

Corbyn prostrates himself before council leaders in the name of “Municipal Socialism”

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On Saturday, Labour leader Jeremy Corbyn absented himself from a national demonstration in defence of the National Health Service, prioritising instead an internal meeting of Labour local councillors in Nottingham.

His mission was to pledge that the national party leadership had no intention of conflicting with them—either regarding their collusion in imposing savage cuts on behalf of the Conservative government, or their budding relations with private corporations centred on selling off housing and other lucrative assets.

The background to Corbyn’s appearance was the bitter denunciations of the intervention by Labour’s National Executive Committee (NEC) in London’s Haringey Council. The NEC was attacked by the leaders of some 70 councils for actions that were supposedly “an affront to the basic principles of democracy.”

What the NEC had in fact agreed unanimously, with the full backing of its right-wing minority, was to suggest mediation by Shadow Communities and Local Government Secretary Andrew Gwynne in a crisis that has left the local Labour Party split and discredited while pitting the council against local residents.

The affront to “democracy” was the suggestion that the council temporarily suspend the Haringey Development Vehicle (HDV)—a privatisation plan to hive off £2 billion in council assets into a partnership agreement with property developer Lendlease, including the demolition of large tranches of council housing, to make way for the building of 6,500 private homes.

The scheme is so unpopular that even local right-wing Labour MPs, David Lammy and Catherine West, oppose it. Many Labour councillors who supported the HDV have been deselected by their local party ahead of May’s council elections. Others are not standing, so that just six councillors who hatched the rotten plan intend to stand for re-election. Council leader Claire Kober is one of those announcing her resignation.

Even this obsequious attempt by the NEC to calm the situation was too much for the party’s right-wing to tolerate. To throw the HDV into doubt also places a question mark over innumerable similar agreements signed between Labour councils and private corporations. On Friday, another enthusiastic privatiser in the name of “regeneration”, Harlow Council leader Jon Clempner, also resigned, complaining of Corbynite intimidation.

Corbyn’s response was to hot foot it to Nottingham to offer further reassurances of his understanding and support.

There is never an occasion where Corbyn doesn’t react to a situation that demands a fight with efforts to secure an unprincipled compromise. He addressed the audience of assembled councillors imposing cuts that have cost the jobs of a million local authority

workers and devastated vital social services as if they were passionate seekers after a new socialist dawn. He spoke of the “new members” of the Labour Party who would be “following in your footsteps,” “members, councillors and MPs together”—in a struggle against the Tory government’s “dismantling of the civilised society we all love.”

This was a reference to eight years of Tory cuts that had deprived councils of 50 percent of their income. Significantly, Corbyn centred his opposition to this on its impact on policing.

“Our local communities have lost more than 21,000 police officers and nearly 7,000 Police Community Support Officers,” he complained before citing the Chief Constable of Merseyside, Commissioner of the Metropolitan Police, Cressida Dick and the Chief Constable of Avon & Somerset! The impact of cuts on the fire service and the NHS assumed the character of an afterthought.

Corbyn took pains to praise Labour councils for introducing a licensing scheme for landlords as proof of a more general recognition that Labour councils “know we can’t just let the market decide.”

“The edifice of the ‘private good, public bad’ dogma has crumbled,” he proclaimed, leading to some services being brought back “in house” and a growing aversion to Private Finance Initiative [PFI]-style models. Together with a handful of not-for-profit energy supply companies set up by local councils, covering a few hundred thousand customers, this heralded nothing less than “the first shoots of the renaissance of local government for the many not the few, the rebirth of municipal socialism.”

This is the stuff of fantasy.

The term “municipal socialism” is associated historically with liberal reforms of the late 19th and early 20th century, and adopted by the Fabians in the early Labour Party to justify their hostility to social revolution. Combined with the “bread and butter” struggle of the trade unions, securing public provision of water, gas, sewerage systems, electricity and the like was hailed as proof that improvements in the capitalist economy would lay the basis for a gradual evolution to full socialism.

Even when such measures were actually enacted, Lenin was scathing in his denunciation of such an outlook—dubbed “municipal capitalism” by British Marxists of the time:

“The bourgeois intelligentsia of the West, like the English Fabians, elevate municipal socialism to a special ‘trend’ precisely because it dreams of social peace, of class conciliation, and seeks to divert public attention away from the fundamental questions of the economic system as a whole, and of the state *structure* as a whole, to minor questions of *local self-government* ... not to the question of the class rule of the bourgeoisie, nor to the question of the chief instruments of that rule, but to the question of distributing the *crumbs* thrown by the

rich bourgeoisie for the ‘needs of the population.’

“...if the bourgeoisie allows, tolerates, ‘municipal socialism’, it is because the latter does not touch the *foundations* of its rule, does not interfere with the *important* sources of its wealth, but extends only to the narrow sphere of local-expenditure, which the bourgeoisie itself allows the ‘population’ to manage.” [Vladimir Lenin, “The Agrarian Programme of Social Democracy in the First Russian Revolution, 1905-07”, *Collected Works*, Vol. 13 (London: Lawrence and Wishart), pp. 359–60.]

Corbyn first came to national political prominence in the 1980s, when a series of struggles by local government workers against the Conservative government of Margaret Thatcher were led by various “left” Labour authorities into legal battles over local taxation. These “left” councillors generally claimed to be capturing the local state apparatus to be used as a bastion against central government—only to then capitulate before the demands of the “state structure as a whole,” the “chief instrument” of bourgeois rule. Corbyn’s latter-day appeal for a rebirth of “municipal socialism” is an insincere and cynical invocation of these significant struggles, involving millions of workers, that he and his political bedfellows betrayed.

There is no such rebirth of reformism taking place within the Labour Party today and no struggle whatsoever against central government by Labour-controlled authorities. In fact, Corbyn and his ally John McDonnell have instructed councils not to defy Tory spending cuts.

The Labour leader’s real message was for the councillors to accept a modicum of restraint on their appetite for cosying up to corporate investors of all stripes, and in particular, property companies.

That is why he almost begged permission to “just briefly touch on the contentious issue of the HDV regeneration proposals in Haringey.” Like a friendly uncle, Corbyn stated his understanding as to the way, “Faced with Tory cuts and a huge housing need the council leadership felt that this public-private proposal was the best deal it could get for residents.”

He wanted to “take this opportunity to thank all Labour councillors and councils across the country for their service and strength when faced with the appalling choices forced upon them by Tory cuts.”

However, this created problems in the case of HDV because it was “highly controversial with local people worried about their futures.” Haringey should, he stressed, be viewed as “a unique situation which is why the NEC unanimously asked the council leadership to put their plans on hold and take part in a mediation process to bring everyone together.”

Naturally, no other privatisation scheme or example of social cleansing by Labour councils was mentioned by Corbyn, because that would have confirmed that Haringey is far from unique and militated against “bringing everyone together.” Instead, Corbyn promised that if his critics reined themselves in, a future Labour government would offer more cash—an additional £2 billion was cited if Labour was in office this year—along with removing the “arbitrary cap” on borrowing that would “allow councils once again to borrow to build.”

The irony of offering all UK councils an additional £2 billion—the same sum as that involved in the Haringey HDV—was apparently lost on Corbyn. And his offer is little short of a joke.

UK councils face a deficit of close to £6 billion even after they have slashed spending on services by around a quarter, closed vital amenities and made vast numbers of workers redundant. Central government council funding has already been slashed by £11.3 billion and by 2020 it is estimated that it will have fallen by 77 percent since 2015.

To reverse this situation would demand a frontal assault on the banks and major corporations and the private wealth of the super-rich, in whose interest the Conservatives and Labour alike are waging war against the working class. Almost all of the money cut from local government is accounted for by just the tax cuts to top-rate taxpayers and large company shareholders.

Such an offensive is something Corbyn and his Shadow Chancellor John McDonnell would not dare contemplate. Their perspective, as McDonnell has explicitly stated, is to save capitalism not end it.

Corbyn would also have to wage political warfare, rather than seek conciliation, with the right-wing of the Labour Party—whose connections with big business are no less extensive than the Tory government. It was Labour who, in both central and local government did so much to extend privatisation into every sphere of public service provision. PFI, for example, was launched by the Conservatives in 1992 but its use increased exponentially under Labour from 1997 so that by 1999, more than 60 new projects were being signed off every year. The capital value of these projects is around £60 billion, but repayments to the private companies are estimated at around £300 billion.

To cite only one example, around a third of PFI contracts with the now bankrupt Carillion were signed by Labour, worth just under half a billion pounds. Labour-run Leeds City Council was about to award a £100 million contract to Carillion even as it went bust. Private sector delivery of government services is now estimated to be worth between £100 billion and £120 billion a year.

With careers and lucrative relations on the line, Corbyn’s audience at Nottingham was in no mood to accept his blandishments, as the assembled councillors made clear they fully intend to continue with privatisation measures and the ever-worsening attacks on jobs and wages of workers in the public and private sector alike.

As for whether Corbyn will oppose any of this, the best answer was given by the man the NEC has appointed to mediate over Haringey, Andrew Gwynne, who reassured the councillors, “Labour groups are sovereign, and it’s not my place to intervene.”

Extended to cover big business and the banks, this could well serve as Corbyn’s own mission statement.



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