Stop Press: Tories cancel tax cut for upper bracket but strategy remains

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Will Trussonomics be the end of voodoo economics.

- **Mini -budget sees pound fall, interest rates rise and financial chaos**
- **Another repeat failure of the neoliberal orthodoxy**
- **£60 billion paid to energy companies but bills still double**
- **Higher interest rates threaten public and private debt and promise recession**
- **Government borrowing should fund schools & hospitals not the rich**

Trickledown economics

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The failure of Kwarteng and Truss' first budget has seen chaos enter the financial markets and threatens the living standards of the UK population. Mortgages , wages and a rising cost of living will hit hard this winter. There is an attempt to blame Putin and the war in Ukraine but the crisis started long before and is the latest in the long list of failures of supply side economics or "voodoo economics. But it poses several questions, not least the surprise that seems to have hit Truss and her Chancellor. After all they have merely carried out the orthodoxy of the last fifty years and that has seen successive Governments make the same mistakes. The term "voodoo economics" was coined by George Bush Snr in 1980 to describe the economic policies of his Republican rival Ronald Reagan and his economic advisors, Milton Friedman and Arthur Laffer.

The previous orthodoxy of Keynesian economics that saw Government stimulation of demand as a way of smoothing the inevitable crises of capitalism was to be replaced with ideas that had been cultivated in economic academia and right wing think tanks. The pillars of the ideas of supply side economics were_

- **Lowering tax rates, particularly for the rich, would stimulate economic activity and lead to higher tax revenues**
- **Reducing Government spending and balanced budgets**
- **Monetary policy ie interest rates rather than taxation would be used to fight inflation**

Reagan triumphed over Bush Snr and the tax cuts provided short term stimulation to the US economy but with a doubling of the Government deficit and eventual recession. The same experiment has been tried around the world with experiments in Chile, with Thatcher and is now the orthodoxy of the global institutions. But a version had been tried in the UK by Tory Chancellor Tony Barber who cut tax rates to stimulate growth but merely caused an inflationary cycle that ended with a Labour Chancellor being forced to borrow from the IMF and getting the blame for a Tory failure.

How the 'Barber boom' provides a warning for Liz Truss

Greg Wright- Yorkshire Post

He was about to unleash a series of sweeping tax cuts designed to add rocket fuel to a UK economy which was being buffeted by global economic headwinds. But from the outset, cooler heads feared he had over-reached; egged on by a Prime Minister who lacked a firm grasp of financial reality.

Sound familiar? Well this was the scene in the House of Commons in 1972, as the Conservative Chancellor Anthony Barber delivered his second Budget, which, he said, provided radical action to help British industry to modernise. He aimed to achieve this by providing a colossal boost to demand, which included measures to cut £1bn off income tax.

Although he was applauded by some at the time, the “Barber boom” which followed did not provide stability. Far from it. Inflation and industrial unrest were to force a reversal of Barber’s policies as the country's economy teetered on the brink of collapse.

At the time, Barber must have sincerely believed that the measures he had introduced would lead to significant gains in productivity and slash unemployment. In the long term, his critics, who feared he was over-stimulating the economy, were proved right. As the historian Dominic Sandbrook says in his book, State of Emergency: “Thanks to Barber’s stimulus measures the previous year, unemployment would have come down anyway, but by throwing even more money at the economy Heath was stoking the flames of inflation.

"At any time it would have been a naive, irresponsible gamble..

"It was the product not only of good and noble intentions, but of panic and arrogance, and it was a classic example of a disease to which British politics was peculiarly prone in the 1970s: the economics of wishful thinking, based on rosily optimistic predictions that were never, ever vindicated.”

If Barber had canvassed a wider body of opinion, he might have avoided implementing a series of rash polices, which over time, simply led to the tax increases and cuts in public spending he had been determined to avoid.

It seems incredible that the Chancellor Kwasi Kwarteng and Prime Minister Liz Truss did not heed this warning from history. How many economists and City analysts did Mr Kwarteng consult before delivering his mini-budget, which must rank among the most disastrous statements ever made by a Chancellor of the Exchequer?

There is growing international pressure on Mr Kwarteng to change course after he upset the markets with his package of tax cuts and increased borrowing. In an extraordinary statement, the International Monetary Fund (IMF) said it was “closely monitoring” developments and urged the Chancellor to “reevaluate the tax measures”.

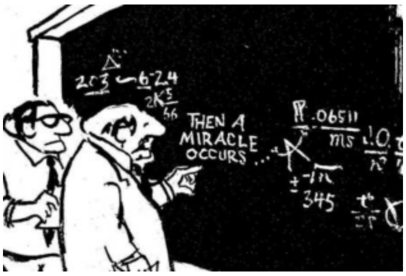
It’s time for Mr Kwarteng and Ms Truss to explain themselves. Only a screeching U-turn can save their jobs. The Bank of England has launched an emergency UK government bond-buying programme to prevent borrowing costs from spiralling out of control and stave off a “material risk to UK financial stability”. The debacle over the mini-budget suggests that the ‘British disease’ of the 1970s, the arrogance, over-optimism and belief we are set apart, still has a debilitating force today.

The Barber Boom and Bust A Long Time In Finance -podcast

Gripped by sluggish growth and low investment, the UK decides to solve its problems by embarking on a "dash for growth" - spending big and cutting taxes. We talk to economic historian Duncan Weldon about the Heath government's disastrous 1972 "Barber Boom" (named for the chancellor Tony Barber) and what lessons it holds

So the Laffer curve says tax cuts for the rich? This isn't going to be funny

Michael Burke- Guardian 2012



Debt: Total owed from past and present borrowing.

Deficit: This year's borrowing.

Two comedians have been put in the spotlight in the current debate that has been opened up on tax in Britain. One is Jimmy Carr. The other is Arthur Laffer.

Listeners to the Today programme on Radio 4 on Wednesday were treated to a knockabout interview with the architect of the Laffer curve: a graph which purports to show that lower tax rates for the rich will lead to higher tax revenues.

It's also a theory which has been widely discredited, both on a theoretical level and in practice. Because with the Laffer curve – perhaps unusually for economics – we have a historical instance of it being implemented by a direct proponent. Laffer was an associate of the Reagan administration, which had a staged cut in the marginal higher rate of personal income tax from 70% to 28%. The effect on the budget deficit was also striking. Reagan doubled it to $155 billion and tripled government debt to more than $2trillion. His successor, Bush senior, was forced to raise taxes as the deficit doubled again.

Not all taxes were treated the same. Payroll taxes were increased. So taxes were cut for higher earners while workers paid more. Corporate and capital gains tax rates were also cut in an earlier outing for current "austerity" policies, the transfer of incomes from labour and the poor to capital and the rich.

The Laffer curve relies on the twin assumptions that the rich create the output in an economy and that they need incentives to choose idleness over work. But there is little evidence to support these hypotheses. On the contrary, economists from Adam Smith to Karl Marx have known that all value in an economy is created by labour. Those who labour are obliged to work in order to purchase the necessities of life.

The question is why such an utterly failed policy is now being revived by the BBC, the Murdoch press and the Tory party. If Reagan had not been constitutionally barred from running for a third term, he probably would have won the 1988 presidential election by a landslide. Our own neo-Reaganites and neo-Thatcherites are desperately unpopular, and imagine aggressive tax cuts might restore their own poll ratings, despite the unpopularity of the last budget, which cut the marginal rate of income tax from 50p to 45p.

What they have forgotten, and what accounted for Reagan's popularity, is that the US government's budget deficit was funded by borrowing from abroad, primarily from Japan. Nobody in the US was forced to pay for it. This created the famous "twin deficits" on both the government's budget and on the external accounts of the whole economy. Reagan was able to simultaneously cut taxes for the rich and massively increase military spending in a successful attempt to bankrupt the Soviet Union while living standards rose for the majority of the population as the US went from a lender of capital to the rest of the world to a borrower from it. It seems unlikely that even the US government will be able to repeat that trick now, let alone the British one. The major creditor nation now is China, but its purchases of US government debt seem to be on the wane as its trade surplus declines.

There will be no surge in support for the current government based on lower taxes for the rich (sometimes called "flatter" or even "fairer" taxes by the wilder Reaganites). This is because nobody else in the world is likely to pick up the tab for the inevitable reduction in living standards that otherwise follows.

But that is not to say tax cuts won't happen. Yet they can only come from cutting the incomes of workers and the poor. It will require stoking up resentments against the low-paid, immigrants, Muslims, foreign governments and the EU. It won't be funny.

Truss faces calls to sack Kwarteng as the damage of his neoliberal zealotry spreads

NEW prime ministers normally enjoy a bounce in the opinion polls. Not Liz Truss.

There is a magic money tree. The question is who does the harvesting?

Rather, her ascent has only led to a polling descent, like a bungee jump with no rebound.

So bad is it that, less than a month into her premiership, speculation about an early end to her tenancy in Downing Street has already started. At very least, Tory MPs are telling her to sack manic Chancellor Kwasi Kwarteng as the price of saving her leadership.

It may seem incredible that the dysfunctional Conservative Party should be contemplating another leadership election so soon after the torment of the last one. But it is no less incredible than the economic strategy Truss and Kwarteng are attempting to force on the country.

For a Budget, mini or otherwise, to — within a few days — paralyse the housing market, bring the pensions industry to the point of collapse and take the pound to a historic low, is a mark not just of the ineptitude of the Tory right but of the crippling weaknesses of British capitalism.

So much for Singapore-on-the-Thames, the low-wage, low-tax, deregulated neoliberal nirvana which a faction of Conservatives saw as the realisation of the promise of Brexit, although it only animated a small minority of those who voted to leave the European Union. Truss's central mistake, at least as far as her critics in the Bank of England and the City are concerned, is that she forgets that Britain is not the US.

The latter can run huge deficits without short-term damage because of the strength of the dollar as a global reserve currency. The de-dollarisation of the world economy will surely occur, but that time is not now.

British capitalism, on the other hand, is evidently broken and international speculators are going to run a mile from a currency at the mercy of incompetent ideologues. Much as speculators may like tax cuts, they dislike ballooning deficits still more. Truss is the victim of her unwillingness to make the rich or corporations pay for resolving the crisis.

Had she met at least part of the bill for curbing fuel prices with a windfall tax on energy companies, it would have reassured the bankers. But business profits came first.

Stopping sterling's death spiral risks aggravating other problems. The Bank of England's emergency bond-buying programme to stop mass pensions insolvency could stoke inflation, leading in turn to wage-cutting and inevitable resistance from organised workers, which the Tories propose to meet with renewed anti-union repression.

And Kwarteng will now move to balance the books through spending cuts, armaments aside, which will plunge much of austerity-ravaged Britain deeper into social immiseration.

Underlying this is 12 years of stagnation and slumping productivity. Investment in infrastructure, public services and skills are the immediate answer to that, not tax cuts and the wild political zigzagging which has become a Tory speciality.

With the bond market on one side and militant trade unionism on the other, Truss and Kwarteng are on a "charge of the lightweight brigade."

Experience shows that the loss of a reputation for economic competence tends to be politically terminal.

Keir Starmer is the undeserved beneficiary of this. He has the Tory Party membership to thank for Labour's 17 per cent poll lead. It was their decision to hand government over to the candidate Labour wanted, a sub-Thatcherite fanatic, rather than any initiative on his part that has provided the boost.

He is opposed to the sort of radicalism that could address the crisis in working people's interests. So, he may be the next leader to find out that British capitalism doesn't do bounces any more.

Neoliberalism has tricked us into believing a fairytale about where money comes from

- **If austerity is the answer then we are asking the wrong question**
- **Labour should not fall into that trap**

There is nothing natural about money. There is no link to some scarce essential form of money that sets a limit to its creation. It can be composed of base metal, paper or electronic data – none of which is in short supply. Similarly – despite what you may have heard about the need for austerity and a lack of certain cash-generating trees – there is no "natural" level of public expenditure. The size and reach of the public sector is a matter of political choice.

Which puts austerity, the culling of expenditure in the public economy, under some question. For some countries, such as Greece, the impact of austerity has been devastating. Austerity policies still persist despite numerous studies arguing that they were entirely misconceived, based on political choice rather than economic logic. But the economic case for austerity is equally mistaken: it is based on what can best be described as fairytale economics.

So what were the justifications? Britain, for example, has lived under an austerity regime since 2010, when the incoming Tory-Liberal Democrat government reversed the Labour policy of raising the level of public expenditure in response to the 2007-8 financial crisis. The crisis had created a perfect storm: bank rescue required high levels of public spending while economic contraction reduced tax income. The case for austerity was that the higher level of public expenditure could not be afforded by the taxpayer. This was supported by "handbag economics", which adopts the analogy of states as being like households, dependent on a (private sector) breadwinner.

Under handbag economics, states are required to restrict their expenditure to what the taxpayer is deemed to be able to afford. States must not try to increase their spending by borrowing from the (private) financial sector or by "printing money" (although the banks were rescued by doing so by another name – quantitative easing, the creation of electronic money).

The ideology of handbag economics claims that money is to be generated only through market activity and that it is always in short supply. Request for increased public expenditure is almost invariably met with the response "where's the money to come from?" When confronted by low pay in the NHS, the British prime minister, Theresa May, famously declared, "there is no magic money tree".

So where does money come from? And what is money anyway?

Full Article

When Trussonomics arrives, the big winner may well turn out to be Labour | Larry Elliott

Larry Elliott

Neoliberalism: The Failed Experiment | Economics Channel

Since launching her bid to be prime minister in July, Liz Truss has talked non-stop about the need to challenge Treasury orthodoxy and run the economy differently. Friday marks the day when the talking ends and Britain gets a taste of what Trussonomics actually means.

Let's be clear: Kwasi Kwarteng's statement to MPs on Friday is much more than a run-of-the-mill fiscal event. Mini budget doesn't really do it justice either. Most full-blown budgets matter little and are quickly forgotten. This one is a very big deal indeed.

For decades economic policy in Britain has been dominated by the idea that the government's books need to add up. Margaret Thatcher likened her approach to the public finances to that of a housewife seeking to manage a household budget. George Osborne accused Gordon Brown's government of "maxing out" on the nation's credit card. Labour faced relentless questioning during the 2019 election campaign about how – in the absence of a magic money tree – it would finance its spending plans.

Trussonomics turns all this on its head. The government will borrow big, not just to finance energy support schemes for households and businesses but also for tax cuts. Far from dampening expectations since becoming prime minister, Truss has doubled down. In addition to the cuts in national insurance contributions and the scrapping of next April's rise in corporation tax, there has been talk of lowering stamp duty and bringing forward plans to reduce income tax.

Truss and Kwarteng's message to those querying where the money is coming from to pay for the extra spending and tax cuts is that everything will work out well in the end because the boost provided to the economy by Trussonomics will lead to faster growth and higher revenues for the exchequer.

It is all rather reminiscent of the moment – 91 years ago this week – when the new coalition National government abandoned attempts to keep Britain on the gold standard: a massive U-turn after years of high unemployment and austerity deemed necessary to defend the pound at all costs. One minister in the previous Labour government said: "Nobody told us we could do that." The same could well be said of Friday's budget.

Some of the arguments deployed by Truss and Kwarteng echo those made by mostly left-leaning economists during Osborne's attempts to balance the budget after the global financial crisis of the late 2000s. Then too it was said the Treasury was obsessing too much over the deficit and needed to pay more attention to growth. Osborne was warned by his Keynesian critics that spending cuts and tax increases would make deficit reduction slower, as indeed proved to be the case. No question: attacks on the orthodoxy are fully justified because sticking to the orthodoxy hasn't worked.

In reality, only a government of the right could contemplate what Truss is doing. No Labour administration would dare say its economic plan was to boost growth by borrowing hundreds of billions of pounds, for fear that the financial markets would throw a hissy fit. Just as only a rightwing Republican president, Richard Nixon, could risk making overtures to Beijing in the early 1970s, so the attack on Treasury orthodoxy is easier for a self-styled Thatcherite.

Yet, the intellectual and political climate has changed since Thatcher came to power during a previous energy crisis in the late 1970s. Back then, a strong pound and high inflation were making life hellishly difficult for Britain's manufacturers but Thatcher showed scant interest in bailing them out. Firms were left to sink or swim, with the strong surviving and the weak going out of business. Thatcher's intention was to wean the country off the idea that the state should be expected to solve every problem.

That philosophy has not survived the double-pronged crisis of the past two and a half years: first a pandemic and now rocketing energy bills. The government responded to the first with the furlough and a raft of business support, and has now come up with the biggest package of state support for the economy in peacetime to deal with the second. Leaving households and businesses to cope as best they could was never an option for Truss. The argument at Westminster is not about whether there should be government intervention in the economy, but how big the intervention should be and how it should be funded.

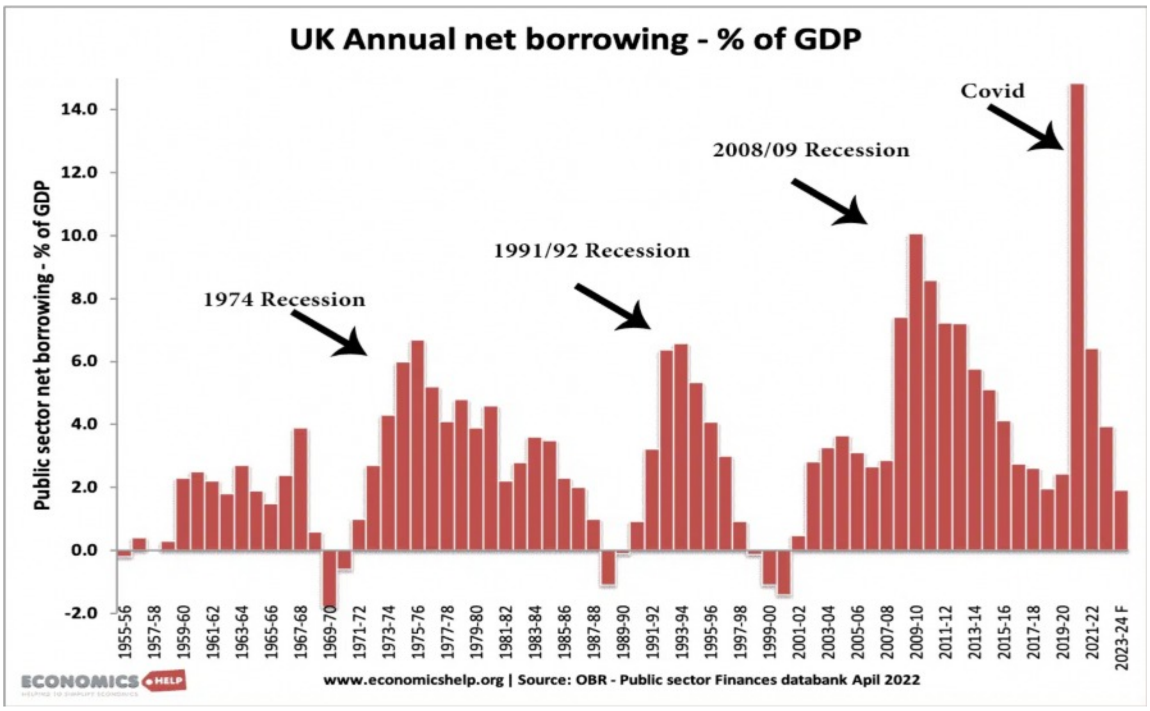
All of which is good news for Labour and for the progressive left more generally. For a start, Trussonomics shields Keir Starmer from claims that his spending plans are reckless or unaffordable. In contrast to what Kwarteng will announce on Friday, Labour's tax and spending plans are modest and conservative.

What's more, by challenging the orthodoxy Truss has carved out the space for other hitherto taboo ideas. If it is possible to borrow to fund tax cuts, then why not borrow to increase welfare payment or for a green new deal?

There is one final – and obvious – way in which Trussonomics might be helpful to Labour. Growth has stalled, inflation is close to 10%, the pound is at a 37-year low, the chancellor has sacked the Treasury's top mandarin and has decided not to subject his "fiscal event" to the scrutiny of the independent Office for Budget Responsibility. The Conservatives are behind in the polls, time is short before the next election, and there is plenty of scope for things to go horribly wrong.

Larry Elliott is the Guardian's economics editor

UK Budget deficit history



Understanding Britain's private debt epidemic

Josh White-Speri

The COVID-19 pandemic has thrown the indebted nature of Britain into the spotlight once again – but this is a problem with much deeper historical roots

This is the second blog in a new series by undergraduate students on the 'Britain in the Global Economy' 3rd year module, which is convened by Dr Scott Lavery at the Department of Politics and International Relations at the University of Sheffield. Read the first blog in the series here.

During the COVID-19 pandemic, Britain's reliance on private debt has been exposed once again. Research from debt charity StepChange has found that at least £6 billion of household debt has accumulated since the pandemic began, with the actual figure likely to be even higher. More than one in eight people on furlough have defaulted on loan or credit card repayments, while some figures suggest that less than half of all rent owed during the pandemic has actually been paid.

This mountain of debt will seriously hamper any recovery in the British economy post COVID-19. However, we need to recognise that these problems are not just a temporary response to the pandemic. High levels of private debt are hard-wired into Britain's model of capitalism. For example, average household debt (excluding mortgages) in 1990 was £4000 in 1990. By 2018 it had risen to £15,000.

To understand how this came about, we must look back to the late 1970's, the election of Margaret Thatcher and the steady neoliberalisation of the British economy over recent decades.

In the late 1970s, Britain, like much of the rest of the global north, was facing deep economic challenges. Low growth, low investment and rapidly rising prices combined to produce an era of 'stagflation'. This was in part exacerbated by the strength of the British labour movement, whose attempts to keep wages in line with rising prices squeezed the profitability of British firms. This, coupled with years of economic decline compared to the economies of mainland Europe, meant that the outlook for the British economy was decidedly bleak.

The task of the Thatcher government set itself was to reduce the power and wages of the British labour movement. This project began with the government's direct confrontation with its unions, both in the physical means seen at the "Battle of Orgreave" during the miners' strike of 1984-5, and through legislative measures that greatly restricted union activity. This was combined with monetary policy which tolerated previously unimaginable levels of unemployment, up to 11.9% in 1984, which, by increasing the number of potential workers available for each job, hugely decreased the bargaining power of those whose jobs remained.

The results of this were clear and immediate. By the 1990s, wage earners were receiving seven per cent less of national income – the equivalent of some £100 billion a year – than they were in the post-war decades. On the flipside of this, profits increased spectacularly, with company director income increasing by 43% in Thatcher's first 5 years of office alone.

These early moves were built on by 40 years of government policy aimed at producing a much more "flexible" workforce, through further reduction in the capacity of workers to organise, and the dismantling of much of the welfare state. The effects of this are clear, with wage growth falling from 2.9% per annum in the 1970's and 1980's to only 1.2% by the 2000's, producing a situation today where 58% of those in poverty are in work.

The barrier of union power to the profitability of British capitalism had been removed, but this huge fall in wages meant that "aggregate demand", the ability of the population to purchase the goods the economy produces, was seriously under threat. For British capitalism to function, this purchasing power had to be somehow maintained.

This is where debt comes in.

Alongside attacks on organised labour, UK governments have actively deregulating the financial sector over the last 40 years, allowing financial institutions to massively increase the amount of credit they could lend out. This allowed for the creation of financial instruments such as credit cards, payday loans, and mortgages, which meant people could now borrow money to consume the commodities that their wages no longer stretched to cover.

This meant that wages could stay low enough for the profitability of British business to remain unhindered, without hampering the aggregate demand the economy needed to function, all while opening up new spaces in society where the British financial sector could turn astronomical profits.

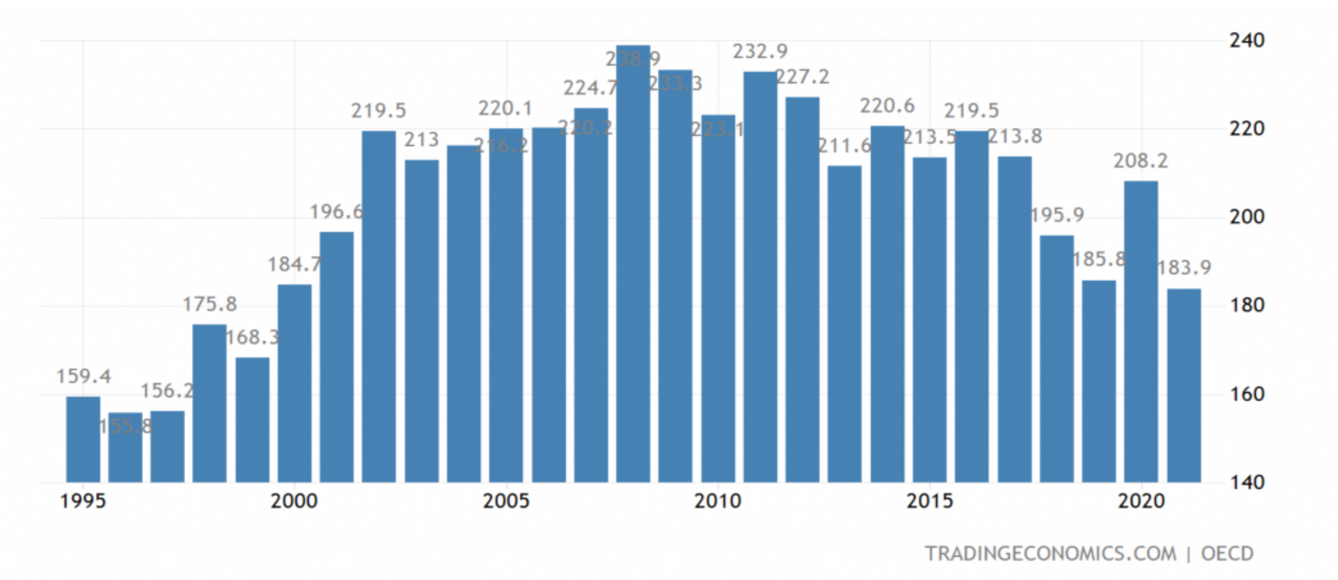
Through the growth of this dynamic, private debt has become an essential part of the British economy. After never having exceeded 72% in the 100 years prior, the British private debt to GDP ratio has almost tripled in the 40 years since Thatcher was elected, reaching a peak of nearly 200% in 2010. Moreover, Britain's housing market, fundamental to its economy, and to the social base of homeowners upon which support for neoliberalism rests, is also wholly dependent on this private debt. The rise of house prices by 259% between 1997 and 2016, a period in which wages rose only 68%, was premised solely upon sustained deregulation of mortgage lending, making mortgages increasingly accessible for people, and so continually raising the demand for houses while their supply remained largely constant.

These huge levels of private debt are therefore not an unfortunate by-product of the British economy, but a central plank upon which it rests. It maintains the mass consumption capitalism requires, while keeping wages low enough to not impede businesses' profits.

Consequently, the additional private debt which some households have accumulated during the coronavirus pandemic cannot be understood solely as the product of the one-off shock of Covid-19, but rather as the exacerbation of an essential, yet hugely unstable, dynamic upon which the British economy depends.

The COVID-19 pandemic did not create Britain's private debt crisis – it has merely brought contradictory dynamics that have been bubbling away under the surface of the British economy up to the surface once again. For Britain's private debt crisis to be resolved post-Coronavirus, it is these forces that will have to be tackled, something only a deep, structural transformation of the British economy will be able to manage.

United Kingdom Private Debt to GDP



The Covid Shambles Continues

● Tory leadership rivals say lockdowns "too severe"

●Big Pharma sue one another over vaccine patents

●40,000 nurses leave the NHS

We should never have closed schools in pandemic, Liz Truss says

Conservative party leadership rivals Liz Truss, and Rishi Sunak have both vowed not to impose future lockdowns in the UK, complaining that the tight restrictions imposed to control the spread of COVID-19 went too far.

At the latest event in Norwich on Thursday, Sunak said that it had been a mistake to "empower" the government's scientific advisers, implying that decision-making was effectively handed over to the scientists and that ministers had not been allowed to be honest about the trade-offs and economic damage caused by the lockdowns.

Meanwhile, Truss added that it had been a mistake to close schools.

In response, members of the government's scientific advisory committee have retorted that their recommendations were based on the scientific consensus at the time

Moderna sues Pfizer over Covid vaccine patent in battle for super profits

PHARMACEUTICAL giant Moderna is suing Pfizer and German drugmaker BioNTech, claiming they copied its technology when developing their coronavirus vaccine.

When the Covid pandemic swept the world in 2020, pharmaceutical companies competed to develop vaccines. Both the Moderna and Pfizer vaccines use mRNA technology to help immune systems resist coronavirus. Moderna said today that the Pfizer-BioNtech vaccine infringes on patents on technology behind its preventative Spikevax shot. It has filed lawsuits in the United States and Germany.

CEO Stephane Bancel said Moderna had invested billions in developing the technology. Pfizer has declined to comment on the lawsuit, saying it has not been served a copy of the litigation.

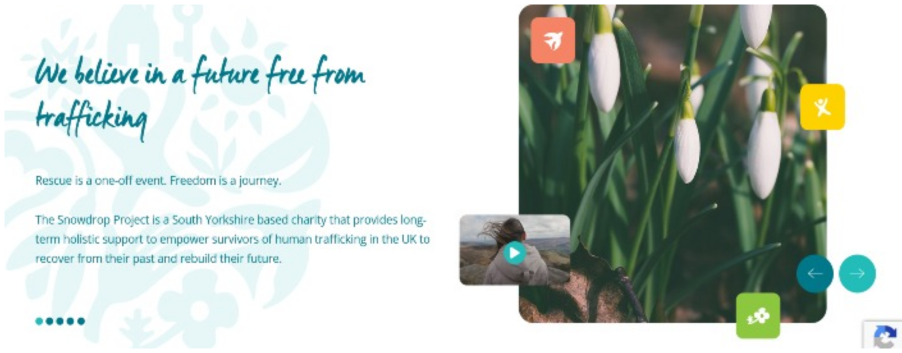
Moderna, Pfizer and BioNTech have each made billions in profits from Covid vaccines. Last winter, the People's Vaccine Alliance calculated their combined profits in 2021 to have reached over $1,000 (£840) a second, with pre-tax annual profits of $34 billion (£29bn). They have been criticised for failing to make their shots available in the global South — the alliance found fewer than 1 per cent of their doses had been supplied to low-income countries.

Moderna also refused appeals from the World Health Organisation to share its vaccine formula so a new facility in South Africa could begin production of it for developing countries. It and Pfizer lobbied against attempts to get a vaccine patent waiver through the World Trade Organisation, with Pfizer CEO Albert Bourla calling the demand for vaccine recipes to be shared "dangerous nonsense."

Record number of nurses leaving the NHS in England

More than 40,000 nurses have left the NHS in England in the past year, an analysis by the Nuffield Trust has revealed. Many of these nurses were often highly skilled and knowledgeable with many more years of work left. Dr Billy Palmer, who wrote the report alongside Lucina Rolewicz, told the BBC there were "deep-rooted issues with working practices and employment conditions" which were causing nurses to leave.

50 million people lived in ‘modern slavery’ last year



The UN labour agency has estimated that some 50 million people worldwide were living in modern slavery — either in forced labour or marriage — at the end of last year, marking a 25 per cent jump from its previous report five years ago.

The International Labour Organisation (ILO) and partners point to worrying trends such as commercial sexual exploitation affecting nearly one in four people who are subject to forced labour and with the poor, women and children hit hardest.

The ILO, along with the UN’s International Organisation for Migration (IOM) and the Walk Free foundation, a rights group that focuses on modern slavery, reported that 28 million people were in forced labour and 22 in forced marriages at the end of 2021.

The report, issued late on Monday, said such figures marked a rise of 10 million people living in modern slavery since the last such report in 2017, which was based on figures a year earlier. Two thirds of the increase pertained to forced marriages alone, it said.

Grace Forrest, founding director of Walk Free, said the increase is roughly equal to the population of Greece.

And that 50 million figure, she said, “is undoubtedly conservative as it has gaps from child marriage to the worst forms of child labour. So this is the baseline estimate of people living in modern slavery throughout the world.”

Based on available data, ILO and partners found increases in child marriages and forced marriages in countries such as Afghanistan, Bangladesh, Congo, Egypt, India, Uganda and Yemen. But the report said wealthier countries were “not immune” to the problem, with nearly one in four forced marriages taking place in high or upper middle-income countries.

Crises including the coronavirus pandemic, climate change and armed conflict have underpinned rises in extreme poverty, unsafe migration, and gender-based violence in recent years, raising the risk of all forms of modern slavery, it said.

All told, more than two thirds of all forced marriages were found in the Asia-Pacific region — the world’s most populous area — but the highest number per capita came in Arab countries, where nearly five in 1,000 people were in forced marriages.

Regarding forced labour, about one in eight of those affected were children and half of those in commercial sexual exploitation.

Modern slavery “is a man-made problem, connected to both historical slavery and persisting structural inequality,” Walk Free’s Ms Forrest said in a statement, as the ILO chief urged a broader effort to fight it.

Director-general Guy Rider of the UN labour agency, which brings together workers, businesses and governments, called for “an all-hands-on-deck approach,” pointing out that “trade unions, employers’ groups, civil society and ordinary people all have critical roles to play.”

Working Class History

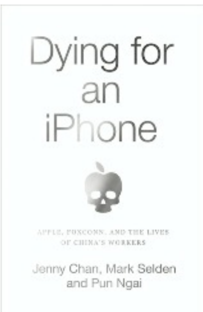
“They all say/ I'm a child of few words/ This I don't deny/ But whether I speak or not/ With this society I'll still/

Conflict”

On this day, 30 September 2014, Xu Lizhi, a poet and rural migrant who worked at the Foxconn factory in Shenzhen, China, died by suicide at the age of 24. He published poems in the factory newsletter, and on his website, which some friends of ours translated. This is one example:

"The paper before my eyes fades yellow/With a steel pen I chisel on it uneven black/Full of working words/Workshop, assembly line, machine, work card, overtime, wages.../They've trained me to become docile/Don't know how to shout or rebel/How to complain or denounce/Only how to silently suffer exhaustion/When I first set foot in this place/I hoped only for that grey pay slip on the tenth of each month/To grant me some belated solace/For this I had to grind away my corners, grind away my words/Refuse to skip work, refuse sick leave, refuse leave for private reasons/Refuse to be late, refuse to leave early/By the assembly line I stood straight like iron, hands like flight,/How many days, how many nights/Did I - just like that - standing fall asleep?"

You can read an obituary and more translations of his poems here: https://libcom.org/blog/xulizhi-

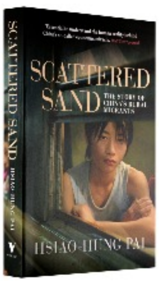


Apple, Foxconn and the Lives of China's Workers-by Jenny Chan, Mark Selden and Pun Ngai

Suicides, excessive overtime, hostility and violence on the factory floor in China. Drawing on vivid testimonies from rural migrant workers, student interns, managers and trade union staff, Dying for an iPhone is a devastating expose of two of the world's most powerful companies: Foxconn and Apple.

As the leading manufacturer of iPhones, iPads and Kindles, and employing one million workers in China alone, Taiwanese-invested Foxconn's drive to dominate global electronics manufacturing has aligned perfectly with China's goal of becoming the world leader in technology. This book reveals the human cost of that ambition and what our demands for the newest and best technology mean for workers.

Foxconn workers have repeatedly demonstrated their power to strike at key nodes of transnational production, challenge management and the Chinese state, and confront global tech behemoths. Dying for an iPhone allows us to assess the impact of global capitalism's deepening crisis on workers.



Scattered Sand- by Hsiao-Hung Pai

Firsthand report on the largest migration in human history

Each year, 200 million workers from China’s vast rural interior travel between cities and provinces in search of employment: the largest human migration in history. This indispensable army of labour accounts for half of China’s GDP, but is an unorganized workforce—‘scattered sand’, in Chinese parlance—and the most marginalized and impoverished group of workers in the country.

Postal workers launch fresh strike against ‘Uberisation’ of Royal Mail

- ## Weasel words from Royal Mail presents slashing terms and conditions as “customer demands”

THOUSANDS of postal workers across the country began a 48-hour strike action today morning against the “Uberisation” of Royal Mail.

About 115,000 members of the Communication Workers Union (CWU) gathered today to demand better pay and working conditions, and are set to be back today for more.

The action will be followed by 19 further days of strikes in the build-up to Christmas.

Royal Mail’s management has made moves to service notice on workers’ rights agreements with the CWU and sideline union representatives in future decision-making processes, according to the union.

Talks were held between the two groups on Thursday, but no progress was made.

CWU general secretary Dave Ward said: “Postal workers in this country will not meekly accept having their lives being made worse for the benefit of a wealthy few.

“We are seeing a national outpouring of anger from workers who are sick to the back teeth of an incompetent business elite who want to destroy a great institution, worsen working conditions and damage the communities our members serve.

“Workers will never accept the Uberisation of Royal Mail, and nor will the public, who have backed us in unprecedented numbers in the past few months.”

Mr Ward said that the 19 days of action was significant but one that “matches the level of anger our members feel” at the way the company has treated them.

He said: “The chief executive of Royal Mail Group is treating postal workers as if they are stupid.

“These are the same people that have kept the country connected and returned Royal Mail Group to record profit.”

He said that the company bosses “have lost the dressing room,” and that unless they make efforts to get real on negotiating with workers' representatives, serious disruption will continue.

Royal Mail hit out at the CWU for its “reckless pursuit” of industrial action, warning that the company was losing £1 million a day.

It has invited the union to negotiations through Acas.

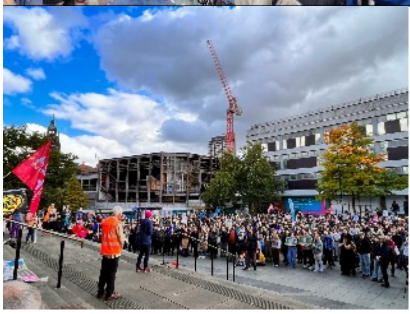
“Our people need the CWU leadership to recognise the reality of the situation Royal Mail faces as a business, and to engage urgently on the changes required to adapt to customer demands in a highly competitive market,” a spokesperson said.

The Demise of the Dutch Postal System Post Privatisation- 9to5 Groningen

The Shortcomings of Dutch Postal Services: Profit Margins at the Expense of Workers and Consumers

Labour on the streets, the picket line and on the road.





Solidarity

and thanks to all those taking part

- Enough is Enough Rally in support of workers facing cuts and communities cost of living hikes
- CWU picket line
- People’s Assembly picket Tory party conference in Birmingham
- Youth Climate Strike
- RMT, Aslef and TSSA picket line



Peoples Assembly Rally in Sheffield

Activists and trade unionists gathered in Sheffield on Saturday to plan the fightback against Tory attempts to get even richer on the backs of workers and communities suffering rocketing energy bills and the cost-of-living crisis.

Sheffield People’s Assembly organised the “We Won’t Pay for their Crisis” rally in the city’s Central Reformed Church. People’s Assembly national chairwoman Laura Pidcock said: “We can’t outsource our politics and expect someone else to take action on our behalf.”

Rapper Coolio Death: Living in a Gangsta Paradise -Cultural reference or political statement

Rapper Coolio produced the dystopian hip hop hit from sampling a more hopeful song by Stevie Wonder, Pastime Paradise. Like most cultural music genres it follows the feelings of the time from the hopeful to the cynical.