

Britain: opposition mounts to Labour's privatisation policies

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Prime Minister Blair has spent the last several days attempting to dampen down an escalating row with Britain's trade union leaders, after a speech in which he had accused them of wrecking Labour's plans to "modernise" public services.

Blair's remarks to a Labour Party conference in Wales were intended to make clear his government's determination to press ahead with the introduction of private capital into the health, education and public transport sectors.

Such a speech was always going to meet with opposition. Whilst the Conservatives had privatised vast swathes of formerly nationalised industry, public hostility towards any erosion of essential public services such as health and education had placed them off limits.

Labour only came to power in 1997 after having promised to reverse the decades of social destruction wrought by the Tories, with pledges to make education and health a top spending priority. But it had won the backing of big business by promising that it would open the state sector up to private investment. Corporate access to transport, education and, above all, health service provision was seen as the great unpicked cherry—an arena that offered potentially vast and hitherto untapped profits. So as far as Labour's backers in the City of London were concerned, the Blair government would to no small extent be judged by whether it succeeded in accomplishing that which the outgoing Conservatives had largely failed to do—replacing the welfare state model of public provision with private, for profit, services.

Labour's "Third Way" policy was supposed to reconcile these conflicting demands by arguing that a continued commitment to universal public provision was compatible with private capital funding. Indeed, Labour argued, the old method of state provision paid for through taxes was unaffordable and inefficient. Therefore a new relationship with the private sector would bring with it greater efficiency while lowering the burden on the public purse and therefore the taxpayer. Within its first years in office, the Blair government had pressed ahead with the Private Finance Initiative (PFI), in which private sector corporation's design, build, own and operate public services in return for an annual fee. Labour claimed that this was not the same as privatisation, but marked a new "partnership" between essential services and private capital, which would provide the funds government could not.

Blair's difficulty is that his paean to the wonders of the "free market" now has a hollow ring. In the last months, Labour has announced a new round of privatisation initiatives, including the London Underground subway network and measures for the private sector to take over "failing" public hospitals. But whilst holding out the City as a guarantor of decent social provision, the government has

continued to slash public spending—with overall spending in 1999/00 and 2000/01 more than £9 billion short of initial plans.

Across the country, in virtually every area of life, working people are confronted daily by the damage caused by the government's gutting of public provision to satiate corporate demands. Britain's rail network, privatised under the Tories, barely functions. Years of severe under-investment on infrastructure have left the country with a rail service more usually found in an underdeveloped country, subject to frequent delays and fatal accidents.

Anger and concern at the constant delays and rising cost of simply getting to work pales in comparison to public sentiment when it comes to the life and death issue of deteriorating healthcare. Thousands of patients are forced to wait years for treatment. The lack of beds means some patients must be treated on trolleys in hospital corridors, whilst life-saving operations are cancelled due to a shortage of staff or resources. So bad has the situation become that the government has had to temporarily agree to pay France and Greece to treat British patients abroad.

Rising discontent and opposition amongst public sector workers has been expressed in a series of strikes, and pending disputes. Rail workers throughout the country are involved in rolling strike action to protest low wages and safety breaches as are Jobcentre staff and airport workers. Tens of thousands of postal workers, are to ballot for strike action, as are London Underground staff.

Although by no means on the scale of the strike activity that took place throughout the 1970s, the upturn in disputes has caused apoplexy in the political establishment and the media who fear that it will derail the government's plans for further privatisations and act as a focus for more generalised social and political discontent.

The Conservative Party demanded Blair intervene directly to stop the rail strikes, by outlawing strikes in the public sector, whilst the City has warned that labour unrest will jeopardise the government's hopes for private capital investment.

The media have been especially concerned at signs of a shift to the left within the trade unions. Recently Mark Serwotka, a member of Socialist Alliance, an amalgam of middle class radical groups, was elected general secretary of the Public and Commercial Services Union, whose members are currently involved in strike action at Jobcentres. Socialist Alliance member Bob Crow is expected to win election as general secretary of the Rail and Maritime Trade union, also in dispute, and another Socialist Alliance member, Greg Tucker, is tipped to become its assistant general secretary.

The Socialist Alliance hopes to resuscitate the bankrupt programme of social reformism by persuading workers that the trade unions can be relied upon to fight for their interests. It hopes that through militant

action it will be able to build up enough pressure on the Labour and trade union bureaucracy that they will be convinced to change their right wing course.

After decades in which the trade unions have functioned as the principal means through which successive government's have ensured the implementation of their big business agenda, and having presided over an historic decline in industrial unrest, the media have interpreted the changes as a signal of growing rank and file discontent. The *Scotsman* commented, "Until now, Mr Blair has had to deal with relatively genteel trade union opponents, such as Bill Morris, of the TGWU, and Sir Ken Jackson, joint chairman of Amicas, the merged AEEU and MSF unions. They, however, are retiring soon. In their stead come unfamiliar names: Bob Crow, Mick Rix, Mark Serwotka and Billy Hayes. They represent a new generation of trade unionists who are hungry for battle".

The *Times* expressed similar anxiety at the possible marginalisation of "moderate" trade union leaders. It praised the TUC for its hard work "to modernise trade unions" and rejects "industrial and political fundamentalism", before warning that there were signs that "those who challenge the TUC's conciliatory stance are getting increasingly restless."

The government has so far resisted direct intervention, but a series of ministerial speeches at the weekend were aimed at assuaging the demands of the right wing press and big business for a hardline against the disputes.

Announcing government plans to attract private sector bids for the London Underground at the weekend, Transport Secretary Stephen Byers described opponents of the proposal as "wreckers". People have a choice, Byers said, "either to block the modernisation proposals, and they'll be the wreckers; or there will be the reformers who want to go ahead with modernisation and change."

Blair's speech to the Welsh conference was meant to underscore this stance. So anxious was Blair to reassure the City, that according to the *Financial Times*, the prime minister surprised his own advisers when he "departed from his prepared text on 'wreckers' in the Conservative party, and widened his attack to include critics within Labour ranks".

Not only would his government "take on and defeat 'big C' Conservatives who want to undermine public services"—a reference to Tory proposals to slash government spending by £60 billion—but "we must defeat the 'small c' conservatives who believe the old ways will do and resist reform." Blair deliberately parodied the red baiting articles that had appeared in the press on the public sector disputes—likening his government's attitude towards them with the expulsion of the leftwing *Militant* group from Labour.

In the 1980s, he said, the Labour Party had faced "far left wreckers", opposed to "crucial reforms"—i.e. the ditching of any social reformist policies and the party's refashioning openly as a big business party. It had taken the "courage" of former Labour leader Neil Kinnock to see off that challenge, Blair continued, referring to the Labour leader's witchhunt and mass expulsion of *Militant* supporters. "It was a fight every single inch of the way and people said we were betraying our principles," he said, implying that he intended to carry out similar measures into the public sector.

Blair's speech brought accolades from much of the media, but the trade union bureaucracy responded furiously.

TUC general secretary John Monks described the speech as "juvenile" and "absolutely destructive". Transport and General Workers Union leader Bill Morris complained "There are plenty of

wreckers around but they are not to be found in the trade union movement.

"The wreckers I think are the people who have brought Railtrack to where it is, I think also the Enron activities within government, right at the heart of government, and of course those who thought that September 11 was a good day to bury bad news. Unless the Prime Minister reins in these people, then they will ultimately wreck his government," Morris warned.

The GMB union took out newspaper advertisements showing a picture of a nurse alongside the headline: "Is She One Of The Wreckers Tony?" GMB general secretary John Edmonds had earlier been insistent that the unions should not break their links with Labour. After Blair's speech, he urged the prime minister to apologise for his "wreckers" comments. "It is quite clear that the majority of the public and certainly the majority of those who work in public services are genuinely opposed to the reform proposals put forward over the past few months. To accuse those who work in our public services of being wreckers is the sort of attack we would expect from the leader of the opposition, not a Labour Prime Minister."

Within days of Blair's conference diatribe, a draft government policy document was leaked that replaces Labour's commitment to "a universal [health] service for all based on clinical need, not ability to pay", with an NHS model "overwhelmingly free at the point of use". This clear signal of intent to charge for some services prompted Edmonds to complain, "We can't believe that the document being presented to the national policy forum tomorrow contains these words."

For Blair's loyal allies in the trade union bureaucracy to make such comments must indicate their belief that they are sitting on a powderkeg of political hostility to the government. They have consistently made clear that they support the general thrust of the government's PPP proposals, and have been responsible for creating the conditions in which they can be implemented. But they have also urged Blair to be more aware of the extent of public distrust over the measures and to proceed with a greater degree of caution. When the prime minister arrogantly brushes aside their friendly advice, he makes their efforts to contain the anger of their members far more difficult and heightens the danger of a confrontation between the working class and the government.



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