short-term re-employment by Nanjing – in China. Their job? To dismantle Longbridge and re-assemble it in China. This rather indicates that the Longbridge site is being asset-stripped and cleared.

The Nanjing Automobile Vice President has released correspondence to the TGWU National Secretary for the car industry, quoting Department of Trade and Industry officials. The correspondence is illuminating:

"The DTI went to great lengths to point out the overcapacity of car manufacturing in Europe... The information given by the DTI left us the impression that they believed we should choose to give up our plan of both investment in the UK and recommencement of production at Longbridge... The DTI are not able to offer grant aid other than minimal routinely available training and capital investment subsidies... The DTI also explained that unlike other countries around the world the UK has no strategy for the automotive industry and relied totally on the dynamics of the free market."

The government and European Union's strategy for disposing of Rover is thus epitomised in one paragraph from the DTI.

Shortly the DTI investigation into alleged fraud and financial malpractice by the Phoenix Four directors will be published. The "Phoenix" which was supposed to rise from the ashes of Rover with the famous £10 cheque paid to BMW, has crashed with company debts of over £1 billion. The four directors are still multi-millionaires and sound betting is that the DTI investigation will exonerate them of all allegations.

If there ever is any future Rover production it will be in China. Longbridge has been buried by the Blair government.

PRISONS

Record number of inmates

BRITAIN'S PRISON population continues to rise with over 78,000 inmates. Britain now has the highest prison population in Europe, having risen 51% in ten years. The government's response is to build yet more prisons – private of course and highly lucrative. The link between the soaring prison population, government policies and money going into the hands of the privateers leaps out forcibly from the data.

16,000 prisoners are housed in unsanitary overcrowded cells. 5,000 prisoners are classified as being mentally ill. 3,000 prisoners are classified as

children. Charles Clarke, the Home Secretary, intends bringing back into service prison ships, first mooted by Michael Howard and reminiscent of Dickensian days. But then again, so is the jailing of children and the mentally ill.

In addition to private prisons, Charles Clarke is now seeking to expand privatisation throughout the criminal justice system. Not in the good old fashioned sense whereby if you had the money you could buy a judge, jury and the best legal brief, but by privatising the Probation Service and as many aspects of the criminal justice system as he can. The prison population will continue to rise because it will be good business – payment per head of those incarcerated.

WHAT'S ON

Coming soon

DECEMBER

Monday 12 December, 7.30pm
London May Day Organising Committee,
GFTU, Upper Woburn Place, London
WC1

Help plan next year's march. Trade unionists welcome to attend. For details, see www.glatuc.org.uk.

FEBRUARY

Wednesday 8 February
Defend Council Housing lobby of
parliament

The campaign group Defend Council Housing is organising a lobby of parliament to call for direct investment in council housing. Followed by a rally in Central Hall, Westminster. For more details of the lobby and the rally, see www.defendcouncilhousing.org.uk

HOUSING

The Dolphin clearances

WESTMINSTER City Council is proposing to clear over 1,000 tenants from a protected housing trust in central London. The Dolphin Square Trust was built in the 1930s to provide housing at reasonable rents for Londoners. The council previously attempted a sell-off in the 1960s, but was headed off by the then Tory government. It now proposes to sell its lease responsibilities, due to expire in 2034, to a Jersey-based property developer.

Westbrook, the property developer, wants tenants to pay market rents, estimated at a minimum of £22,000 per annum, or face eviction. The site in Pimlico, bordering the Thames, is valued at £70 million. The bulk of the profits from the sell-off would go into Westminster City Council coffers with no responsibility to re-house the evicted families.

Westminster City Council famously gerrymandered its electoral base under Margaret Thatcher and Dame Shirley Porter, when it evicted tenants it thought would not vote Conservative and replaced them with the kind of tenants that it hoped would, the famous "homes for votes" scandal. Seemingly Dolphin Square is to get the same clearance strategy.

But unlike the 1960s, there is no Conservative Minister of Housing to ride to the rescue this time!

The government's white paper on housing proposes a massive shake-up – and basing everything on profit...

Homes, not profits



Photo: Workers

THE GOVERNMENT is proposing to change the way we plan for new housing, and in the summer published draft proposals in a consultation paper, Planning for Housing Provision. This sets out how it intends to take forward economist Kate Barker's recommendations to increase housing supply and affordability by making planning more responsive to the market and housing demand.

It marks a massive shift in policy. House prices would determine the number of new homes to be built in an area. Local planning authorities would carry out land availability studies, which would include greenfield as well as previously developed, brownfield, sites. In high-growth areas, developers would be able to develop any site within the five-year land supply. Crucially, the government would no longer allow phasing to ensure that urban brownfield sites are developed before greenfield sites.

These proposals would increase house building in areas where development pressures on the countryside are greatest. Run-down areas in need of regeneration would suffer further blight since developers would have more choice over where they

develop and choosing greenfield sites is the easy option.

But building more homes for sale would not address the acute lack of affordable housing in many areas. Barker's own analysis showed that increasing supply would only marginally reduce the rate of house price inflation, and would not bring down house prices.

The government wants to build as many new houses as developers will provide at a profit. It will overrule any objections from councils or local people. It will enforce its draconian Planning and Compulsory Purchase Act (2004), which orders every community in England to surrender to the government all control over its physical development. Developers would rule.

Developers always want to build as densely as possible. The average density of new housing increased to 39 dwellings per hectare (2.47 acres) in 2004 from 27 in 2002, cramming ever more homes into smaller areas.

Planning by housing prices or on the basis of crude demand contradicts the plan-led approach the government claims to support, whereby policies are drawn up in consultation with the local community and seek to integrate environmental, social and economic aims. The market approach will not deliver the goods.

Affordable

We need to build more state-subsidised, affordable housing and greater use of brownfield land in building new homes. A lasting solution to the housing problem depends on reducing regional economic disparities and fostering an urban renaissance. We need stronger policies for urban regeneration, to make our cities better places to live and work.

We need stronger policies to prevent the South East of England from sucking in ever more jobs and households, and leaving other regions further and further behind. We do not need large-scale immigration from other countries into London and the South East, contrary to Mayor Livingstone's claims. Some of the eight million currently economically inactive in this country could do the work that needs doing, at decent wages.

The Met Office says it government neglect co

This could be t

IF RECENT predictions of the Meteorological Office are correct, Britain could be experiencing unusually low temperatures and higher than average snowfall throughout the coming winter months. The Met Office is so concerned with their predictions that they have sent an official warning to the utility companies.

In recent years, many within the electricity industry have repeatedly warned of winter blackouts which never materialised due to a succession of mild winters. The Met Office, however, with its 65% accuracy rate, must be taken seriously when it issues a warning. This could be the winter when Blackout Britain arrives.

Such a scenario cannot be blamed on the weather: the responsibility falls squarely at the feet of free market capitalism and the European Union. Privatisation of the electricity supply industry in the early 1990s, and the reliance on the market by successive governments including the current administration, have led to the shambles we see today in which Britain has no energy policy, with the consequence that many people could be having a cold, cold winter.

Predictions

Alan Johnson, Trade & Industry Secretary, reported in June that generation levels are sufficient for severe conditions, minus 2 degrees Celsius for 30 days or plus 2 degrees for sixty days. He based his premise on the assumption that we do not experience high levels of plant breakdown and that there is sufficient gas to fill the non-power demand for it, enabling adequate gas fired generation to continue to run.

Johnson's assumptions are flawed on two counts. First, Britain has an ever-ageing fleet of power stations. Both the coal fired and nuclear plants are reaching the end of their working lives. In normal conditions generators are not run at maximum capacity, but in such severe weather conditions there would be a requirement to do so, with the consequence that the ageing plant would be even more susceptible to breakdown.

's going to be a cold winter. Privatisation and years of could mean that for some it will be worse than that...

The winter of Blackout Britain

'The legacy built up by successive generations has been wasted on lining shareholders' pockets and paying excessive bonuses to chief executives...'

Second, a prolonged cold spell this winter could see demand for gas exceed supply. With a prolonged cold winter, demand for domestic gas will be driven up; leaving gas fired power stations starved of fuel. With generation capacity reduced, large tracts of Britain will be plunged into darkness.

The warnings demonstrate the mess the electricity supply industry has got itself into since privatisation. The legacy built up by successive generations has been wasted on lining shareholders' pockets and paying excessive bonuses to chief executives. Meanwhile pension schemes have been plundered to pay for redundancies and decimate the skill base of the industry.

The lack of foresight by the capitalist owners has been compounded by the inactivity of successive administrations, both Tory and Labour, by failing to address the needs of the country by developing an energy policy that provides not only for today but for the future and does not rely on the failed concept of the market.

Even supporters of privatisation have acknowledged that reliance on the market is a flawed concept, hence a proliferation of quangos, designed to regulate the market. Capitalism can and will only react to a situation once it has occurred, being unable to plan for situations and find solutions for future problems. It is all about today and not tomorrow. For example, in the cost cutting exercises directly following privatisation, the majority of training schools designed to

Continued on page 8

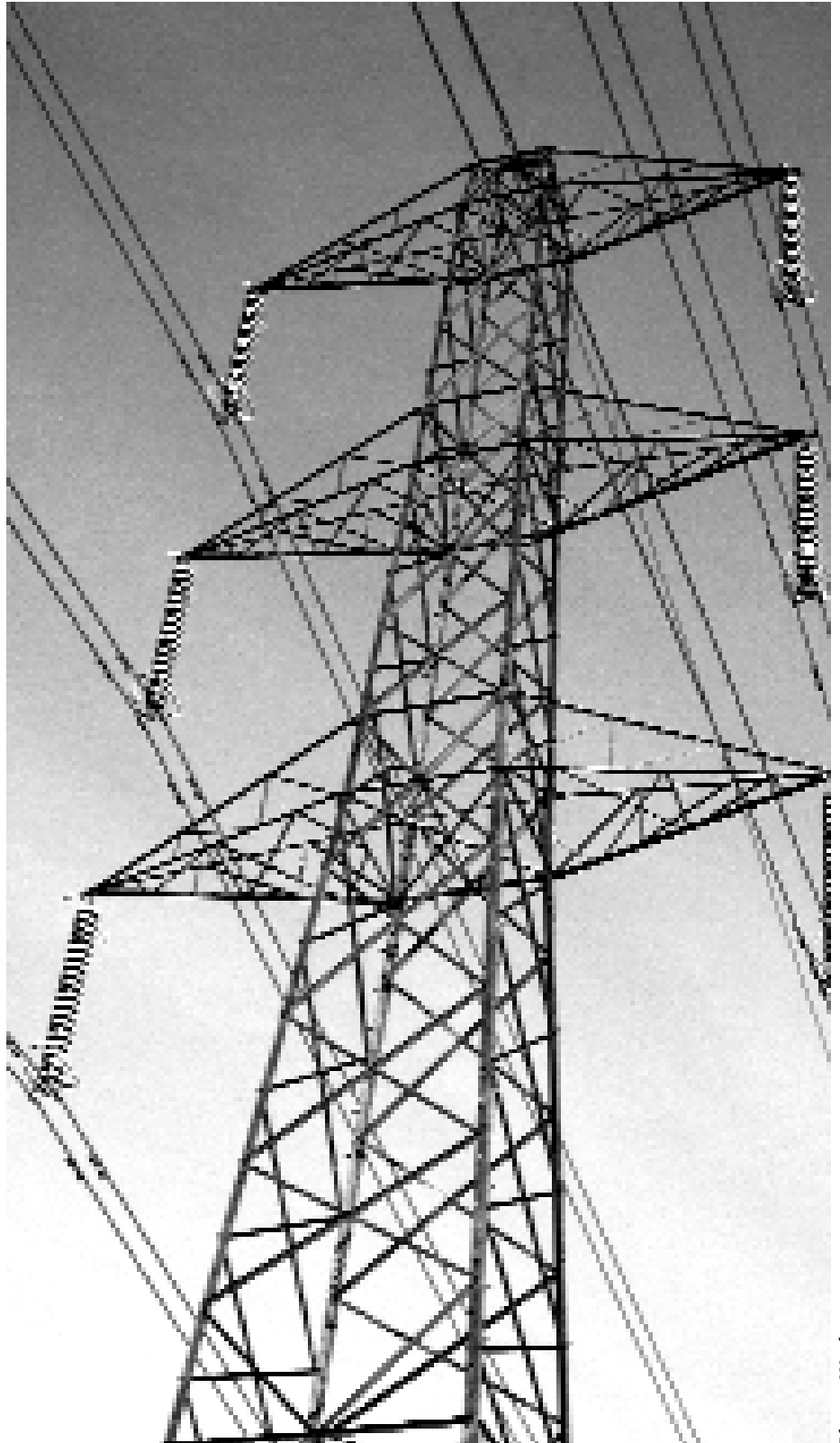


Photo: Workers

Continued from page 7

produce engineers for the future were closed. Consequently there is now a critical shortage of skilled workers. The Midlands company Central Networks alone requires 600 skilled workers in the industry. Now all of the energy companies are scrabbling around for what has become a scarce resource.

Shareholders

Criteria for building a new power station are not based on the needs of the country but on what return can be expected to line the pockets of shareholders. But when many participants within the sector talk about the needs of the country, the solution they advocate is to bring incentives into the market. This clearly is not the solution – simply throwing resources and money at the market will not create an energy sector that provides for the needs of the country.

For future generations the situation is likely to worsen as the global demand for energy is predicted to increase by 65% by 2030. The current government's ideology, dictated by that of the EU, is to avoid any state planning, but this is exactly what is required if Britain is to overcome the challenges that are being faced now and in the future.

Energy investment and security of supply is the bedrock of any economic policy, and the challenges facing the country are immense. In all, 75% of existing generation plant, both nuclear & coal, will be required to be replaced over

'The European Union has actively promoted this lack of investment and planning within the industry...'

the next decade or so or else the base load of electricity generation will disappear. By 2020, 90% of Britain's gas requirements will be from states with unproven political stability, with Russia, Iran and Algeria as the main three, hardly the most reliable of trade partners! The National Grid requires £3 billion worth of investment just up to 2010. Unless we act now then not only today's generation will feel the big chill but the generations of the future.

Interference

The European Union has actively promoted this lack of investment and planning within the industry. Though it has no legal basis for interference in the energy sector, this has not stopped it pushing for an integrated energy market based on free market capitalism with the medium term aim of having the sector centred on the priority objectives of the EU.

Their unambiguously stated intention is to create an internal energy market, based on the borders of the EU and controlled by the EU from Brussels. Consequently, nation states will no

longer be able to control and direct a resource that is central to their own economies.

Recent EU directives have been aimed at a greater liberalisation of the sector, investment being directed and controlled by the EU, not nation states. For example, Directive 2003/54/EC lays down rules for the functioning of the electricity sector, access to the market, the criteria for tenders and the operation of supply systems. In other words more of the same medicine – but if the medicine is failing to provide the cure why keep taking it?

Planning

What is really required is a planned approach to Britain's energy needs. We have to have a fuels mix: reliance on gas only increases CO2 emissions and renewables cannot provide a reliable base load. As a nation we need to embrace nuclear energy as the most reliable form to provide for the needs of Britain. There are concerns with this technology but it is the only energy source that we have at our disposal that produces virtually no greenhouse gas emissions. We also need to put resources into developing clean coal technologies, critical boiler and stack gas treatment, to name but a few.

We need to put in place a programme that trains the engineers of today and tomorrow. More importantly we need to take control of our own destiny by retaining decision-making in this country, for the needs of this country, by the workers of this country.

**NO TO THE
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London N17 9EB.

Blair's visit to India and China is a harbinger of even more outsourcing to come

'Free' trade – war against the workers

THE SO-CALLED Doha Development Agenda – the circulating international trade agreement talks – are due in Hong Kong before the end of the year. A lot of angst will come gushing forth as to whether poor countries will do as well as they should out of the negotiations; whether the terms of trade will be equitable and whether the new arrangements will be fairer than the old. Inevitably, the answer to all these questions will be a resounding no, for how could it be any other way?

Capitalist trading relations are not about fairness but about getting the best deal. Globalisation is not about making poverty history – a fatuous phrase we ought to consign to history – it is about screwing workers into the ground and maximising profit.

The juxtaposition of the Chinese President's visit with a poignant photo of a Longbridge MG Rover plant said it all, really. Capital will move where it can to get a better return, for as little outlay as possible.

Blair

When Blair flew off to China in September, he took with him an entourage of 40 business representatives plus a gaggle of ministers from his government all keen to look at how they could invest capital in China.

In the next few months over a hundred business delegations are planned to travel from Britain to China, including major visits led by the Lord Mayor of London – the movement of The City eastwards obviously doesn't stop at Canary Wharf.

In a somewhat ill-chosen turn of phrase (at least one hopes so), Lord Powell, Blair's former special adviser, said, "The next couple of months are going to see quite a concentration of British firepower on China, our chance to be on stage and be number one." Blair later went on to tour India, but China was his principal goal.

For British workers, these are not good signs. The visits can only presage further massive shifts of capital out of Britain into cheap labour zones that are now being transformed into high



European textile production has moved relentlessly east in search of lower wages and higher profits.

productivity zones as well, precisely because of the investment which is being transferred.

Ironically, such moves have caused great consternation amongst charity workers and aid agencies. Quite happy to see workers here deprived of their jobs, they're now, understandably, pointing out that huge investment in China will deprive many African and Asian countries of capital. What they do not see is that when Blair talks of trade generating wealth, current conditions mean that profits increase but wages are ground down to the minimum and peasant farmers are squeezed off their plots.

However, all is not plain sailing for Blair and his capitalist backers. The Doha round has exacerbated tensions between the main players in the globalisation game.

The USA is wary of China's expansion, especially as the Chinese have started to move into South America in a big way,

and its cosy client states in Latin America have started to see alternatives to US domination. Why else would Bush have been forced to go to Argentina to face Chavez and Maradona? What a pain, nipped and tucked by both tiny Cuba and China!

Mandelson, on behalf of the EU, has staunchly tried to peddle his Economic Partnership Agreements (EPAs) as an alternative type of trade with African countries. However, the terms of EPAs mean, basically, that the EU tells you what it will allow you to produce. So, single cash crops will still distort and destroy the sustainable agriculture that some African countries need, just as the oil needs of the big companies Shell etc will distort the present and future of Nigeria.

Meanwhile, closer to home, the tensions within the EU were exacerbated by Blair's relationship-building with China.

Moving east

From the late 1990s, most of the rest of the European Union has spent billions shifting production to Eastern Europe. In the Italian textile industry, for example, companies like Cotonella, Miroglio and MarioBelloso have shifted production to Albania, Serbia, Slovakia, Bulgaria and Romania so that they now employ many times more workers in these countries than they do in Italy. But recent studies (University of California, Berkeley) have shown that such investment will only have short-term advantages as these wage rates in Eastern Europe prove to be much higher than those in the Far East where British capital is headed. So, Blair's trip while EU President was not appreciated in Brussels.

It is good to see these fallings out but we have to look to our own interests as workers, wherever we are. Trade on the capitalists' terms is not how we would wish to see relations between countries. Movement of capital and labour only weakens us all. We must start to find ways of controlling those funds, which belong to us, for example, our pensions, and limiting their location of investment. Charity must begin at home.

Realising that compulsory competitive tendering had failed to deliver Best Value to achieve the same end. When union resistance ensured

Performance Assessment – a stick to drive

A GROUP OF managers and their trainers look amazed and perplexed at the list of performance indicators local government have to comply with. The trainer, who has experience advising a wide variety of private and public organisations, agrees this list is nonsense, not the way to improve performance.

They are all missing the point. The real purpose of the new performance regime introduced in October and trumpeted as “star ratings” is not to improve local government services but to drive them into privatisation.

As in the health service and education, the modernisation and reform agenda being advocated by Blair aims to break up public services and make them available to the private sector as a direct source of profit.

The commitment and loyalty of the public towards public services in Britain is so high that their break up and privatisation cannot be done directly. So the EU provides the vehicle to disguise

the attack as reform and improvement of the social model. Their key weapons are control of finance and the use of performance regimes to force change in the direction of fragmentation and privatisation.

To understand this it is useful to look how performance regimes have developed in local government. During the Thatcher period, local government was subjected to Compulsory Competitive Tender, in which the attack was direct. It forced local government to put its services out to competition through tendering.

Enthusiasm

Many local authorities under Tory control embraced the regime with enthusiasm initially. Hence the effect varied around the country. Tory councils in the shires and some city enclaves applied it enthusiastically, whereas where in the mainly metropolitan councils controlled by Labour, resistance was greater, so that a combination of union and public

pressure resulted in much more limited impact. Trade union representatives used their consultation rights to ensure tender specifications did not reduce the quality of the services and made extensive checks on the financial stability and performance history of private bidders.

Union research departments played an important role investigating firms and providing information to stewards, who formed effective anti-privatisation campaign committees. The most effective mobilised the knowledge of the service at all levels of the membership from the front-line workers to the managers.

In one campaign to prevent the privatisation of leisure services in Sandwell, West Midlands, for example, close examination of the private bids and specifications revealed that the provision of swimming pool attendants was actually unsafe. This and many other facts were used in a public campaign and a series of lobbies that resulted in the Council rejecting the apparently cheaper private



deliver enough privatised council services, Labour first looked to ensure that did not work, they turned to a new weapon...

privatisation in local government

bid.

It was clear also that the privatisation was inefficient since it required the setting up of two managerial organisations for each service – one to provide the service and another to monitor its performance – with endless argument about compliance. The system was far from ideal for private firms, with public scrutiny of their performance and relatively short contracts, between three and five years.

TUPE

Under the regime of compulsory competitive tendering (CCT), an EU invention called Transfer of Undertakings or TUPE became commonplace. Stewards and managers began discussing the TUPE regulations, which stipulated that when a private firm won a contract, the whole workforce in a service transferred to the firm and became their employees.

Such was the resistance to the

'Blair's agenda aims to break up public services and make them available to the private sector as a direct source of profit...'

transfer that the privateers were reluctant to change pay and conditions in the short term, fearing industrial action and public backlash. Instead many adopted the policy of encouraging transferred employees to leave and replacing them with new ones on lower conditions. So was born the two-tier workforce.

At the time there were not enough private firms with capacity to bid for most local government services. This resulted in a concentration on certain services such as refuse collection, cleaning, repairs and maintenance, and school meals.

Transferred

In these areas a significant number of councils transferred their workforce to the private sector, affecting manual workers disproportionately. In some of these areas new monopolies arose such as Scholarest, offering Turkey Twizzlers and rebates to councils from money collected for school meals as inducement to gain the contracts.

But capital, accountants and management consultants turned service providers by takeover were not satisfied with CCT and started to lobby for much longer and larger contracts, which tied a lot of services together. So arose the Private Finance Initiative (PFI), later to be renamed under Labour as the nicer-sounding Public Private Partnership (PPP).

This was much more attractive to capital since it allows capitalists not only to profit from the exploitation of a large number of workers for a long time, typically 25 to 30 years, but also to charge high interest on the capital used to buy some asset such as a building or computer system.

So by the time Labour got elected in 1997 the CCT regime had become obsolete and discredited. Those who had great hopes for the new government expected the disappearance of CCT and a return to local government services run by elected local councillors to fulfill their electors' needs. And when the government announced it was replacing CCT with Best Value, many smiled with relief, for it promised services based on quality as well as cost effectiveness. At last politicians must have realised the madness of CCT!

Alarm

But as the details of the Best Value regime appeared, alarm spread among union representatives. Every service had to carry out an internal review, report what they do, how they do it, why they do it that way and what it costs to do it. The review must follow the four Cs, Consult, Compare, Challenge and Compete.

The reviews were to prescribe a series of actions to achieve continuous improvement. Reports were to be audited and potentially failing services forced to go to tender for alternative providers.

The union organisations debated how to respond to this regime, with some proposing industrial action to get rid of it altogether. Most thought this was unachievable and would not receive public support. From the debate, a strategy emerged to involve union stewards in the reviews and ensure improvements were achieved while fighting any privatisation.

There was confidence that members knew how best to improve services and any productivity improvements could be made to result in the use of the spare capacity for the provision of new services



From Bradford (far left) to Waltham Forest in London, councils are coming under spurious pressure to perform.

Continued on page 12

Continued from page 11

rather than redundancies. There was potential, too, to retrain workers, enhancing careers and improving pay and conditions. So unions concentrated on ensuring a robust consultation regime and trained stewards for the new battle. The experience of CCT was going to serve us well. Best Value could be harnessed.

When it became clear that Best Value did not result in privatisation, it was time for the government to change course.

Out of the blue and without any reference to the results from the Best Value regime, the government announced that it was sending groups of assessors to all councils to carry out Council Performance Assessments (CPA). Councils would be rated: poor, weak, fair, good or excellent, and also with or without prospects of improvement.

Narrow criteria

But the criteria for judging the councils were going to be narrow. Only a few key services would be looked at, and those according to criteria set by the government. Most important in judging performance were education and social services, which had the scores multiplied by large factors. Controversially these services were judged not by the quality or quantity of provision but what the government calls output.

In the case of education, for example, what mattered was the position in the national league table of results of the schools in the council.

Not surprisingly metropolitan councils with large areas of deprivation did badly. It was predictable that many of the councils controlled by Labour in London, the Midlands and the North would score badly under the CPA criteria – because it was precisely those councils that had resisted privatisation most strongly.

In its latest guise the CPA has added a new criterion – use of resources – which makes it even clearer that a council is penalised for keeping a service public. In Unison's response to the government consultation on CPA, the union made the following key criticisms:

'However ingenious the tactics used by trade unions, it is clear that to defeat privatisation we must look to the originator of the attack, the European Union and its agent Blair...'

- The CPA framework is biased towards delivering weak and poor judgements;
- CPA approach is a simplistic tool, used to assess the performance of a complex multifunctional organisation;
- CPA condemns a local authority on the poor performance of a single service;
- Councils are penalised for making a democratic choice about their local priorities;
- No account is taken of social deprivation or other local factors when assessing authorities under the CPA;
- CPA's poor and weak judgment has a detrimental impact on staff morale;
- No right of appeal against a CPA judgment.

Playing the game

One council, Ealing, took the Audit Commission to court and won, forcing the commission to change its rating from weak to fair. But most have taken the view that they need to play the game, learn the rules and how best to achieve a good score. Most worryingly, it is clear that councillors have got the message: to get a really good or excellent score they must go into partnership with the private sector.

When councillors are challenged by the unions as to why – since our services have already shown the capacity to improve – we need to transfer them to outside firms, they reply: we must explore whether improvement would be faster by their investment in computer systems and

special knowledge of customer centred delivery.

Why then does the council not use its borrowing powers to get the finance for capital assets and, if necessary, outside expertise, as it has done in the past? This can be shown to be cheaper, say union representatives. The reply is very revealing: the council cannot make the savings to make the payments on a loan, but outside firms can.

Reductions in conditions

In other words the outside firm will get more out of the workforce, partly by reductions in the workforce and their conditions, partly by using them to provide services not just for this council but other public sector bodies.

One council leader said, "I want us to be first in the area so as to keep the jobs here." In other words we should take over the work in other councils or other public sector bodies such as the NHS. The government has thus used the CPA to create a competition among council leaders as to who will privatise first.

Now, the private sector does have organisations to take over council services. Many are former public sector organisations like BT or parts of the power or water utilities under new names such as Vertex. Others are computer multinationals like Fujitsu. BT offers the possibility of council workers being seconded, keeping their employment with the council. This is a fallback position favoured by union members.

European twist

As a further twist, also initiated by the European Union, councils now have to make "Gershon" savings of 2.5% every year. This is a device directly linked to European Union monetary policy aimed at reducing public spending.

However ingenious the tactics used by trade unions, it is clear that to defeat privatisation we must look to the originator of the attack, the European Union and its agent Blair, both serving capital. The battle to save local government services is part of the battle to save the nation. It must be treated as such, before it is too late.

Reg Birch:

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Will Podmore

Environmental factors are making London more liable to flooding and our control are threatening to make the dangers worse than ever

The rising tide that threatens Britain's capital



Photo: Workers

London's River Thames: floods could endanger the homes of 1.25 million people

LONDON HAS always been at risk of flooding. In 1236 John Stow reported that "The Thames overflowed and in the great Palace of Westminster men did row with wherries in the midst of the hall." Samuel Pepys wrote in his diary on 7 December 1663, "There was last night the greatest tide that was ever was remembered in England to have been in this River all Whitehall having been drowned."

The last time central London flooded was in 1928, when 14 people drowned. In 1953 there was disastrous flooding on the East Coast and the Thames estuary with a toll of over 300 lives. Fortunately, this flood did not reach central London's highly populated low-lying areas.

The city is now protected by a combination of barriers, embankments and levees. The Thames Barrier gives a high standard of defence to the 420,000 London properties at risk from Thames tidal flooding. Beyond 2030, the Barrier and its associated defences will need to be upgraded, at a currently estimated cost of £4 billion, most of which the government should pay.

But tide levels are rising in the Thames estuary, relative to the land, by about 60 centimetres per century, due to higher

mean sea levels, greater storminess, bigger tide waves, the tilting of the British Isles (with the south eastern corner tipping downwards) and the settlement of London on its bed of clay.

The area at risk in the Thames estuary is home to 1.25 million people. Flooding could cost £12 billion. We need a comprehensive flood risk assessment for London, identifying the equipment, training, information and contingency planning requirements of the capital. We also need a full map of London's drainage system, more detailed maps of flood risk areas and better knowledge of the state of our watercourses and drains.

The emergency services responded superbly to London's floods in autumn 2000. But the Fire Brigade has no statutory duty to respond to floods, which limits its ability to acquire necessary equipment and other resources.

Drains

The Environment Agency, with the duty to supervise and warn on flood risk, has no responsibility for the drainage system, despite the serious risk of flooding from this source.

London's underground drainage

system was constructed by the Victorians in the 1850s and has suffered a chronic lack of investment ever since. The sewers are designed to carry both sewage and rainfall. They are under more pressure than ever now that two-thirds of London's front gardens are paved over, the equivalent of 22 Hyde Parks or 5,200 football pitches.

The more ground covered by impermeable hard surfaces such as concrete or paving slabs, the less rainfall will soak into the ground and the more will run into underground drains. At times of heavy rainfall, the drainage pipes overflow. The flash floods of August 2004 in west London damaged homes and streets: a million tonnes of raw sewage overflowed into the Thames. Thames Water has recommended the construction of a new 35-kilometre storage and attenuation tunnel, which would cost £1.5 billion.

Defences

The Greater London Authority recommends improving river flood defences along the Thames in Hammersmith, Chiswick and Twickenham, and along many tributary rivers such as the River Lee. For most of

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the 2,400 defences, the landowner is responsible for paying for and carrying out maintenance work. Yet it is often impossible to identify who owns the land. Some 5% of East London's tidal defences, 11 of the 223 kilometres, are in poor or very poor condition. Outside London, towards the coast, the condition of 65% of defences is not even known.

The Environment Agency says that the top priority for planning against flood risk is to avoid building in flood risk areas. Yet London's Mayor Ken Livingstone and the GLA are aiming to have at least 120,000 new homes built and up to 250,000 new jobs created in the Thames Gateway area of east London by 2016; 45% of these houses and 85% of these new jobs are expected to be sited within the flood plain.

But new homes and workplaces should not be built only to become devastated by flooding. The chair of the GLA's Environment Committee has said of the Mayor's plans, "We're extremely concerned about development plans for East London, and the building of thousands of new homes in Thames Gateway. These plans are simply not taking the flood risk seriously enough." The Environment Agency, the Thames Gateway London Partnership and the Association of British Insurers agree.

Risk

London is not alone. Approximately 10% of the population of England live within areas at risk from flooding, containing property worth over £220 billion. The plight of New Orleans has prompted the Dutch government to review anti-flood measures in regions below sea level to ensure they would be adequate in an emergency. It upgraded its ancient system of dikes and dunes after a powerful storm breached sea dikes in the south of the Netherlands in 1953, killing more than 1,800 people. Today, the Netherlands has some of the world's best defences against flooding, including a chain of 12-metre-tall steel walls suspended by piers in the open sea. Also vulnerable, Venice is installing a similar system.

WHAT'S THE PARTY?

We in the Communist Party of Britain (Marxist-Leninist), and others who want to see a change in the social system we live under, aspire to a society run in such a way as to provide for the needs, and the desires, of working people, not the needs and desires of those who live by the work of others. These latter people we call capitalists and the system they have created we call capitalism. We don't just aspire to change it, we work to achieve that change.

We object to capitalism not because it is unfair and unkind, although it has taken those vices and made virtues out of them. We object because it does not work. It cannot feed everyone, or house them, or provide work for them. We need, and will work to create a system that can.

We object to capitalism not because it is opposed to terrorism; in fact it helped create it. We object because it cannot, or will not, get rid of it. To destroy terrorism you'd have to destroy capitalism, the supporter of the anti-progress forces which lean on terror to survive. We'd have to wait a long time for that.

We object to capitalism not because it says it opposes division in society; it creates both. We object because it has assiduously created immigration to divide workers here, and now wants to take that a dangerous step further, by institutionalising religious difference into division via 'faith' schools (actually a contradiction in terms).

Capitalism may be all the nasty things well-meaning citizens say it is. But that's not why we workers must destroy it. We must destroy it because it cannot provide for our futures, our children's futures. We must build our own future, and stop complaining about the mess created in our name.

Time will pass, and just as certainly, change will come. The only constant thing in life is change. Just as new growth replaces decay in the natural world, this foreign body in our lives, the foreign body we call capitalism, will have to be replaced by the new, by the forces of the future, building for themselves and theirs, and not for the few. We can work together to make the time for that oh-so-overdue change come all the closer, all the quicker.

Step aside capital. It's our turn now.

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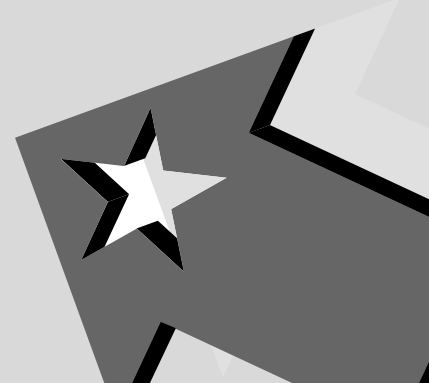
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Back to Front – Whose democracy?

‘Leaders of some of our biggest unions still argue that it is their role to save the Labour party. Why and from whom, may we ask? ...’

WHEN ASKED by visiting British doctors why Cuba could not have multi-party elections, the president of a major Cuban medical institution replied, “If we permitted an opposition party, it would be funded by the US. However, we would beat it in a fair election, and then the US would step up its funding again and four years later we would win again in a second election. By the third election, the US funding may be sufficient to secure the opposition victory. They would then have to repay the US and we would have a US puppet government, and then we would have to have our revolution all over again, and we would win.”

Democracy is about class power. Working class democracy is about ensuring working class power, and capitalist democracy is about ensuring capitalist class power. The drive by Bush and Blair to spread democracy is a drive to ensure capitalist power, whether in the US, Britain, Iraq, Russia or Cuba.

In Britain’s last general election, we were expected to vote on a manifesto that nobody saw or read, that was produced by a party with no functioning membership base and whose leader is more at home with Berlusconi (an admirer of Mussolini), Aznar (a fan of Franco), George Bush and Rupert Murdoch, than he is with his own remaining party members, or with trade union leaders.

When trade unions inflict defeats at the Labour Party conference, they are dismissed as unrepresentative compared with the constituencies – the empty rotten boroughs of the Labour Party – and then threatened with rule changes to reduce their influence while conference decisions are ignored. Only 60% of Labour Party constituencies were represented at the conference, and regional officials handpicked many of those

delegates. There is no longer any pretence of social democracy.

Blair has created a house of cards, an empty vacuous political structure that is easy to control because of its emptiness. Some would describe this as a dictatorship.

On the rare occasion that the opposition opposes Blair, it is dismissed as opportunist, or accused of putting the security of the nation at risk. If a conference delegate heckles, he is forcibly evicted and placed in the hands of the police under anti-terrorist legislation. If the police tell us we need 90 days internment for terrorist suspects, then we must do as the police say. If it looks like the police may not get their way, then Rupert Murdoch’s newspapers will vilify and intimidate any opposition. It comes to something when the Tories appear to be our last defence against a police state.

At the same time, leaders of some of our biggest unions still argue that it is their role to save the Labour Party. Why and from whom, may we ask? Some have recreated the Labour Representation Committee to recreate the Labour Party and with it, the biggest mistake our class made 100 years ago. Others argue for the formation of a new trade union based party, again repeating the old mistake.

Rather than a campaign to save the Labour Party, it needs to be allowed to die.

Rather than trying to create something to replace it, we need to reassert ourselves as a class in our unions and act collectively as a working class.

Rather than allow our working class democracy to die, we need to strengthen our democracy by participation in our unions at the workplace. And we should be under no illusions where capitalist democracy is taking Britain.

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