

A united front to beat the cost of living crisis

THE TUC has called a national demonstration for 18 June to protest against the crippling cost of living millions are facing. In towns and cities across the country local trades councils are putting on May Day marches to celebrate International Workers' Day in unison with socialist parties and unions across the world. In the unfolding economic crisis, marchers and speakers should use these protests to call for resistance.

We are facing not just inflation at a 40-year high and rising, but also a summer recession and, according to the IMF, stagnation (stagflation really) stretching into 2023. Britain will drop from top of the OECD economic table to bottom—and it will hurt.

It is no accident that the UVW, IWGB, and Unite, refocused on the workplace and bolstered by industrial combines under Sharon Graham's leadership, have taken the lead in winning above inflation pay rises.

Anything that strengthens workplace organisation, increases rank and file control of disputes and leads to sustained strike action and the spreading of disputes has to be encouraged – and copied by militants in the other unions. Solidarity between the different struggles and organised coordination of them are crucial to success.

Trades Councils

In the past local trades union councils have been the traditional starting point for organising industrial action on a class-wide basis, but many have become moribund, often hidebound by regional and national TUC regulations. Now is the time to brush off the cobwebs, cast off the shackles and get them going again, as is being done in Lambeth, south London.

Where this is impossible due to bureaucratic interference, ad hoc united fronts by the most active unions in the town or borough should link up and

We need to rebuild our movement and make it fit to fight. Let's maintain the momentum by forming local coordinating committees in every town which can unite the resistance and fight for a workers' answer to the crisis.

call meetings to coordinate resistance to the bosses' offensive.

Either way it will probably be necessary to set up wider campaign groups that can reach out to and draw in delegates and activists from the wider movement: community groups, the independent unions not affiliated to the TUC but vital for precarious sectors, young people and students, and lively campaigns, like Extinction Rebellion and the Renters Union.

The immediate task is to produce effective campaigning materials—leaflets, press releases, Facebook and WhatsApp

groups, posters, etc. Stalls on the high streets, visits to picket lines and leafletting of workplaces will start to identify new activists and mobilise greater numbers, as the crisis begins to bite and workers begin to look for answers.

Young people must be key to the strategy. The vast majority may not be in unions themselves but large numbers are already radicalised over climate, Black Lives Matter and women's campaigns. They are the least infected by routinism and defeatism, so often the way of the trade union bureaucracy.

Our aim must be to orient towards workplaces that are being offered real pay cuts at a time of rising inflation. We need to build solidarity for strikers, so they can stay out longer and spread the action. We need to start coordinating strikes, so they gather momentum and have a greater chance of success. And we need direct action to amplify our message and embarrass the profiteers.

But the struggle is national and international, not local. A new leadership must be forged in the struggles ahead out of the rank and file workers and activists that come to the forefront of the resistance. They will need to wrest control of their actions away from the union officials, who tend to settle too soon for too little, lest the struggle gets 'out of control'.

For this to happen, local trades councils and cost of living campaigns will need to develop into real councils of action, drawing in delegates from the unions and the community, ready and able not only to strengthen workers' strikes but also to call them with the authority they have gained.

In other words we need to revolutionise the labour movement root and branch. That is what **WORKERS POWER** fights for. Join us!

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Workers Power is a revolutionary communist organisation fighting to replace capitalism with international socialism: the common ownership and democratic planning of the economy in the interests of people and planet.

• ORGANISE

PUBLIC MEETING
ANOTHER WORLD IS POSSIBLE
 TUESDAY 3 MAY, 19:00
 PACKHORSE PUB
 WOODHOUSE LANE

Inflation swindle can be beaten

ONCE AGAIN, the bosses are using inflation to swindle workers out of their wages. By raising prices, the capitalists pass on higher costs of raw materials and energy to their customers. Across the economy as a whole, this raises the cost of living and so erodes wages – and any increases we can win!

Fuel poverty adds to food poverty. Energy prices have skyrocketed since 2021, helping drive up the price of everything else. With the Tories raising the energy price cap for the average household by over half, from £1,277 to £1,971 per year, adding nearly £700 a year to bills and forcing many to choose whether to “heat or eat” each week. Meanwhile, house prices continue to surge, while private rents have risen at a record rate over the last year, by 10.8% in London and in higher in hotspots like Manchester (19%), putting many more tenants on the poverty line or out on the streets. Now the war in Ukraine has added another push to prices in food, fertilisers and oil and gas.

Everything is going up—except wages. Where workers have unions, such as the Post Office, Caterpillar, or the public sector, bosses are trying to restrict pay rises to well below inflation – i.e., a pay cut in terms of what the wage is worth in the shops—or actually attacking workers’ terms and conditions to protect their profit margins.

Blame anyone but the bosses

Back in the last great inflation surge of the 1970s the bosses blamed strikes and rising wages. Today, after over a decade of stagnant or falling real wages and record low levels of industrial disputes, they can’t repeat this charge. The Economist predicts that living standards will fall by 2.2% over the next year, though it still describes the 6% rise in wages as “overheating”(!)

An apparently more credible excuse is to point to the Ukraine war, but inflation started before that, in mid-2021. But as ever they are united on one thing: the problem isn’t systemic, don’t blame capitalism and fighting for increases in wages, pensions, universal credit, student incomes, will only make matters worse. In other words, workers should tighten our belts, but the profiteers need tax cuts.

Every item or sector has its own causes, but the fact that all these basic goods are rising in prices shows there are common factors too. After the 2008 financial crisis, Labour and then the Tory-LibDem coalition bailed out the bankers. The Bank of England and the Federal Reserve in the USA, followed this up with QE (Quantitative Easing), which resulted in a huge increase in the money supply not matched by an increase in productivity. For nearly a decade, interest rates hovered just above zero. This saved some companies from

To combat inflation, workers need to demand a sliding scale of wages – so that every rise in the real cost of living leads to a rise in wages. Price watch committees can calculate workers’ actual living costs and avoid the swindle of official inflation rates.

bankruptcy but most of the money went into asset acquisition and fuelled an unprecedented boom on the stock markets.

This ended up passing the costs of the crisis onto the working class in the form of cuts in social services, privatisation, and the rise of zero hour contracts, foodbanks and the biggest drop in wages in 200 years. The Covid years saw poverty rise further—but not for the rich, where the number of British billionaires rose to a record high, 171 plutocrats, and company profits rose. There is plenty of money to protect workers’ incomes by imposing price controls and taxing the wealth and profits of the super rich.

The distribution of wealth in society is a political choice. While companies like BP report bumper profits, the Tories are raising price caps on energy and taxes on workers’ incomes instead of taxing the bosses. Meanwhile the bosses are protecting their profits by passing on rising production costs in the form of higher prices and wage cuts.

While the trigger for the current wave of inflation is connected to covid, with its expansion of money supply (payments to business including

furlough schemes) during a drop in production, in the background are a series of systemic issues related to climate change—droughts, heatwaves etc. To this list of economic woes, we can now add the increased great power rivalry between Nato and Russia and China, driving costly arms races that cut into welfare, protectionism under the guise of sanctions with a world divided into rival blocs, and the dislocations and destruction of actual war itself.

How to fight back

Most economists believe that inflation will continue into 2023 at least. Worse, its effect is deepening economic woes, hitting growth and government finances, creating austerity even where budgets aren’t cut. Consumers tighten belts hitting the service sector. To limit inflation, central banks are now raising interest rates which will see the economy slow and unemployment rise: good for investors, but bad for workers because it means unemployment and possible recession.

Yet the trade union leaders have not co-ordinated a national campaign against these attacks, with only a demonstration on 18 June planned. Meanwhile Labour’s immediate policies are totally inadequate, partially protecting only the poorest. Poverty activist Jack Monroe exposed how actual food prices were rising faster than the Office of National Statistics measures, forcing them to change the way they present their figures—what could the trade unions organising millions of workers do if they coordinated a struggle?

Where the union leaders won’t act, rank and file activists have to take the lead. **WORKERS POWER** proposes that activists, anti-poverty groups, the unions and Labour left come together to launch a Workers Cost of Living Index. Local activists from community groups, trade union and left Labour branches, and women’s and anti-racist groups can come together to set up local solidarity committees to research the shop shelves and feed it information. More importantly, they could hold protests, begin to support workers striking for a pay rise and claimants demanding more state support, and act against evictions or price hiking businesses.