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JOURNAL OF THE CPBML

TAKE CONTROL: BUILD THE NEW BRITAIN

WORKERS

Start the skills upgrade now

AS WE prepare to leave the EU, one of the biggest tasks is to raise the skills of millions of British people. If we succeed Britain can begin to thrive as an independent country working in the world.

Instead of plugging skills gaps by sucking in people from abroad we have to create and implement a long-term plan for our future that develops streams of skilled people for industries, energy, transportation, services and health care.

This means wholesale government intervention and national direction. The state has a role to play as private enterprise lacks the motivation, desire or altruism to tackle the scale of the problem: it will have to be compelled to do the right thing.

The approach must be a coherent one stretching right across our society involving not only government but businesses and industrial sectors, all of our educational institutions such as universities, further education and schools, the civil service and planning departments too.

In whatever schemes that are devised there must be a parity of esteem between academic and technical education. Cultural bias against manufacturing and construction needs to be overcome.

Quality apprenticeships must be created wherever they are needed. There must be authentic investment in workers, in workforce development and relevant training.

A plan at least has been laid out for reskilling in the shipbuilding industry (see article, p18) – which could serve as a model in other industries. Its implementation must be fought for. Higher education too must be made to play its role at the service of the people, not by making money as an international business (see article, p10).

The earning capacity and productive potential of British workers must increase rapidly; we want better paid, highly skilled jobs. Bridge the skills gap, as we curb immigration into Britain.

There is no need to delay. We should start on this project now, not suddenly panic when we have finally ejected the EU. The EU has no right or ability to interfere with or delay our positive governance as we develop the conditions to make a success of our independence.

Act now – bring everything into play – create the engineers, scientists, civil engineers, builders, doctors and nurses that we urgently require from the British people whom governments are supposed to serve.

With the political will, there is no reason why this cannot be achieved. We have a tremendous resource in our healthy, educated working class but the life of the country must now be turned and organised towards the future we have decided on: independence. ■

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Contents – September/October 2017

Workers

Capitalism's railway carousel

THE CAPITALIST carousel that now typifies Britain's railways continues as London Midland loses the franchise to operate routes across the region's network. London Midland is owned by Govia, a joint venture between Go-Ahead, which arose out of the privatisation of the bus industry, and Keolis, itself jointly owned by French state railways operator SNCF and a Quebec public pension fund.

Now its licence to extort the travelling public has gone to West Midlands Trains, a new joint venture between Dutch group Abellio, East Japan Railway Company and Japanese conglomerate Mitsui & Co. It has won the nine-year contract and will begin services on 10 December. These are the first Japanese companies to gain a rail franchise in Britain.

Abellio is the international arm of the Dutch national rail operator Nederlandse Spoorwegen. East Japan Railway Company was formed in 1987 after being privatised from the government-run Japanese National Railways.

Mitsui & Co is a general trading company with no experience in transport. Ironically, it was originally founded in 1876 to bring more Japanese businesses into Japanese ownership and end domination by foreigners.

The talk is of investment, as it always is before a new franchise sinks its teeth into its new service. Among the planned changes are 20,000 extra seats for rush hour passengers in Birmingham, 100 new carriages on the Cross City line and 80 new carriages for the Snow Hill line. All well and good, but who will be building these new carriages?

The government is happy to see publicly owned foreign rail operators run services here, yet still opposes nationalising our rail services. ■

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

INSURANCE
Death bonanza

LEGAL AND GENERAL Insurers recently issued a press release callously stating, "People are dying much quicker than anybody expected and that as a consequence is releasing cash which gives us extra cash as a group." £126 million set aside for future insurance and pension payments is now being recycled into higher dividends to shareholders and investors.

The first six months of 2017 have seen L&G's operating profits rise by 27 per cent to £988 million. Its new bulk annuity business has risen to £1.6 billion, while its fund management assets have soared by £21.9 billion.

So the cruel reduction of human life to a mathematical calculation of life expectancy, pension contribution, and pension pay-out, shows that even in death we contribute to fantastic returns for capitalism. ■

FOOD
McDonald's strike vote

WORKERS AT two McDonald's outlets in London are to be balloted over strike action later in the year. The dispute centres around cuts to hours and bullying linked to union membership, but also involves zero hours contracts, union recognition and a claim for a minimum £10 an hour wage.

The Bakers Food and Allied Workers Union, which announced the ballot, is spearheading the "Fast Food Rights" campaign, working across the country to ensure the right to a fair wage and decent working conditions. ■

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 news at cpbml.org.uk…

TUC pay campaign: to be or not to be?

First they will, then they won't. TUC indecision over its "Britain needs a pay rise" campaign is becoming a tradition.

Council rakes in millions from housing sales

Kensington and Chelsea raised £4.5 million from the sale of two council houses last year, more than the £3.5 million outlay on the deadly cladding system added to Grenfell Tower.

The land of 100,000 potholes

Britain's infrastructure is crumbling – literally. More than 100,000 potholes have been found on the country's roads.

Glasgow janitors' dispute ends in victory

Janitors in Glasgow schools have won a pay rise – and the principle of one janitor, one school.

Whisky set to benefit from the Brexit spirit

The government wants to reduce the cost of exporting whisky after Brexit, with ministers keen to open up new markets around the world for the drink.

Defeat for government over pension scheme

The High Court has thrown out government guidance to force Local Government Pension Scheme investments to meet its policies.

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Bath University graduates and staff processing from Bath Abbey during a 2017 graduation ceremony.

Easier if you're foreign

THERE HAS long been discussion of how much more a university can earn by admitting overseas non-EU students who pay the higher overseas fees. Before the introduction of tuition fees, the main emphasis was on boosting university income by recruiting overseas postgraduate students.

Now an investigation by the *Sunday Times*, published on 6 August, has exposed how this practice is now effectively discriminating against British undergraduates. The investigation showed that since 2008 23 of Britain's top universities have cut British undergraduate numbers – many substantially – and increased places for overseas students.

Across all universities British undergraduate numbers have also fallen since 2008, even though the number of British school students applying for university rose by 17 per cent over the same period.

The greater scandal is that universities are admitting those overseas students by providing them with access via commercially provided foundation courses which are not comparable to A levels.

The investigation quoted a Singaporean student who took such a foundation course as saying: "The eight-month course [was] very manageable compared to the A-levels where I would probably need to sit down and study every day." ■

• See feature on university finance, p10.

BREXIT
Remainers want it clean

MOST REMAIN voters now support a clean Brexit in which Britain should take control of its borders, end the jurisdiction of the European Court of Justice and pay little or nothing to leave the EU, according to a survey of a large sample of people by the London School of Economics and Oxford University.

- A total of 51.3 per cent of Remain voters now back a Brexit deal which delivers full control over migration and leads to lower numbers of EU migrants.
- Among Remain voters, 54.7 per cent said that they did not think the UK should hand over any money to the EU.
- Likewise, 52.2 per cent of Remain voters do not think Britain should be subject to the European Court of Justice.
- A majority of respondents would prefer "no deal" to soft Brexit and similarly would opt for hard over soft Brexit.

It is clear that Remain voters are accepting the implementation of Brexit. It is high time that discredited politicians and reluctant civil servants still hoping to obstruct withdrawal from the EU should fall into line with the wishes of the British people, or face the consequences. ■

HOTELS
Hilton vote of confidence

HILTON, THE AMERICAN hotel giant owned by Blackstone, is planning to increase the size of its UK estate by almost 25 per cent in a vote of confidence in the British economy as it moves to leave the European Union.

Hilton will open 30 hotels over the next two years. Britain is its second largest market outside the US. New openings will have sites in London, York and Leeds. ■

CEO PAY

Out of all proportion

RESEARCH BY the Chartered Institute of Personnel and Development (CIPD) and the High Pay Centre shows that the ratio of pay between the average top FTSE 100 Chief Executive Officer (CEO) pay and the average worker now stands at 129:1.

Though this is a drop from the 2015 analysis – 148:1 – it still means that the average worker would have to work 160 years to earn one year of the top CEO pay. The top ten CEOs jointly earn nearly £104 million, with the top CEO earning £48,148,000!

It is no accident that over 25 per cent of the top FTSE 100 companies pay the living wage. This is not out of the pompously promoted social responsibility of these companies but guilt at the incredible fortunes being generated, the staggering rewards to Chief Executives and peanuts to the workers.

In response to previous criticism of the staggering 148:1 ratio the companies are pursuing a strategy of "chase the median", manipulating pay at lower and middle levels that still gives CEOs staggering salaries.

Both the CIPD and the High Pay Centre are calling for voluntary codes of ethics and restraint by the companies. But as with fraudulent practices by banks, for every one they get caught out on, another two scams are invented. ■

Govt backing EU Ukraine deal


Spok83/shutterstock.com

SHORTLY AFTER the 2016 referendum, *Workers* predicted that the EU would regroup and reactivate its attack on that part of Ukraine still resisting its takeover. On the 6 July this year the British government jointly hosted with Ukraine a major international conference in London to review the progress of the Ukraine–EU Association Agreement.

The agreement has an implementation period set to run to 2020/21. It was signed after the EU/US-led coup in Ukraine in 2014.

Since 2014 those workers who live in the Ukrainian areas of Donetsk and Lugansk have heroically resisted the political and military attacks regularly conducted by the Ukrainian puppet administration on behalf of the EU. The workers' resistance is straightforward – they simply refuse to be ruled by a foreign power.

Much of the London Conference was spent discussing the Ukrainian Government Action Plan, an EU-drafted micromanagement paper running to some five hundred pages.

The following extracts illustrate the document's direction of travel: "The Medium Term Plan will help to align…Ukraine's commitments under the Association Agreement with regard to the operation of a deeper and more comprehensive free trade area between Ukraine and the EU."

The ultimate goal "will be the elimination of nontariff barriers to trade, full access to the EU market in the defined areas…harmonised European standards, compliance with which provides a presumption of conformity of products, related manufacturing processes or methods or other items to technical regulations in the sectors covered by the Agreement."

The document goes on to say, "The goal through Customs reform is directed at improving the quality and efficiency of Customs by improving its institutional capacity and reducing Customs clearance time for exports and imports. In the medium term, the Customs reform introduces best international standards of Customs control and clearance for goods and vehicles; to improve the quality and efficiency of Customs operations."

The London Conference was hosted by Boris Johnson. But if our government thinks that the British working class will align our EU withdrawal approach to a Ukrainian warmongering administration that the EU leads by the nose, then the government had better think hard about its future.

British workers, like the workers of the Donbass, have no interest in being part of an EU prefecture. ■

WHAT'S ON

Coming soon

SEPTEMBER

Sunday 3 September, 11am to 5pm

Burston School Strike Festival, Burston, Near Diss, Norfolk

Annual rally to celebrate the longest strike in history. Organised by Unite with assistance from the South East Region of the TUC. For details, see burstonstrikeschool.co.uk

Thursday 28 September, 7.30pm

Brockway Room, Conway Hall, Red Lion Square, London WC1R 4RL

"House the People"

CPBML Public Meeting

Housing in Britain is broken. Instead of filling a need, it is an investment from which huge profits can be made by taking advantage of the acute rise in demand. Meanwhile, council housing is left to rot – with deadly consequences. Come and discuss. All welcome.

NOVEMBER

Thursday 16 November, 7.30pm

Brockway Room, Conway Hall, Red Lion Square, London WC1R 4RL

"100 Years after the Bolshevik Revolution"

CPBML Public Meeting

In 1917 the workers and peasants of Russia changed the course of history. A century on, the ideas and thought that it inspired are still changing the world. Come and discuss. All welcome.

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More and more staff at Barts Health are seeing the importance of protecting Agenda for Change rates…

NHS pay battle falters

BARTS HEALTH, England's largest NHS Trust, is seeing a battle over wages by Unite and Unison involving "facilities management" staff transferred to Serco – mainly employed in catering, cleaning, security and portering.

The two trade unions are pursuing two fundamentally different lines and strategies at the Trust, which covers five hospitals – Bart's, the Royal London, Whipps Cross, Newham and Mile End.

Unite set out on a strategy that undermines the NHS national agreement, known as Agenda for Change (A4C), by lodging wage claims which either have undermined the existing rate for the job or unless met in full will see wage increases lag behind A4C.

Unison has pursued a different strategy, one which all the health trade unions are signed up to support, including supposedly Unite: to promote A4C, extending the full range of A4C wages, terms and conditions, sickness policies, overtime rates etc for over 1,000 Serco staff.

This would keep them part of a wages progression which will leave the limitations of the London Living Wage behind and secure genuine improvements for the workers involved. Unite's strategy of concentrating on the London Living Wage and a 30p an hour increase for its members would, say Unison insiders, remove them from Agenda for Change – effectively creating a two-tier workforce.

The transfer process was a sham. The trade unions, disjointed as they are at Barts, had no input at all into the procurement process for the contract, which could run for up to 10 years and be worth around £600 million. Barts Health washed its hands of over 1,600 staff, and Serco jumped at the chance to pick them up.

The staff, while previously outsourced to Carillion, had still been enjoying

'Two fundamentally different approaches in this dispute.'

Workers

Whipps Cross Hospital, London, part of Barts Health.

national bargaining advantages under A4C, pay and all else that comes with it. This was immediately halted.

Serco quickly froze all A4C increases, using the European Court of Justice's 2014 Alemo-Herron ruling that staff employed under nationally agreed terms and conditions were not automatically entitled to future negotiated pay rises after being transferred.

Fence-sitting

Barts Health sat firmly on the fence, claiming to be neutral to all parties and only willing to act as mediator. Though it claims the affected staff are still part of "Team Barts" (whatever that means), it signs contracts that put them on completely different terms and conditions from the rest of their colleagues in the NHS.

Unite promised its members an increase of 30p an hour, and strike pay almost covering the daily average wage of the workers. It then embarked on three rounds of strike action amounting to 23 days, but with diminishing involvement and minimal impact on the Trust. As *Workers* goes to press, Unite says it has suspended action to allow negotiations to take place, though Serco has said it has no new offers to make.

Unison, meanwhile, has had an offer from Serco to meet its demands for the full implementation of the NHS A4C award and the retention of Barts policies and procedures – without Serco attempting to introduce changes without agreement. Serco with Barts are examining the third demand of moving all staff on the London Living Wage onto A4C pay rates.

There are two fundamentally different approaches in this dispute. Unite with its ultra-left agenda (instigated from outside the Trust) are trying to make cheap capital at the expense of low-paid workers.

Unison is pursuing an agreed joint health trade unions strategy of retaining and expanding A4C and at the same time bringing to heel the new employer, Serco.

The company, which is one of the world's largest private service contractors (prisons, transport, defence, health, education, leisure, and so on), is in financial difficulties.

As the strike has drawn on, more and more staff are beginning to see the light through the clouds. The message about the importance of protecting A4C is beginning to resonate as staff frustration about Unite's tactics begins to surface.

Had the action been planned from the beginning and had Unite approached Unison for a joint pay campaign based on A4C, things may have been different. As it is, the action looks set to lead to further uncertainty and frustration. ■

We've had a government policy paper over free movement. But we still need clarity…

Migration and control

WHO SHOULD decide who is allowed to live in Britain? The question was central to our decision to leave the EU in June 2016. The British people clearly rejected having no say over the future of our country and especially no control over who comes and who stays. Freedom of the citizens of member states to live and chase work (or be shifted from country to country) anywhere within the EU is central to EU law, so regaining control means leaving.

So, where are we now?

In June this year the government published a policy paper called "Safeguarding the position of EU citizens in the UK and UK nationals in the EU". It said free movement will end by March 2019 when we leave the EU, and that the European Court of Justice (ECJ) jurisdiction over non-British citizens living here will cease.

Incidentally, there's no such thing as an EU citizen because there is no such thing as an EU state – yet. So by EU citizens we mean citizens of the 27 other EU member states. Latest official estimates suggest around 3.3 million in Britain at present, a rise of 126,000 since June 2016, of whom 2.37 million are working,

lumokajlinioj/shutterstock.com

Polish workers on their way to Britain going through passport control at Calais.

Status

The paper outlines the future status of EU citizens living here at present and how they can apply for "settled status" allowing them to stay after Brexit by meeting certain criteria. So far, so good. It's reasonable to clarify for those who have lived here continuously for at least five years how they can become part of an independent Britain, as long as they stay – if they leave they lose that right. The government wants British citizens living abroad in the EU to have the same rights.

As *Workers* goes to press *The Times* reports that the government will announce that after Brexit citizens of EU states can continue freely to come and live here and apply for work – employers wanting to hire them will have to apply for permits. The system would be policed by spot checks as "at present". And we all know how well that works – not really at all.

We need clarity. The government should stop announcing policy by leaks and rumours and start being straight with the British people. We have demanded control over our borders and ordered government to provide this.

Why should we worry about Britons living abroad? If you choose to live in another country you should be subject to the laws of that country, and be aware that those laws can change. It's part of the risk you take.

After a period which enables eligible EU citizens to achieve "settled status" here, there should be a clear cut off point after which would-be migrants from the EU should be treated the same and be subject to the same laws as non-EU people, and be allowed to work the basis of strict criteria of Britain's need.

So control of immigration doesn't mean putting up a wall around Britain, but is about our control – that's what sovereignty means, not being ordered around by a foreign court.

To achieve control, we need a system of enforcement, properly staffed and funded and thorough in approach. Nothing like the present patchy, leaky and inefficient way that checks are carried out on non-EU "black economy" workers. Free movement feeds a system which suits cheapskate employers and undermines British workers with imported cheap labour – it must end.

There is much talk of the contribution made by EU migrant labour. Employment figures for this June show the reality of that contribution: an increase in numbers employed; shrinking real-terms wages; productivity dropping yet again – it has barely improved in the past decade. With free EU movement of workers, employers have no incentive to invest in skills here or increase wages.

The possibilities for our country are bright when we leave. We can develop our own economy independent from the EU, but we have to educate and train our own population to provide what we need. Government must now demonstrate that it is fully committed to this future. ■

'Why should we worry about Britons living abroad?'

It's become a mantra, endlessly repeated by the TUC: "Worke be? And how about acknowledging the price of staying in the

Paying the price of the E

Razvan Orendovici (CC-BY-SA 2.0)

Oppressive architecture, oppressive law: The European Court of Justice in Luxembourg

ON 6 JULY Michel Barnier, the European Union's Brexit negotiator, addressed the EU's Economic and Social Committee. His words were duly noted and passed on to unions in Britain by the TUC delegate to the committee under a title saying that Barnier "spells out the truth" about Brexit.

Barnier's address, wrote Unite's Martin Mayer with doe-eyed devotion, was "clinical in its analysis" and "impressive in its clarity". And he dubbed as "fatuous" Theresa May's statement that "Brexit means Brexit". Clearly, the TUC's love affair with the EU is still going strong, despite the referendum.

At the meeting Judy McKnight, ex-TUC General Council, ex-General Secretary of the prison officers' union, and described as "Leader of UK Workers Group members" although she is actually retired, repeated the worn old refrain that "workers must not pay the price of Brexit".

Meanwhile, the TUC is campaigning for Britain to stay in the single market for as long as possible, under a transitional agreement, to "keep workers' rights safe". The call came in a press release on 6 July from the TUC supporting the line being taken by the employers' organisation, the CBI.

Nowhere do these EU fans talk about the cost of staying in the European Union. In particular, they see the European Court of Justice as the guardian of workers' rights. Yet it is anything but that.

Successive ECJ judgements have made it perfectly clear that the rights to free movement – of goods, labour, services and capital – come first. The right to strike in pursuance of what it calls social policy (jobs, pay, conditions, pensions) cannot, according to the Viking judgement*, "automatically override" these fundamental rights.

Lower costs

More fundamentally, said ECJ Advocate General Poiares Maduro on 23 May 2007, "the possibility for a company to relocate to a Member State where its operating costs will be lower is pivotal to the pursuit of effective intra Community trade". There's the EU, in a nutshell: it's a fundamental right for a company to move from country to country in search of lower and lower labour costs.

The EU's fundamental rights are all about the market. It's a far cry from "Life, liberty and the pursuit of happiness" or "Liberty, equality, fraternity". In effect, the EU acts as a superstate whose constitution embodies the freedom of capital and capitalists in a way unheard of in any other.

The first price that workers pay is that they must allow outsourcing and privatisation of national industries and services.

The second is that they cannot strike to stop work being outsourced to a cheaper country. The ECJ made the reasons for that very clear: "Without the rules on freedom of movement and competition it would be impossible to achieve the Community's fundamental aim of having a functioning common market."

And of course there is the cost of the free movement of labour. It's beyond doubt that it has hit unskilled workers in Britain particularly hard. It has lowered pay rates, and according even to the official Migration Advisory Committee, damaged the job prospects of lower skilled natives when the labour market is slack.

ers must not pay the price of Brexit." What price would that e EU?

uropean Union

It's not just the unskilled. Without free movement how could the government have erected the massive tuition fees barrier to the training of nurses, midwives and other health professionals while understaffing runs through hospitals like a plague? And the laws of supply and demand are clearly operating in other areas too, such as academic pay (see "Free movement? More a free ride for universities", page 10).

The TUC not only backs this free movement but, astonishingly, thinks that Britain's migration policy should be handled on our behalf by Brussels. "It is … more effective for migration flows to be managed through EU legislation rather than member states creating patch-work laws to deal with the issue," it told a government inquiry into EU powers in 2013.

The odd thing about the TUC's blather on "workers' rights" is that you might expect trade unions, of all bodies, to understand that it is first and foremost through the existence and activity of unions that workers establish and defend any rights that they have.

There is nothing – not a single sentence – in the government's draconian new Trade Union Act that runs counter to EU law. Nor in the even worse bits that the government was forced to drop as the bill made its way through parliament.

When collective action fails or is absent, the only recourse is often to an employment tribunal. Yet when the government introduced huge fees for employment tribunals in 2013, and Unison brought a legal challenge, it was primarily to English law based on Magna Carta and enshrined in 1297 that the Supreme Court turned on 26 July this year to rule the fees unlawful.

What jobs?

Back in 2015, Unite published a particularly biased leaflet called *What has Europe ever done for us?* (incorrectly equating Europe, a geographical fact, with the EU, a political construction). Among its outrageous claims was the oft-repeated notion that the EU "is also responsible for 3.5 million jobs in the UK." The implication is that we would lose these jobs with Brexit. This is complete nonsense, although a number of politicians have said the same thing, and keep on saying it.

'Not a single sentence in the government's draconian Trade Union Act runs counter to EU law.'

Claims that three million or more jobs depend on Britain being part of the EU first appeared following the publication of a report by Dr Martin Weale in 2000 for the National Institute for Economic and Social Research.

But the report did not say that these jobs would be lost if we left the EU. Far from it. It suggested that withdrawal may actually be beneficial. It is the fault of politicians like Nick Clegg, John Prescott and Stephen Byers that the findings of this academic report have been twisted.

Weale was furious at this distortion, describing it as "pure Goebbels" (a reference to Hitler's Minister of Propaganda) and saying, "in many years of academic research I cannot recall such a wilful distortion of the facts".

Nothing to admire

What, then, does the EU offer workers in the way of rights? Its defenders talk admiringly about working hours legislation – but what's to admire?

It is true that the EU brought in its Working Time Directive in the 1990s, incorporated into British law in 1998. But look closer. Brussels mandated a minimum holiday of 20 days – including public holidays. British law states that the minimum is 20 days excluding public holidays, making our minimum 28 days.

So any government could cut statutory holidays by a full eight days without contravening any EU law. Not that you would hear this from the TUC, which continues to push out stories talking about, for example, 7 million people's holiday pay being at risk.

"There is no guarantee that [the government after Brexit] would keep paid holiday entitlements at their current level, or at all," claimed the TUC in a typical act of gratuitous scaremongering.

British maternity leave is another area where TUC alarmists have been trying to sow suspicion. Yet British law mandates up to 52 weeks of maternity leave, with Statutory Maternity Pay for up to 39 weeks. EU law? Pay and leave of up to 14 weeks.

And then there is health and safety. The TUC acknowledges that the government says it will transfer all existing health and safety protections from EU law to British law. But it adds, "there are no guarantees for what happens afterwards" – as if permanent future guarantees were possible.

"It should be written into the [Brexit] deal that the UK and EU will meet the same standards, for both existing rights and future improvements," said Frances O'Grady, TUC general secretary.

This really is fatuous. It would leave Britain unable to improve its health and safety legislation unless the EU agreed to do the same, necessitating a negotiation with 27 member states. It would give Brussels sovereignty over workplace legislation in Britain, which is no kind of Brexit at all.

Back in 1988 the TUC waved the white flag and assumed that the only improvements in legislative protection for workers would come from Brussels. It's still waving that flag, even though the EU itself acknowledges on europa.eu that "Responsibility for employment and social policy lies primarily with national governments."

The truth is that our rights as workers have always existed only so far as workers have been prepared to fight for them and defend them. As long as we tolerate the employing class and the capitalist system, any rights we have will always be "at risk".

But for now the urgent risk is that we fail to finish the job of the 2016 referendum. Nothing is so imminently threatening to the wellbeing of workers in Britain than allowing the independence process to be derailed. ■

*See "Why trade unionists should vote to leave", cpbml.org.uk/Brexit, which also contains a link to the ECJ's Viking judgement.

Academics complain that their wages have been capped s applying their collective intellect to working out why…

Free movement? More a

BRITISH UNIVERSITIES are the best and worst of places. Undeniably there is still much ground-breaking research and many students enjoy their time there but the funding and staffing models harm students, staff and the wider society.

Zero hours contracts are rife in the university setting. The latest figures show that 46 per cent of universities and 60 per cent of colleges use zero hours contracts to deliver teaching to a greater or lesser extent.

It is very hard for a student to work out how much of their course is delivered by such staff members. Furthermore, the nature of the contract is not necessarily an indicator of poor quality teaching as the individual teacher may have high standards, and may seek to shield their students from the difficulties they encounter.

Unavailable

Some students only realise the nature of their lecturer's contract when they have not passed an assignment and then discover that the very person who could help them revise it is no longer available as they are not a permanent employee.

The impact of years of working on a zero hours contract takes its toll on the lecturer – and this in turn harms the student's interests.

Poor working conditions impact on research and administrative staff as well. For example, 68 per cent of research staff in higher education are on fixed-term contracts, with many more dependent on short-term funding for continued employment.

Fixed-term contracts mean that these staff have real practical difficulties in getting a mortgage. In London they can even affect rental contracts.

'The impact of years of working on a zero hours contract takes its toll on the lecturer.'

University heads are pocketing huge salary rises while staff wages stagnate. Top of the list in 2015/2016 was the vice-chancellor at Bath, with a package worth £415,000.

Academics complain that their pay has been capped since 2008, with many years of zero increase. True. But they don't seem to be applying their minds to working out why. The simple answer – that the government is looking to save money – is no answer at all. Governments, like employers, always try to save money.

So let's stop looking for simple answers. Consider instead this question: with wages stagnating for a decade, why are university employers able to fill vacancies?

Supply and demand

The answer will be unpalatable to many, but there's no getting away from it: more and more academics are coming from abroad (EU and non-EU countries) – an apparently inexhaustible supply of highly qualified labour.

In 1995-96, 85.5 per cent of academics were British citizens. Now only 72 per cent are. In 2014-15 there were 31,635 EU nationals (excluding UK nationals) working in UK universities, 16 per cent of the total, and 23,360 from outside the EU, 12 per cent of the total.

It would be bad if the only effect of this importing of skills were to lower wages here. But it's worse than that, because the free movement of academics is sucking the most highly skilled labour out of the countries of eastern Europe and damaging their efforts to build up their own research base (see "Research and division", p15).

This intellectual asset-stripping has allowed British universities to claim a lion's share of EU research funding. In turn, all this research money is creating a big demand for research students as well, and half of the PhD students now come from abroad – like the US, and it's just as imperialist in effect.

And many of these researchers will stay here, depriving the countries that educated them of talent, perpetuating the intellectual asset-stripping of the world.

"Free movement" sounds like a "good

since 2008, and they're right. But they don't seem to be

free ride for universities

thing" – a boon to intellectual development and creativity. But shouldn't academics be the first to deconstruct such cosy sounding ideas?

Yes, there is a case for academics to move to gain experience in a particular research field or laboratory, though Internet access and digital connectivity should be reducing the need for academics to physically relocate.

But the need to gain experience and share ideas cannot be the explanation for the scale of what is happening. Indeed the EU's free movement is about re-engineering the creation of intellectual capital to lower its costs (hence the wage standstill) and concentrate its production in a small number of countries (hence the east-west brain drain), leaving the rest as intellectual vassals.

Damaging

So this "free movement" is simply providing a free ride for British university employers, who can hold down wages. For universities elsewhere on the Continent it is having a damaging impact with expensive consequences.

The University and College Union (UCU) seems oblivious to any of the negative impacts of "free movement" on pay and conditions in Britain and to the negative impact on academic life anywhere else in the world. Indeed, the leading item on the campaigns page of their website as *Workers* went to press is the campaign "We are international", with its focus of recruiting EU staff currently working in British universities to maximise their protection after Brexit.

Clearly anyone working in British universities should be a member of the union, but that should surely be for the purpose of fighting to improve pay and conditions for all.

In its campaign material the UCU concern is with Brexit: "This uncertainty has already led the ratings agency Moody's to downgrade the credit status of several UK universities. Retention is also likely to be affected, with any 'brain drain' of intellectual talent to competitor countries inevitably leading to a negative impact on the international reputation of the UK."

There's not a shred of insight into the east–west brain drain already facilitated by free movement and no insight into how the employers have benefited. And is a strange world when a trade union is concerned with what a ratings agency says about an academic employer.

The final irony is that this nearly decade-long pay cap for lecturing staff has all been overseen by a collection of vice chancellors and their cronies whose own pay has gone through the roof. A good proportion of the escalating tuition fees has gone towards a boom in pay for the most senior managers in universities. At least 1,254 vice-chancellors and senior staff at UK universities now earn more than £150,000.

So "austerity" for some and a bean feast for others.

Impact on students

The expansion of higher education has come at a huge cost, and students are set to pay most of it. The most profound impact has been the "normalisation" of a culture of debt at an early age with a growing total amount of student debt and growing numbers caught in the net (see feature, p12).

Initially it was some university students who were pushed into loans. Now we have students in FE and students on apprenticeships also taking on debt. September 2017 will see all nursing, midwifery and allied health students lose their bursaries and become part of the growing mass of young and not-so-young people having to borrow in order to train.

The recent election saw a greater awareness among students and their parents about the typical amount of student debt. It also highlighted the outrageous interest rates put in place by a certain George Osborne. Yes, the same George Osborne who now works for BlackRock Investments UK, which is bidding for the student loan book. ■

CPBML/Workers

Public Meeting, London

Thursday 28 September, 7.30 pm

"House the People"

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

Housing in Britain is broken. Instead of filling a need, it is an investment from which huge profits can be made by taking advantage of the acute rise in demand. Meanwhile, council housing is left to rot – with deadly consequences. Come and discuss. All welcome.

Students facing a working lifetime of debt are up against the the abolition of tuition fees – and force their greedy vice-char

Fight the fees? There's n

Workers

Banner in the courtyard at University College London as students prepared for the fees march in November 2014.

STARTING UNIVERSITY in England this year? You will be entering a working life of debt – and it begins now.

With fees generally £9,250 a year, by the end of your first year you will be owing £9,814 and change – because interest fees kick in immediately, and this year they will be 6.1 per cent (the Retail Prices Index plus 3 per cent).

Yet at the same time the government meekly claims that annual inflation based on the Consumer Price Index is around 2.6 per cent as at June 2017.

By the time this year's cohort of new students graduates, they will have an average debt for fees and maintenance of £44,000, according to a July 2017 report by London Economics for the University and College Union. For students from the poorest 40 per cent of families, the debt will be £57,000 (see Box, p14).

And this year a new group of students will be dragged into the tuition fees net – student nurses and midwives.

There was once a time when workers were afraid of and ashamed of being in debt. Now students are told – by wealthy politicians – not to worry as they may never need to repay the debt! Student fees are pulling half an entire generation of young people into massive debt before they even begin earning money.

Then – if they're lucky! – they will have mortgage debt to add to it. It will need luck because mortgage lenders will want sufficient after-tax income from applicants, and anyone repaying a loan will be having an extra 9 per cent of their income deducted before they even see it.

Of course, anyone earning less than £21,000 won't have to start repaying the loan debt, but then neither will they be able

clock. They must use their period at university to demand ncellors to join them in the fight…

o time like the present

to get a mortgage.

The introduction of fees (see Box) has led to a massive shift in university financing, with most of universities' income coming from fees rather than from direct government support.

But more than that, it is mortgaging the future of the country. In 30 years' time, at current values, the outstanding student loans will total £330 billion. By then – and very soon if the government manages it – the entire block of loans (the "loan book") will be sold off to various private consortia, doubtless on advantageous terms.

At that point unscrupulous debt collecting agencies on behalf of various creditor syndicates will step in and apply direct pressure to earlier student cohorts. Now mostly aged 30 plus, they will be hounded either to increase or start their repayments, or to make "payments in kind", so that, to use the language of the debt industry, "non-performing debt starts performing".

Deficit

How much of the £330 billion the government will ever see back is a key question for national finances. But helpfully for the government, the way in which the loans are made and managed means that, essentially, they are not counted as part of the government's annual deficit.

The working assumption by London Economics is that 85 per cent of the loans will never be repaid in full, partly because any loan amount outstanding after 30 years will be wiped out under present rules. Depending on average earnings and movements in interest rates – which no one can guarantee over the short term, leave alone over decades – anything up to 45 per cent of the total loan amount will never be repaid.

But with the government set to sell the student loan book to private capital at a deep discount to reflect likely rates of non-repayment, future interest rate cash flow (effectively, taxes) from those former students who do actually repay will be diverted from the government to private coffers on favourable terms.

No future

That will also mean there will be less scope for the government to tax the wages of those workers repaying student debt. During their working lifetime those taxes should be helping to pay for the remaining state services that still make Britain civilised. This is a system that provides no future.

Like all previous privatisations, running costs will be astronomical. It has even been estimated that if the tuition fee were to rise to £9,500, or beyond, the subsequent drop in ability to repay the loans would mean that something truly astonishing would happen:

Continued on page 14

The road to £9,250 fees

LOOKING BACK over the past two decades, the history of student fees is starting to look like a relay race in which Conservatives, Labour and the Liberals have been passing the baton, breaking election promises and raising the cost each time – with university bosses cheering on from the sidelines.

First it was the Conservatives, with education secretary Gillian Shephard commissioning Nottingham University chancellor Ron Dearing in 1996 to look into the funding of higher education.

In 1998 Labour implemented the report, bringing in a means-tested fee of £1,000. Six years later, it tripled the fee.

Crocodile tears

The headlines recently have been dominated by crocodile tears shed by the architects of big student loans (see main article), starting with Andrew Adonis, the man who modestly claimed in an article in *The Times* that he was "the moving force behind Tony Blair's decision in 2004 to introduce what were then called top-up fees".

An education "specialist" who has never worked in education, a (now former) Labour minister who was never elected, Adonis hiked fees from £1,000 a year to £3,000 – despite his party's manifesto saying in 2001 that it would not "introduce top-up fees and has legislated against them".

Then it was Labour's turn to set up an "independent" review, commissioned by Peter Mandelson and led by former BP head John Browne aided by among others the vice-chancellors of Birmingham and Aston universities.

That review was then implemented by the Conservative–Liberal Democrat coalition, and it raised the maximum fee to £9,000 a year.

That went up this year to £9,250. ■

Continued from page 13

the effective cost to the government of running the loans system would be higher than the old system of direct government grant to universities.

So after 19 years of the current fees system, with fees more than 9 times as high as when they were introduced, we have massive personal debt and massive national debt. Who, one might ask, is benefitting?

The universities certainly are. They pushed for the introduction of fees, and they pushed and pushed again for higher fees. But the influx of money has not gone to improving staff/student ratios or lowering hall fees. It has gone instead into building up reserves and massively boosting the pay of a bloated legion of top administrators (see article on universities, p 10).

The other beneficiary will be finance capital, which will be running a loan book with a value equivalent to almost half a per cent of overall GDP.

The tragedy is that the response from students has been so muted. There has been local action over hall fees, but a concerted offensive over tuition fees has been lacking.

The most public action has been an annual walkabout in London notable for poor attendance overall, though some universities have managed better turnouts than others. Perhaps students understand that these demonstrations are dead ends.

Nationally, the National Union of Students seems to have abandoned tuition fees as an issue. Its current campaigning is limited to encouraging students to email their MPs asking for "an urgent review" of student funding – not so much a call to arms as a timid waving of the white flag.

'What is needed is a national campaign of local action'

What, no march?

Even the customary march in London seems to have been forgotten, with no date set for the event this year. It's said that tuition fees were a big issue in the June general election, but this year's intake of students could well graduate before the next one.

How, then, to fight? First of all, students must take up the struggle while they are studying. At university, they are part of a collective. It is there that the fight must begin. It can then be quickly extended to involve debt-carrying ex-students, uniting workers and students across the generations into a formidable force.

But it won't happen if today's students stay silent.

Nor will there be any progress so long as students look to purely nationwide approaches to action. Students must start where they are, using whatever tactics work best for them.

What is needed is a national campaign of local action, with students in each university demanding that their vice-chancellors and governing bodies repudiate the tuition loans system and call for an end to student debt.

That won't be easy, given how many senior administrators are benefitting financially from the system. But already cracks are beginning to appear, with some vice-chancellors – just a handful for now – calling for no increases in fees. And students would have a target that they can see, understand, and potentially achieve.

This kind of guerrilla approach, university by university, college by college, won't be popular with the armchair generals at NUS head office, or those who call for national marches so that they can set up stalls to sell politico papers. But it is the only strategy that can work. ■

The less you earn, the higher the interest

SINCE THE general election in June the consultancy company London Economics (londoneconomics.co.uk) has done the first in depth study showing an analysis of the student loan system over an entire working life by occupation and gender.

Its report, commissioned by the University and College Union, focuses on what happens to those students who do get employment after graduating, and it makes for sobering reading.

Many graduates will spend their 30s and 40s dealing with effective tax rates of above 50 per cent. On average male engineering graduates, for example, will face a marginal tax rate of 51 per cent from the age of 33 until they are 47. That means on earnings greater than £45,000, they will see 51p per pound deducted from salary in tax, NI contributions and loan repayments.

Stopped_clock/shutterstock.com

This detailed report also shows the unsurprising fact that those on lower incomes incur more interest charges and end up paying more for their student loan over their working life.

For example in cash terms, full-time school teachers will pay a total of £121,000 over their working life and full-time nurses £133,000 – more than IT professionals (£106,000), lawyers (£85,000) or finance professionals (£86,000). ■

British universities have been doing well out of EU funding – but at a cost for everyone else…

Research and division

THERE'S A helpful footnote in the government's spreadsheet on how much money British organisations have received from the EU's main research and development funding programme, Horizon 2020. The entry for "Private for-profit entities" notes that the figure is "excluding Higher or Secondary Education Establishments".

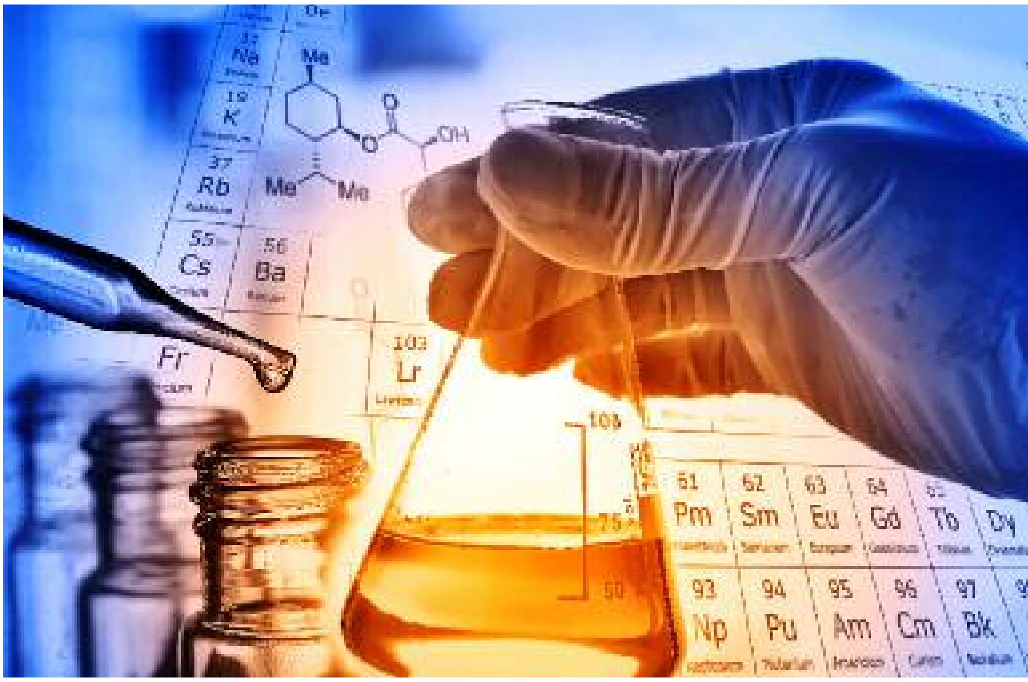
British universities are increasingly acting like private companies. And not least in the vigour with which they have set about getting their noses into the EU research funding trough.

Data from Horizon 2020's start in 2014 to September 2016 show that British universities have received over a quarter (27.8 per cent) of all Horizon 2020 funding available to universities in the EU. That is a huge rise over their 18.5 per cent share from the EU's previous six-year research programme, known as FP7.

The main reason for the big boost in funding share goes back to intensive lobbying over how Horizon 2020 funds should be allocated. Britain, the Netherlands and Germany successfully persuaded the countries of central and eastern Europe that funding should be awarded exclusively on the basis of the excellence of the research proposals.

Western European countries argued that the only way the east's research standards could be raised was by competition (where have we heard that before?), and that the practice in FP7 of awarding money on the basis of population or similar yardsticks should end.

Given the excellence of British science, it's no wonder that the money has been flooding in. But there's a flip side. According to Eleonora Nikolova Tankova, dean of international economics and administration at Varna Free University in Bulgaria, "You can see that 85 per cent of [Horizon 2020 funding] has gone to six countries." Central and Eastern European countries receive just over 4 per cent of total funding.



Totojang1977/shutterstock.com

And competition hasn't had the effect of boosting research in the east. On the contrary, it has accelerated the brain drain from east to west, stripping countries like Bulgaria and Romania of their most talented researchers. "It's not a fair fight," Tankova told the news site sciencebusiness.net. "We compete with countries that can pay six to 10 times the salaries we can."

Pressure

Bulgaria has so far received just €42 million in Horizon 2020 funding. Britain, including companies and other research organisations, €2.635 billion (the university share is €1.7 billion) up to September 2016. No wonder pressure is building up to ensure that the next EU research programme has rules to ensure a fairer distribution of money.

That €1.7 billion hasn't just fallen into universities' laps. It's not as if researchers have a bright idea and then think, "Maybe the EU could fund this." That's not how it happens.

Instead, the EU periodically issues "calls" for research, saying what kind of proposals it wants for what areas of research. Universities scan these calls intensely, with large staffs dedicated solely to extracting funding. Some, like UCL, have dozens of staff whose sole job is to write research proposals for academics seeking EU funding.

The effect is to pervert universities' academic mission. Instead of trying to get funding for their best research, they are trying to get EU funding and setting up research projects that meet the EU's criteria, not the needs of Britain nor indeed the needs of researchers.

And the money is not the "windfall" for Britain it might seem. Because of the way the UK rebate from the EU budget works, the €2.635 billion up to September 2016 has reduced the size of the rebate by €1.74 billion (66 per cent). So the British taxpayer is effectively funding two-thirds of the universities' EU receipts already.

When Britain leaves the EU it will inevitably cause some disruption in academia, but more than that, it will bring opportunity. British researchers should seize the opportunity to demand funding that meets their needs and the needs of the country. And along the way, they will be helping beleaguered researchers in central and eastern Europe preserve their own scientific bases. ■

'The effect is to pervert universities' academic mission.'

Beset by EU-dictated cost rises, the transport secretary is the rail network. The move has sparked fierce opposition,

Government scraps elec

A HUGE political storm is brewing after Secretary of State Chris Grayling announced that the government was scrapping plans to electrify the northern end of the line between London and Derby, Nottingham and Sheffield.

He also pulled the plug on electrification to Swansea, and said that electrification of the key Leeds to Manchester trans-Pennine route was "unlikely". Electrification of the Oxford to Bedford line, part of which is currently being reopened, has also been axed.

In a statement, Grayling extolled the virtues of cancellation. It would not be necessary to disrupt rail services for the electrification works, and those living near the railway would not have their views of the landscape spoiled by unsightly masts and wires! He went on to suggest that new trains didn't need electric wires as the technology now existed for them to generate electricity on the train using diesel engines or hydrogen, or run on batteries.

Grayling's announcement was greeted with derision by the rail trade unions. ASLEF general secretary Mick Whelan ridiculed Grayling. He pointed out, as should have been obvious to Grayling, that equipping electric trains with additional diesel engines made them more expensive and more complicated and so inherently more unreliable.

Such trains will also be slower to accelerate and cause more track wear as the additional diesel engines will make them much heavier. And the decision flies in the face of recent concerns about the particulate pollution caused by diesel fuelled engines. TSSA reacted to the move by starting a campaign to reverse the axing of electrification plans.

Condemned

Local politicians in the East Midlands, the North and Wales all condemned the government, accusing Grayling of breaking promises, and pointing out the loss of economic benefits flowing from the better train services that electrification brings.

The government's move comes after costs associated with the electrification of the Great Western line from London to Bristol and Cardiff have nearly tripled from initial estimates. There will now be no wires from Cardiff to Swansea, and there is doubt over whether or not the wires will reach Oxford or Bath. These costs are being offset by the retro-fitting of electric trains with diesel engines. Whilst the new electric trains are being delivered for local services, they will have no wires to draw power from!

The reasons for the spiralling costs of electrification arise from a number of factors. Network Rail (and the rail industry in general) is short of skilled staff in both engineering and project management disciplines, and this is getting worse.

But much more significant is the massive "overengineering" of the work, driven by Network Rail's seeming obsession to comply with EU standards for electrification that are completely unnecessary. The work could be done considerably cheaper if the EU standards were ignored and the new equipment was to a similar standard as existing British equipment.

Doubtless driven by the controversy

Sterling Images/shutterstock.com

Newly electrified track on the Great Western Line

New strikes over guards

THE RMT has called further strikes in Southern, Arriva Rail Northern and Merseyrail in September over the future of train guards. Strikes will take place in all three companies on Friday 1 September and Monday 4 September, and also on Sunday 3 September in Merseyrail.

The union has recently had talks over the Southern dispute with Transport Secretary Chris Grayling, but no progress has been made in resolving the long running dispute there despite the fact that Govia, Southern's parent company, is running Southern under direct government instruction.

And another dispute over guards seems likely after Stagecoach lost its South West Trains franchise to a consortium of First Group and Hong Kong's MTR. After failing to receive assurances about the future of guards, the RMT held a protest at Waterloo station, London, on the day that the new owners took over.

Mick Cash, RMT General Secretary, said: "There is an agreement in place that there will be no extension of Driver Only Operation on South West Trains and that agreement transfers with the undertaking to First MTR.

"All that RMT is seeking is a clear assurance that there will be no interference with the current agreement and that it will be honoured by the new franchise holder.

"Unfortunately in talks with First MTR...the company refused to give a guarantee that there will be a second person on their trains despite what they have been telling the press. They also failed to clarify what safety competencies and role a second member of staff would have on their services."

Mick Cash stated that the demonstration has kicked off the RMT's campaign to keep the guard on South West Trains. ■

s cancelling a raft of plans to extend electrification across and not a little ridicule…

ctrification plans

from London to Bristol. Now the plug has been pulled on electrification to Cardiff and Swansea.

'Network Rail seems obsessed with complying with unnecessary EU standards for electrification.'

around the costs of electrifying the Great Western route, Network Rail has embarked upon reviewing its standards, including those for electrification.

And it is no coincidence that within days of Grayling's announcement about electrification, the Hansford Review was published. It accused Network Rail of being "risk averse" and spending far too much on "gold plated" rail network upgrades such as electrification. Hansford advocates reducing costs by handing this work over to private contractors to carry out.

'Reckless'

The report was attacked by TSSA General Secretary Manuel Cortes. "This is the sixth report that the Tories have commissioned into how to introduce the market into Network Rail (NR) since 2011 and it's the most reckless yet," he said. "Their continued obsession with flogging off Britain's national assets is breathtaking and it plays fast and loose with passenger safety."

Cortes referred to the Hansford Review's proposal that what are effectively Private Finance Initiatives should be introduced for investment in new infrastructure, resulting in the private sector making huge profits while taxpayers bear the financial risks.

He also warned about the undermining of safety, saying: "…the idiocy becomes truly dangerous with Hansford's ridiculous proposal that railway signalling could be separated from the coordination of traffic on the network. Even a child railway enthusiast knows that proposal will simply increase the risk of accidents on the network."

Meanwhile the Railway Industry Association (RIA) has warned MPs that the downturn in Network Rail renewals work together with the lack of enhancement development work for the coming funding period pose a significant threat to the forward programme of work for the railway network and its supply chain, and therefore to the highly skilled contractor workforce.

The RIA Director General had previously urged its rail supply members to pressure the government to make up a £500 million shortfall in Network Rail renewals funding between now and March 2019. ■

Meet the Party

The Communist Party of Britain Marxist-Leninist's series of London public meetings in Conway Hall, Red Lion Square, WC1R 4RL, continues on Thursday 28 September with the title "House the People" (see notice, page 11). A further meeting on 16 November will celebrate the 100th anniversary of the Bolshevik Revolution.

M 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

**There was a time when the term “industrial strategy” wou
leave the EU has changed all that. The first clear product i**

At last – a strategy for sl

munro1/iStockphoto.com

Titan crane, Clydebank: once a working crane, it has now become a giant tourist attraction. Yet leaving the EU should mark the start of a renai

AFTER WE leave the EU, an independent Britain will need a healthy defence industry to protect that independence. And we will also need industrial strategies for our manufacturing industries, such as shipbuilding.

Sir John Parker delivered a government-commissioned independent report on a National Shipbuilding Strategy last November. This called for sweeping changes in naval procurement involving a “renaissance of shipbuilding in UK regional shipyards”.

Given Parker’s long experience in the industry, his proposals have aroused much interest there as they are based on recent innovation in building aircraft carriers – piecemeal in several shipyards around the country. The Conservative Manifesto pledged to “take forward Sir John Parker’s review, helping our shipyards modernise and collaborate.” Like any election pledge, it is likely to remain on paper until those in the industry hold them to it.

Parker started his working life as an apprentice naval architect at Belfast’s Harland and Wolff shipyard. He later held senior executive roles in Austin and Pickersgill and then in British Shipbuilding Corporation, becoming Chief Executive of Harland and Wolff in 1983.

His report’s conclusions, apart from the emphasis on digital engineering and a “Virtual Shipbuilding Industry model”, appear to be heavily influenced by discussions he had some years ago with shipbuilding trade unions. At that time there was no government call for a shipbuilding strategy; governments were more interested in closing shipyards and privatising the industry.

Naval

The report sees naval shipbuilding leading the way to transform both commercial and naval shipbuilding. The 2015 Strategic Defence and Security Review had confirmed the government’s intention to build eight new Anti-Submarine Warfare Frigates (Type 26) and two further Offshore Patrol Vessels. It committed the government to maintain a fleet of 19 frigates and destroyers with the

ld simply bring sneers from government. The vote to is a plan for Britain's shipbuilding industry…

hipbuilding

issance in British shipbuilding.

stated aim to further increase this force by the 2030s through a new class of lighter, flexible and exportable General Purpose Frigate (Type 31).

If Parker's report is accepted and it becomes the National Shipbuilding Strategy, the first step would be to overhaul the Ministry of Defence (MoD) procurement and contract process. This model has become unreliable: it takes far too long and allows costs to rise out of control. For example, a commercial mega cruiser with a displacement of 180,000 tons takes 5 years from contract to delivery; a Type 23 frigate for the Royal Navy takes 17 years.

The MoD lacks design and project management skills. Parker sets out a range of recommendations for completely changing procurement and contracting governance at the MoD. Contracts should be much tighter; there will be a Master Plan for each contract, run by experienced project managers. A Project Delivery Board, with an independent Chair, would be established to focus on delivery of the contract on time and to budget. This is industrial planning, anathema to previous governments – but essential.

The report says a national Virtual Innovation Centre should be established to challenge existing naval standards and introduce new ones. All shipyards and suppliers should invest in and embrace the full potential design and production benefits of digital engineering technology.

Build in Britain

At present all MoD warship contracts are placed with BAE Systems, but non-warship contracts are often placed overseas. BAE Systems shipyards are totally dependent on MoD contracts. Parker suggests that the MoD should consider the benefit to the nation, both in terms of national security and national sovereignty, of placing all orders with British shipyards, including those for commercial ships.

BAE Systems shipyards are about to start building the Type 26 General Purpose Frigate. Parker says the Type 31e, currently at the design stage, should be prioritised, accelerated and contracted out to commercial shipyards, as well as naval yards, on a modular basis.

The ships would be built in sections around several yards. This would help develop skills and practices across the whole workforce and utilise efficiencies of the commercial yards. This new ship would not set out to be a complex and sophisticated warship. It would be modern and innovative, based on a standard platform. A menu of options to customise it to meet the needs of other buyers would support exports and beat the competition. Parker also calls for government funding to allow the ships to be built earlier.

The strategy also calls for the establishment of a Virtual Shipbuilding industry model. This would bring together those regional shipyards that have shown their cost competitiveness and capability to build the fully outfitted modules, either in parallel or in series. This would capture the "learning curve productivity" benefits.

'This plan could transform shipbuilding in Britain after we leave the EU '

This may sound like management jargon, but it carries an important message. The industry would have to act in a united way to improve its skills, knowledge and productivity levels – no bad thing.

A lead shipyard, or alliance of yards, would be responsible through the Virtual Shipbuilding model for building and integrating the Type 31 modules, with the incentive of delivering the contract.

This plan should transform shipbuilding in Britain after we leave the EU – and the methodology could be used to develop other British industries. Parker quotes Jaguar Land Rover as an example of the creative use of digital engineering. That company has a process of integrating data about a potential product into a world of digital imagery, capturing the data and creating 3D geometry, imagery and documentation for customers to interact with and use in their own plans.

Example

So the plan is, in reality, to bring British shipbuilding into the 21st century and to become a world leader in this technology. Clearly, this is the type of thinking we need to apply to industrial strategies across the board. As the plan is to focus on exporting the Type 31 warship, it could set an example to other industries and reduce Britain's trade deficit.

Parker's emphasis is on working with trade unions to develop this model, particularly to re-skill the workforce and to develop modern apprenticeships. He suggests that managers, supervisors and trade union

Continued on page 20

Focus on training


istockphoto.com

Apprentices at Cammell Laird, Birkenhead.

WITH SUPPORT from the government and the trade unions, the industry must create and sustain high-skilled jobs along with modern apprenticeships, and initiate an expansion of technician and graduate recruitment.

Such an approach will improve performance, particularly through the use of digital engineering. And it will address the age profile of the current workforce in the shipyards.

These proposals are for the whole shipbuilding industry and not just for the naval sector. ■

Continued from page 19

representatives be trained in the power of digital engineering, design for manufacture.

Shipbuilding has a long supply chain and is vital for the regional economies where shipyards are significant employers. There are some 15,000 direct jobs in the industry and around 10,000 indirect supply chain jobs, with shipbuilding and repair bringing an estimated £1.5 billion added value to the economy.

But it's not only for defence that independence could see a revival of British shipbuilding. When we leave the EU's Common Fisheries Policy (CFP), our exclusive maritime economic zone will go out to 200 miles.

Three key issues point to the need for investment in shipping. The first is the capacity of the British fishing fleet to make maximum use of the 200-mile limit. The fleet has lost 650 vessels since the turn of the century, due to the CFP. As of 2014, the fleet consisted of 756 vessels of 12 metres or more in length. Only 120 of them are suitable for catching white fish like cod, haddock and whiting. The remainder are used for catching shellfish, herring and mackerel.

It follows that we will need to expand that white fishing fleet and build a significant number of modern fishing vessels. This could see a rebirth of the boat building industry.

The biggest ship on the UK fishing registry is actually a Dutch ship, the 5,600 tons mid-water freezer trawler *Cornelis Vrolijk*. She catches 23 per cent of the English fishing quota and lands the catch at Ijmuiden, near Amsterdam in the Netherlands! When we leave the CFP, the quota system that allows ships from other EU countries to fish in our waters will end. There is no reason why Britain could not build ships like the *Cornelis Vrolijk* to fish in our waters.

The second reason for investment in shipbuilding is fisheries protection. With the new 200-mile limit Britain will need more Fishery Protection Vessels. At present there are just seven such ships – one based in the Falkland Islands, three in Portsmouth and three in Scotland.

Apart from the lunacy of sending one of them to the Falklands, this is clearly insufficient to police the new fishing limits. As the vessels are built by Vosper Thorneycroft in Southampton, there is no reason why Britain couldn't double the size of the fleet.

The third issue that will create investment in shipbuilding is control of our own borders. We are an island nation. To protect our marine borders from illegal smuggling and migration, we will need to build another squadron of Offshore Patrol Vessels, possibly in conjunction with the Fishery Protection Vessels.

Benefits

So imagine the potential benefits of all this. Long-term skilled work for shipyards and boatyards, state-of-the-art digital engineering making Britain a world leader, thriving coastal and fishing communities, and an expanding supply chain for ship and boat building industries.

And if we insist on using British steel and other components where possible, we could expand the steel industry. Not to mention the value of the enlarged fishing catch reducing our need for imports and increasing exports, including the Type 31 frigates. So this should be Britain's future outside of the EU, but it requires planning, which is also only possible outside of the EU.

Unions like the GMB, which have steadfastly supported British manufacturing and skilled jobs, must rise to the challenge that these new developments promise. At the 2017 GMB congress in June, the union made a start by accepting the result of the EU referendum. Its Central Executive Committee told congress that the union was "already working on meeting the challenges and grasping any opportunities" that leaving the EU may bring. ■

With 20:20 hindsight, a former chairman of the Financial Services Authority looks at debt…and the EU

Downward spiral

PHOTOCREO Michal Bednarek/shutterstock.com

***Between Debt and the Devil: Money, Credit, and Fixing Global Finance*, by Adair Turner, paperback, 320 pages, ISBN 978-0-691-17598-0, Princeton University Press, 2016, £14.95 or less, hardback and Kindle editions available.**

ADAIR TURNER was Chairman of the Financial Services Authority from September 2008 until its abolition in March 2013. He describes the 2008 crash as "a crisis whose origins lay…in a global financial system whose enormous personal rewards had been justified by the supposedly great economic benefits that financial innovation and increased financial activity were delivering."

He argues that "we must constrain the overall quantity of credit and lean against the free market's potentially harmful bias toward the 'speculative' finance of existing assets."

Turner observes, "the vast majority of bank lending in advanced economies does not support new business investment but instead funds either increased consumption or the purchase of already existing assets, in particular real estate and the urban land on which it sits." By 2008 derivative contracts outstanding were worth $400 trillion (nine times the value of global GDP).

In April 2006, 15 months before the crisis started, the IMF's Global Financial Stability Report claimed that the dispersal of credit risk by banks made the financial system more resilient. As Olivier Blanchard, the IMF's chief economist, said, "we had assumed that we could ignore much of the details of the financial system."

Across advanced economies private-sector debt increased from 50 per cent of national income in 1950 to 170 per cent in 2006. The ratio of global total debt to GDP still continues to grow: up 38 percentage points since 2008 to 212 per cent. Turner explains, "free markets left to themselves will keep on creating private credit and money beyond the optimal level and will allocate it in ways that generate unstable asset price cycles, crises, debt overhang, and post-crisis recession."

'The eurozone crisis partly reflects overconfidence in the benefits of free capital flows.'

Turner points out that debt creation "drives booms and financial busts: and it is the debt overhang left over by the boom that explains why recovery from the 2007-2008 financial crisis has been so anemic. But from the point of view of private-profit-maximizing banks, even when run by good competent honest bankers, debt creation that is excessive in aggregate can seem rational, profitable, and socially useful."

Eurozone 'flawed'

Turner notes the eurozone's "profoundly flawed political design". In the nine years after the euro's launch, capital did not flow into investments that could increase productivity and economic convergence. Instead "In the case of Greece they financed unsustainable public deficits. In Spain and Ireland they financed increased private consumption and excessive real estate investment."

He explains how this damaging cycle fed itself and caused economic harm. "Increased market liquidity in Greek government bonds made it easier…to increase public debt to unsustainable levels, and market completion through the removal of exchange-rate risk facilitated harmful private borrowing."

The eurozone crisis in Turner's view partly reflects overconfidence in the benefits of free capital flows, and structural limitations. "The fundamental problem is that all public debt in the eurozone is issued not at the federal eurozone level, but…[by] nation states, who no longer issue their own currency and therefore no longer have the capacity if necessary to repay public debt with sovereign fiat money."

Turner condemns the austerity policies of Osborne and the EU. He says fiscal austerity in the eurozone has significantly depressed growth. His conclusion: "The eurozone's flawed design has thus made it more difficult to offset the debt overhang problem created by private sector excess. Policy failures and market failures have compounded one another and threaten to trap the eurozone in a prolonged period of slow growth, very low inflation, and unresolved debt burdens." ■

The most extraordinary march in human history changed t forces not only in China but also in the world…

The Long March (1934-3

ON 16 OCTOBER 1934 100,000 men and women in China's Red Army abandoned their soviet base in south-central China, bursting through the stranglehold of Chiang Kai-shek's Kuomintang forces. This began a year-long march, a circuitous 6,000 mile trek to the other end of China. The Red Army fought nationalist armies, the troops of provincial warlords, local bandits and hostile tribesmen.

By the end of October 1935, the Red Army remnants reached Yenan [now known as Yan'an] in north China. As soon as they began their odyssey, most of the other scattered Red Army soviet bases in various parts of China collapsed, so the burden of revolutionary survival fell largely on this column.

Peasant revolts had long played a leading role in China's history. During the 1910s and 1920s a growing number of peasants with smallholdings were turned into tenant farmers. They became subject to demands from landlords and extortionate taxation. Conditions were ripe for peasant grievances to erupt into revolt. Mao Tse Tung and other communists creatively applied Marxism-Leninism to the circumstances of China, harnessing peasant revolts to new ends. "The peasant's fight for land is the basic feature of the anti-imperialist and anti-feudal struggle in China."

The Kiangsi Soviet

The base in Kiangsi [Jiangxi] the Red Army abandoned had lasted nearly seven years, but by the time the march began its existence was threatened. After the failure of the Autumn Harvest Revolt in Hunan in October 1927 Mao led around 1,000 Red Army troops to Chingkangshan, a remote mountainous area. Six months later Chu Te joined them with 900 more troops.

Mao and Chu both agreed that the Red Army must subordinate itself to political direction, with some success. By 1931 the Kiangsi soviet had 200,000 soldiers and held sway over 21 counties comprising two and a half million people.

Japan invaded China in 1931; in April 1932 Mao and the Kiangsi soviet declared war on Japan, advocating a united front with the nationalist Kuomintang. The rest of the Communist Party had not yet considered taking a stance.

Kuomintang forces relentlessly attacked the Kiangsi soviet in a series of five encirclement campaigns lasting from December 1930 until 1934.Their tactics were to build trenches and concrete blockhouses as they went to create an economic blockade and to throttle the Red Army base area.

Mao lost political influence as the encirclement campaigns continued. Party members trained by the Soviet Union assumed leadership and urged a different military approach of conventional positional and defensive strategies.

Mao and Chu advocated that the Red Army should break through the ever-tightening encirclement, split into small units and fight guerrilla campaigns in the areas to the north and east of enemy lines where there were no blockhouses.

This was rejected because many thought it would undermine their credibility as a rival to the Kuomintang. But by June 1934 the soviet was reduced to just a few counties. The choice was stark: either break out or face annihilation.

Aspects of the March

On 2 October, with a sick Mao back inside the planning meeting, there was a decision to evacuate Kiangsi. A retreat began through enemy lines. A rear guard of 6,000 soldiers was left behind, enabling the main force to escape the trap.

Marching was strenuous without regular rest and interspersed with battles. The chief scourges on the march were cholera, dysentery, influenza, malaria, tuberculosis and typhoid. The Red Army climbed snow-covered mountains and slept in the snow; at times they ate roots. During the trek the leadership adjusted military strategy and reconciled internal disputes that had at times threatened to tear them apart.

It took the Red Army 40 days to get through the blockhouses surrounding Kiangsi. Then they were attacked by the Kuomintang at Hsiang [Xiang] and lost up to 45,000 of their 87,000 soldiers. Poor strategy played its part. The fleeing army took items of no military or survival value

like furniture and printing presses. These slowed them up and were soon jettisoned. The Comintern military adviser had the Red Army march in a straight line; the Kuomintang were able to predict where they would be.

A conference in January 1935 at Tsunyi [Zunyi] reinstated a mobile, guerrilla approach and passed leadership of the Red Army to Mao. Supported by Chu Te, he adopted new military tactics. The Red Army would move in an unpredictable way and was split up into smaller units making them more difficult to find in the open spaces of China.

Mao set a new target – Shensi [Shaanxi] province towards the north of

'The choice was stark – either break out or face annihilation.'

he balance of

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China. That was a very demanding journey crossing high mountains and inhospitable grasslands that claimed hundreds of lives – all while avoiding the Kuomintang. The Red Army also contended with local warlords, who controlled much of the land in northern China.

They reached their goal of Yenan in October 1935, with 10,000 surviving soldiers – later reinforced by 60,000 others who made their way to the new base.

The Long March subtly changed in character from a desperate retreat to a prelude to victory. An unparalleled story of physical endurance, dogged grit and determination, it ensured the civil war would continue. It also enabled the Red Army to survive and grow, eventually to lead the ejection of the Japanese occupiers and then defeat the Kuomintang. Setbacks to the revolution in China since 1979 do not in any way diminish the significance of this amazing feat. ■

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

Nurses: time to take charge

'Individual unsustainable "survival" tactics are all now part of the collective disaster which is the national vacancy rate.'

ANOTHER DAY and another newspaper headline along the lines of "Brexit Causes NHS Staff Crisis". There is certainly a nurse staff crisis in the NHS but it is not Brexit-induced – and that's the word of one of the staffing agencies which are making a tidy fortune from the crisis.

On 17 June Stephen Burke, CEO of HCL Workforce Solutions, one of the major agencies supplying the NHS, wrote to *The Times* in response to the announcement that the number of EU nurses joining the UK nursing register to work in the UK has fallen by 96 per cent since June 2016.

He explained that "HCL has registered [on its own database] more European Nurses in the year since the referendum than the year before." He went on to say that it was the standardisation of English Language tests in January 2016 for EU and non-EU nationals which has led to the decline.

In short, Britain was either allowing EU nationals with poor language skills to join the register before January 2016, or we have already poached the Spanish and Portuguese nationals with good language skills.

With 40,000 nursing posts vacant in England, it's time to refocus on the real causes of the staff crisis. As recently as 2011 student nurse posts were cut because there was supposedly an "oversupply". That is why there has been a shortfall of new nurses joining the register since 2014, and why the government has been complacent that we could rely on an overseas supply.

But blaming the government ignores the main cause of this shortage: the nursing profession's own reluctance to fight for their pay and conditions, which predates the nearly decade-old pay cap.

In many instances, rather than tackle the employer, nurses have chosen to manage their financial and emotional stress by not working in full-time posts and instead have joined agencies to get a higher shift rate to get by – at the expense of no holiday pay or a pension in the longer term. These individual unsustainable "survival" tactics are all now part of the collective disaster which is the national vacancy rate.

Both Unison and the Royal College of Nursing are campaigning around pay with slogans of "Pay up now!" and "Scrap the cap". There have been regional events on the topic of pay and the RCN is planning a national demonstration on 6 September, when Parliament returns.

These are welcome signs but the scale of involvement of the membership must be far greater. Somehow the sense in the profession that "someone (else) has got to sort this out" has to be shaken off.

This self-neglect of the needs of nurses has been accompanied by what is being described as the biggest act of "self-harm" by a government – the decision to impose tuition fees on all nursing and midwifery and allied health professional students from September 2017. The immediate consequence has been a 20 per cent reduction in applications for nursing courses for this September.

The nursing regulator was advised of the possible adverse consequences and chose to do nothing, presumably in the vain hope of plugging gaps with overseas staff.

What can be done now? Finally, there is some opposition from the university sector – initially vice-chancellors were optimistic of more students (and therefore more income). Now reality is starting to hit.

On 1 August David Green, vice-chancellor of Worcester University, said, "Far from providing an extra 10,000 nurses by 2020, the current policy mix seems almost designed to create a serious crisis." Yet to date he is the only vice-chancellor to speak up.

Any serious workforce planning needs the decision to impose tuition fees to be reversed – and sooner rather than later. ■

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