

- Escalate to all-out action
- No secret negotiations
- Strike committees to control the action: defend the full claim

ALL OUT ON 1 FEB

THE WORKING class is facing the most serious attack on its living standards since the introduction of austerity after the financial crisis of 2007–8.

Workers have responded with the biggest wave of strike action since the 1980s. Millions of workers in the private and public sector have struck for pay rises to keep pace with the soaring price of food, energy, rent and bills.

Hiding behind Pay Review Boards (health) or spurious claims that it is not the employer (transport), the government has obstructed negotiations and agreements for months. With no plan to deal with the crisis of British capitalism, exacerbated by years of falling productivity and the self-harm of Brexit, the Tories are resorting to an offensive against the trade unions and migrant workers, driven by the need to appease the party's populist right and membership.

Union bashing

It is this weakness of the government, which despite its large majority, is beholden to pro-Brexit extremists determined to complete their project of demolishing the welfare state and ripping up remaining worker and environmental protections that makes it so dangerous.

Sunak's invitation to fake negotiations on 9 January immediately followed by the announcement of the Minimum Service Bill shows it has gambled its survival on a show of strength against the unions. We have to put our organisations into fighting shape to see off the attempt to make workers pay for the crisis through the erosion

of our living standards and anti-strike laws which would outlaw all effective trade unionism.

But despite the inspiring wave of strikes since last Summer, many of the unions are already in the process of trying to demobilise the action before securing any meaningful pay rises. The other half, on

**MAKE 1
FEB THE
BEGINNING
AND NOT
THE END**

the left wing of the movement, have barely got started, or only organised occasional action which can't force a victory.

The fact that the TUC Congress in October failed to agree a serious programme of coordinated action, and the feeble call for a 'day of action to defend the right to strike on 1 February' shows the official leadership is desperate to prevent the snowballing strikes accumulating a momentum of their own beyond their control.

If the unions retreat in disorder after offering only token resistance—as they

did in 2011–12 during the pensions' dispute—we will suffer a terrible defeat that will surely wreck the incipient growth in union membership and militancy demonstrated by innumerable strikes and the mass attendance at Enough is Enough rallies around the country.

A united front

That's why it's vital that we get organised now to make 1 February the beginning—and not the end—of a real campaign to defeat the anti-strike laws and secure pay rises that really compensate for double digit inflation. Every union with a live mandate for action should be on strike. Activists should coordinate motions and open letters from branches and workplaces and bombard the union executives with demands for joint action. Lunchtime protests and rallies, with walkouts where possible, should be organised in every town and city. Local solidarity committees should be formed to ensure this happens.

The scale of the attack demands an equivalent response. The reality is that this means being prepared for, and organised, to defy the undemocratic laws preventing us from taking effective action—mass pickets to stop scabbing, workplace meetings and votes for action, solidarity strikes up to and including a general strike.

- Defend right to strike: all out on 1 Feb
- Joint strike committees in every workplace
- A rank and file movement in the unions
- Councils of action to unite the resistance
- Smash the pay cap: 15% for all
- Index pay, pensions, benefits to inflation
- A general strike to smash the anti-union laws.

BRIEFING: INFLATION-PROOF WORKERS' INCOMES

INFLATION HAS reached its highest level since the 1980s. The November rate for the UK was 10.67%. Between September 2021 and September 2022, food prices increased by 14.5 percent. At the same time annual wages rises in the private sector stood at 6.7% and 2.9% in the public sector.

The purchasing power of wages has fallen dramatically—and for working class families who spend a higher proportion of their income on food and essentials which have risen faster than the headline rate of inflation, the loss has been even greater. After housing costs, the typical income for a working-age family is set to drop by 3 per cent in the year to the end of March, followed by a 4 per cent drop over the following 12 months.

While some of the reasons for rising prices are beyond the government's control, its policy of holding down pay is a deliberate choice to reduce government spending and increase private sector profits. Millions of workers are doing the same work for up to 20% less in real terms than a decade ago. Now the government and employers in the NHS, post, and rail are demanding 'reforms' in return for miserly pay rises. All this adds up to a major increase in the rate of exploitation.

What is inflation?

Simply put, inflation is a general increase in prices across the whole economy. But what causes this? Some of it results from the reduction of the available raw materials e.g. energy, and agricultural inputs. The war in Ukraine, sanctions, and the post-lock-down economic rebound caused big spikes in the price of natural gas.

Another important contribution to inflation is the increase in the money supply due to government borrowing for the pandemic schemes and quantitative easing to provide cheap credit to private companies. But underlying both factors is a deeper cause—the stagnation in profitable production, the motor of the world capitalist economy.

The central banks' only effective weapon is to raise interest rates, after a decade of near-zero interest rates, since the near collapse of the banking system in the 2007–08 financial crisis. These increases will push up mortgage payments and rents as well as the cost of borrowing for governments and companies. Turning off the cheap credit taps will force the economy into recession—the Bank of England predicts Britain will enter the longest recession since the war, with 500,000 jobs lost.

The working class of course has no control over the capitalist economy. But in the from of its trade unions and the other organisations which make up

the labour movement, it can set itself the goal of preventing or minimising the assault on its wages, its working conditions, its social services, by making the bosses pay the costs of their own system's crisis.

It is true that unions do put forward claims taking inflation into account, but the long time scales involved mean they are always playing catch-up as inflation gallops away. Worse, they fail to build in protection from future inflation. Multi-year pay deals, and negotiations based on inflation rates many months before leave workers out of pocket before the ink is dry on any agreement.

A sliding scale of wages

There are two further problems. First, unions take the official (CPI) inflation figures as the starting point but this rate has a built-in bias against workers, mainly because it leaves out housing costs at a time of spiralling rents. The Retail Price Index, which Unite has started using, does include mortgage payments but not rent rises, so also falls short, particularly for low paid workers.

Worse, workers get locked into a deal while bosses are free to hit back with further price rises. In fact, this is what the Bank of England predicts. Over the next 12 months, or longer if unions are foolish enough to sign multi-year deals, any gains will be eroded.

To combat this, workers need to demand a sliding scale of wages. This is a term in the workers' contract guaranteeing that their wages are linked to a cost of living index so that every rise in the real cost of living leads to an automatic rise in wages.

Some countries like Denmark, France, and Italy have in the past adopted what are variously called "indexation", "escalator clauses", or "automatic adjustment". Luxembourg and Belgium are the only EU countries that currently practice it. Inflation in the latter country topped 12% in October. In January 2023, nearly one million Belgians can expect a raise as high as 11.59%.

To avoid the dangers embodied in the official inflation rates the unions need to set up price watch committees, which can calculate all increases in their members' actual living costs.

As we enter the 2023–4 pay round, activists should campaign for their unions to adopt policy mandating all negotiations to include escalator clauses indexing pay to inflation.

More widely, we should campaign for the minimum wage, pensions and benefits to be linked to inflation at a rate calculated by the labour movement.

This is a first step in the fight to defend the living standards of working class people from further erosion, on the principle that we won't pay for their crisis.

ORGANISE

THIS MODEL motion is being put to trade union branches with the aim of bringing together the labour movement, socialist organisations and working class communities to build a mass social movement to defend jobs, pay and living standards. Get in touch for more information: info@workerspower.uk

● We the undersigned trades unionists/branch believe that the time is ripe to launch an anti-inflation, anti-austerity movement in Britain.

● The biggest drop in incomes for 200 years will see poverty deepen and many sink into desperation. The Tories will try to cut state spending and weaken the trade union movement.

● It is in the interest of the organised section of the working class to use this lever to organise the rest of our class, to make sure we do not pay for the current crisis, as we did after the 2008 bank bailout.

● The Tories, media, right-wing populist figures and the far right will try to blame a series of scapegoats like migrants and wage culture wars for the distress of many.

● Organising workers, the retired, unemployed and the poor to fight for their immediate interests requires unity. This requires a militant defence of the rights of the oppressed – women, Black Asian and minorities, LGBTQ+ - and involving their movements, as well as resisting Tory attempts to prioritise "the economy" against environmental issues.

● From support for strikes to organising protests against local and national cuts, budget days, new bills with new attacks, there is plenty of work to be done in building such a movement.

● We need local organising meetings, broad and open, to set up local campaigns that bring together all wings of the movement, and are controlled by and accountable to the local activists and participants.

● There have been several attempts to set up anti-austerity coalitions, from People's Assembly to Enough is Enough, but none has succeeded in creating local organisation in towns and cities across the country.

● We call on People's Assembly, Enough is Enough, the trades councils and any other organisation to build such a local, democratic movement and resolve to take steps in that direction, organising for an initial meeting to explore launching a local campaign.

WHO ARE WE?

WORKERS POWER organises for democracy, workers' control and class struggle methods in the labour movement. We are revolutionary communists: against capitalist war, poverty, oppression and climate breakdown, we fight for a socialist economy democratically planned to meet human need.

**AGREE WITH US?
TEXT 'JOIN' TO
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