WORKERS

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ENOUGH! STOP THE TAKEOVER OF BRITAIN

Davos The globalists meet

Fishing A deal, of sorts

Nuclear Small is good, too

Water Filthy rich

Care What's to be done

Abattoirs Killed off

Rail In the balance

plus News, Book Review, Historic Notes and more

JOURNAL OF THE CPBML

TAKE CONTROL: BUILD THE NEW BRITAIN

WORKERS

"They're taking over Britain"

THE PROPOSED $40 billion takeover of British chip designer ARM by US technology company Nvidia, originally launched 15 months ago, has suffered another setback with news of a new, six-month investigation by the Competition and Markets Authority into the consequences of the sale.

Cabinet member Nadine Dorries, whose remit includes digital, finally pressed for this further delay to assess the impact on national security – more than a year after ARM founder Herman Hauser gave evidence about the threat to national security to the House of Commons select committee on foreign affairs. More than a year, too, since the Conservative chair of the committee said the takeover raised questions of national security.

Hopefully, this represents a change of heart for the British government. But don't count on it.

Up to now the government has hailed foreign buyers snapping up British businesses as good for the economy, when in fact the opposite is true. Making a car boot sale of Britain puts our future in the hands of speculators who will proceed to carve up companies for quick money.

The sale in November of the supermarket chain Morrisons to the American private equity company Clayton, Dubilier and Rice is one of the latest in a long line of such reckless abandonment of national assets. The consequences will quickly become apparent.

Despite the American company's weasel words about "…protecting the fundamental character of Morrisons, and being a responsible, thoughtful and careful owner", a financial scheme is being put together which will instantly double Morrisons' debts.

The ensuing sale of parts of the business and cost cutting elsewhere will hit hard. Morrisons needs to be viewed as a national asset because the people who work there are British, the people who shop there are British, and a significant part of our food supply industry – farmers, bakers and others – keep the shelves stocked. They are the ones who will pay the price of the debt and asset stripping.

On the face of it ARM and Morrisons have little in common other than that they are large and profitable. But the takeovers show another common thread: the pernicious role of private equity companies. ARM is currently owned by one. Morrisons is targeted by another.

As our feature on page 6 shows, private equity has displaced shareholder capital as the preferred vehicle of global finance. These companies, armed with control over $7 trillion in company assets, seek to rule the world. The concept of a national asset is completely alien to them. So is the concept of the long term: they typically sell companies they buy in less than 4.5 years.

If we want to stand on our own two feet as a modern, independent manufacturing nation, we will have to hold on to what is precious to us. ■

Cover photo Richard M Lee/shutterstock.com

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Contents – January/February 2022


Stephen M Brooks/shutterstock.com

Buses in Bexleyheath, south London. Steep cuts to services are threatened.

Battle for London's transport

LONDON TRANSPORT union RMT has begun balloting over 10,000 members across all grades after Transport for London (TfL) refused to give assurances on jobs, pensions and working conditions in the midst of an ongoing financial crisis driven by central government.

TfL has announced plans to axe 600 staff posts in what the union says is the opening shot in a programme of jobs carnage that will target safety critical station grades.

The union says that it will be campaigning for a massive yes vote in the ballot. It has vowed to take whatever action is necessary to prevent staff paying the price for a financial crisis that is not of their making. The ballot closes on 10 January.

General secretary Mick Lynch said, "A financial crisis at TfL has been deliberately engineered by the Government to drive a cuts agenda which would savage jobs, services, safety and threaten the working conditions and pensions of our members.

"Today we have seen the opening salvo in what will become an all-out assault on safety critical staff posts with 600 jobs on the block, mainly amongst our station members." The RMT also says it will coordinate a campaign of resistance with colleagues from other unions.

At the start of the Covid crisis measures in March 2020, the numbers of travellers suddenly collapsed on both bus and tube, though they rose significantly in recent months as more people returned to work in workplaces. (Of course they will fall again now that the government has called for a return to home working.)

TfL entered the Covid crisis measures with a massive reliance on fares revenue: about 72 pence in every pound spent on London's transport network came from fares – roughly double the 38 per cent in New York and Paris. ■

• A longer analysis of this dispute is on the web at www.cpbml.org.uk.

HOSPITALS
Scientists strike

BIOMEDICAL SCIENTISTS working for East Lancashire NHS Trust started a third period of strike action on 15 December in their pay dispute with the employer. Their action is set to last for 12 weeks.

The 21 scientists, who work analysing blood samples at the Royal Blackburn Hospital and Burnley General Teaching hospital, have already been on strike in two periods this year, walking out for 12 days each between 31 May and 28 July and between 20 August and 11 November.

The Unite union says that the employer accepted in 2019 that the workers should have been paid at band 6 on the NHS Agenda for Change pay scale.

But the employer has only paid back pay with effect from May 2019. The union says backdating should start from 2010, when staff became eligible to be paid at band 6.

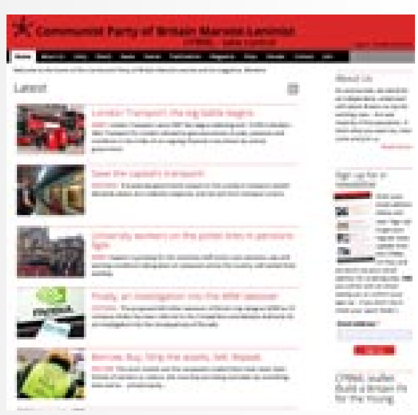
They submitted detailed evidence in November in support of their claim that the skilled NHS staff are owed on average between £8,000 and £12,000. ■

FACTS MATTER

At *Workers* we make every effort to check that our stories are accurate, and that we distinguish between fact and opinion.

If you want to check our references for a particular story, look it up online at cpbml.org.uk and follow the embedded links. If we've got something wrong, please let us know!

If you have news from your industry, trade or profession call us on 07308 979308 or email workers@cpbml.org.uk



ON THE WEB

A selection of additional stories at cpbml.org.uk

Future of Rolls-Royce plant at Barnoldswick finally secured

Rolls-Royce workers in Barnoldswick have won a commitment that there will be no compulsory redundancies for five years and manufacturing will continue on the site for at least 10 years.

Coal still needed in Wales

The Welsh government wants to close Aberpergwm colliery, the only anthracite mine in Europe. Its "net zero" dogma also puts the Port Talbot steel plant at risk.

HS2 – the Great Northern Train robbery

Boris Johnson's decision to scrap vital parts of HS2 and other key rail investment in the north of England met with angry criticism from trade unions and many others.

COP26 – politics and hypocrisy

The Climate Change Conference talked about ending all reliance on fossil fuels. But modern society depends on them to feed, clothe, warm itself, and to provide security, education, health and culture.

Capability Britain

Book review: For a background of what's important in the current political discourse it would be difficult to surpass this new book by Will Podmore.

Plus: the e-newsletter

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Workers

The picket line at Glasgow University on 1 December.

'Reclaim our time' in uni fight

AFTER THREE days of national strike action from 1-3 December members of UCU, the university workers union, have now moved to a "reclaim our time" campaign underpinned by a form of working to hours.

Most higher education contracts specify a nominal working week of 35 to 38 hours. Many academic staff may also be contractually expected to work beyond those hours as reasonably requested by their line manager.

In fact, the average working week in higher education is now above 50 hours, with 29 per cent of academics averaging more than 55 hours. A UCU survey conducted in December 2020 saw 78 per cent of respondents reporting an increased workload during the pandemic.

The action will expose how much of workers' own well-being and free time is regularly sacrificed just to keep the system that exploits them afloat, forcing managers to confront the unsustainable and dangerous amounts of work imposed on their staff. In this way, overwork is made a managerial problem.

The union is linking pay, equality, workload and casualisation in one dispute. The Four Fights dispute is about demanding fair treatment for staff across the sector and a comprehensive remedy for the way in which university staff working conditions have been worsened over the past decade. The combination of pay erosion, unmanageable workloads and the widespread use of insecure contracts has undermined professionalism and made work more stressful for staff.

The solution really isn't difficult. University income from international students has soared. There is enough money to employ sufficient properly paid staff on secure contracts. Instead, universities have been desperately competing with one another by spending billions on new buildings for ever greater expansion. Staff are now putting the pressure on to reverse that trend. ■

YEMEN

Creating a disaster

WHAT THE UN has called the greatest humanitarian disaster in the world is taking place more than 3,500 miles away in Yemen. Intervention by external forces has weaponised political instability in the country as Saudi Arabia and a coalition of eight other mainly Sunni Arab states attempt to pummel an insurrection by a Shia-led opposition.

A United Nations Development Programme (UNDP) report on the situation in Yemen published on 23 November found that Yemen's conflict will lead to 377,000 deaths by the end of 2021 – nearly 60 per cent of which are indirect and caused by issues associated with conflict like lack of access to food, water, and healthcare. "These deaths are overwhelmingly made up of young children," the report said, nothing that they are especially vulnerable to malnutrition.

The Saudi coalition is receiving military and logistical support from the USA, Britain and France.There is clear evidence that British weapons have been used in attacks on civilians. Yet last year, the Johnson government authorised arms sales worth £1.4 billion, almost all for bombs and missiles. ■

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

SCOTLAND
Energy ‘surrender’

EXTENSIVE PUBLICITY showed Scottish First Minister Nicola Sturgeon pressing the button to blow up the famous industrial landmark that was the 600-foot chimney of Longannet coal-fired power station in Fife on 9 December.

Sturgeon insisted that her act “marks the end of coal power in Scotland”. It was the latest act in an ongoing abandonment of energy sources in Scotland while any alternatives are far in the future. No more nuclear power stations are to be built. Oil and gas exploration in the North Atlantic off Shetland is discouraged, with the future of the Cambo field now threatened.

The GMB union has called this “a surrender of the national interest”. GMB General Secretary Gary Smith said “The cheerleaders for Cambo’s shutdown aren’t just throwing energy workers under a bus – but also our security of supply for the gas we will still need on the road to 2050.”

Conveniently, the chimney demolition was scheduled for just after finance minister Kate Forbes presented the Scottish budget, a budget that provoked a wave of criticism. It increased minimum pay in the public sector to £10.50 an hour – but left cash-strapped councils to find the extra money.

All 32 local authority councils in Scotland, including those controlled by the SNP, have said that they reject the SNP/Scottish Greens budget. ■

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

WHAT’S ON
Coming soon

The CPBML is holding a series of online discussion meetings via Zoom. To keep up-to-date as things change, make sure you’re signed up to receive our electronic newsletter.

JANUARY

Tuesday 11 January, 7pm

Discussion meeting (via Zoom)

“A working class needs modern industry”

Can a working class without real employment create progress? How important is the development of advanced modern industry? For an invitation, email info@cpbml.org.uk.

FEBRUARY

Tuesday 8 February, 7pm

Discussion meeting (via Zoom)

Subject to be announced

Put the date in your diary, and check the Newsletter for an announcement. For an invitation, email info@cpbml.org.uk.


Workers

Hastings, 2018: fishermen make their demands clear.

Deal – of a sort – on fishing

IN SPITE OF threats from the French government, agreement has been reached on licences for French fishermen to fish in British territorial waters, within the 6 to 12 mile limit. France had threatened to hike the price of, or cut off, energy supplies to the Channel Islands, to disrupt cross-channel trade and ban British fishermen from French ports.

There remain problems: the government made too many concessions when the Trade and Cooperation Agreement was concluded at the end of 2020, falling short of the control that fishermen and the country generally expected. From an initial position of repatriating 70 per cent of our fish caught in British waters, it settled for 25 per cent over the next five years.

To be eligible for a licence, fishermen from France and other EU countries had to show a history of fishing these waters. But many saw the licence system as a way to muscle in on new grounds. There is also the question of replacing boats: will a French small-boat fisherman turn up in a huge bottom-dredging trawler and claim it as a replacement boat?

France’s insistence on its boats’ right to carry on bottom-dredging puts the environment as well as territorial rights at stake. “France is effectively asking to come in and destroy another country’s habitats,” said Marianne Moore of the environmental group Oceana.

Researchers published a paper in the science journal *Nature* earlier this year which, using satellite technology, found that 1.5 gigatonnes of carbon is released by bottom trawling worldwide, a quantity equivalent to that created by the world’s aviation industry or a year’s carbon loss from the soil caused by terrestrial farming.

Free of the Common Fisheries Policy, Britain has the power to ban this practice , and has done so in the Dogger Bank Marine Conservation Zone, prompting threats from the Danish and Dutch. There is no reason why the practice cannot be banned in all fifty zones. ■

REFUSE WORKERS
Sheffield victory

REFUSE COLLECTION workers in Sheffield have won a victory over pay against a backdrop of dramatically increased inflation. The staff are employed by Veolia, which has a lucrative waste disposal contract with Sheffield City Council – and many others.

The GMB union was in negotiations with Veolia for months before reaching an impasse, the company refusing to make a pay offer that matched inflation despite the large profits it is making.

Veolia is a French-based corporation with interests across the world and diverse activities in Britain. In May CEO Antoine Frérot predicted, “2021 will be a very good year in terms of growth and profits”. The Sheffield refuse workers took note: 80 per cent of the GMB members then voted for industrial action.

Veolia’s initial response to short four-hour strikes was to spend large amounts of money bringing in agency staff to undermine the industrial action – proving that money was no object for the company.

GMB members reacted angrily, escalating the dispute to continuous strike action from 22 November. Veolia caved in shortly before the all-out strike began, offering a new improved two-year deal which the workers accepted. ■

**Stock market companies have never been friends of work
something even worse – the private equity companies tha**

Borrow, Buy, Strip the ass

FINANCE CAPITAL never stands still, and in the current century it has transformed itself. Once industry was dominated by large publicly quoted companies whose shares are traded out in the open on stock exchanges. Now the big money has retreated behind a veil, into the hands of so-called private equity.

Every month seems to bring more news of a – usually US-based – private equity company taking a stake in, bidding for or taking over a British company. And this is exactly what the government means when it talks about Global Britain – a country completely open and exposed to the whims of finance capital, wherever it comes from.

In 2016 a Downing Street spokesman described the sale of ARM Holdings to Japanese private equity giant SoftBank as "a vote of confidence in Britain". Five years later, we have chancellor Rishi Sunak hailing the takeover of Morrisons supermarkets by a US private equity group as "a sign of confidence in the UK. It's good news for our economy."

It's like farmers welcoming foxes that invade their hen coops on the basis that it shows how well the chickens are being reared.

Morrisons is the fourth largest supermarket chain in Britain, behind Tesco, Sainsbury's and Asda. Now it is to be owned by the US private equity company Clayton, Dubilier and Rice, whose final bid topped one from a subsidiary of Japanese-based SoftBank.

Richard M Lee/shutterstock.com

Morrisons workers have worked throughout the pandemic. Now they have private equity to contend with.

Review

The bid is now subject to a review by the Competition and Markets Authority, but no one is anticipating any problems there. After all, if shareholders are happy, who can doubt the wisdom of the takeover?

Well, the 120,000 workers at Morrisons for a start. Their union, Usdaw, wants to meet the new owners to get further assurances for members there. No doubt assurances of some kind will be forthcoming, but what kind of assurances will mean anything when they come from owners whose sole interest is selling the company within a few years at a handsome profit?

A glance at experience in the US shows why. A study from the University of Chicago published in July 2021 found that when publicly listed companies are bought by private equity the number of workers shrinks by 13 per cent in two years.

Private equity deals are not about investment in these companies or their growth. They are about "maximising value" for the financial institutions and groups behind them. They suck out as much of the value as they can through dividends, raids on pensions funds or on-selling valuable parts of the business. Then they spit out the husk and liquidate what's left.

As with most private equity takeovers, there is little clarity about how the Morrisons deal is to be financed. But for a taste of what's possible, take a look at the takeover of Asda in October 2020.

Asda

Asda, owned by US retail giant Walmart since 1999, was sold to petrol forecourt billionaires Mohsin and Zuber Issa for £6.8 billion. To make the purchase the two Issa brothers, both born in Bradford, partnered with private equity company TDR Capital. "Great to see @asda returning to British ownership," tweeted Sunak.

In fact, the purchase cost the Issa brothers and TDR Capital just £390 million each, barely 5 per cent of Asda's value.

ers or nations. But now they are being overtaken by t have become a dominant force in business takeovers…

sets, Sell. Repeat.

And though it is based in Britain, TDR Capital is actually owned by the Abu Dhabi Investment Authority. The rest of the £6.8 billion was financed by debt and the sale of assets including petrol forecourts (to the Issa brothers) and warehouses, as demonstrated by the BBC.

"Let us hope that this is not grocery's version of Debenhams, which was collaterally damaged by the clever financial engineering of PE, with those engineers smoking cigars still and the employees now looking for new jobs," analyst Clive Black was quoted as saying in retail trade magazine *The Grocer* in February 2021.

Debenhams was bought for £600 million back in 2003 by a consortium of private equity companies which extracted £1.2 billion in dividends while loading it up with debt before selling it off by floating it again on the stock market. Weakened by the debt and expensive lease-back arrangements on its store sites, Debenhams folded last year – and 12,000 workers lost their jobs.

Scandals

That sale was nearly two decades ago, so what has changed? In one sense, nothing, because private equity companies have been doing this since capitalism began. From time to time the results are so appalling, and so public, that a scandal ensues. But nothing is done, because to capitalism asset stripping has been seen as just another way of doing business.

But the scale of private equity is now entirely different. Private equity is no longer just another way of holding shares in industry and commerce: it is the standard model.

Back in 2002, according to the World Bank, private equity and public companies were running neck-and-neck in terms of the financial worth of the assets they managed, with roughly $1 trillion each. By 2017, public companies were worth a touch over $3 trillion, but private equity's company assets came to more than $7 trillion.

To put that into context, $7 trillion is roughly the total annual gross domestic product (GDP) of Britain, France and Italy combined.

And that's without reckoning on the cash reserves that private equity companies have at their disposal (including bond and other holdings that can be turned into cash at short notice).

Market intelligence company Standard and Poor reported in August 2021 a global figure for these reserves – called "dry powder" in the macho language of finance capital – of more than $2 trillion. Between a fifth and a quarter of this is held by just 15 companies, mostly American.

Largely unaccountable, their tax bills lessened by complex international structures, private equity companies have become the intermediary of choice for finance capital. They are now responsible for most of the big corporate buy-outs in the world. And responsible for most of the sales, since they buy to sell.

Unaccountable

Unburdened by the pesky need to report to shareholders or gain approval for their business decisions (or the amount of money their directors pay themselves), their only mission statement is to make a quick buck.

Most importantly, they generally have much lighter requirements for reporting on their finances to government agencies. This is especially true for US-based private equity companies – and most of the world's private equity companies are based in the US.

But it's not just freedom from financial regulation. Unlike publicly quoted companies whose shares are traded on stock exchanges, they do not have to comply with a whole raft of regulations.

They can, and mostly do, circumvent many of the requirements for reporting on those irritating issues of the environment, social issues such as employment practices, and governance that companies tend to bundle together (because they are tiresome and seen as unconnected to profit) under the term ESG. Carbon emissions and COP26? No problem.

Workers in Britain understand the need for long-term planning, for an industrial strategy, for example, or for the NHS. But the essence of private equity investment is that it is short term.

Just how dangerous that might be is illustrated by the planned sale of LV=, the mutual pensions and insurance company formerly known as Liverpool Victoria.

'In publicly listed companies bought by private equity the number of workers shrinks by 13 per cent in two years…'

Even the private equity-friendly *Financial Times* questioned the reasoning behind LV='s wish to sell itself: "Although UK regulators have given the vote a green light, it is right to question whether private equity companies are the right kind of owners for businesses whose long-term liabilities stretch well beyond their usual horizon of ownership," it wrote in an editorial on 29 November.

Quick sales

But since private equity companies typically sell on their acquisitions within less than 4.3 years it's hard to think of any businesses whose long-term liabilities don't stretch beyond this "horizon" – apart, that is, from private equity companies themselves.

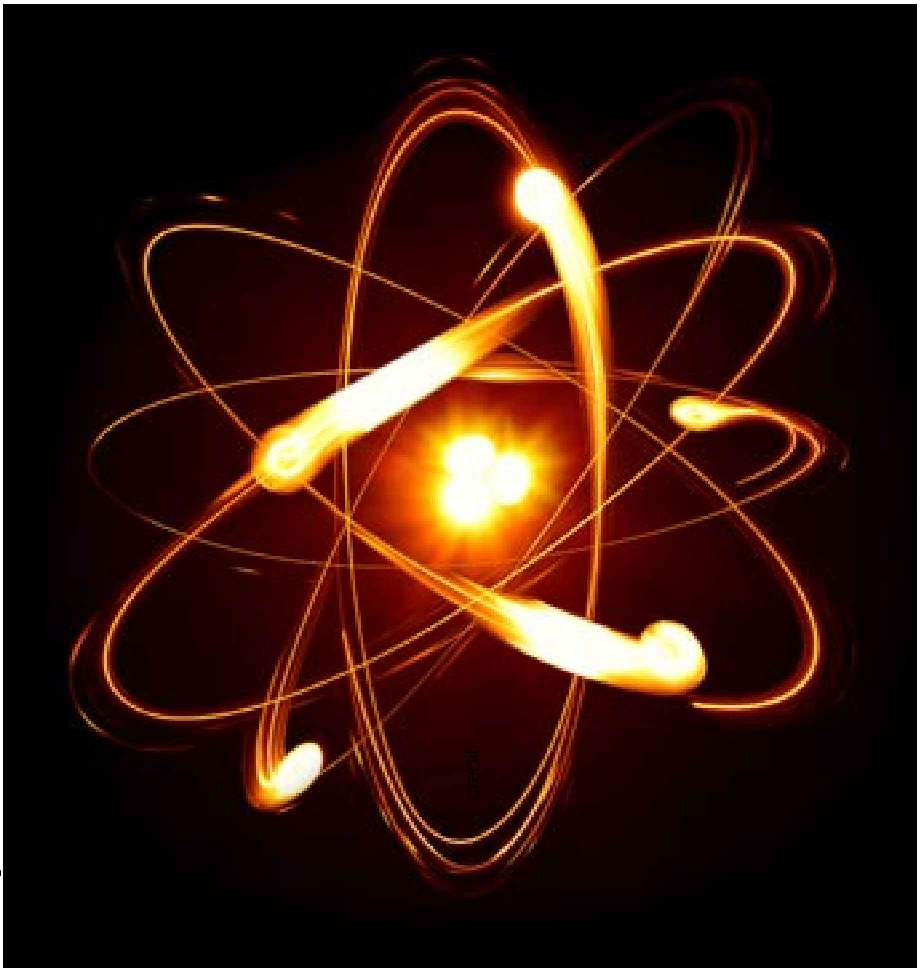
Never has finance capitalism been more reactionary than it is now, never less concerned with the long run.

Clearly, though, enough members of LV= thought the same: on 10 December a chastened board announced that the deal had failed to garner the required support. A day later the LV= chairman announced his resignation.

With the ascendancy of private equity, capitalism's main occupation is not the creation of value in order to appropriate it and get rich. It is the opposite, the destruction of value through asset stripping in order to get rich quicker. If British workers want a future for themselves and their country, they will have to get to grips with this reality. ■

It's simple: Britain can either develop new sources of nucl China and the technologies they are developing. Fortunate

Small is independent: a r



Roman Sigaev/shutterstock.com

Nuclear technologies will support Britain's independence and its economy.

WITH COP26 over and the 200 countries involved making various pledges, the reality for the British working class is that Britain must invest in significant new power generation to support a modern economy.

The current drive to sustainable generation is falling short – as everyone knew it would. Yet the government's target is that 100 per cent of our energy should come from renewable sources by 2035. Last year, Britain managed 53.7 per cent, including nuclear.

So far all the government has achieved in nuclear has been a raft of poor nuclear deals and ever-lengthening timescales. But without nuclear there is no chance of meeting the 2035 target. In 2020, nuclear contributed almost 19 per cent of all energy generated here (the figure excludes imports via interconnectors). And by the end of 2025 every single nuclear station currently operating is slated for closure.

It's a global issue too. The vast majority of the world's people live in countries where less than 15 per cent of energy is generated from low carbon sources, including Russia, China, and the whole of the Indian subcontinent and Africa.

While the COP26 discussions in Edinburgh were in full swing in early November, the Brussels-based Science|Business website reported on 4 November that Romania will be the first country to build a small modular reactor (SMR) nuclear power station – using US-designed technology from the Oregon-based company NuScale.

That report was swiftly followed five days later by an announcement from business and energy secretary Kwasi Kwarteng of £210 million in funding for Rolls-Royce to develop its existing SMR technology, with another £250 million expected from the private sector.

The money is part of the £385 million Advanced Nuclear Fund announced a year ago by prime minister Boris Johnson as part of his 10-point plan for decarbonisation. Around £270 million has also been confirmed to support the construction of Sizewell C, the large nuclear station in Suffolk on which tens of thousands of jobs depend.

But beyond Sizewell, the government announcement and the US move in Romania have put SMR back into the spotlight. As *Workers* wrote back in 2018, new SMR plants are the way forward to deliver a dependable supply of energy to add to the generation mix – and one that can stay online (the so-called "capacity factor") for more than double the time of wind power or solar.

Sizeable

SMR stations are small in comparison to large nuclear plants, but they are not necessarily small in output. An SMR plant could, for example, power a city of a million people, the size of Glasgow. And while the new SMR is a clean sheet design, the technology is developed by Rolls-Royce based on well known and safe designs. Far fewer deaths relate to nuclear power generation than to most other types, especially coal and gas with their emissions of particulate matter.

Research published in February 2021 suggests a global figure of 8 to 9 million deaths a year from fossil fuels, with nuclear power generation responsible for a tiny number (and in a typical year, none).

There are, of course, potential hazards from the long-term radioactivity legacy that these plants create but the technology is being developed that will safeguard the waste. And to put that into context, waste from one of the upcoming generation of British SMR plants is forecast to fill one Olympic-size swimming pool over its lifeear power, or become ever more dependent on the US, ely, Britain has an answer in small modular reactors…

nuclear future that works

time of 60 years, according to Roll-Royce's SMR chief Tom Samson in oral evidence to the House of Commons Industry and Regulation Committee in November 2021.

The Romanian plan is being promoted as a test of its contribution to climate mitigation. The White House said Romania would be taking a "huge technological" leap in the race to secure non-fossil energy provision in eastern Europe, with the new nuclear reactors helping to decarbonise the country's electricity supply, which depends on seven coal-fired power stations.

Sustainable

The move will add to pressure on the EU to include nuclear in its list of sustainable technologies – and hence worthy of tax advantages for investors. But the NuScale technology is, as Science|Business noted, as yet unproven. And it is complex.

Engineers in Britain, meanwhile, have provided safe SMR technology for submarines for 60 years, and provided support to the civil nuclear energy industry. They are confident that there is more than adequate knowledge and skill to deliver a safe power station employing the much simpler British design. And Rolls-Royce's Samson reckons that the company's SMR stations could be available in under 10 years if ordered in the next 12 months.

With its simple core design, the British SMR should have less risk of failure than other designs. What's more, it will be built in factories in Britain with highly skilled workers, but at low cost because the design is both simple and deliverable. Its output of up to 470 megawatts is also the largest in the world.

Regulatory approval is already under way with a process in Britain of Generic Design Assessment to ensure the highest standards will be met. British standards in nuclear are already the most stringent in the world.

All this will rely on the skills of British workers at Rolls-Royce manufacturing plants in Derby, Warrington and possibly Manchester (historically where Rolls met Royce in the iconic Midlands Hotel).

These will be employed to achieve production of SMRs that could also be exported. A tradeable item will be useful indeed for an independent Britain – and the Rolls-Royce SMR is, as Samson said, the only clean energy product Britain can export to help countries round the world address the transition to zero carbon.

Flexible

Though the plants will be capable of producing 470 megawatts each, they could be smaller if required. That makes the British design both more powerful and more flexible than the American design offered to Romania, which will use six small reactor modules generating only 10 to 20 megawatts per module, and with a more complex design.

An added advantage is that the manufacturer will make, deliver, install and commission the plant without multiple companies trying to take a profit and arguing over specifications.

What does the British working class gain from SMRs? Up to 40,000 jobs are claimed to be possible when full production of two power stations a year leave the factories that will build them. Also a certain level of control because of local manufacture, but most importantly independence of energy supply. Samson also spoke of 80 per cent "UK content by value solution", produced here in Britain.

The GMB union wrote to its members in October 2021 alerting them that as the legislation for new nuclear works its way through parliament, it may call on them to lobby their MPs and – "most importantly" – the labour movement as a whole to ensure that development takes place.

What would be the alternative? Another loss of control, reliance on either the US or China, and greater exploitation of the British working class. ■

'Rolls-Royce reckons its SMR stations could be available in under 10 years…'

The best of times?

GOVERNMENT SUPPORT for SMR reactors is good news for the engineers and other staff at Rolls-Royce, but the company still seems hell-bent on screwing every ounce of profit out them.

At Rolls-Royce, workers who rallied round to help produce ventilators for intensive care units were faced with redundancies and site closures. They have had to fight tooth and nail to make the company honour its promises to keep turbine fan work at the Barnoldswick factory, for example.

The word decarbonisation has a hollow sound when it comes with attacks on working conditions. Rolls-Royce's site at Bristol, Filton, is set become the first "net zero" factory in the company in 2022. But the workers there, as throughout Rolls-Royce, lost their final salary pension scheme in May 2020 after the company used the excuse of Covid to close it.

"Astoundingly the Company fails to accept that we have a legitimate right to defend our Negotiated Agreements and also refuses to engage to resolve the position through valid dispute resolution procedures," the Unite and GMB unions told their Rolls-Royce members in October 2021.

In an astonishing U-turn the company now faces a skills shortage and in the last quarter of the year has started a recruitment drive, mainly because it let too many go in the reduction of the workforce by 9,000 throughout 2019/2020. As is so often typical of the aerospace industry, re-hiring of redundant or retired staff is also taking place. ■

Davos, a village in Switzerland, has built itself a reputatior plans. And at the World Economic Forum, that means abo

World Economic Forum:

Keko (CC BY-ND 2.0)

Dissent is not encouraged: police screen potential demonstrators at Davos railway station, 2007.

THIS JANUARY – as every January for the past five decades – the globalist elite will be gathering in a small Swiss resort to consider how to move their agenda forward. The meeting is known as the World Economic Forum. The working class is not invited.

We have probably heard more of this organisation in the past two years than in the previous fifty – it was founded in 1971 by Klaus Schwab. It meets annually in Davos, Switzerland. It can be described as the executive of global capital and is funded by around a thousand multinational corporations, including the world's four biggest private equity groups.

It is not a secret organisation and can be searched for online – but you will not find much detail of its internal workings, for all its advocacy of transparency. In many respects it presents itself as a benign and rather fluffy, cuddly entity – a common cover these days for those who seek total domination of all earthly things. It is answerable only to its paymasters, the global corporations.

'Influence'

The World Economic Forum's mission is to bring together people of "influence" to "shape global, regional and industry agendas". So far it has been remarkably successful, even if capitalism rather than the peoples of the world has been the beneficiary.

And capitalism does need all the help it can get. This century has been particularly problematic.

In 2007 the financial markets collapsed, an event passed off as the outcome of subprime lending. But this only masked the reality: the capitalist mode of production had reached the point that its very survival, in current form, was in question.

Crises had come and (apparently) gone and economies had recovered in the past. Surely there had to be some solution. The response, around the capitalist world, was to introduce quantitative easing, otherwise known as printing money.

It was meant to be short term, but it goes on, and on. To date, it has seen $25 trillion pumped into the global financial system, all created through government debt. Sooner or later that debt is going to have to be repaid, or refinanced. And

'The globalist elite will be gathering. The working class is not invited…'

n as the place globalists come each January to hatch new
ve all taming independent nation states…

globalists vs. the world

nobody has a clue how it can be done.

Economics cannot be divorced from politics. In the era of monopoly capitalism it has developed mechanisms to organise the operation of capitalism on a world scale. This has been facilitated through various bodies, all neatly and openly presented as benign, only being interested in humankind's development – "for the good of all".

Even though recent history shows how false this image is, it still persists in the minds of swathes of people around the world as "they are doing their best for us". The World Economic Forum's contribution to this deception is summed up in its philosophy of the Great Reset.

The idea is that shareholder capitalism (capitalism, in other words) must give way to what it calls stakeholder capitalism. The World Economic Forum defines this as "a form of capitalism in which companies seek long-term value creation by taking into account the needs of all their stakeholders, and society at large".

Confused? You should be. That's the aim of the concept. There's a lot of talk about transparency and accountability, of course. Which must be why the World Economic Forum used the run-up to a meeting it held in 2020 by hosting the Great Reset Dialogues in conjunction with famed transparency and accountability paragon Prince Charles.

The reality is that taking into account the needs of stakeholders and society at large means only one thing: taking power away from the governments of nation states – which for all their faults are all that stands between the working people of the world and unfettered global capital.

Time was when nation states were developing and monopolies were yet to truly establish themselves, the role of the state was to operate as the executive for national capitalism. Global capital is now trying to assign a far more subservient role to nation states.

Their job, say the globalists, is to merge with other nation states into supranational blocs such as the European Union. Or failing that, to bind nations with a complex net of free trade agreements which allow global capital to go wherever it wishes, free (so they hope) from the spectre of working class challenge and overthrow.

Redesign

All this was set out explicitly in the World Economic Forum's forerunner of the Great Reset, entitled with equal humility the Global Redesign Initiative (yes, really). The 600 pages of its 2010 report don't make for light reading. Even its executive summary is jargon-ridden. But behind the obscurantist language is a clear message: farewell to the nation state.

"When states were the overwhelmingly dominant actors on the world stage and major policy decisions were commonly decided by a limited number of them, progress on international cooperation tended to be measured by the establishment of new intergovernmental legal frameworks and institutions," its authors proclaim.

That approach is clearly not good enough. They continue: "…efforts today to strengthen international cooperation will increasingly need to have a wider focus…". That means new international law and institutions. And, crucially, "integrating non-governmental expertise into the formulation of policy frameworks, be they formal (legal) or informal (voluntary or public-private); and integrating non-governmental resources into policy implementation".

And all this is required because the emergence of new, powerful nation states around the world means that globalists can no longer rely on the old "limited number" of nation states to do their bidding… "because a larger cast of politically influential states makes it harder to attain multilateral agreement on universal frameworks".

Hence the attempt to destroy nation states from within. Many of today's nation states have people who have been trained to help deliver the vision of a global government on behalf of global capitalism. And a key training ground is, once again, the World Economic Forum (see Box).

Control

As the private jets head for Switzerland to unload the 100+ billionaires and dozens of heads of government to gather in Davos, workers in Britain and elsewhere increasingly understand that nothing good will come from it. They want us to think we can have a much fairer society if we only listen and accept their "build back better" solution. But nothing discussed at Davos will change the ownership and control of capital by the global corporations and private equity companies. On the contrary.

The essence of capitalism is exploitation of workers' labour power – nowhere in the World Economic Forum is the notion of removing this to be found. ■

Finishing school for globalists

A LOOK at some of those who have passed through World Economic Forum education programmes such as "Global Leaders for Tomorrow", set up in 1992 and renamed "Young Global Leaders'' in 2004, might explain why what is happening today has the look of being well coordinated. Because it is

The 1,300 graduates of this programme include Angela Merkel, Tony Blair, Gordon Brown, Nicolas Sarkozy, Emmanuel Macron, Jean-Claude Juncker and Jacinda Ardern, not forgetting Jens Spahn (the now-ousted German health minister – he of "Germans will be 'vaccinated, cured or dead' by the end of this winter" fame). And Annalena Baerbock, Germany's new foreign minister and joint leader of its Green Party – on record as calling for a more aggressive stance towards Russia and China.

Anyone who wants to become a Young Global Leader must pass a rigorous selection process to prove they are of the right calibre to be the WEF's mouthpieces. To help facilitate this, WEF founded another institution: the Global Shapers Community – people under the age of 30 from across the world previously identified as having leadership potential. Some 10,000 participants have passed through the programme. ■

Investment in rail could make life better in Britain as well as government seems obsessed with taking on the rail unions

In the balance – progress

Vladislav Gajic/shutterstock.com

Slimmed-down timetables, electrification projects abandoned, HS2 cut short…short-termism rules.

BRITAIN'S RAILWAY industry stands at a crossroads. During the Covid-19 pandemic, passenger numbers and ticket revenues collapsed. Usage has recovered – buoyed up by strong leisure travel – but it is still down by around 30 per cent, with commuters down by around 50 per cent.

'HS2 has been dramatically scaled back…'

The fragmented passenger franchise system was collapsing long before the pandemic. That set the scene for reforms being set out in what has become the Williams-Shapps Plan for Rail. HS2 has been dramatically scaled back, and plans to build new railways to connect northern cities have been largely ditched.

Collapse

There is now no doubt that the pandemic-induced collapse in rail passenger numbers has stiffened the government's resolve to do what it planned to do anyway as part of the industry reforms – take on the rail unions to drive down rail staff pay and attack their conditions and pensions.

The drop in revenues has forced a massive increase in government subsidies. The Treasury spent an additional £6.5 billion on running the railway in 2020-21. Now it is keen to scale that back.

But senior industry managers have reportedly been surprised both at the scale of the cuts demanded by the Treasury – a reduction of more than 10 per cent is expected – and also that the cuts must be implemented so soon, probably early in 2022. Reductions on that scale will involve deep cuts in services – and not just to

help the country meet its carbon emission targets. But the and driving down pay and conditions for staff…

s or decline for rail?

commuter services.

Both Network Rail and the train operators are seeking volunteers for redundancy, but it is now clear that this will not achieve anything like the reductions in costs being demanded. With other costs difficult to reduce quickly, compulsory redundancies have to be imminent.

The rail unions RMT and TSSA secured a "no compulsory redundancy" agreement for 2021 in return for union cooperation in addressing the Covid-19 pandemic. But ominously, the employers have refused an extension until the end of 2022.

So the rail unions are now on a war footing, with preparations being made for industrial action to counter the expected onslaught on jobs and train services. Station staff in particular, especially ticket office staff, are likely to be slashed along with middle managers.

'Bogus'

Mick Lynch, RMT general secretary, has described some of the projections being bandied about in justification for the cuts as "bogus", pointing out that it is too soon to predict that passenger numbers won't recover to pre-Covid levels. Indeed, the signs are that passenger numbers will continue to grow and exceed pre-Covid figures although they may take some time to do so. And timetables will need to be restructured to reflect what will certainly be different travel patterns.

The RMT has also highlighted the savings that could be achieved by ending the profits being made by the private rail companies. Despite Covid-19, RMT claims that train operators and rolling stock companies could have taken over £1.1 billion profit out of the industry in dividends for 2020 alone.

At the RMT's annual conference in October, Lynch described the projected cuts planned by the government as "frightening". He said: "I believe there is a storm coming, and we have to prepare for it", a sentiment the conference delegates wholeheartedly endorsed. He fears that new staff in the industry will be taken on with worse pay and conditions, and considerably reduced pension entitlements.

A meeting of RMT workplace reps in early December voted unanimously to support a ballot of members in Network Rail for strike action in defence of pay, pensions and conditions.

The TSSA is also preparing for strikes. Its general secretary, Manuel Cortes, put the position bluntly: "Let's be crystal clear, any attempt to use compulsory redundancies will be seen as a declaration of war and trains will be coming to a halt."

Most rail workers, hailed as "heroes" during the pandemic, have not had a pay rise for two years. With inflation (as measured by the Retail Prices Index) now running at 6 per cent, rail workers see pay as a key issue as they prepare to confront their employers.

The RMT and TSSA unions have had some recent successes in forcing employers to improve pay offers, most notably in ScotRail. These wins will increase workers' confidence to use a variety of industrial action tactics to secure better deals with other rail companies.

More strikes may also be on the cards in London Underground and its parent body Transport for London. Covid-19 has had a similar impact on passenger numbers and revenue in London, with TfL's financial position exacerbated by the two-year delay in the opening of the new Elizabeth line.

Cash-starved

Like the national rail network, London's transport has also relied on government funding to make up the shortfall, and the government has taken the opportunity to starve TfL of cash while attempting to deflect the blame on to the Labour Party London mayor Sadiq Khan.

Khan and TfL have warned of a "bleak future" of "managed decline", and talk about possible closure of the Bakerloo line and the Docklands Light Railway in order to save money.

It's no surprise that the Johnson government is attacking rail staffs' pay and conditions in what is one of the most highly unionised industries in Britain. But the government's wider approach to the rail industry is not only riddled with the usual capitalist short-termism, it also comes with a confused and incoherent policy with a mass of contradictions.

'The government's approach comes with a confused and incoherent policy with a mass of contradictions…'

Franchising to provide passenger services is to be ended: this has been widely welcomed. But instead of creating a unified publicly owned railway, the government will use state-owned infrastructure operator Network Rail as the basis for the creation of Great British Railways. GBR will oversee the railway, but will contract out significant chunks, including contracts to provide train services, all with guaranteed profits. These changes are likely to take several years to come to fruition.

It is but a few weeks since Johnson promised the Glasgow COP26 conference that Britain would have zero carbon emissions by 2050. To achieve this would require a rapid transition away from fossil fuels to electricity produced from renewable sources.

Bizarrely, this promise was followed shortly afterwards by the announcement that £35 billion worth of cuts were to be made to the 15-year-old HS2 plans as part of a so-called "Integrated Rail Plan".

The eastern leg of HS2 line serving the East Midlands, Sheffield and Leeds will no longer reach to Leeds – instead it will be a short branch ending at East Midlands Airport. HS2 trains will still go to Derby, Nottingham and Sheffield, but Leeds, York and Newcastle will be served by upgrading the existing East Coast Main Line.

Associated with HS2 was the "Northern Powerhouse Rail" plan, which aimed to link the north of England cities. That plan too has largely been scrapped, with an alternative proposition of upgrading existing lines

Continued on page 14

Continued from page 13

where average speeds are less than 50 mph. Bradford, a large city with poor rail connections, stands to lose out the most.

There are those who fantasise about all cars, HGVs and even planes being electrically powered within the next 20 years, but that is what they will remain – fantasies. The easiest and surest way to ensure dramatic reductions in carbon emissions is to transfer significant passenger and freight traffic from airlines and roads on to electrified railways, achieving other desirable environmental changes along the way such as reducing congestion, pollution and noise.

By concentrating fast inter-city trains on a new HS2, capacity was to be released for more local passenger trains and freight trains on three existing main lines to the north from London – the West Coast Main Line, the Midland Main line, and the East Coast Main Line – all of which are currently close to being full.

While the revised HS2 scheme will relieve the West Coast Main Line and provide much-needed additional capacity for that corridor, it will actually reduce capacity on the Midland Main Line, even though it will at last be electrified in full.

The "Integrated Rail Plan" seeks to replace the increased capacity provided by an eastern leg of HS2 with what would have to be massively expensive upgrades to the East Coast Main Line. The lesson of the hugely costly limited upgrade of the West Coast Main Line – that it is cheaper to build a new railway – has been ignored.

Disruption

Network Rail's CEO Andrew Haines talked in 2020 of massive disruption should the East Coast line be upgraded as an alternative to HS2. He warned that "the route would be closed at one location every week for between 26 and 29 years. If closure at two locations were assumed, this would take 13-14 years." Exactly the same problem would afflict upgrades to existing railways in the north of England as an alternative to "Northern Powerhouse Rail".

Electric Egg/shutterstock.com

Among northern cities Bradford stands to lose most from the curtailment of HS2.

'The electrification of 7,500 miles of railway could be dumped…'

Without the additional capacity provided by the original HS2 plans, it will simply not be possible to move significant traffic from other more carbon-dependent modes of transport.

But it is worse than that. A £30 billion blueprint to electrify Britain's railways – the Traction Decarbonisation Network Strategy – which proposed the electrification of around 7,500 miles of existing railway could be dumped.

Sir John Armitt, Chair of the National Infrastructure Commission, has warned that "we need a detailed and costed plan for ensuring that rail is decarbonised". Yet the plan – drawn up only 18 months ago – was reported by *The Daily Telegraph* in early December as having been blocked by the Treasury. That would mean even the existing railways could not be decarbonised by 2050.

On the plus side, the industry welcomed commitments in the Integrated Rail Plan to spend £96 billion on new rail infrastructure, and is also keen to highlight the government's preparedness to continue to put significantly greater subsidies into the railways in the future.

Also to be welcomed was the announcement in early December that the new HS2 trains would be built in Britain by a joint venture between Alstom and Hitachi, using their existing manufacturing capabilities at Derby and Newton Aycliffe, and reinstating a factory at Crewe.

So the future of rail in Britain is in the balance. The immediate task ahead for rail workers will be to defend what they now have, and then fight for the sort of 21st-century railway that Britain needs and deserves. With all the current industrial and political uncertainties, there is everything to play for. ■

Britain has come to rely on an underclass of migrant abattoir workers. And we're all paying the price…

Abattoirs under attack


Workers

Local abattoirs reduce welfare problems associated with long-distance transport.

THOUSANDS OF perfectly healthy pigs which exceed the weight specified by the supermarket contract were culled in November and burnt on farms due to a shortage of labour at abattoirs. This is being reported as a "consequence of Brexit" – but there is more to this story.

Patrick Holden, chief executive of the Sustainable Food Trust, was quoted in *The Daily Telegraph* at the end of November saying: "We've come to rely on an economic underclass of migrant workers who are populating the abattoirs and the meat cutting plants, doing jobs that we've decided we don't want to do."

'The EU-driven trend towards migrant labour has led to a loss of local skills…'

Posted workers

The use of migrant labour in huge meat processing factories did not begin in Britain. The trend first became noticeable as far back as the 1990s when the EU allowed abattoir companies such as the German Tönnies to hire "posted workers" from eastern European countries, which were then outside the bloc.

Tönnies paid the workers the same wages they would earn back home – the equivalent of €3 to €5 an hour, roughly a third of what Germans typically earned. The *Financial Times* has detailed how some companies' workers did 16- to 20-hour shifts and lived in tents in the forests.

The all-party parliamentary group on animal welfare (APGAW) has noted that the pig industry in Britain has maintained higher standards than countries in the EU. But it has not escaped the trend to close local abattoirs and the move to larger abattoirs using migrant labour.

In June 2020 a report from the APGAW on the future of small abattoirs found no substantial differences in animal welfare inside large and small abattoirs. But it did note that most welfare problems associated with the farm-to-slaughterhouse chain occur in transport.

That in itself constitutes a pressing case for maintaining smaller local facilities. Yet with a third of Britain's abattoirs closing between 2007 and 2017 alone, according to a report from the Sustainable Food Trust, fewer and fewer farms have local abattoirs. In those 10 years the number fell from 320 to 249. In 1971 there were almost 1,900.

The EU-driven trend towards migrant labour which began in the 1990s has, among other things, led to a loss of local skill and apprenticeships in the sector. There are solutions, but as the APGAW report in 2020 noted this will require a strategic approach to abattoirs.

Welfare

In its September 2021 report, *Moving Animals Across Borders*, the House of Commons Environment, Food and Rural Affairs committee took the same approach, declaring that supporting and bolstering Britain's abattoir network would improve food security and protect animal welfare.

And the committee specifically recommended that government should set out and enact its approach to funding Britain's abattoirs network as a strategic national asset within "six months". As yet there is no evidence that the government has acted on this recommendation.

If Britain could set up Nightingale hospitals in weeks, it can also address the current crisis in the pig industry. In the longer term, if as a nation Britain can build small nuclear reactors, we could also reinstate the essential local facilities required for food processing and better animal and human welfare. ■

Health care dominates the discussion on the Health and C But social care has almost always been an afterthought…

What's to be done about

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Leaving changes to social care in the hands of politicians has resulted in stalemate and backward steps.

THERE'S A widespread recognition that the provision of social care in Britain and the way it is funded need to change. And almost as widespread is the disagreement about what to do. The government's current proposals, announced last autumn after years of delay, are a step forward, but inadequate on their own.

The changes announced in September 2021 are an attempt – the first in 10 years – to break the logjam. As well as social care funding reform and a levy to pay for it, the social care plan is linked to health care changes announced at the same time.

The government published a White Paper in December setting out the social care reform programme. There was criticism on the detail about the way that a cap on social care costs would operate and doubts from trade unions and other bodies such as health policy think tank the King's Fund about the overall strategy and whether it could be delivered.

Health care dominates the discussion on the Health and Care Bill, understandably so in the face of a pandemic, but it's nearly always been the case that social care is an afterthought.

There's recognition that the changes to health care commissioning in the bill are positive, putting collaboration in place of competition, and reversing the worst aspects of the disastrous 2012 Health and Social Care Act. And the funding that should be available for social care has the potential to make a difference. The question is how it will be spent.

Realism

Above all, the need is to make sure that decisions about social care are not delayed again. Plans must be realistic and implemented – to do that the makeup and skills of social care workers cannot be ignored. The sector employs around 1.5 million people: vacancy levels are high and rising.

The White Paper proposes to spend £500 million over three years on "transforming and developing the workforce", but lacks detail on what impact that will have, relying on "partners" in the sector to deliver it. The risk is that without more direct input – and crucially, better pay – social care won't move away from a fragmented, poorlyegarded area of employment.

During the passage of the Bill the King's Fund noted, in relation to health carer professionals, that two years after the 2019 election "…there is still no plan to address workforce shortages, and there is no certainty about the budgets for staff education and training. The health and care workforce crisis continues to be a blind spot for the government."

It's not as if problems in social care are new, created by the pandemic. They have

Care Bill, understandably so in the face of a pandemic.

social care?

been evident for at least 20 years – made worse in that time by a failure to act and by government policies that have fragmented care, aggravated by increased devolution to Scotland and Wales.

Leaving changes to social care in the hands of politicians has resulted in stalemate and backward steps. Those working in the sector have tried to defend conditions, notoriously poor in a largely non-unionised and fragmented workforce. And they've reacted to inequities and madness like the "15 minute home care slots".

But unless they, and British workers generally, take a greater responsibility for the wider picture there's a risk that the cycle of handwringing and delay will continue.

Dignity

Adult social care supports people who need help to live in a dignified, civilised way. This includes helping young adults with learning disabilities to live independently and if possible, to go out to work.

The common image of social care is help to those who are elderly and infirm with non-medical needs. People over 65 make up about two-thirds of those needing support, but cost of care is roughly equally split between those of working age and the elderly.

According to NHS data, around 840,000 adults received publicly funded long-term social care in 2020-22. Of these about 550,000 are over 65 and 290,000 are 18 to 65 year-olds. The total is up slightly from the previous year, probably due to the pandemic. Otherwise the trend has been slightly downward since 2015-16, mostly in the older age group.

There are also about 144,000 people paying for their own care in care homes ("self-funding") and many more who pay for care in their own home or are supported by relatives. A key question is whether the new funding proposals make things any better.

Unfulfilled demand is increasing, again a long term trend. The NHS data shows that of the 1.9 million requests for support of all kinds, between a quarter and a third ended up with no support at all.

Social care, or more precisely the lack of adequate care, has a direct impact on health services. Hospitals cannot discharge patients who are medically fit unless there is adequate care. And the longer those people stay in hospital, the less likely they are to recover fully – leading to further health and social care needs later on.

Chris Hopson, the head of NHS Providers, put the number of people in hospital but fit to leave at around 10,000, or 10 per cent of the beds in England. That's more than the number in hospital with coronavirus, under 8,000 at the time he was speaking in early December.

The social care crisis is attributed to the growing number of older people in the population, as well as increases in the number of people with chronic conditions like dementia and the number of younger people needing support to live independently.

But that's not the whole story. Over 10 years ago Andrew Dilnot led a commission on how to reform the funding of social care. That was seen as necessary to open up improvements in care provision.

Dilnot called for the potentially unlimited costs to be capped, with any further costs met by the state, estimated at £1.7 billion based on a cap of £35,000 – a large sum, but not unrealistic given the benefits. Yet despite broad agreement and funding proposals included in the 2014 Care Act, the key elements have not been implemented.

Delay

Like earlier Labour governments, coalition and Conservative governments found it easier to delay than to act. Before the 2017 election Theresa May's government decided to include social care funding in the Conservative manifesto, but it was new, underdeveloped policy apparently cobbled together. Mocked as the "dementia tax", it ignored what had gone before and was widely attributed for their poor performance in the election.

Arguably that was one time when a prospective government should have focused on another issue – implementing the vote to leave the EU in the referendum in 2016.

But since then further delay has been punctuated by more policy reviews, a few promises and grand announcements – notably from Boris Johnson that his government would "fix social care".

'Leaving changes in the hands of politicians has resulted in stalemates and backward steps…'

Over this long period social care provision did not stand still; it has become worse. In particular the role of local authorities has been undermined and the resources available to them have been cut.

Now 90 per cent of residential care is outsourced from local authorities, reversing the proportion in the 1980s. That's in part due to budget cuts but was also the policy of successive governments, starting with the Labour policies on personal payments for care at home (which they did manage to implement).

The limits (in England) above which local authorities will not pay for residential care have been frozen since before Dilnot reported. Local authorities also have discretion to apply limits for care at home (much of which is also outsourced) – many councils are increasingly restrictive on what they will pay for.

Large companies that entered the care home market in the 1990s now account for about 30 per cent of homes. Often backed by private equity, their aggressive approach to profit extraction and tax planning has attracted criticism from unions – and was exposed in a BBC *Panorama* programme on 6 December.

Public money must not be wasted – either to boost the profits of offshore corporations or to pay high rates to employment agencies for covering permanent staff shortages.

It's time to grasp the opportunity. A mantra of "terrible Tories" and waiting for another government to act won't meet our care needs. ■

The latest in a series of reports from Greenwich University shareholders and directors – at the expense of consumers

Filthy rich: the scandal o

WHEN MARGARET Thatcher sold off the water industry in 1989, the government wrote off all its debts. Since then, the nine privatised companies in England have run up debts of nearly £52 billion. Meanwhile, they have paid shareholders a total of £61.8 billion in dividends, an average of £2 billion a year.

Thames Water's share of this total is by far the largest, at £11.689 billion. And the companies have borrowed all this money not to invest in improving infrastructure, but to pay huge dividends and huge salaries to directors.

Splurge

This decades-long dividend splurge obviously reduces the money available for investment. Benefits, far from trickling down to the public, are dammed up to the advantage of the shareholders. These dividends have increased the costs to water users – that is, to all of us – by an average of £62 a household each year.

Fortunately, expert eyes have been looking at the water companies since the 1990s. The Public Services International Unit at Greenwich University has published a string of reports documenting the great water robbery.

The latest report, by visiting professor David Hall, appeared in November 2021. Forensically, it documents the failure of privatisation and of regulation, along with disclosing the massive handouts received by shareholders and directors.

His study, *Water and sewerage company finances 2021: dividends and investment*, concluded, "A large amount of debt has been borrowed. But since the revenue from user charges covered capital expenditure, this debt has been used to finance dividends rather than capital expenditure."

'Dividends have increased the costs to water users – that is, to all of us – by an average of £62 a household each year…'

Workers

Thames Water treatment works, Walthamstow.

The companies have invested no net additional shareholder funds (equity) since privatisation. In 2019 the companies had £14.7 billion shareholder equity on their balance sheets, less than the £17.5 billion they had put into the companies in 1991.

Thatcher had claimed that private shareholders would make the investments needed to improve performance, but as Hall shows, it has been the users, not the shareholders, who have paid for what investment there has been.

They've also paid for the handouts to directors. Brandon Rennet, for example, Thames Water's Chief Financial Officer, got £1,468,000 in 2019/20. That was up from £985,000 in 2018/19, an increase due largely to a new "Transformation Incentive" of £530,000, according to the company's annual report for 2019/20.

Meanwhile, prices go up. Two years ago Thames Water's Chief Financial Officer (yes, the same director) wrote in his introduction to the company's policy document on its tax strategy, "Importantly, although Thames Water is not paying corporation tax at the moment, the only people to benefit from this are our customers. This is because the reduced cost is fully passed to customers through lower bills."

This may come as news to those who rely on Thames Water. It should even come as a surprise to Thames Water itself, given that its helpful guide entitled "Statement of Significant Change", published in January 2021, explains how bills for the year are going up by an estimated 4.6 per cent for unmetered household customers and 4.5

y lays bare the way water companies have been enriching s…

of privatised water

per cent for those on meters.

Ofwat, the Water Services Regulation Authority, is the body charged with regulating the privatised water and sewerage industry in England and Wales. But it is the classic example of a “captured” regulator, backing the interests of the companies it is supposed to regulate against the interests of the people.

This structure ensures that money is pumped out of the water industry via the public, and pumped into the pockets of the shareholding minority. We the users of water pay: the dividend-holders consume the money – a truth the companies try to conceal.

Obscured

Read Hall’s report and you will see how the companies make every effort to hide their dividend payments. For example, Northumbrian’s cash flow table shows no dividends paid between March 2020 and March 2021 and states, “no dividends were approved or paid during the year ended 31 March 2021.” True, but then it discreetly adds, in a Note, “After the balance sheet date, the Board approved the payment of a final dividend of £123.3m in respect of the year ended 31 March 2021.”

Similarly, Anglia states, “No dividends were paid by the company or out of the Anglian Water Services Financing Group for the year ended 31 March 2021 (2020: £67.8 million). No dividends were paid to the shareholders of Anglian Water Group Limited (AWGL), the ultimate parent company in the year (2020: nil).” It then refers to Note 31 ‘for details of dividends declared after the end of the year’ - “On 26 May 2021, the Board agreed to recommend a final dividend for 2020/21 of £96.3 million”, 40 per cent more than in the previous year.

The year-end reports from South West Water, Yorkshire Water and Thames Water tell the same story. Dividends, dividends everywhere.

Anneka France, of the Rivers Trust, has called for more investment to improve infrastructure. But instead, Thames Water, like the other water companies, puts its profits and dividends first, way ahead of its duty to provide safe clean water for the people of London.

‘Some 3 billion litres of water are lost to leaks every day…’

At the latest count, for 2019/20, pipework in the Thames Water area was losing 595 million litres of water every day – more than any other water company. Its pre-tax profits rose last year to £434 million. It increased our bills, and received a tax credit from us, the generous taxpayers. Overall some 3 billion litres of water are lost to leaks every day in England and Wales, with another 463 million litres in Scotland.

Water companies pumped polluting and harmful raw sewage into national water sources over 400,000 times last year. The Rivers Trust says that more than half of England’s rivers fail cleanliness tests. Yet the government is still proposing that we the taxpayers, not the water companies, should foot the bill for sewage system improvements. ■

Case study: East London

A DATABASE published by the government in October revealed that raw sewage poured into east London rivers for thousands of hours in 2020. Analysis by the Rivers Trust of constituency data from this database show that in Ilford South – the area worst affected – untreated effluent flowed into waterways for more than 2,569 hours – equivalent to 107 days or nearly a third of the whole year.

Dagenham, Rainham, Hornchurch, Upminster and East Ham all suffered more than a thousand hours of spillage. Poplar, Limehouse, Ilford North, and Leyton and Wanstead all suffered hundreds of hours of spillage.

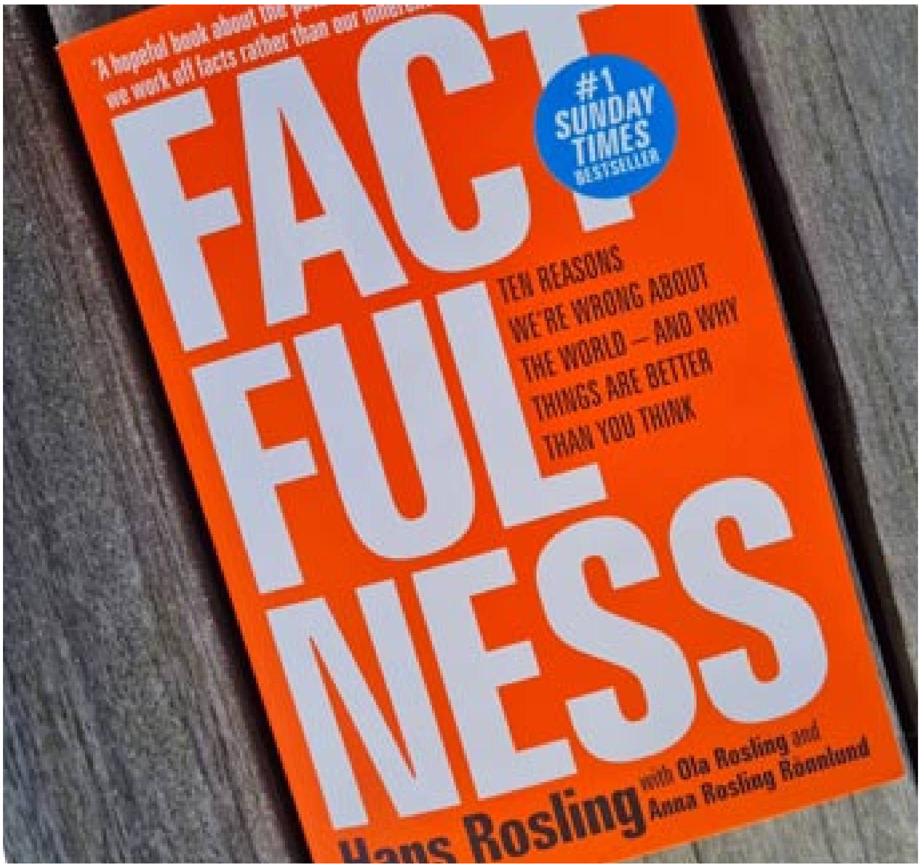
When the local *Ilford Recorder* wrote an article on 4 November it tried to find out what Thames Water, which is responsible for most of the sewage management in London, thought about this. The company, said the paper, “did not respond to a request for comment”.

The article pointed out that “under law, discharges of untreated effluent are only permitted in exceptional circumstances”. But as the River Trust’s Anneka France said, “A lot of these sewage overflows are discharging even when we haven’t had an extreme weather event.”

Thames Water has been consistently breaking the law – and not being punished. Its board should be in the dock! ■

**In a world where doom and gloom seem to be all-pervasive,
the facts. As Hans Rosling's landmark book shows, progres**

The positive power of rea



***Factfulness: Ten Reasons We're Wrong About The World – And Why Things Are Better Than You Think*, by Hans Rosling with Ola Rosling & Anna Rosling Rönnlund, paperback, 352 pages, ISBN 978- 1473637498, Sceptre, 2019, £9.99. Kindle and eBook editions available.**

FACTFULNESS invites the reader to become more sceptical and less cynical and more open-minded and less ignorant about the current state of the world – and provides the tools to do so.

Don't be put off that Barack Obama, Bill Gates, and Melinda Gates are quoted on the cover. It is a thought provoking read and a deserved best seller.

The sub-title of the book is intentionally an attention-grabbing statement and may well seem presumptuous. What do the authors know about what each of us think of the world? As it turns out, quite a lot.

From 1997 Hans Rosling was professor of International Health at the world-renowned Karolinska Institutet medical university in Stockholm, Sweden. His research focused on links between economic development, agriculture, poverty, and health.

He gave many lectures and presentations outside of the university and would begin by testing his audience's understanding of the current state of the world. He would ask questions such as this. "In the last 20 years, the proportion of the world living in extreme poverty has: (a) almost doubled; (b) remained more or less the same; or (c) almost halved?"

Factual

Over the decades he asked similar factual questions on poverty and wealth, population growth, births, deaths, education, health, sex, violence, energy, and the environment to thousands of people across the world.

There were no trick questions. He was always careful only to use facts that were well documented and not disputed. Yet people invariably did badly.

Rosling found that this was not a question of intelligence or level of education – some of the most appallingly wrong results came from a group of Nobel laureates and medical researchers. Everyone seemed to be wrong about the world. And not just wrong but systematically wrong; the results were not random.

Confidence

People generally thought that conditions in the world were worse than reality. Every group he asked thought that the world was more frightening, more violent, and more hopeless than it really is. Hence the confidence enshrined the book's subtitle and why this book is worth reading.

At first Rosling thought that the reason so many people were so consistently wrong about the world was because their knowledge was outdated and that his task was therefore to develop better teaching materials, setting out the data more clearly.

With his son Ola and daughter-in-law Anna, Rosling founded the Gapminder Foundation "to fight ignorance with a fact-based world view that everyone can understand". Gapminder provides a wealth of free resources such as an animated graph, designed by Ola and Anna, that illustrates the wealth and life expectancy of every country in the world since 1800.

But gradually Hans realised there was something more going on. Even straight after his presentations he would hear people expressing beliefs about poverty or population growth that he had just proven wrong with the facts. Why is a dramatic, negative world view so persistent?

The authors share with the reader their conclusions on that question – based on years of trying to teach a fact-based world view and listening to how people misinterpret the facts even when they are right there in front of them.

Rosling proposes that the overdramatic world view comes from the way that our brains work. He suggests that the human brain as the product of long evolution is hard wired with instincts that helped our ancestors to survive.

He identifies 10 dramatic instincts: fear; urgency; destiny; blame; generalisation;

, it pays to look at
s is far from dead…

al facts

‘Everyone seemed to be systematically wrong about the world…’

gap; single-perspective; size; negativity and “straight line”. The book devotes a chapter to each instinct, using anecdotes to illuminate points and build his finely crafted argument.

Each instinct is exemplified by a characteristic phrase and a counter position, which reduces the drama. Size is expressed as “It’s big” and is checked by “Is it big in comparison?” and so on.

Meaning

Rosling argues that we still need these dramatic instincts to give meaning to our world and get us through the day. But if uncontrolled, our appetite for the dramatic goes too far. It prevents us from seeing the world as it is, and leads us terribly astray.

These are not trivial misconceptions. The book cites as examples the risks and benefits of nuclear power, the use of the pesticide DDT and chemicals generally, and the trend in world population growth (on course to plateau).

Rosling is no Pollyanna believing all’s well. He lists five global risks we should worry about and attempt to solve: financial collapse; world war; extreme poverty; climate change. And writing at least three years before the emergence of Covid-19, he puts pandemic at number 1. The book was first published in 2018, a year after Hans died of pancreatic cancer aged 68.

There is a downside. The authors’ outlook is flawed by a faith in global market forces as a driver of progress. And worse, the assumption that politicians and policy makers will find solutions to problems we all face while the rest of us passively get on with our lives. No doubt that was the attractive message for Obama and Gates. ■

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Afghanistan is known as “the graveyard of empires”. In its the country has long been the victim of imperial ambition

Afghanistan’s 40 year wa

THE FINAL withdrawal of US, British and other NATO troops in summer 2021 marked the end of a 40-year episode of meddling in Afghanistan. US-led, but with active support from British and other governments, it was about anti-Soviet and then anti-Russian strategy rather than the welfare of the Afghan people.

In April 1978, the Afghan people overthrew the country’s feudal regime. The new government promoted social justice for ethnic minorities and freed 13,000 political prisoners. It introduced free medical care for the poorest and ensured that young women did not have to wear the veil.

A 1986 US Army manual acknowledged this: “[the new government]…abolished forced marriages…extensive literacy programs, especially for women…putting girls and boys in the same classroom…giving women a more active role in politics.” By the late 1980s, half the university students, nearly half the doctors, and most teachers were women.

Terrorism

In response, the US government began running terrorist attacks from Pakistan. President Carter’s national security adviser Zbigniew Brzezinski admitted, “According to the official version of history, CIA aid to the mujahidin began during 1980, that is to say, after the Soviet army invaded Afghanistan, on 24 December 1979. But the reality, secretly guarded until now, is completely otherwise: indeed, it was July 3, 1979 that President Carter signed the first directive for secret aid to the opponents of the pro-Soviet regime in Kabul.”

China’s intelligence service collaborated with the CIA to arm and support the mujahidin. The US government, the IMF, the World Bank and the Pakistan Aid Consortium (led by the US and British governments) gave Pakistan’s government more than $5 billion to build and supply bases for attacking Afghanistan. MI6 supplied the mujahidin with Blowpipe surface-to-air missiles and trained them at secret bases in Saudi Arabia and Oman.

‘Billions of dollars of “aid” resulted in massive corruption…’

Cheryl Benard of the RAND Corporation, a global policy think tank, said, “We made a deliberate choice. At first, everyone thought, there’s no way to beat the Soviets. So what we have to do is to throw the worst crazies against them that we can find, and there was a lot of collateral damage.”

Thatcher also embraced the worst crazies. She invited Hadji Abdul Haq to Downing Street. Haq had admitted to a 1984 terrorist attack at Kabul airport that killed 28 people. She invited the CIA’s favourite warlord Gulbuddin Hekmatyar. Hekmatyar threw acid in the faces of women not wearing the burka.

After the US invaded Afghanistan, al Qaeda moved to Pakistan. US General David Petraeus said in March 2009 that intelligence services warned of al Qaeda’s actively planning attacks on the United States homeland from its safe haven in Pakistan. The war in Afghanistan did not restrict al Qaeda.

Criminal

The US government and its allies installed a puppet president and a government dominated by criminal warlords. Billions of dollars of “aid” resulted in massive corruption.

Lieutenant General Douglas Lute, security adviser to both Bush and Obama, said, “We stated that our goal is to establish a ‘flourishing market economy’. I thought we should have specified a flourishing drug trade – that is the only part of the market that’s working.”

Blair volunteered British forces to end poppy farming. In 2002, British officers agreed to pay Afghan poppy farmers $700 an acre to destroy their crops. This sparked a poppy-growing frenzy: farmers offered part of their crop to the British for destruction, and sold the rest. Poppies became the largest domestic industry.

Presidents George W. Bush, Obama and Trump all promised that they would

Pete Souza/US Government

President Barack Obama shakes hands with US t 25 May 2014.

not get sucked into “nation-building”, then spent more on that in Afghanistan than in any country ever.

‘Misguided’

Historian and former US army officer Andrew Bacevich observed, “We’ve done counterinsurgency, we’ve done counter-terrorism, we’ve done advise-and-assist, we’ve done targeted assassination, we’ve done nation-building…none of them have yielded the success that proponents have argued that we would achieve. So you come back to that basic question, maybe the entire enterprise is misguided.”

Yet in a *New Yorker* interview in August 2021 Petraeus still thought it was too early to leave!

One of the best histories of the war is *Fool’s Errand: Time to End the War in Afghanistan*, by Scott Horton. He said that the US has proved the terrorists right in saying say they were hypocrites who supported dictators while claiming to be champions of democracy. The US government attacked people who did not threaten it:

s unhappy history
and aggression…

ar

roops at Bagram Airfield, Afghanistan, Sunday,

bombing, torturing and making them refugees.

The war in Afghanistan cost the USA over $2 trillion. It cost Britain more than £37 billion (2013 estimate) and led to futile destruction.

Civilians

Body Count: Casualty Figures after 10 Years of the War on Terror, a 2015 report by an international group of doctors, concluded that between 106,000 and 170,000 Afghan civilians were killed as a result of the war, at the hands of all parties. Over 2.6 million Afghans remain refugees.

In all, 2,420 US soldiers were killed, as well as 456 British, and 700 from other NATO forces. Afghan security forces lost over 67,500 dead. The Taliban lost at least 52,000 dead, al Qaeda over 2,000. ■

• Read more in: *Ghost Wars: the Secret History of the CIA, Afghanistan and bin Laden, from the Soviet invasion to September 10, 2001*, Penguin, 2005, by Steve Coll.

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Take charge

‘Now that we are (mostly) free from EU diktat, workers can begin to solve our country’s huge problems. Only as an independent country can we do this.’

A NEW YEAR lies ahead. Workers need to take stock of how far they have come as a working class, and how much still has to be done. The country embraced the intention to Take Control in the EU referendum of 2016. How are we doing?

The general election vote of 2019 signalled our determination to force through the 2016 decision in the teeth of massive opposition. Workers were clear about what they wanted and chose the most likely tool to achieve this. Then the government elected in 2019 interpreted Take Control to mean the establishment’s control of the country – not workers’. Of course.

Its “levelling up” agenda has turned out to be more a levelling down. The attack on the capital’s transport system. The cancelling of the eastern leg of HS2 to Leeds and the high-speed Manchester-to-Leeds line. The relaxation of migration rules for workers from across the world to fill skilled as well as unskilled labour shortages. The “free market” deals with Australia and others bringing threats to Britain’s agriculture. The abrupt termination of the contract with Valneva for the Covid vaccination due to be manufactured in West Lothian.

And so on. Now that we are (mostly) free from EU diktat, workers can begin to solve our country’s huge problems. Only as an independent country can we do this.

The establishment has continued to throw obstacles in the way. The promotion of non-materialist thinking (sometimes described as “woke”) is an attempt to sow division in our ranks. It characterises the nation as dominated by various forms of hatred, and preaches the elevation of all minority sections of the class as victims of the majority.

Under the banner of opposing hate, the concept of a non-criminal hate incident has been introduced, to be enforced by police, giving people a police record for thinking the wrong thoughts. This is true hatred: of Britain, of workers, of women, of class consciousness, of work, of science, of industry. Of real, materialist thinking. Even of human life itself, blamed for the destruction of the planet.

The great majority of workers clearly reject such self-hatred. Yet a climate of fear has been created for some – especially in workplaces such as universities where there is a nasty, accusatory working environment (such as ostracism for admitting you supported Brexit).

But people have been fighting back. In December Cambridge University dons voted overwhelmingly to assert that staff, students and visitors must be “tolerant of the differing opinions of others”. They have insisted that all views be debated. This reversed the proposal that all opinions (however ludicrous, presumably) should be “respected”, thus closing down open discussion and refusing to invite speakers who students might find upsetting. Most staff and students appear to have welcomed this decision.

Even the transgender-promoting Stonewall, which had “No debate” as its slogan, has now removed it. And the term “pregnant woman” may now be used rather than “pregnant person” in local health trusts’ advice for mothers!

Materialist thinking is being reasserted. In opposition to the unreal, what are the real, material problems in 2022? It’s a long list.

Workers have already exerted their power by beginning to fight for improved wages and conditions after many years of cuts to both. After a long period of decline, the number of workers in a trade union has risen every year since the Brexit vote in 2016. These are signs of a working class starting to flex its muscles to assert the need for a better life.

What kind of life do we want? If we are prepared to accept a worsening existence, then that is what we will get. Capitalism will not willingly give up its profits and control of the state.

So workers must take control themselves, assert unity by challenging anti-materialist nonsense, and identify how different areas of work need to improve to meet the needs of the country. A great goal for 2022! ■

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