WORKERS
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NO IFS, NO BUTS. IT'S WHAT WE VOTED FOR.

29 MARCH: THE DAY WE FINALLY LEAVE THE EU

JOURNAL OF THE CPBML

TAKE CONTROL: BUILD THE NEW BRITAIN

WORKERS

We must leave

WE MUST leave the EU on 29 March 2019. It's what Britain voted for in June 2016 and that decision must be carried out.

No ifs, no buts. No trumped up deals either. A clean break with the EU gives us a wonderful opportunity to seize the control we need to decide our own future. We must demonstrate our belief in an independent Britain.

How do we assert independence? Here are just four ways:

We can choose democratically how we run our country. Make our own decisions about policy, and how much the government should intervene in the economy.

We can sell goods and services anywhere in the world, with no need for permission from anyone. A clean break is simply a reversion to established World Trade Organization rules.

National government, local authorities, our businesses and services can plan for independence, using the £39 billion to support or compensate workers and businesses where needed.

We can unite our whole country behind a programme for progress.

Yet Project Fear has become Project Absurd Hysteria. We are seeing the lengths taken by the EU's master, international capital, to block us, via our shambolic politicians.

Remainers all, the Prime Minister, the Chancellor, most of the House of Commons, the House of Lords, the Treasury, the Foreign Office, the Bank of England and the BBC – in sum, a Remainer ruling class – have worked together to try to thwart our instruction to leave.

They have all backed May's treacherous deal, a trap giving the EU a veto over our country's future. She has a season ticket to Brussels to beg for titbits. At least Neville Chamberlain only met Hitler in Munich the once.

The proposed legally binding Withdrawal Agreement hands over Northern Ireland to the EU, and throws open the door to Scottish separatism. And it binds us into the EU, whose deputy chief negotiator Sabine Weyand commented, "They [Britain] must align their rules, but the EU will retain all the controls".

So in the weeks leading up to 29 March the forces for progress must be prepared for collective action to rebuff every tactic that will be deployed to keep us in the EU.

The path of national sovereignty we've chosen is not easy. There will be difficulties, especially in the initial years. But these pale into insignificance against the prospect of remaining shackled to a declining European Union which is desperately trying to grab more and more centralising powers in the impossible attempt to manage the growing roar of rejection from its own member citizens.

Away with dismal defeatism! We can be confident – it's in our hands. ■

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Photo courtesy UCU

Mary Senior of UCU speaking at the unions' protest, Edinburgh 12 December.

Protest at Scottish budget

MEMBERS OF several unions gathered at the Scottish Parliament on 12 December to protest against that day's annual budget announcement from the minority SNP administration. Workers from Unite, GMB, EIS, Unison, UCU and Prospect heard speakers highlighting the failure of this budget to invest properly in public services and education.

Mary Senior of UCU said that her union is balloting for strike action. She explained this came about because of the impoverishment in education and proposed job cuts of 10 per cent at Edinburgh's Queen Margaret University. The vote is open until 16 January.

Senior said "across the university sector we are seeing cuts to courses, to jobs, whilst workloads are spiralling and casual contracts are becoming commonplace." She continued "It is deeply disappointing that today's real term cuts to the sector's funding will ultimately hit students the hardest. If we value our universities and the teaching knowledge exchange and research they provide, then we need a funding settlement to match the politicians' warm words. We have not seen that today."

GMB, Unison and Unite represent local government workers. They warned of widespread industrial action in the wake of their members' rejection of the 3 per cent pay increase proposed by the Convention of Scottish Local Authorities. Mike Kirby of Unison pointed out that public sector pay rose by just 4.4 per cent between 2010 and 2016 while the cost of living rose by 22 per cent over that period. The current offer fails to make any inroads to those massive cuts in earnings. ■

CONTRACTING OUT
Interserve quizzed

THE INSTITUTE for Government think tank has published a report warning that handing so much government business to only a few large strategic suppliers is a risky strategy, considering the three biggest recipients of business - Carillion, Capita and Amey - have experienced financial difficulties. A failure to compile usable data to make better procurement decisions was also criticised.

The study comes as Government officials said new contracts will continue to be awarded to outsourcing firm Interserve, despite its financial struggles. Sources say ministers do not believe the company is "another Carillion".

Ministers may think that, but workers and their union Unison are far from sure. Following a near-dispute over changes to the company pension scheme, the union has now written to Interserve asking the company to confirm exactly why it shouldn't consider them the "next Carillion". It is still waiting for a reply. ■

LIBRARIES
Funding fall

PUBLIC FINANCE body Cipfa has reported that funding for Britain's libraries fell by £30 million in 2017/18, with a loss of 712 full-time staff, while 51,394 volunteers put in nearly 1.8 million hours to help keep services running.

Shadow libraries minister Kevin Brennan said: "Despite Theresa May's claim that austerity is over, library funding and staff levels continue to fall and libraries are closing across the country." ■

If you have news from your industry, trade or profession call us on 020 8801 9543 or email workers@cpbml.org.uk

ON THE WEB

A selection of additional stories at cpbml.org.uk…

Manufacture here, in an independent Britain

Why has the contract to build new rolling stock for London's Piccadilly Line gone to a German conglomerate?

Euro crisis on two fronts

The EU is suddenly facing two financial crises simultaneously, in Greece and Italy, one impacting on the other.

Big new cuts proposed for Birmingham

The government may have announced the end of "austerity" – but Birmingham City Council must find £86 million in savings in the next four years.

Greenwich a no-go area for more academies

Greenwich teachers have effectively made their part of London a no-go area for further academy schools.

Bristolians call for end to bus de-regulation

Some 150 people rallied to call for an end to the deregulated and de-facto monopoly of Bristol's buses.

Who stole our Brexit?

The title of a meeting organised by Halifax trades council tapped into the public shock at the betrayal being enacted before our eyes.

Plus: the e-newsletter

Visit cpbml.org.uk to sign up to your free regular copy of the CPBML's electronic newsletter, delivered to your email inbox. The sign-up form is at the top of every website page – an email address is all that's required.

Workers

10 December: London ambulance staff, members of Unison, present a petition to the Department of Health and Social Care calling for a lowering of the retirement age from 67 to 60 – the age at which other emergency services staff retire.

Horticulture plans for future

THE HORTICULTURAL industry is becoming clear about what is needed to secure the sector's future post-Brexit. A parliamentary group sponsored by the trade association published a report in October dealing with both biosecurity and training.

Brexit is welcomed as a unique opportunity to increase British plant production. Growing more plants in Britain rather than importing them would offer economic gains. And it would help to mitigate serious biosecurity risks associated with importing plants and trees.

According to a recent report from Oxford Economics, ornamental horticulture and related industries directly and indirectly support over 550,000 jobs. They contribute around £24 billion to the UK's gross domestic product and are linked to £5.4 billion in tax revenue. There are also significant cultural and other indirect benefits for Britain.

The industry is particularly concerned at the moment to prevent the bacterial disease *Xylella fastidiosa* from reaching Britain. It affects a wide range of woody commercial plants, several species of broadleaf trees widely grown in the UK and many herbaceous plants.

In October 2013 this disease was discovered infecting olive trees in southern Italy. It has now become established in mainland Europe and in a number of islands, infecting a range of commercial plants and trees.

Imports of plants have been falling steadily as members of the industry voluntarily sign up to a "plant healthy" scheme where they guarantee not to source susceptible plants from areas affected by the disease. Also, a number of nurseries have begun moving to closed-loop systems where they source and grow all stock in-house.

There is an opportunity to replace a large proportion of the £300 million worth of plant material we import every year. The report calls on the government to provide incentives and investment to increase this expansion of the sector. Such expansion would mean increased demand and opportunities for workers. Horticulture already offers a wide range of opportunities for young people to gain qualifications and embark on successful careers. ■

• **A longer version of this article is on the web at www.cpbml.org.uk.**

ENGINEERING
Springburn anger

SPRINGBURN, in north west Glasgow, was once the proud heart of the world locomotive industry. Now its former Knorr-Bremse Rail Services depot, one of the few industrial facilities left in the city, is threatened with closure.

Two hundred highly skilled jobs would be lost at the depot, which carries out maintenance, repair, overhaul and upgrades on all train types for ScotRail. The recent takeover of the facility by German owners Gemini Rail Services has proven to be a mechanism for its wind down. New trains introduced by Abellio (owned by the Dutch national rail operator) are incompatible with the work carried out in Glasgow and no steps have been taken to change this.

Reacting angrily, the Unite union pointed the finger at the SNP minority administration in Edinburgh: "We have been fobbed off on the basis that talks between the Scottish Government and Gemini Rail Services UK Ltd were forthcoming. We believe there is a significant body of work which can sustain the site until the end of next year at the very least." ■

LOCAL GOVT
London in need

THE BBC reports that London's councils have told the government they need an extra £526 million in funding to balance the books. Unless the government announces additional funding, they will collectively need to make £1.4 billion of cuts and savings over the next three years, with council tax increases and one-off emergency payments not sustainable solutions.

The BBC looked at examples of councils struggling with increased demand for services. Camden Council saw the cost of providing social care jump more than £11 million last year, while a 2 per cent increase in council tax reserved for social care raised just £4.8 million. Barnet Council needs to find savings of £67 million over three years, while Southwark Council, the country's biggest social landlord, saw 22,000 people use its drop-in housing service last year. It's clear that local government and its vital services will go under unless government policy is reversed. ■

Workers

November 2016: RMT rail workers take their case to Westminster.

Guards' disputes continue

MEMBERS OF RAIL union RMT in the north of England have now taken their 40th day of strike action in support of their dispute with Arriva Rail North (trading as Northern and owned by DB, the German state railways).

The company refuses to give the union assurances about the future role of guards, with RMT seeking guarantees that there will be a second safety-critical person on every train. Despite receiving financial and other backing from the government and the Department for Transport, Arriva Rail North is losing passengers – not surprising after its timetable fiasco earlier this year – and is reported to be trying to renegotiate the franchise agreement.

Nevertheless, Arriva Rail North continues to refuse to get round the negotiating table to bring the dispute to a conclusion. This is despite the fact that most other companies have reached either agreement with RMT, or are engaged in meaningful talks.

RMT said it is "angry, frustrated and determined to carry on the fight for a safe, secure and accessible railway for all".

General Secretary Mick Cash said, "It has only been the resilience of RMT members and our supporters from the travelling public, whose solidarity and determination have been instrumental in keeping the focus of the dispute on the crucial point of a guarantee of a guard on the train. It's time for Arriva Rail North to stop taking instructions from this collapsing government, get out of the bunker and start talking seriously and positively with the union… instead of gambling with public safety as they pump up their profits."

South Western Railway (SWR), owned by First Group and Chinese metro company MTR, has displayed a similar degree of intransigence. The RMT has therefore confirmed a further block of strike action over the Christmas holiday period.

Meanwhile, London Underground drivers in Aslef at Barking District Line depot and Barking Hammersmith & City Line depot have voted overwhelmingly in favour of strike action during January after the company cancelled long-standing agreements. ■

WHAT'S ON
Coming soon

FEBRUARY

Tuesday 12 February, 7.30pm

Bertrand Russell Room, Conway Hall, Red Lion Square, London WC1R 4RL

"Brexit 2019: Seize control!"

CPBML Public Meeting

The EU referendum seems like an age away – and it is. We should be out by now, but the enemies of democracy keep finding ways to spin the process out.

They want to stop Brexit completely. So far they have shown that they are prepared to go to any lengths to do so, even going to Brussels to urge the EU to make the negotiations as difficult as possible.

The battle is on. Obviously, 17.4 million people voting to leave has not been enough. We have to force politicians to do as we instructed. Come and discuss. All welcome.

STAY INFORMED

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**While diverting our attention with a pretence of negotiatin
signing Britain up to the developing EU army – and paying**

Who voted to hand over

WITHOUT THE scrutiny of Parliament, and with scarcely anyone noticing, we are losing our sovereignty over defence, with its implications for foreign policy as well. It demonstrates the government's traitorous contempt for the referendum vote to regain sovereignty and control of our resources.

Five days after the vote to leave, the EU sent a secret paper to EU ambassadors about its Global Strategy. The paper laid out the groundwork for the EU's ambition to centralise defence and security policy, leading to an EU army.

In the following months Defence Secretary Michael Fallon and other ministers agreed to EU proposals for closer military integration including the Security and Defence Implementation Plan, the European Defence Action Plan and the Global Strategy. These all boosted the powers and remit of the European Defence Agency and the European Defence Fund.

They all mean that we will continue to pay vast annual sums to the EU, and they all give away control over key parts of our defence and foreign policy.

Quick work

Ministers have agreed to every one of the steps towards military union taken by the six EU Councils since we instructed the government to leave the EU. The government has moved far faster to bind us into the EU defence acquis (that is, the accumulated legislation, legal acts, and court decisions which constitute the body of European Union law on defence) than it has ever moved to get us out of the EU.

In October 2016 the May government instructed senior officials in the Cabinet Office, the Foreign Office and the Ministry of Defence, to lock us into the emerging European Defence Union. This is on the lines of the 1952 Pleven Plan to create a European Defence Community with EEC members all sharing a unified defence budget, equipment and personnel. The then Prime Minister Winston Churchill rejected that scheme.

'By late 2017, the EU was starting to come out into the open about its military plans.'

Michel Christen/European Union 2018 – EP

10 July 2018: a nice welcome to the European Parliament in Strasbourg, courtesy of the Eurocorps.

On 22 June 2017, Theresa May attended the European Council where she approved the European Defence Fund, the European Defence Industrial Development Programme, and Permanent Structured Cooperation (PESCO). The Council also agreed that the deployment of EU Battlegroups should be borne as a common cost on a permanent basis. May, representing a country which had voted to leave the EU, approved this too. In her statement to Parliament the following week she failed to mention defence at all, despite its place as the top item on the agenda at the EU Summit.

The EU's de facto Foreign and Defence Secretary, Federica Mogherini, said in June 2017 that it had once been deemed impossible to have a first Command Centre in Brussels for EU military and training missions or that it would take them years, even decades to do it. "It took us a few weeks. And we decided it together, still at 28, and we did it." So, May signed us up to that too, without telling anyone.

By late 2017, the EU was starting to come out into the open about its military plans. In September 2017 President Juncker said, "By 2025 we need a fully-fledged European Defence Union."

g withdrawal from the EU, the government has been
a huge chunk of the cost…

the army to the EU?

May's defence surrender

THERESA MAY'S Withdrawal Treaty would require Britain to comply with EU defence directives and therefore with the European Court of Justice, which would supervise the treaty's implementation.

It would keep the country signed up to the EU budgets for defence and weapons procurement, giving the EU control over large areas of our defence decision-making and over our industrial future.

The detail of our proposed subordination is revealing. Under Article 156 during the transition period Britain would have to pay its contribution to all EU defence structures and agencies but would have no say in the policies pursued.

It would mean EU control over vital national security – and, almost unbelievably – give the EU powers it did not even have before the vote to leave.

The Political Declaration agreed by the EU and the government calls for "a broad, comprehensive and balanced security partnership" (Article 80). Its Part III envisages a Framework Participation Agreement.

Article 104 says that the Parties agree on "United Kingdom collaboration in relevant current and future projects of the European Defence Agency (EDA) through an Administration Arrangement; the participation of eligible United Kingdom entities in collaborative defence projects bringing together Union entities supported by the European Defence Fund (EDF): and the United Kingdom's collaboration in projects in the framework of Permanent Structured Cooperation (PESCO), where invited to participate on an exceptional basis by the Council of the European Union in PESCO format."

The Declaration's Part IV, Institutional and Other Horizontal Arrangements, Article 120, says, "The future relationship should be based on an overarching institutional framework …" ■

In February 2018, Alastair Brockbank, the Cabinet Office Europe Unit's Defence Adviser, advocated a Framework Partnership Agreement with the EU, a binding commitment to EU defence policy, structures and rulebook. He proposed having UK people in Brussels but also perhaps European External Action Service staff in UK ministries. So he told the EU we would sign up to its Common Defence Policy, while the May government said publicly that we would not be part of it.

The Cabinet Office has proposed a defence Treaty with the EU, to be concluded before the end of the proposed transition period, "to bring things forward as soon as possible", an urgency noticeably lacking in moves towards leaving the EU.

Being part of any aspect of the EU's military union requires being part of EU foreign policy expressed in its External Action Service Global Plan. In the EU, everything is linked to everything else.

The government's Technical Note on External Security of 24 May 2018 said, "The UK welcomes the agreement that future arrangements on CSFP [Common Security and Foreign Policy] and CSDP [Common Security and Defence Policy] could become effective during the Implementation Period." This would lock us into the EU's common foreign policy and defence policy and into the whole EU defence acquis.

Still paying

May's proposed Withdrawal Treaty has a section on defence, just half a page of A4, all about us paying the EU. After "leaving" on 29 March 2019, Britain will continue to pay for the European Defence Agency, the European Union Institute for Security Studies, and the European Union Satellite Centre, as well as to the costs of Common Security and Defence Policy operations.

The EU aims to increase by 22-fold its spending on defence for 2021-2028 from that of 2014-2020. But that doesn't include all the defence items. It omitted the Military Mobility fund (€6.5 billion) and the off-the-books Peace Fund (€10.5 billion). These bring the total up to €31.3 billion.

By late 2018, the EU was open about its military plans. Bruno Le Maire, France's finance minister, urged the German government to turn the EU into a sovereign power on the world stage. He said, "This is the struggle of a generation … Europe needs to become a kind of empire like China and the USA … Europe should no longer shy away from displaying its power and being an empire of peace." (13 November 2018.) Yet this "empire of peace" was creating its own army.

French President Emmanuel Macron said that Europeans cannot be protected without a "true European army" and Chancellor Merkel backed the scheme. On 13 November she said, "We have to work

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on a vision of one day creating a real, true European army." She said it should involve a common arms industry and a "European intervention force" and that the rule of unanimity for such decisions needed to be changed so that a majority would suffice.

So, the denials by pro-EU campaigners like Blair and Clegg during the referendum were, to say the least, misleading. As far back as 2003 Blair denied there was even the concept of an EU army.

In the run-up to the referendum, Lord Ashdown said the idea was "nonsense" – "for the birds". Nick Clegg, who has now shown his commitment to Britain by taking a well paid PR job in California, said, "the idea we're going to have a European air force, a European army is simply not true."

And now people like Lord Hague continue the lies. He claimed on 27 November that May's deal ensures that "we are not expected to be a part of" more EU centralisation, including in the military context.

Major General Julian Thompson, Chairman of Veterans for Britain, has clearly refuted all that. In a letter to the *Daily Telegraph* on 29 November he said, "The political declaration on the future relationship states that the UK will remain in the EU's Defence Fund, among a range of other defence industrial structures, to the extent possible under EU law. As Norway has found, and the Cabinet Office has admitted, this means that the UK will remain under the authority of the EU's foreign policy and its rapidly growing defence policy. When these defence industrial structures kick in over the next few years, they will also be accompanied by a requirement to place funds and decision-making under EU authority. This is the opposite of taking back control."

'This is the opposite of taking back control.'

'Unashamedly political'

"The exit agreement of November 25 further sows the ground by keeping the UK under EU defence directives," Thompson continued. "This is another prerequisite of these EU military merger schemes, which are unashamedly political and aimed at further integration.

"There are ways to achieve military and industrial co-operation with European states that do not involve the EU at all – for example, through bilateral agreement, as with the Anglo-Dutch arrangements for co-operation between their respective marine corps, in place since 1971.

"There are only two possible reasons for participating in these schemes: to sweeten the plainly failed attempt to win concessions in other areas, or to pave the way for re-entry to the EU. Either would disrespect the vote to leave the EU, and either would be a gross breach of the most basic contract between government and citizen."

The former head of the Secret Intelligence Service Sir Richard Dearlove, Sir Rocco Forte, Martin Howe QC, Lord Lawson, Sir Paul Marshall, Major General Julian Thompson and Lord Trimble wrote to *The Sun* on 29 September in similar terms, noting that the deal, "surrenders British national security by subordinating UK defence forces to Military EU control and compromising UK Intelligence capabilities."

Yet May is signing Britain into involvement with the European Defence Agency, the European Defence Fund, the European Defence Industrial Development Programme and PESCO. The EU describes all these together as the start of its military integration leading to the creation of a Common Defence in five years' time.

How will we be able to hold our politicians to account in future – for starting wars or lying about them, or even for failing to develop the right strategy in a war – when the EU, not they, will be in charge of defence? How much of our foreign policy will they be accountable for? We are quietly losing democratic control over yet another vital area of our public life. ■

CPBML/Workers

Public Meeting, London

Tuesday 12 February, 7.30 pm

"Brexit 2019: Seize control!"

Bertrand Russell Room, Conway Hall, 25 Red Lion Square, London WC1R 4RL

The EU referendum seems like an age away – and it is. We should be out by now, but the enemies of democracy keep finding ways to spin the process out. They want to stop Brexit completely. We have to force politicians to do as we instructed. Come and discuss. All welcome.

A proposed Swiss agreement over free movement from the EU is facing likely defeat…

Swiss stand firm

Switzerland's SIX stock exchange, Zurich. The EU is threatening to cut off much of its trade.

YOU'D THINK the European Commission had its hands full with Brexit, the Italian budget, Greece's debt-laden banks and the imminent fall of the Belgian government. Not to mention yellow vests in France. Or the Polish justice system. Now it has opened up a new front by attempting to strong-arm Switzerland into obeying its diktats.

Swiss voters rejected stronger ties with the European Union in 1992 when they turned down membership of the European Economic Area (where, like Norway, the country would be subject to all the laws around the single market). Instead, over the years relations between Switzerland and the EU have come to be governed by 120 bilateral treaties.

The European Union has been trying for years to negotiate a "framework" agreement to stand over those bilateral treaties and tie Switzerland more strongly into the single market and the decisions of the European Court of Justice. Unhappy with progress, it declared in December 2017 that it would no longer grant the Swiss stock exchange long-term access to the EU market.

'Opposition is too widespread for the government to go ahead.'

Free movement

The key sticking point has been the free movement of labour, and in particular Switzerland's insistence that it be notified five days before EU workers are "posted" (sent to work) into the country so it can check they are not undermining Swiss conditions. To Brussels, that's unacceptable.

Faced with the threat, the Swiss government buckled, and its negotiators agreed terms with the EU – much like Theresa May's "agreement" over Brexit – despite Switzerland's stance on free movement having previously been declared a "red line" (*ligne rouge*) by its governing Federal Council.

But Swiss resistance is strong. And on Friday 7 December its Federal Council decided to send the agreement out to political parties, cantons, parliament and other bodies for consultation. That consultation will extend well into 2019.

Press reports quote sources in Brussels as saying that unless agreement is reached by the end of 2018, the European Union will implement sanctions against Switzerland. These include not only banning EU companies from trading shares on the Swiss stock exchange (SIX) but also excluding the country from a planned agreement on electricity generation which would guarantee its power supplies.

Switzerland's negotiators may have crumbled, but opposition is too widespread for the government to go ahead and sign an agreement widely seen as a step too far in diluting the country's sovereignty. Various political parties from right to left are opposed, and there is particularly strong opposition from the Swiss Trade Union Federation (USS/SGB).

In a statement on Friday 7 December the Swiss unions said their "worst fears were confirmed". The agreement would "substantially dismantle" Swiss wage protection and prevent any improvement. They will fight "vigorously" against the proposal – a position its annual congress had confirmed unanimously at the end of November.

ECJ rules against Austria

The Swiss unions also point to the European Court of Justice ruling on 13 November that parts of Austria's laws to prevent cross-border labour undermining terms and conditions are illegal.

In what the Austrian Trade Union Federation called "a black Tuesday for social Europe" the court ruled in favour of Slovenian employers posting staff across the border to work mainly on building sites.

Figures from the unions suggest that in the first six months of 2018 almost half the foreign companies posting building workers were undercutting Austrian rates, against around 1 per cent of local companies.

Austria's crime, according to the European Court, was to demand deposits from companies, or freeze their funds where there was "reasonable doubt" that they planned to abide by Austrian pay and conditions.

Switzerland has now made clear that it will put in place provisions to counteract the expected EU sanctions. The ball is now in the EU's court. ■

At a time when many in the country are becoming alive to the European Union, collective control of pay is at a low p

We need to talk about p

John Gomez/shutterstock.com

6 September 2017: nurses call for a pay rise and an end to the government cap.

YOU ONLY need to put two sets of statistics together to see that pay fluctuates with the changing size of the workforce. If the available workforce grows faster than the work available, as in recent years up to the 2016 referendum, pay goes down. If the workforce growth reverses as it has started to since the referendum, then pay goes up.

This offers great opportunities for workers but union leaderships are still in denial. Most continue to bleat their support for the EU, even as the evidence that it has harmed workers is staring them in the face and with poverty in employment rife.

In October 2018, when the Office for Budgetary Responsibility published yet another set of economic forecasts, the TUC put out a press release with a quote from general secretary Frances O'Grady.

The headline was "Wages not set to recover [from the crash of 2008] until at least 2024". Grim news indeed, but the comment from O'Grady typified everything that is wrong with TUC and most union approaches to wages.

"This would mean workers waiting a total of 16 years from the financial crisis in 2008 until their pay is fully recovered – the longest wage slump in 200 years," said O'Grady. She then accused the government of having "abandoned" working people.

'The one area the TUC will not and dare not touch is free movement…'

Well, that's what capitalist governments do, consistently. And until recently, trade union members have made it their business to organise the fight for wages. Not so much now: unions tend to stand on the sidelines and complain that government and employers aren't being fair.

At the root of the problem is the members' unwillingness to take collective action to improve their pay and conditions. But trade unions must be living in a strange fantasy world if they think that the answer is to turn to the state for salvation.

Yet that is precisely what O'Grady did. In her quote, she called for more government action – an increase in the minimum wage and "giving unions the freedom to enter every workplace and negotiate fair rises". What she didn't say (of course) is that the squeeze on wages has operated most firmly in the areas that are most highly unionised: the civil service, local government, education and health.

Free movement

The one area that the TUC will not and dare not touch is the impact on pay of the free movement of labour. Nor will most of the unions, though Len McCluskey of Unite reportedly gave examples, privately, of downward pressure on wages to Labour MPs in December 2018.

At the start of the year, the Office for National Statistics (ONS) reckoned there were 3.54 million non-UK workers in Britain, with 2.29 million of them from the EU. It beggars belief to imagine that such an addition to the supply of labour power won't have an effect on its price.

That figure has reduced, most likely due to Brexit and the fall in the pound. The ONS labour market figures for November 2018 showed a net annual decrease of 98,000 foreign workers – with the Office noting that the drop in EU nationals working here was "the largest annual fall since comparable records began in 1997".

The result: early December 2018 saw reports that pay in October had risen 3.3 per cent over a year ago (though that includes some bumper City bonuses and

the possibilities of control in the context of Britain and oint. That has got to change…

ay

increased overtime as well as rises in pay), its fastest rate since 2008.

Meanwhile, the Low Pay Commission – set up by the government – continues to proclaim the virtues of the National Minimum Wage (which applies to workers under 25) and the National Living Wage (for those 25 and over). But look closely at its latest report and you see that these wages are by no means minimums.

According to the Commission, 23 per cent – almost a quarter – of workers covered by the National Living Wage are receiving less than the prescribed minimum. And when the Commission last looked at variation across Britain, they found that underpayment was highest in the South East (yes, the "prosperous" South East).

But these are just estimates for Britain as a whole, extrapolated from a number of sources, and may be the tip of the iceberg. In an ominous trend, underpayment identified by HMRC, which had hit 25,000 workers on average for the previous six years, shot up to 58,000 in 2015/16 – and then rocketed again to 98,000 in 2016/17.

Meanwhile, in large swathes of the economy the National Minimum Wage and the National Living Wage have become the standard rate – maximums rather than minimums. The fact is that the minimum wage is a government device to force down wages.

And it's damaging the country as a whole, not just working families. According to the Low Pay Commission "productivity growth has continued to be weak". Specifically, measured either by output per worker, per hour or per job, it has been just 2 to 3 per cent since the onset of capitalism's latest financial crisis in 2008 – whereas it was 2 per cent per year before 2008.

That's hardly surprising, given the wage stagnation since 2008. As Karl Marx noted over 150 years ago, if the price of labour stays low capitalists won't bother with investing in more productive machinery.

Control

Workers need to ask themselves where this is all leading. In large parts of white-collar private sector work there is simply no control over pay at all. Wage increases are sought, in the main, not by collective action but by individual approaches to the boss or simply moving to another employer. Excess hours are worked as the norm, without overtime payments or time off in lieu.

With manufacturing industry shrinking, union organisation is concentrated in the public sector and transport. Yet in teaching and the civil service there is virtually no negotiation over pay at all, and it's not much better in health and local government.

There have recently been improvements to pay in health. But meagre though the rise in NHS pay is, it opens still further the gap between pay in health and social care pay rates.

Social care, which until Thatcher was mainly supplied by local authorities, is now provided by a plethora of tiny, medium and massive companies. These have three things in common: they're in the business to make money, not provide a service; they pay the lowest pay they possibly can; and they pay it almost exclusively to migrant workers, who will tend not fight for a pay rise because the lowest pay in Britain is invariably substantially higher than in their countries of origin.

Hence the panic at the prospect of any kind of Brexit spreading among these companies and the sycophantic liberals who commission their services.

The gap is also widening between staff working in healthcare who are employed by the NHS, and those working in healthcare but employed by private companies. A pseudo-dispute is being encouraged to get the government to give money to these privateers to pass on to privatised health workers so they can have the same pay rise as their counterparts employed in the NHS proper.

So far this "campaign" has not got off the ground, and nor is it likely to if it is not driven by the workers themselves, which at present it shows no sign of doing.

That is why we need to talk about pay, because workers themselves are the ones who will need to fight for it. It won't happen otherwise.

It's no surprise that the principal unions whose members are actively seeking to exert control over their wages and conditions – the RMT and Aslef – are among a very few unions welcoming the prospect of an independent Britain free of the EU. ■

Working and poor

POVERTY USED to be synonymous with unemployment. Of course, there have always been poverty wages. But a report published on 4 December by the Joseph Rowntree Foundation says, "There are now almost 4 million workers in poverty in the UK, a rise of over half a million compared with five years ago."

In fact, things are getting worse and worse, says the Foundation: "The rate of poverty among workers has been rising for five years, having already risen significantly over the previous decade. Since 2004/05, the number of workers in poverty has increased at a faster rate than the total number of people in employment."

In the West Midlands alone, 270,000 children growing up in poverty live in a household where someone is working – 70,000 more than a decade ago.

The Foundation defines a family as in poverty if it has an income of less than 60 per cent of the median income for its family type, after housing costs – and it identifies "the struggle to pay for housing" as a key element in poverty growth, fuelled by rising social rents and "growing shortfalls in Housing Benefit".

Here the Foundation is confirming a trend noted graphically by the Institute of Fiscal Studies earlier in 2018. Many more people are working, but still in poverty. In a report published in March the Institute noted that well over half (57 per cent) of the children and working adults living in poverty are in households where someone is in paid work.

Around 25 years ago, in 1994/95, that figure was 35 per cent. ■

While Britain's workers cherish their National Health Servi support NHS provision are in comparison rather unloved…

Social care: the case fo

MANY TRADE UNIONS not engaged in organising staff in the NHS frequently debate the need to defend the health service, yet very few of those unions discuss the need for better social services. Do we all think that we will never need to make use of these services ourselves?

Chancellor Philip Hammond promised £410 million for adult and children's social care in 2019/20. This was promptly condemned by the President of the Association of Directors of Children's Services (ADCS) as nowhere near enough. He went on to say that children's directors felt their services alone needed an extra £840 million a year until 2020 just to "stabilise the ship", and expressed deep concern at the government's piecemeal approach to funding children's services.

A recent report from the association said that 2.4 million people contacted children's services in 2017 about concerns involving a child, up 78 per cent on ten years ago. The number of children on child protection plans has risen by 87 per cent over the same period, while funding has been slashed.

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Means tested

Social services are severely underfunded and difficult to access. Quality is very variable. Unlike the NHS, which is "free at point of delivery", social care is means tested. And the two services are in general very poorly integrated.

The difference is exemplified by the fact that almost all costs are covered by the NHS for older adults suffering from cancer, while almost none are covered if they suffer from dementia.

Adults and the elderly people of Britain who rely on social care provision are finding that the safety net on which they rely is not catching them, and is in danger of total disintegration.

In England, publicly funded adult social care is primarily funded through local government, constituting the biggest area of discretionary spend for councils. Those local authorities rely on central government funding, but government is pursuing a relentless agenda of public sector cutbacks, starving those local authorities of funding. This has severely impacted on social care.

The Local Government Association (LGA) which represents local authorities says that services are at "breaking point" and goes on to say that "the current situation is unsustainable and is failing people on a daily basis". Age UK has identified 1.4 million older people with unmet social needs.

According to the BBC, spending on care for the over-65s has fallen by around 25 per cent in England since 2010, once inflation is taken into account. English councils have made, or look set to make, social care cuts of £700 million in the current financial year, equivalent to nearly 5 per cent of the total £14.5 billion budget.

The LGA estimates that adult social care services face a £1.5 billion funding gap by 2019-20, rising to £3.5 billion in 2024-25. The cuts in funding are exacerbated by a growing and ageing population, increasingly complex care needs, and increases in care costs.

Average life expectancy in Britain is now 79.4 years for men and 83.1 years for women, and 18 per cent of the population is 65 and older. Yet after many decades of improving life expectancy, that improvement has now stalled. This may well be related to the reduction in the quality of social care.

Councils are spending an increasing proportion of their total budget on adult social care. This financial year, it is 38 per cent as against 34 per cent in 2010. Directors of social services freely admit that they will have to continue to reduce the number of people in receipt of care packages.

Already, half of local authorities overspent on adult social care budgets last year, with 50 per cent of these drawing on reserves to meet the shortfall. The National Audit Office has warned that on current trends about 10 per cent of councils will exhaust their reserves in three years.

In Tory-controlled Northamptonshire, the county council did indeed go bankrupt earlier this year, and government-appointed commissioners were sent in to take over. Ofsted had already warned that children's

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r making it a priority

services there were putting children at potential risk. Northamptonshire social workers were overwhelmed and "drowning" in casework, with hundreds of children unallocated to a social worker.

'Sticking plaster'

David Jones, a member of the British Association of Social Workers and chair of Health Watch Northamptonshire, condemned the "sticking plaster responses" from the government and described its inadequate response to "a major and growing social crisis the likes of which I haven't seen in my lifetime". He went on, "We are stacking up problems for the future".

The Parliamentary Committee for Housing, Communities and Local Government has produced a recent joint report with the Health and Social Care Committee. It concludes that "in its present state, the system is not fit to respond to current needs, let alone predicted future needs as a result of demographic trends".

The government has been embarrassed into increasing its financial support to local authorities, specifically ring-fencing it for adult social care. But it is mere window dressing. The support goes nowhere near to meeting needs.

Ministers were supposed to be addressing the issue more fully this year, but that has been kicked into the long grass.

Adult care packages are being cut to the bone. Too often, the families, friends and neighbours of service users are being expected by social services to act as unpaid voluntary care assistants, frequently forcing working women in particular to give up their paid employment to do so.

Many local authorities have tried to protect social services by severely reducing other areas of expenditure. Even so many now say they are being forced to reduce or end social care expenditure that is not required by law. Faced with having to find savings of £45 million by 2021-22, East Sussex council now plans to offer only the legal minimum. Some local authorities are arguably not even fulfilling those statutory duties and legal minimums.

The effective privatisation and fragmentation of social care provision means that local authorities now procure these services from a huge number of private care providers, with the system designed to ensure that they can be put under pressure to continually reduce their prices.

That pressure has become extreme, with companies going bust or just pulling out because they can't make sufficient profits. Almost a third of councils have reported that some residential and nursing home care providers have closed down or handed back contracts.

The effects of the squeeze on funding are illustrated by a recent report by the Care Quality Commission (CQC), the care watchdog: out of 642 inspections of care homes, 247 (38 per cent) were deemed inadequate or requiring improvement.

Shocking data obtained by the *Guardian* from the government's Office of National Statistics shows that 1,463 patients in NHS, local authority and privately run care homes have died suffering from malnutrition, dehydration or bedsores over the past five years. An estimated 1.3 million older people suffer

'Pressure has become extreme, with companies going bust or just pulling out…'

from malnutrition.

Inevitably, these pressures mean that in order to maintain any sort of profitability, the private care providers must reduce costs – and that means that the wages of care staff are squeezed (see article on pay, page 10).

And despite its cheapness, a recent report on the state of social care by the Commons Public Accounts Committee considered the long-term outcomes and found little evidence that the current lightly regulated private care "market" has in any way delivered social care in a cost effective way.

Costly

The PAC found that care is being prioritised to people needing the most support. Those with moderate needs such as an older person who is at risk of becoming malnourished, or at risk of falls, wait much longer for care packages to be put in place. This often becomes more costly in the long run if patients are hospitalised and need a hip operation from a bad fall, or develop more serious infections or disease because they're not looking after their health.

Reacting to the PAC report, Unison Assistant General Secretary Christina McAnea said that "low-paid staff are propping up a care system that has no funding, no strategy and no long-term solutions. The crisis in adult social care is not a warning for the future, it's happening across the country right now." She went on, "…ministers are ignoring the care disaster that's right under their noses."

At this year's Unison Annual Conference, Tracy Holmes described to delegates the bad homecare practice she had witnessed,

Continued on page 14

Continued from page 13

from visits scheduled to last just five minutes to workers being denied ID cards by their employers and having to persuade vulnerable people to let them in to their homes. The conference discussed how interdependent the NHS and social services are, and how problems in one affect the other.

In fact, the Institute for Public Policy Research has warned that the social care sector's low pay and unattractive work conditions could lead to a shortage of 400,000 workers by 2028. It makes the point that radically improving pay and conditions would attract sufficient British workers as an alternative to the current reliance on low-wage migrant workers.

But that won't happen unless those in the sector organise for pay themselves. Brexit will provide the opportunity, but workers must grasp it.

Growing burdens

Unison delegates were clearly aware of the growing burden that cuts in social services are placing on the National Health Service, itself under extreme financial pressure, to plug the gap in social care provision. More and more frequently, elderly and vulnerable patients cannot be discharged from hospitals because care packages are not in place or cannot be provided.

The British Medical Association says that the underfunding of social care is feeding the NHS's annual winter crisis – that seems to get worse every year.

Social care depends on the goodwill and dedication of staff. Many social workers work on average around ten hours for no extra pay every week, and care assistants on low wages continue to take it as read that they will not be paid for anywhere near all of their time spent working.

It is not unusual for social workers and other care workers to pay for essentials that their service users lack. And most have seen the buying power of their salaries eroded as pay rates have failed to keep pace with inflation.

Standards of health and safety that so many workers take for granted simply do not exist for much of social care. There's an epidemic of stress and ill health, sickness absence rates continue to climb, and many leave the profession when they burn out or cannot take any more. The loss of those skilled and experienced staff further reduces the effectiveness of social care services.

Trade union organisation in the sector is patchy, with too many not members of a union. That needs to change if the issues faced by workers delivering social care are to be effectively tackled.

The TUC and trade unions in other sectors need to raise awareness of the importance of a well funded and comprehensive social care sector which is interdependent upon and complements the NHS.

We should not only value social care, but given the wealth that exists in our country, the fifth largest economy in the world, we must demand that wealth is used to ensure that the aged are able to enjoy a fulfilling and dignified life, and that children, those with severe disabilities, and all those that need care are properly looked after. That is the hallmark of a civilised society. ■

"Underfunding of social care is feeding the NHS's annual winter crisis…"

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Major provider bailed out

THE FUTURE of large swathes of home care provision for elderly and disabled people hung in the balance in December as major provider Allied Healthcare, which employs 8,000 workers and has contracts with 84 local authorities, fought to stay solvent.

The troubled company, which mushroomed from a one-branch operation in Staffordshire to national prominence, has now sold its entire homecare operation to CRG – whose services in Hammersmith, Hackney, Leicestershire and Rotherham were rated by the Care Quality Commission (CQC) in December as requiring improvement, while its Stockton service is deemed "inadequate".

Following the collapse of various companies that seek to make profit out of the provision of essential care for the elderly, the CQC issued a formal notice in November saying that Allied Healthcare had failed to assure the CQC that it had the funds to continue.

The regulator noted that it has a legal duty to warn local authorities that in its view, business failure was likely and services could be affected. Allied Healthcare said the move was "premature and unwarranted". ■

With cold weather on the way, the European Court of Justice has seen fit to meddle in the power market…

EU energy interference


Workers

THE EUROPEAN Court of Justice intervened in Britain's energy supply arrangements with a decision in November – to undermine the way that the government chose to ensure electricity supply. Its decision is likely to increase the costs to households and businesses.

The ECJ has again proved itself a political body by ruling that the UK government's "capacity mechanism" constituted illegal state aid. The ruling was released on the same day that Theresa May announced her doomed EU "deal". And likewise, it shows the extent to which EU institutions aim to override member states.

The capacity market scheme subsidises power stations to be on standby to provide more electricity generation capacity when needed. And some businesses are paid to be ready to reduce their demand.

The mechanism was cleared by the European Commission in 2014. But the ECJ decided four years later that the EC should have investigated the capacity market. The ECJ ordered the immediate suspension of payments under the mechanism and prohibited any further contract auctions.

This means that the mechanism can't operate this winter, and that energy supply projects relying on the scheme will be halted. That won't change until the EC carries out a formal investigation into whether the capacity mechanism distorts competition – their test of what constitutes illegal state aid. Maintaining "free competition" is more important to the EU than keeping the lights on or investing in power generation.

The capacity market does not necessarily ensure the long term energy supply for the country, but that was not its aim. The scheme has been criticised for in effect paying subsidies to keep older, less efficient power stations open. Whether that represents good value is debatable, but that was not in the question before the ECJ.

"The ECJ has again proved itself a political body…"

But the sudden and unexpected suspension of the capacity market throws into doubt any plans that were based on it. Some generating companies may choose to mothball plants right away in the absence of payments this year. And according to industry analysts, permanent closure of the scheme could mean the loss of 20 GW of generating capacity. The current total capacity is around 80 GW.

Price rises forecast

Wholesale power costs shot up immediately the decision was published. That may not be a short-term effect. Analysts forecast power prices next winter of around £60 per MWh if the capacity market is restored; that's around 10 per cent more than current prices. But if it is not restored, the forecast is that prices will double.

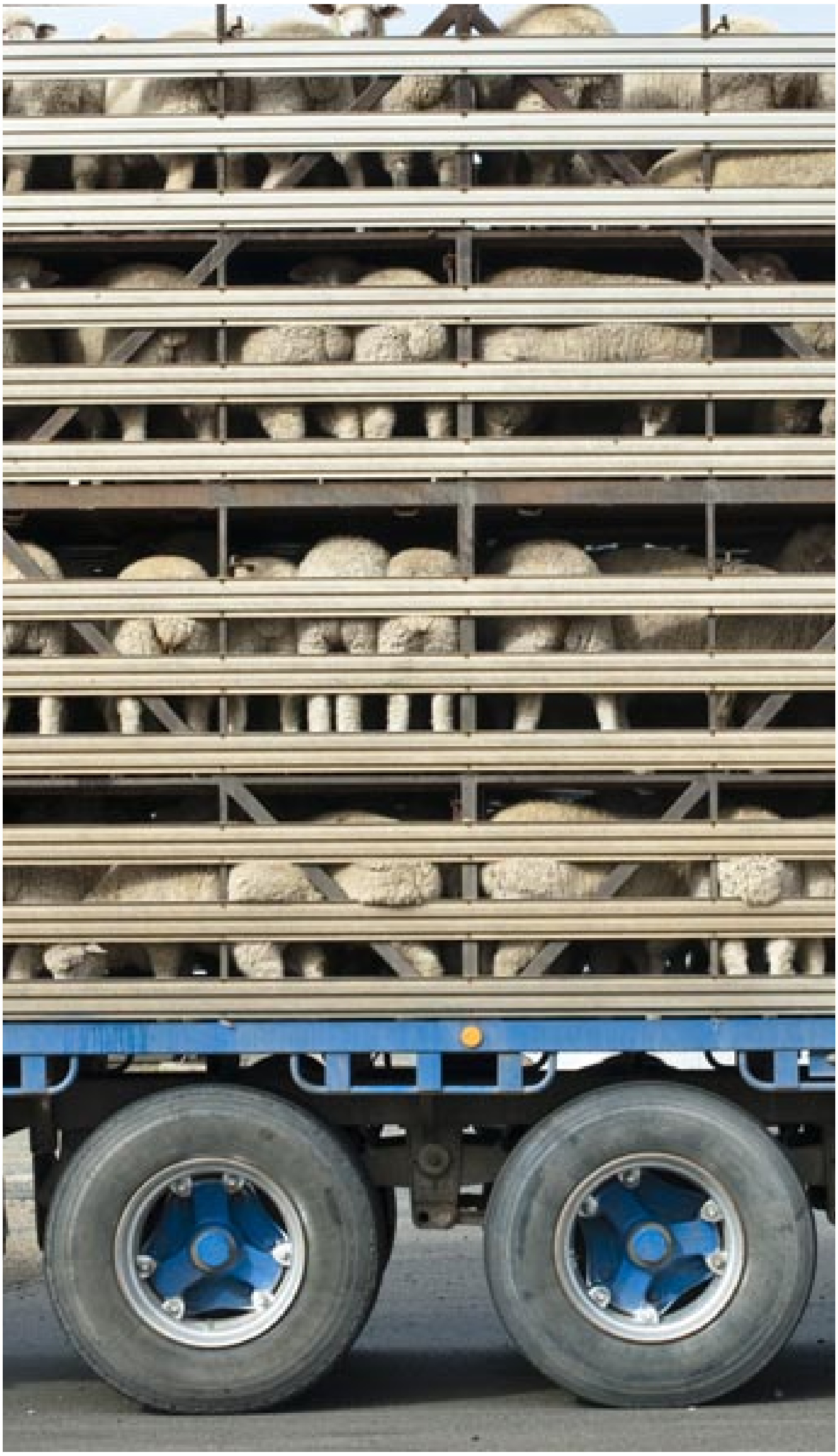
The ECJ case was brought by Tempus Energy, a small technology company mainly focused on Australia. It promotes what it describes as "disruptive technology" so businesses can reduce energy demand by reacting to what the rest of the market is doing. Significantly its business model was based on switching customers to green, allegedly cheaper, sources. Tempus argued that the capacity market is unfair because it favours power stations using fossil fuels over companies like itself.

The Tempus CEO Sara Bell said that the ruling should "…force the UK government to design an energy system that reduces bills by incentivising and empowering customers to use electricity in the most cost-effective way – while maximising the use of climate-friendly renewables." In short, it appealed to the ECJ to force Britain to alter business rules in its favour.

It's not just Britain; the EU is also trying to have its say in energy for non-member states. In its dispute with Switzerland over free movement (see article, page 9), the EU has threatened that country's supply by suggesting that Switzerland may be excluded from a planned agreement on electricity generation which would guarantee its power supplies. ■

**In animal welfare, as in so much, the EU likes to pose as a
us otherwise…**

It's time we were free to



David Lade/shutterstock.com

BRITAIN HAS BEEN a world leader in animal welfare legislation, for farm animals, for animals used in scientific research, for animals in the wild, for animals in sport and entertainment and, of course, for pets, or companion animals as they are known in the jargon. Yet we have been forced to accept practices such as long-distance transport of animals to slaughter, widespread in EU member states, but rightly unpopular with the public and with farmers.

The chief authority for regulations concerning animal welfare is the World Organisation for Animal Health, formerly called the Office International des Epizooties, which sets minimum standards that all must abide by, EU member or not. Britain's domestic animal welfare regulation is far ahead of the EU's. The production of foie gras, for example, which is permitted by the EU, is forbidden by British regulations. The EU protects ritual slaughter for the kosher and halal markets without stunning before killing – while that is required in British slaughterhouses.

Intensive

Over decades, the Common Agricultural Policy (CAP) promoted intensive over sustainable farming, including in livestock production and dairy farming. Farm support systems were loaded in favour of the big producers. The CAP's anarchy of production was exemplified in the creation of large, wasteful surpluses, the milk lakes and butter mountains, which ended up dumped on markets outside Europe.

With the advent of the single market in 1993, the mass transport of livestock around the EU and beyond accelerated. The EU has created the conditions under which pigs are frequently transported, in large numbers, from Belgium and Holland to Italy, or French cattle to Italy and Spain. There is also significant movement of animals from member states to the Lebanon, Russia and North Africa.

So trans-European transport of live animals is the norm for the EU. Nominally there are standards and regulations but the charity Compassion in World Farming reports that these are rarely enforced. Campaigners estimate that over a billion animals a year an authority and protector of standards. The record tells

improve animal welfare

'Local slaughter is essential on welfare and sustainability grounds.'

are transported across, and beyond the EU. The European Commission itself reported that animal protection during live transport had failed in 90 per cent of member states inspected in 2017, both during the EU part of journeys and in later journeys beyond the EU.

In Britain, workers favour slaughtering animals as close the point of production as possible. The transport of animals for long distances, sometimes across the Channel and across Europe, is generally deprecated, though widely practised.

This tendency has also been accelerated by the closure of abattoirs around Britain. Between 2007 and 2017, according to the Sustainable Food Trust, a third of British small abattoirs have closed.

In particular, important areas of cattle production such as Scotland, northern England and mid-southern England, have become what the Trust calls abattoir blackspots, although these are close to large centres of population. High volume abattoirs, supplying the supermarkets, force the smaller ones out of business, but require animals to be transported for long distances for slaughter.

For a smaller abattoir, the costs of complying with multiple layers of regulation are greater than for the multinationals, and costs of disposal of waste are crippling.

The closure of local abattoirs causes job losses among slaughtermen and others directly employed in slaughter but has consequent effects on butchers and others in nearby communities. And these skilled jobs in smaller abattoirs are not reproduced in the larger concerns, which depend on unskilled, largely imported labour. Larger abattoirs often do not return edible offal to the producer, so though offal from animals reared on high forage diets and minimal medication is both nutritious and an under-used resource, it goes to waste.

Yet local slaughter is essential on welfare and sustainability grounds. Increasingly we demand meat that is traceable and local; to support the demand for meat from rare and heritage breed animals depends on small producers and local slaughter. Farmers too want to minimise transport times for the animals they have invested time and labour in rearing, yet find themselves compelled to send their animals on long journeys for slaughter.

The dead hand of the EU prevents attempts to rectify this. For example, the inhabitants of Skye in the Inner Hebrides have been trying since 2004 to establish an abattoir on the island – in the absence of one, animals must be sent on a sea crossing to other islands or the mainland – yet to set one up have been refused on the grounds of "unfair competition".

Apologists

Apologists for the EU sometimes point to changes, claimed as improvements, made over the years in EU regulations on animal welfare and meat production. Yet these did nothing to prevent the 2013 horse meat scandal, in which large-scale substitution of horse meat for other meats took place, facilitated by long-distance transport across the EU.

Horses slaughtered in Romanian and Polish slaughterhouses were transported to the Netherlands, relabelled as beef, and then included in products such as burgers and meatballs sold in Britain and Ireland. The House of Commons Select Committee on Environment, Food and Rural Affairs found that the scandal was the result of fraud and criminal activity co-ordinated across the EU.

Contrast this with the approach to the BSE outbreak. British veterinary surgeons and scientists who had worked tirelessly to eradicate the disease were attacked in the European Parliament for their pains. It should not be forgotten that we were forbidden to export British beef. Over one million cattle were incinerated in the British countryside from March 1996, on EU orders. The ban, on paper, was lifted from 1999 onwards, but, though France too had cases of BSE, they were allowed to continue to ban imports of British beef for seven years after the ban had been lifted, and never paid a euro in fines or compensation, although their ban was recognised to be illegal.

Some 3.7 billion farm animals are raised and slaughtered each year in the 27 EU member states, while in Britain the equivalent figure is a billion, so we are a major force in animal farming and have a great deal at stake.

British agriculture is organised in completely different ways to that of continental European countries, and particularly so in animal production. Free from the EU, we have the chance to develop farm animal production in ways that meet the needs of the people for high-quality, safe meat, farmed to the highest welfare standards. ■

Meet the Party

The Communist Party of Britain Marxist-Leninist's regular series of London public meetings in Conway Hall, Red Lion Square, WC1R 4RL, will continue on Tuesday 12 February (see notice, page 8). And you can find us distributing Workers and leaflets at events around the country.

As well as our regular public meetings we hold informal discussions with interested workers and study sessions for those who want to take the discussion further. If you are interested, we want to hear from you. Call us on 020 8801 9543 or send an email to info@cpbml.org.uk

In recent years, UK academia has become increasingly ho Union. But even without Brexit that tap could never run in

What research does Bri

HOW WILL research fare when Britain leaves the European Union? Twenty years ago, the question would hardly have been raised.

After all, Britain has been part of European research since well before the European Union was even thought of. That's because research has always had an international dimension – ever since Erasmus came over to Britain in the 16th century.

In the second half of the 20th century Britain was part of a growing number of European collaborations that have yielded spectacular results. And interestingly, none of them had EU help to get started.

The most successful of all, CERN, the European Organisation for Nuclear Research, was set up by multilateral treaty in 1954. The same goes for the European Molecular Biology Organization, set up 10 years later and based in Heidelberg, Germany, but with offshoots in Hamburg and Hinxton Hall, near Cambridge.

More recently, the European Synchrotron Radiation Facility was inaugurated in 1994 in Grenoble, France. The world's most intense X-ray source, it has been used to reconstruct images of dinosaurs, in medicine, and even to "read" charred ancient scrolls.

P. Ginter/ESRF

Excellence without the EU's help: the European Synchrotron in Grenoble, France, set up by multila

Hooked

But in recent years, UK academia has become increasingly hooked on a steady supply of grants from the European Union.

In part this is due to a rise in EU spending on research as Brussels looks for ways to try to justify its existence. But the way that money is handed out also plays a big part in the addition.

In the past, as for much of EU funding, the general principle was that countries should get from EU funds roughly what they put in. In research, that began to change in 2007, with the creation of the European Research Council.

Now around 15 per cent of research funding (roughly – it goes up and down) comes from the European Union, almost all of it through Horizon 2020, the current six-year programme which ends in 2020.

Figures on funding by the European Research Council indicate that the UK has been the largest recipient of research grants. Since 2007 the UK has been awarded 1,787 ERC grants out of a total of 8,597, or just over 20 per cent. To put that in context, the country second on the list of grants awarded is Germany – with a population 20 per cent larger than the UK.

What was a trickle of EU money has become a flood, and many academics aren't asking questions about a policy that has stripped Central and Eastern Europe of research funding.

With Britain, Germany and France among the big winners of the new funding principle, there have been losers. Latvia, Lithuania and Slovakia have had just one project funded by the ERC – in more than 10 years. Croatia has had only 3, Bulgaria 4, Romania 5, Estonia and Slovenia 6 each.

Poland, with a population of 38 million, has had just 27 ERC projects. For the newer EU member states, what was a trickle has become a drought.

When the policy of "excellence" was introduced, governments in Central and Eastern Europe were assured that after a short, sharp shock their research activity would be forced to raise its game, and everyone would be a winner.

That hasn't happened, not least because with the EU's free movement of labour most of the bright young researchers went – and are still going – straight into laboratories in Britain, France and Germany where they can earn three to four times as much as in their own country.

According to the Hungarian government, the "EU 13" – the 12 countries of Central and Eastern Europe, plus Malta, which joined after 2004 – have garnered between them just 5 per cent of all the money handed out by Horizon 2020.

Unsurprisingly, the affected countries are not happy. They are trying to use the current negotiations on the budget for Horizon Europe, the planned successor to Horizon 2020, to get more money for their own research communities.

But they have made little headway, other

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itain really need?

teral treaty including the UK.

than a ruling from the European Commission that they can use their own money to beef up the salaries of their own researchers who return to their native countries, without infringing the EU's state aid rules. (Yes, really, until now that has been deemed illegal!)

Meanwhile, the richer EU countries have kicked ideas of a fairer solution into the long grass with a plan for "mapping exercises" to see whether there really is a brain drain from east to west.

Still, even if Britain had voted to stay in the EU, the long-term future for research funds from Brussels would have been far from certain. Unfortunately, the short-term future isn't clear, either.

The UK government has promised to make up any shortfalls in Horizon 2020 funding arising from Brexit. But bland assurances apart, there has been an absence of detail, and academics are getting nervous. "The Treasury needs to commit to protecting this funding long-term," said Paul Nurse, director of the Crick Institute, in November.

It can certainly afford to do so: effectively, it will cost the government just £33 million to replace each £100 million of EU funding – because every £100 million received in EU funds reduces the British rebate by £67 million.

Research funding in the EU is a political area. At the moment a battle is raging between the EU's member states (via the European Council) and the European Commission about who should set research priorities. Currently it is the member states, but the Commission made a power grab this year when trying to establish the ground rules for Horizon Europe, the planned successor to Horizon 2020.

Whether it is the European Council or the Commission, the end result is the same: research grants are doled out according to political priorities.

This should strike horror into the hearts of British academics, given how hard they have fought to establish the so-called Haldane Principle that decisions on research should be decided on by researchers – a principle now enshrined, in part, in UK law.

But as long as the EU keeps providing the money, many are too busy burying their snouts in the trough to start thinking about what funding research really needs, and what Britain – rather than the EU – really needs from research.

Some disciplines stand to lose more proportionally than others: academics in the humanities and social sciences are far more dependent on EU funding than any other research sector.

Altogether, around 17.8 per cent of EU research money has been allocated to the social sciences and humanities, according to the European Commission. That's a much greater proportion than allocations by the UK research councils, where between them the Arts and Humanities Research Council and the Economic and Social Research Council accounted for 9.7 per cent of all Research Council spending last year – and are planned to make up even less by 2020.

So it's no surprise that the main beneficiaries of EU research funding in the UK are in the humanities and social sciences. According to figures from a report for the Royal Society, archaeology tops the dependence list with 38 per cent of its research funding coming from Brussels, followed by classics, IT and (predictably, given the EU's priorities) media studies.

'Research grants are doled out according to political priorities.'

Under the £80 million EU Horizon funding scheme, funded research projects were designed to increase mobility of all workers still further, including researchers, through ever greater refinements in EU policy. Funding for EU projects in the arts, humanities and social sciences is measured in large part by their declared purpose to forward the EU agenda.

Dependency

At the level of individual universities, some institutions have allowed themselves to become overwhelmingly dependent on the EU trough. Goldsmiths College in south London receives 61 per cent of its research funding from the EU, with Middlesex University on 51 per cent.

This kind of dependency has created an academic fifth column in Britain. Research funding apart, fewer than half the doctorates awarded now go to UK nationals. If you exclude student teachers, very nearly two-thirds of graduate students are foreign nationals.

Put that together with research funding dependencies, and you can see the consequences. The first and most urgent is that the academic sector as a whole is now utterly dependent on the "free movement" of the world's talent – not to speak of dependence on EU grants – no matter what the damage to other nations' academic base.

There is in reality no "free movement" for UK nationals apart from in very particular specialist fields such as languages, culture or history. There is no incentive for UK

Continued on page 20

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academic staff to settle permanently in countries with lower salaries and even less job security than in the UK.

In the long term, academics and hopeful PhD applicants, while they think they are clever supporting the EU, are literally cutting off their own opportunities as they compete with thousands of candidates for jobs.

According to the Royal Society, over a quarter (28 per cent) of the 194,190 academic staff in UK universities are non-UK nationals. Recruitment from the EU makes up a significant part of this. In 2014/15 there were 31,635 EU nationals (excluding UK nationals) working in our universities, 16 per cent of the total, and 23,360 from outside of the EU, 12 per cent of the total.

PhDs

PhD students also make up a large proportion of the UK's research population, with a total of 81,130 active in UK higher education institutes in 2014/15. Some 14 per cent of PhD students are non-UK nationals from the EU, with 36 per cent from outside the EU – half of the doctoral students in the UK are foreign nationals.

What the figures don't highlight is the appallingly low number of, and cutthroat competition for, PhD scholarships, many awarded to non-UK nationals. If the playing ground were equal across the EU this might be tolerable but there is no equality here.

The reasons why EU students want to come here – quality of research, better pay, conditions and security, and the ability to work in the academic lingua franca – don't apply to UK students, who are not interested in settling in other EU countries in any significant numbers. There is no reciprocity.

The international profile of the UK's academic workforce reflects the ability of the UK to attract talent from overseas and this supports the UK's scientific excellence. UK institutions with greater proportions of foreign researchers and researchers with international experience scored more highly in the recent Research Excellence Framework, which assesses the quality of research in higher education institutions.

Settling overseas?

Throughout the Royal Society's report, the term "UK-based researchers" refers to researchers who have stated an affiliation with a UK institution. By analysing the publication record of such researchers we can see how much these individuals have moved internationally. Using data from publications in this way means that non-UK nationals who are based in the UK are included in the analyses, and these individuals represent a considerable proportion of the total.

The UK has a highly mobile researcher population. Almost 70 per cent of active UK researchers in the period 1996–2011 had published articles for which they were affiliated with non-UK institutions, indicating that they had worked abroad at some point during that time. Some of those researchers may have moved for relatively short stays, but UK-based researchers also move for longer periods: 21 per cent of UK-based researchers worked abroad for two years or more during the same period.

But they don't want to settle. Of course there are exceptions, but by and large they don't take up citizenship elsewhere.

So from the research perspective there should be no surprise at the horror from university managements and academic staff at Brexit. Nor at the McCarthyite hounding of any academics who dare to express support for leaving the EU.

But in doing so, universities in the UK are effectively supporting the destruction of research capacity elsewhere, the destruction of their own national research base, and conniving in unprecedented opportunity loss for young British nationals.

British academics used to complain – rightly – about the brain drain to the United States. They should have no part in a system that relies on sucking in talent from poorer countries.

The sooner Britain leaves the EU, the sooner research policy can put its house in order. ■

'McCarthyite hounding of any academics who support leaving…'

Under the cosh

UNIVERSITY RESEARCHERS, no longer public servants but workers in a global business world, are everywhere under the triple cosh to get research grants, demonstrate "impact" and write papers for research journals.

The Research Excellence Framework or REF – the term for university inspections held every four or five years – hides a multitude of research sins under the vicious pressure of competition between universities to get research council, EU, private foundation and government favour and funding, to produce "policy-based evidence", and to publish the results in copious numbers of articles for research journals.

The REF blocks out research conducted for the sake of finding out about or for rejecting the status quo and obliges researchers to write on whatever the journals will accept, all under the guise of other euphemistic terms for cut-throat behaviour such as "research impact".

Essentially, researchers have been reduced to the role of sales reps, fighting each other for new business and suffering the consequences of attracting too few customers.

The following, from the *Guardian* (Academics Anonymous, 28 October 2016) encapsulates what happens to those academics who fall into the twin traps of principled research and meaningful writing:

"Research used to be about the pursuit of knowledge, now it's driven by impact and returns….research grants have become more commercially minded investments with some expectation of immediate, low-risk return." ■

Globalisation is really about keeping capital accumulation hidden from scrutiny…

Welcome to Moneyland

Moneyland: why thieves and crooks now rule the world and how to take it back, by Oliver Burroughs, hardback, 298 pages, ISBN 978-1781257920, Profile Books, 2018, £20. Kindle edition available, paperback edition due April 2019.

THIS WELL RESEARCHED book by journalist Oliver Burroughs describes a world where national borders don't exist – for an elite operating beyond the law.

He writes, "I call this new world Moneyland – Maltese passports, English libel, American privacy, Panamanian shell companies, Jersey trusts, Liechtenstein foundations, all add together to create a virtual space that is far greater than the sum of their parts. The laws of Moneyland are whichever laws anywhere are most suited to those wealthy enough to afford them at any moment in time." All are for sale. Some even buy diplomatic posts so that they can claim diplomatic immunity.

Tax havens are often the start of complex money laundering operations.

Apologists

Globalisation is not, as its apologists suggest, about allocating capital efficiently to get the best return for its owners but it's about "capital being allocated secretly to gain the greatest degree of protection".

Estimates of the wealth secreted in tax havens range from $7.6 trillion to $32 trillion. The gross domestic product of the USA was $19.4 trillion in 2017. Most of the world's tax havens are British dependences, for example the Cayman Islands and Jersey. Britain's libel laws provide more protection to rich criminals than those of any other country.

Tax havens are key stepping stones in a process that often starts with stolen or misappropriated assets. It ends with legitimate assets; respectability enabled by low levels of regulation, poorly enforced – and the services of an army of compliant bankers, lawyers and so on.

A 2011 study by Britain's Financial Services Authority found that three-quarters of British banks failed to check properly whether the money in their accounts had been legitimately acquired. Half of them failed to identify adverse information about their client, and a third of them dismissed serious allegations made against their client without checking them properly. It concluded, "Some banks appeared unwilling to turn away, or exit, very profitable business relationships when there appeared to be an unacceptable risk of handling the proceeds of crime."

'Banks failed to check whether the money in their accounts had been legitimately acquired.'

In one bank, a member of the anti-money-laundering team approved a relationship with a politically prominent family, despite their being under international sanctions and credibly accused of embezzling millions of dollars of government funds. He wrote, "In my view, provided there is sufficient business to justify the risk then I am happy to recommend we proceed."

This development has huge effects on society. The very rich, by avoiding their fair share of tax, add to the majority's tax burden. By privatising the rewards achieved by collective work, they rob the majority of the deserved fruits of their labour. The excessive spending power of the very rich distorts the whole economy, boosting the luxury goods sector at the expense of every other sector. More productive and more socially useful industries lose out. Conspicuous consumption of housing by the very rich skews the property market, dragging up prices for everybody.

Vicious circle

When inequality keeps increasing, the very rich will be able to buy even more luxury goods, so shares in companies producing these goods will keep outperforming the broader market. So, the very rich will buy shares in these companies, so the very rich will get even richer, so they can spend yet more on luxury goods, which will boost the shares of those companies, increasing inequality yet more, so more luxury goods will be bought, boosting those shares, and so on ad infinitum.

Brooke Harrington, an American academic, concluded, "Using trusts, offshore firms, and foundations, professionals can ensure that inequality endures and grows in a way that becomes difficult to reverse short of revolution." ■

During the last two centuries, finance capital has progres remote from and hostile to the real economy…

Finance capital – our en

FINANCIAL OPERATIONS have existed for a long time. Distinct from the production of goods or trading them, finance is about controlling and exploiting production. But finance capital has become an increasing impediment to progress and the economy.

In 14th-century Florence, profitability in production and trading of textile products declined. Opportunities for profit emerged in the financing of public debts. This led to an increase in social inequalities as commercial and productive activities began to disappear. Financial profits became concentrated in the hands of a small number of financial operators.

By the 17th century the oligarchies running Venice, Genoa and Amsterdam grew inward looking and withdrew almost entirely from active trade. They turned into rentier-investors looking for a privileged life based on the enterprise of others.

In the early stages of capitalism finance capital played a positive role at times in developing a productive economy. Between 1830 and 1860, European financial capitalism was successful; the banks took hold of everything including industry. And finance capital was at the heart of the lightning growth of German industrial capitalism at the turn of the twentieth century. In these periods finance could be a weapon in the drive toward accelerated industrialisation and large-scale production.

Acceleration

That picture has changed dramatically in the last 50 years. One of the most remarkable developments in the leading capitalist countries since 1970 has been the accelerated expansion of financial operations. Regulatory constraints on derivative financial products were relaxed. Deregulation became widespread, affecting other markets and assets too, like bonds.

The development of complex derivatives has been extraordinary. These are far removed from the underlying production of goods but are traded as if they represent real, tangible value. The notional value of derivatives grew from almost nothing in 1970 to $865 billion in 1987, reaching a figure of $685 trillion at the end of 2010.

'…a meteoric rise in inequalities between classes…'

This spectacular growth in derivatives and specifically in the subprime markets resulted in the systemic financial crisis of 2007-2008. Indebtedness in the leading capitalist economies grew continuously from the 1980s – accompanied by an enormous increase in the financial sector's share of the economy.

But over the same period there was a meteoric rise in inequalities between classes and growth in industrial activities declined in the advanced capitalist states.

The diverse array of financial products and debts now has great influence over the economy. The expansion of this fictitious capital works as an inhibitor of future production as it has taken a central place in the general process of capitalism.

The liberalisation of finance has been accompanied by the internationalisation and increased sophistication of financial markets. Alongside this is the growth of indebtedness among states, firms and even households; the privatisation of greater parts of social life; the fragmentation of the workers' movement and a proliferation of financial crises.

Finance capital now operates along with the two other features of contemporary capitalism – globalisation and neoliberalism – as the transnational monopoly occupier of the whole world.

After 1980, accelerated deregulation accompanied by rapid financial innovation stimulated powerful speculative financial booms. They always ended in crisis and government bailouts that allowed new expansions to begin. These in turn ended in crises, which triggered new bailouts.

Over time, financial markets grew ever larger relative to the non-financial economy. Important financial products became more complex, and system-wide leverage exploded.

A complex web of financial mechanisms has evolved to separate the ultimate owners of wealth from the businesses and enterprises that should be generating real wealth. The costs of the 2008 financial collapse were "socialised", paid off with taxpayers' money. That's to the detriment of workers, who were never supposed to benefit from this "communism for capital".

Venice: finance began to thrive in the 17th centu

Almost incomprehensibly large sums were taken for recapitalisation, temporary bank nationalisation, repurchasing assets, loans, guarantees and injections of liquidity. Between autumn 2008 and the beginning of 2009, the total amount that states and central banks in the advanced countries committed to supporting the financial sector has been evaluated at some 50.4 per cent of world GDP! Staggering!

The 2007-2008 crisis and the long recession in which the world economy has been caught up ever since stripped away the veil. Austerity policies, structural reforms and the priority given to financial stabilisation show that it is finance capital's needs and not those of the people that prevail.

Fables

Economic commentators are fond of comparing the journey of finance capital to the passing of the seasons. This fable describes the early years of finance supporting industrial capitalism as its springtime. The current phase is its autumn – with winter pressing.

But the financial instability inherent in

sively become

emy

ry as merchants withdrew from active trade.

‘Indebtedness grew continuously from the 1980s.’

capitalism is not seasonal weather. Nor is it a moral problem caused by individual rogue workers who are motivated by greed. Rather, as its history shows, instability is a systemic defect caused by the unregulated framework of a liberalised finance capital.

Capitalist financial systems are inherently susceptible to long bouts of speculation that end in crises. Though the apologists talk of the efficiency of markets, unrestrained financial markets tend toward excess and upheaval that harms the real economy we all depend on.

True finance should support the real economy and not be in opposition to it. Today’s finance capital ultimately veers towards giving money magical faculties that it does not possess, as if it is the property of money to create value rather than the production process and the exploitation or use of labour. It is a dangerous, foolhardy chimera – and ultimately unnecessary. ■

The TUC's own Project Fear

'The fact is that there is no level playing field in the EU: it's tilted, slanted, blatantly biased against the working classes of all nations.'

THE TUC HAS been running its own special Project Fear campaign, largely unnoticed – though given its recent performance, that's not surprising. Like a broken record, it has been churning out press releases saying that Brexit will herald a bonfire of workers' rights.

Take the General Council statement in September 2018. "Some of the impacts of Brexit are already affecting people's jobs and livelihoods but worse may be to come. People have seen prices rise and wages stagnate or fall." In fact, wages are currently rising at their highest rate since 2008, and no thanks to the TUC either (see article, page 10).

It wants EU legislation to apply forever, which means staying in the EU forever. "For workers' rights to be protected and enforceable now and into the future, Britain's final status deal with the EU must include a level playing field for workers' rights to stop unfair competition and ensure good employers are not undercut by the bad."

The concept that employers will cut our wages and slash our terms and conditions – if they can – is hardly new. But the idea that EU membership is preventing this is ludicrous.

The fact is that there is no level playing field in the EU: it's tilted, slanted, blatantly biased against the working classes of all nations.

Take pay, the reason we go to work, the source of all workers' income and the source, too, of the employers' wealth, of capital. The TUC is besotted with the minimum wage but forgets to mention that there is no EU minimum wage. Five countries – Austria, Denmark, Finland, Italy and Sweden – don't have one at all. A sixth, Cyprus, has one but not all sectors are covered.

In over half the remaining 22 countries, the minimum wage (the UK equivalent is the National Living Wage) is less than half what it is in Britain. It is precisely the unlevel playing field that is driving workers from those countries here, and helping to suppress pay rates in Britain in the process.

The fact is that any advances in workers' rights here have been won by workers in struggle, not "granted" from above. But what you never, ever hear from the TUC is that Britain could stay in the EU and abolish the minimum wage completely.

Any country seeking to protect its own minimum pay or – in the case of Austria locally agreed pay – is likely to be told by the European Court of Justice that it is acting illegally (see article, page 9).

It's true that there are EU restrictions on hours of work – but they are widely ignored except in areas of good union organisation.

After pay comes holidays. And of course the TUC says our holidays are threatened. It doesn't tell you that the government could stay in the EU and cut eight days from our legal minimum holiday entitlement. That's because the minimum laid down in the EU's Working Time Directive is 20 days, including public holidays. UK law specifies a minimum of 20 days *plus* public holidays – making 28 days.

The TUC makes much of threats to maternity pay. There are indeed elements related to equality that have been introduced by EU legislation, though it would be tough going for any British government to scrap them.

But look at the basic entitlement. In EU law there is no set maternity pay, and the EU minimum leave is 14 weeks. In Britain, every pregnant woman is entitled to 52 weeks' maternity leave, with 39 weeks paid (though not generously).

If the employers were in a position to create a bonfire, they could cut maternity leave by 75 per cent while still being in the EU.

The General Council says, "A 'no deal' Brexit would expose the vulnerability of workers within the UK economy given our comparatively low levels of social protection and constrained Union rights." What it doesn't say is that the EU does absolutely nothing for union rights: in fact, it constrains them.

Before the 2016 referendum, the EU's attack on union rights was rigorously documented by top trade union lawyer John Hendy (tuaeu.co.uk/the-terrible-tale-of-the-eu-and-trade-union-rights/). The only thing that's changed is that things have got worse.

It's time the TUC started telling the truth. ■