

Learning from the 1970's



What is our strategy for the 2020s? Can we build a movement that matters?

Can we learn from the 1970s? This is not a Nostalgia Fest but an attempt to use our insights to organise for Socialism.

IWCE N began this project at Redhill/Durham Miners Gala a couple of years ago and this session will be followed by a couple of others. The idea is to encourage wide ranging critical but super friendly discussion of how to sharpen our political practice in the 2020s.

DOWNHILL ALL THE WAY

Patrick Ainley

Contribution to discussion on *Learning the lessons of the 1970s*

Although nowadays seemingly confused with ‘democratic socialism’, social democratic governments of developed capitalist economies aiming at gradual reform towards socialism were inseparable from imperialism since they relied upon superprofits extracted from colonies for social concessions to their domestic working classes. In the UK, the welfare state founded by 1945-51 Labour governments was maintained by subsequent Conservative ones from 1951-64. This party-political settlement reflected economic compromise between state and private monopoly capital plus social accommodation between ‘middle’ and working classes constituting what Todd called *The people*.

Loss of empire intensified international competition with falling rates of profit as the organic composition of capital increased. Post-war consensus collapsed as unemployment rose from half a million under Heath to over a million under Callaghan’s last (Old) Labour government to three million when Thatcher abandoned any commitment to full employment. With investment costs in productive industry rising, the economy was opened to speculative global capital. Beginning with the nationalised industries, former public utilities were sold off, while public services provided by the local or national state were retained to run at a profit. Private monopoly capital permeated the economy as partnership between public and private sectors ended along with collaboration between trades unions and employers plus social democratic Labour and paternalist Tory reliance upon the state to reform society. Concomitant with this new market-state form and its new mixed economy, a Reserve Army of Labour hobbled the wages and conditions of manual workers. Nevertheless, many in employment were able to access mortgages and join the non-manually working ‘middle class’ in the ‘middle-working’ or ‘working-middle’ of Thatcher’s ‘property-owning democracy’ despite deepening public and private debt. This class recomposition was expressed in New Labour’s 1997 victory.

After 2008, the austerity inflicted by the Coalition and its successor Conservative government in the UK, and upon the Eurozone by the ECB, further deconstructed and marketised welfare. Necessary reforms were not undertaken and entire sectors of the population – and even entire countries, like Greece – relegated to precarity. A reformed social security system was inflicted upon the now precariously employed working poor, but the appearance of a tripartite class

structure was preserved despite polarisation with a global employing class above an individualised mass employed class into which the remnants of the traditional 'middle class' are being decanted by general downward social mobility. Porous distinctions within this working majority have been elided by Covid with recognition as 'keyworkers' of those on low wages in services including Health. The 2016 European Referendum portended finally 'dismantling the post-war Attlee settlement', as Gove *et al* planned in 2005. The 2019 electoral coup (Davies 2010) into which Labour was manoeuvred showed its manifesto for a reforming socialism could not win support when the class base for such a programme had dissipated along with the traditional manual working-class culture and organisation that once sustained it, confirming Jeremy Corbyn as a symptom of, but not a solution to, Labour's crisis of social democracy. Progressive opposition to the rump-Tory Party's corporate state is therefore still to be built.

References

Davies, W. (2020) *This Is Not Normal. The Collapse of Liberal Britain*. London: Verso.

Gove, M. *et al* (2005) *Direct Democracy: An Agenda for a New Model Party*. Direct-democracy-co.uk.

Todd, S. (2014) *The people, The rise and fall of the working class 1910-2010*. London: Murray.

Contact: Patrickjdainley@aol.com

1. Term 'IWCE' originated by 1909 Ruskin strikers

- founded Plebs League
- Unique from-below.
- Part of w/c upsurge internationally (eg Russia 1905, IWW in US)
- But legacy lost.

2. 70s: union bureaucrats and Wilson gvt determined to suppress grassroots activity, especially by shop stewards /

- Donovan report 1968
- led to bureaucratised TU ed. system
- Eg of Grunwick betrayal (especially re Cricklewood postal workers).

3. 80s: Thatcherite attack on unions and deindustrialisation / off-shoring of production.

- collusion of TU bureaucrats and LP leaders with this
- TUC stabbed miners in back
- Kinnock same
- eventually made Blair LP leader
- Blair continued Thatcherite agenda

4. Corbynism came up against - and destroyed by - essentially same forces.

- ie union bureaucrats & LP mainstream

5. Corbynism failed to connect to key sections of w/c, eg logistics workers, sole traders, shopworkers

- primarily driven by aspiring professionals and paraprofessionals undergoing deprofessionalisation and hence proletarianisation
- this layer now fractured into single issue activism, eg Me Too, Black Lives Matter, Extinction Rebellion etc
- holistic approach and connection to broader w/c urgently needed

6. Community Wealth Building (CWB) may offer a way forward:

- originated Cleveland Ohio and Jackson Mississippi
- Preston
- anchor institutions (eg hospitals, firms that can't move, universities)
- procurement etc
- way of retaining money in areas where generated
- exception to 'Red Wall' LP collapse

7. Strategy put forward by David Ridley

- former UCU branch activist Coventry University
- strategy arose from struggle there
- eg in his book *The Method of Democracy*
- advocates sociology depts of universities connect to local TCs, community orgs etc, especially in CWB areas
- role in this of democratic problem-solving as guiding rationale derived from John Dewey

8. Who was Dewey?

- lived 1859-1952
- left-leaning liberal academic in US
- advocated radically democratic model of collective problem-solving

9. Interaction proposed by David Ridley would be reciprocal / mutual.

- each party to interaction both learns from and teaches the other (reciprocal)
- by working together on problems they jointly generate new knowledge , understanding and skills (mutual)
- interaction, then, between two sections of w/c
- hence Ridley strategy offers route for rebuilding IWCE
- AND enables connection to wider w/c layers where Corbynism failed.

10. But for CWB to have this IWCE dimension we need to supplement Ridley strategy with **'pedagogy' of exploited (- as distinct from oppressed)** Why?

- by 'pedagogy' mean theory and practice of teaching and learning
- Dewey problem-tackling model is class- and class struggle-neutral
- but w/c only possible agent of valid change
- therefore strategy must focus on factor common to both parties, ie their economic position

- and through this with wider layers of w/c
- this the only feasible holistic approach.

11. What must key elements of this 'pedagogy' be?

12. Original IWCE movement, Plebs League etc had a 'pedagogy'

- economics/industrial history/philosophy
- participatory reading tested by public speaking
- critique of mainstream HE as enslaving
- crucial we reclaim this 'lost legacy' now

13. 'Pedagogy' of exploited would integrate Plebs League approach with three other elements:

- understanding that we change ourselves through acting to change the world (derived from Marx)
- recognition of need to build non-patronising dialogic adult ed. movement integrated with w/c political movement (derived from Gramsci)
- democratic problem-solving (derived from Dewey).

14. Corbyn movement could have succeeded if IWCE movement like this available at time.

- nature of LP not understood by most active Corbynites
- no chance of beating TU bureaucrats/ LP bosses, Starmer etc now without this understanding
- with it, at least a chance.

13. Therefore get involved in CWB.

What can we learn from the 1970s?

Looking back at the 1970s today, we see it as a decade of crisis, in which the postwar settlement fell apart. This crisis was resolved by the launch of what we now call neoliberal capitalism. Our present purpose is to figure out a viable socialist politics for the 2020s, based on the premise that this can only be based on a mass movement that directly challenges capitalism as it exists today. The electoral failure of Labour in 2019 under Jeremy Corbyn hides within it the hope, mainly based on the 2017 general election campaign, that this might indeed be possible. Looking back, the last time that such a hope was widely held was in the 1970s, when the postwar settlement based on the welfare state, corporatist Keynesianism and the Bretton Woods institutions was challenged by both capital and labour.

As regards the challenge from labour, the '1970s' stands for the period between the seamen's strike of 1966 and Thatcher's first election victory in 1979. The response of Labour under Wilson to the seamen's strike was soon followed by their first attempt to define and resolve the 'labour problem' through restricting trade union rights, in Barbara Castle's *In Place of Strife* proposals. In the context of slower growth and rising inflation, this led to the emergence of a new generation of left union leaders and waves of industrial unrest - in both private and public sectors - led by rank-and-file shop stewards. The response from both Labour and the Tories was repeated attempts to suppress inflation through controls on pay and cuts in public spending, the resistance to which led to the 'winter of discontent' in 1978-9 and Thatcher's first electoral triumph.

1966-79 also saw the emergence of a global left student movement, initially fuelled by anti-imperialist struggles in the Third World; campaigns for the rights of women, gays and ethnic minorities; and the pursuit of social justice in many areas of economic disadvantage, such as housing, education, health and access to justice. But importantly, we came to understand that all these campaigns *shared common ideals and goals* with the traditional arenas of 'class struggle'. Without needing even to name it, we *practised* intersectionality, and it was this unity of purpose that not only enabled the miners to mount their heroic but defeated campaign in 1984-5, but also to make advances on many fronts in terms of legal rights that we still enjoy today.

The lesson that we need to learn from the 1970s is clear. Today, we live in a society that has been fundamentally transformed by 40 years of possessive individualism and the subordination of democratic politics to the power of property. An effective challenge needs to be based on clear moral principles and political objectives. We must build from wherever we stand and develop a wide-ranging programme of societal transformation. Reclaiming our history and sharing our knowledge through education has to be at the heart of our efforts.

Hugo Radice

3rd November 2021

Max Farrar: On Big Flame



In my contribution to "What can we learn from the 70s?" I'm going to make only one point: we can learn to be a better person. Here I want to emphasise that there is much more to be learned. I don't think radical social change is an individual issue. From 1975 to 1983 or 84 I was a member of a very small revolutionary socialist organisation called Big Flame. By the end, we didn't have a formal structure so I had no way of leaving formally. It was the same for the rest of our group in Leeds (about 20 were members, but several had drifted away by 1984). I follow to this day all the basic principles of Big Flame, except its (hardly formulated) commitment to revolution. Its intersectional analysis of 'race', class and gender; its commitment to radical, bottom-up democracy; its support for all the social movements; its serious critique of both anarchist and Leninist models of revolution; its libertarian personal politics and its effort to prefigure a future of peace, love and equality (yes, some of us were once hippies) . . . we can learn from all of these early efforts today, and we can do all of them much better. You can see much more of us here <https://bigflameuk.wordpress.com> and some time soonish, Merlin Press will publish a book I'm co-writing with Kevin McDonnell about Big Flame. If anyone wants to read my final chapter of that book, on the theme of how we might apply the praxis of Big Flame today, please email me at maximfarrar@gmail.com. Lots of my other writing is here www.maxfarrar.org.uk.

My main sort-of political work is here RememberOluwale.Org

The Economics of the 1970's

The Wolf of inflation

Radio 4 Today

4% inflation predicted by Bank of England

"Are we about to enter a deadly inflationary spiral like the 1970's"



70's a crisis of capitalism

- Class conflict in the strike, in Place of Strike, social and industrial failures
- Parliamentary compromise with capital
- Colonial struggles resurges; S. Africa and S. America
- Cold War
- War in Vietnam
- Union demands for raised pay
- Growth of debt to buy spend and consumerism



1945-1975 Les trente glorieuse

- Postwar consensus
- Welfare State (created demand and supply)
- Reconstruction (as above)
- Lessening inequality (health, wealth and education)
- Strong economic growth 4-6%
- Trade union growth and strength
- Capital control
- Government Regulation
- Nationalisation (jobs, live time at, training)
- Economy focussed on domestic production & demand



What is inflation?

- Cost-push inflation - price of inputs forces up end price.
- Demand led inflation - too much money chasing too few products.
- <https://tribuneinag.co.uk/2022/11/10/the-price-of-inflation/>



Internationally

- End of Empire and De-colonialism
- South economy created an alternative economic structure
- Import substitution allowed economies to develop behind barriers
- Falling rate of profit to capital
- Nationalisation of natural resources



Back to the crises

- Oil crisis leads to cost-push inflation
- 1971 US leaves the gold standard creating fiat money.
- Growth of forced government and personal.
- Demand led inflation (fuelled by credit)



Solutions tried

- Prices and incomes policy
- Government regulation
- Bullock Report & industrial democracy

Are we back in the 70's?

- Free movement of capital
- International competition
- Weaker unions
- Weaker regulation
- Reserve army of labour

Benefits of inflation

- Wartime debt inflated away
- Pressure on employers to meet wage demands

Answers & Questions

- What are the advantages and disadvantages of inflation?
- Inflate or grow our way out of debt. Both done before.
- Are high interest rates and monetary policy the only way to tackle inflation?
- Restrict consumer credit
- Taxation
- QE
- Why does the Bank of England have a target of 2% inflation?
- Are we counting the right things?

Are we back in the 70's

- Grace Blakely article
- 40 years of declining wage share
- Asset price and rentier economy
- Is there unrecorded inflation? Asset prices, property

Graphs



GDP Growth



Consumer Credit Debt



UK Rate of return