

Unity!

Unity! trade union supplement

Meeting the challenge of Britain's crisis
A trade union agenda





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▲ This soup run was setting up for its 2-hour stint.

Located under Waterloo Bridge, at Victoria Embankment, in central London.

Cograng
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Cover image

Swan Hunter shipyard in Wallsend, England in March 2007, a few months after its sale, before the cranes were dismantled
Martinwguay
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A NEW PHASE OF ACUTE CRISIS IN BRITAIN

BRITAIN IS entering a new phase of profound economic, social and political crisis. The symptoms of this crisis can be felt all around us but some of the most obvious and important are:

- **The persistently weak performance of the British economy:** growth rates remain low (0.1% in November 2024 after falling by 0.1% in October¹). Overall, the UK economy has flatlined since January 2022, fluctuating between low growth and small contractions. UK business investment is the lowest of all the G7 advanced economies² and labour productivity is in sharp historic decline since the 2008 financial crisis. In 2023 UK labour productivity was 18% below the US, 15% below Germany and 13% below France³. Britain's labour market is characterised by a predominance of low paying services jobs and the economy is geared toward the needs of the financial sector and a handful of arms, pharmaceutical and mineral extraction companies. These globally oriented companies have little interest in the welfare of British people, while the growth of risky shadow banking and private equity investment makes UK firms particularly vulnerable to financial crashes.
- **The terrifying drive to war.** The British state is up to its neck in promoting the growing global violence which could push us to the brink of nuclear catastrophe. Britain arms and supports Israel's genocide in Gaza and its attempts to reshape the Middle East. Britain sends Israel military hardware exports and covertly places the RAF base at Akrotiri in Cyprus at its disposal. Britain has scuppered peace talks in Ukraine and urged a hard line on its government, bankrolling and arming it 'for as long as it takes', while pensioners at home go cold and hungry. The position taken by the British state serves the interests of oil and gas extraction companies looking to carve up global reserves and greedy investors seeking to privatise assets in the name of 'reconstruction'. And Britain's military industrial complex has been a cheerleader for military aggression against China promoted through the AUKUS pact to finance and build nuclear submarines based in Australia for deployment in the Indo-Pacific region.
- **The falling living standards of the working class.** According to the TUC, British workers are

suffering the worst decline in living standards of any G7 country⁴. Real household disposable incomes remain lower than before the pandemic as Britain's particular exposure to the forces driving the cost-of-living crisis compound effects of long-term sluggish wage growth.

- **Sharply widened inequality** Britain has more billionaires than ever, controlling more than £653 billion of wealth. The top 10% of the population control 57% of all wealth and the bottom 50% control just 4.6%.
- **The destruction of smaller businesses** The number of small businesses has shrunk from 5.9 million in 2020 to 5.5 million in 2022. Reports show widespread fear of closure among small businesses, while high streets are dying, being populated by wealthy chains with Private Equity backers or abandoned completely for business parks or online retail.
- **The growing social conflict that divides Britain.** Some of this, such as the 2022-23 strike wave, indicates a resurgence of class politics. Yet the riots in English towns and cities that began three weeks after the 2024 general election are the result of social alienation and divided communities being manipulated by racist and far-right forces. The rise of Reform UK shows a new level of organisation and ambition on the far-right, leading us into an era of fascist advance.
- **The crisis of legitimacy in our political system.** The 2024 General Election saw the lowest voter turnout among registered voters since the historic low point of 2001. Non-voters outscored every major party. In addition, an estimated 8.2 million people are completely disenfranchised as they are not registered to vote or wrongly registered. Volatility in voting behaviour between parties is growing. This level of alienation from electoral politics indicates a growing crisis of legitimacy in the political system.

Variations on this crisis can be seen playing themselves out across Europe, the US and the western world and its symptoms are reflected everywhere in the daily experience of trade unionists.

- The economic precariousness of workers, the falling value of wages, the cost-of-living crisis following more than a decade of government austerity policies, combined with the continual rise of precarious work and prevalence of outsourcing in employment.

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- The political volatility of trade union members and the presence of racism and support for reactionary political vehicles within the ranks of our own movement
 - The limitations of collective bargaining coverage, which mean trade unions don't determine the wages of large sections of the working class.
 - The desire for investment in jobs becoming entangled with the drive for war.
- Communists see this as part of a general crisis in the capitalist system.

WHAT LIES BEHIND THE GENERAL CRISIS OF CAPITALISM?

Britain's crisis is not the result of any one government's policies, but rather of those of all the main political parties. The crisis is evidence of the actions and influence of an entire class and its control of the state in the context of an anarchic economic system driven by the need to create profit.

Communists see this multifaceted crisis as rooted in the way that the deep tendencies of capitalism and its class relations have played out in the world economy, with its own particular features in Britain.

Communists argue that capitalism is a system based on the exploitation of wage workers by a class of people who own the means of production – capitalists. This exploitation is the source of all profits, which are sucked out of workers and then fought over and distributed around the economy by different parts of the capitalist class: those in industry, trade and finance.

Capitalism is also a chaotic system in which investment and production only take place if there is the prospect of a profit. Every economic decision, whether to bring in new technology, to create new products, to take on or sack workers, is filtered through the need for profit. Any unprofitable activity is either abandoned and neglected or left to the state. Each capitalist firm acts in their own interests, devouring other businesses and expanding, driven by the need to compete or die. This leads to the domination of entire industries by handfuls of powerful monopolistic firms and the emergence in turn of large monopolistic financial capital like banks, pension funds and insurance funds.

Capitalism's anarchic character makes it prone to crises of several kinds as production expands and contracts and as capitalist firms become bigger and more powerful, these crises become larger in scope.

From the early 20th century, the emergence of monopoly capital dominating entire industries changed the ways that crises worked. Instead of affecting all firms and resetting prices, monopolies were able to hold their prices up and pass the costs of crisis onto smaller capitalists and producers in the colonised and developing world, as well as to workers.

As finance capital grew, particularly during the neoliberal era, the forms and quantity of 'fictitious capital' in circulation in the global economy multiplied, making it more unstable.

At the same time, finance capital's increasing control of industrial firms meant many were regeared toward shareholder value rather than production of real goods and services, leading to slower, more sluggish economic growth and downward pressure on wages to generate greater profits. Finance capital also developed new ways to mobilise workers' savings through pension funds, banking and insurance products, connecting these workers to the fate of finance. This also creates greater instability within finance capital by making sections of finance vulnerable to the same downward pressure on wages that it was driving elsewhere in the economy.

BRITAIN'S PECULIARLY WEAK ECONOMY AND PARTICULARLY SHARP CRISIS

These trends are common to all countries with capitalist economies, but they have played out in a particularly severe form in Britain. Britain's economy has been demonstrably weakened by its domination by a handful of powerful monopolies oriented to overseas markets and finance capital.

The largest and most powerful monopolies based in Britain are overseas-oriented transnationals with little interest in British workers' wages and committed to economic policies that further attack living standards. Eleven of the top 100 non-financial multi-national corporations in the world are based in Britain, including four mining and petroleum companies and two pharmaceutical giants. These monopoly firms hold assets worth \$1.7 trillion, 84% of which are held overseas. The City of London is in large part a global offshore financial centre whose banks account for around 20% of global loans and around 31% of Foreign Exchange turnover in global markets.

Monopolistic employers in service industries are overwhelmingly owned by investment banks and asset management funds. This means that they squeeze every drop of profit out of their supply chains to keep the dividends flowing to the investment banks and private equity funds that own their shares and bonds. This aggravates the relatively weak business investment and labour productivity in British firms and helps to explain the prolonged wage stagnation in Britain since the financial crash.

Britain's monopolies use their economic and political power to dominate the political agenda of Britain's political parties: Conservative, Labour, Liberal Democrat, Green and Reform UK alike.

Finance capital exercises immense economic power over company behaviour through its ownership of firms, but also through its credit relations. Similarly, it exercises economic power over governments through its role in state finance. Monopoly finance capital's mouthpiece in the state is the Bank of England. Because of its ability to raise the cost of government borrowing on bond markets and through its formal role in influencing macro-economic policy, the Bank has pushed successive governments to pursue austerity policies and interest rate rises to tackle inflation, in spite of their impacts on the domestic economy. For public sector workers this has meant job cuts, wage freezes and rent rises, while for the wider working class, it meant rising borrowing costs on the back of profit-driven inflation and falling living standards.

Tory and Labour economic policies all defer to the need to control public spending and avoid taxing or limiting the activities of big businesses and finance capital in Britain. But as the Communist Party has shown in our pamphlet *Unmasking Reform UK Ltd*,⁵ some finance capitalists are already boosting the far right, preparing the ground for a drive to create a fascist party that would be in a position to govern by accelerating the attack on Britain's bourgeois democracy, which is seen as increasingly unreliable. Reform UK is a private company funded by a small group of multi-millionaires, precisely those who have benefited most from Britain's crisis.

THE LABOUR GOVERNMENT

The Labour government, currently led by Keir Starmer, itself expresses Britain's crisis. Labour won the July 2024 general election on a massive protest vote against failed Tory policies. Its landslide of seats stands in sharp contrast to the fact that its vote share was significantly down from 2019 and indicates that support is shallow and can shift quickly. Subsequent polls give Labour little encouragement

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Labour's budget and legislative agenda set out to appease City of London financial interests' austerity-fixation and to accelerate spending on war, while claiming to scrap austerity for working people. However, with no real economic strategy to tackle the root causes of low growth, shackled to City-mandated borrowing rules and hamstrung by a refusal to tax its wealth, the government now faces low business confidence and threatens more cuts to domestic spending, coupling this with attacks on benefits and migrants.

Labour's progressive manifesto commitments, such as an Employment Rights Bill and rail nationalisation, now bear the heavy imprint of corporate lobbying to dilute their effects.

A Labour government *could* address many of the symptoms of Britain's crisis (economic stagnation, low wages, low productivity, high social inequality, decrepit infrastructure). It could also play a role in rebuilding working class organisation and power. But left to its own devices, it is becoming clear that it won't. Without sustained mass pressure from unions, the organised pressure of big business in Britain will predominate, Labour will continue to fail, lose popularity and could lose the next general election.

WHAT IS TO BE DONE?

The Communist Party argues that there are two possible roads open to the British people – indeed, to the peoples of the world. One is dictated by the monopolistic sections of the capitalist class and that is the road we are on now, through war, environmental destruction and economic immiseration. This was the route taken by capitalist powers in 1914 and 1939. In 2025, the option of world war between nuclear armed powers and the rapidly approaching cliff edge of climate crisis mean the destruction of most life on earth. Not one mainstream political party in Britain proposes a significant deviation from this road.

The other road leads to the replacement of the capitalist system that creates the conditions of crisis with a socialist system in which production takes place on the basis of the needs of the people. Only the organised working class can lead the way to this road.

In the Communist Party's programme, *Britain's Road to Socialism* ⁶, we argue that a united working class, exerting mass pressure both through the ballot box and by extra-parliamentary action can put in power a left-led Labour government supported by socialists and progressives to enact an Alternative Economic and Political Strategy (AEPS) aimed at boosting working class living standards and weakening the grip of finance capital and monopolies over Britain's economy, the measures necessary to build working class power and confidence.

Labour's current vengeful, ideologically bankrupt right-wing party machine has marginalised the left. Yet concessions can still be forced from a Labour government by mass industrial and political pressure. Such organised mass pressure would be an essential precondition of any revival of socialist politics either within or outside the Labour party.

But this mass working class pressure depends on a united, militant and organised trade union movement taking actions to help build a united front of the working class.

From the summer of 2022, Britain's organised working class was pitched into a broad-based industrial class struggle. Faced with a catastrophic collapse in living standards following years of wage stagnation, the employers' tactic of 'fire and rehire', corporate profiteering on rising prices, the Bank of England ratcheting up interest rates, and a Tory government doubling down on austerity, hundreds of thousands of workers across the public and private sectors took part in a wave of strike action on a

scale not seen since the 1980s. Hundreds of thousands of workers experienced collective action in defence of their living standards in railways, docks, logistics and public transport, communications, education, the health service, the civil service, and so on. For many of these workers, this was their first experience of collective industrial struggle.

The strike wave ebbed, inevitably and its results were uneven. Modest pay increases won were important in the context of the cost-of-living crisis, but major weaknesses in the trade union movement were exposed once again: its concentration in the public sector and limited reach into large swathes of the economy, its ageing membership and reps' base. The strike wave also exposed the limited will among trade union leaderships to act collectively and strategically in a coordinated, planned fashion.

Nevertheless, large sections of Britain's organised working class took strike action, and some sections experienced and understood themselves as part of a class struggle – those who work against those who live on the proceeds of their work. The strikes commanded wide sympathy across British society, frustrating attempts by the Tory government to play workers off against each other. The strikes united workers across lines of sex, race and generation by which capitalist politicians attempt to sow division and across both public and private sectors.

This was the enduring legacy of the 2022 strike wave. For the Communist Party, building on, widening and deepening this understanding is an urgent task for the movement.

A UNITED FRONT OF THE WORKING CLASS

The Communist Party argues for a united front of the working class. What does this mean in practice?

In essence, the call for a united front is a call for unity among all the forces in the organised working-class – a call for class unity at local and national level. It is a call for the many thousands of active workers involved in the trade union movement, in trades councils, local People's Assemblies, local campaigns and local Labour parties, where possible, to unite their forces around a common, class-based agenda. As the Communist Party's Congress Resolution explains:

"A United Front will need to avoid the traditional sectarianism of many far-left groups. It should be built and led in unions, workplaces and communities by militant and politically conscious workers and their organisations. New forms of organising could emerge, perhaps along the lines of 'councils of action' and 'unemployed workers centres', bringing together trade union and campaigning groups on local issues related to poverty, housing, public services, local facilities, affordable energy, the right to food, community safety, anti-racism, women's rights and the environment. Essential elements of this new United Front at local level will be trades union councils and People's Assemblies. The defeat of the Corbyn-led movement by the allied forces of the state, the mass media and influential circles within the party itself has left many past and present activists demoralised and demobilised. The United Front can rebuild that mass movement, but this time more closely linked to the trade unions locally and with a focus on extra-parliamentary action."

But building a united front of the working class also means coordination of trade union political strategies through demands for sectoral and national collective bargaining and coordinated political and industrial action. This requires the creation of cadres of trade union leaders from local workplaces to national leaderships who understand the lessons of the 2022 strike wave and the

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need to break with the sectionalist and sectarian habits and political culture of a trade union movement in decline in order to rebuild working class industrial and political power in Britain.

Creating a united front of working-class organisations from below can form the basis of building class understanding and creating an active, campaigning working class movement. This is the best way to put pressure on the Labour government now and to rebuild an active, coherent labour movement in the medium term.

AN ANTI-MONOPOLY ALLIANCE

Building a united front of the working class must accompany a wider alliance against the monopolies who dominate Britain's economy and politics.

There were 5.5 million small producers and businesses in the UK at the start of 2022. The vast majority of these suffer the effects of an economy rigged in the interests of monopolies: rising prices of raw materials and utilities in monopoly-controlled sectors, rising landlord rents, more expensive credit financing from banks, late payments from contractors, aggressive pricing by monopolistic retail and distribution companies and the encroaching power of US monopolies in the digital economy.

The labour movement must reach out to and build wider alliances with smaller businesses within regions and communities. If small businesses can be won to understand that monopolies and finance capital are their primary problem rather than trade unions or workers' rights, then an anti-monopoly alliance that undermines the faux populist appeal of Reform UK becomes possible.

Equally, a labour movement programme which sets out to erode the economic and political power of monopolies offers a better future for smaller businesses.

THE NEEDS OF THE HOUR

What programme can combine immediate demands that build unity in the working class and could at the same time appeal to an anti-monopoly majority in the wider population? What are the demands that need to be put to employers industrially and placed on the Labour government politically?

Below the Communist Party sets out its suggestions for the immediate needs of the hour.

Militant pay and conditions campaigns to rebuild living standards. Keir Starmer asked to be judged on whether people's living standards had gone up after 5 years in government. The working class cannot wait 5 years for a Labour government committed to 'fiscal responsibility' and with no plan to create economic growth to pull this off. The far-right is preparing to take advantage of Labour's failure to deliver at the next election. Raising living standards now is the priority for organised workers.

Unions must build coordinated campaigns to win pay rises in the public and private sectors. A militant response to employer offensives and government austerity can force businesses and the government to increase spending and investment.

Unions should coordinate action wherever possible, although fetishistic calls for a 'general strike' may be treated sceptically. In 2020, unions adopted a CWU proposal for a unified bargaining agenda as TUC policy. Yet still little has been done to implement this on the ground.

There will be significant resistance to this agenda. Some union leaderships see industrial action, particularly in the public sector, as a threat to the Labour government and will seek to avoid industrial confrontation. Others will only see a

narrow sectional interest instead of a wider class outlook. The left cannot be blind to the power of these arguments. Unions cannot be indifferent to the fate of the Labour government, but neither must they be cowed by the need to defend it. The truth is that unless a militant, organised working class uses this period to win real advances for workers, Labour is likely to lose the next election. Left to its own devices, the Labour government will fail and hand power to a resurgent right wing.

The left in the unions must force union leaders to look outward and work together, recognising that different groups of workers will bargain on different timetables and organise members with varying levels of consciousness and militancy. But the truth is that each union alone can only win partial and temporary improvements for members. To win irreversible changes and take on the organised power of big business means building unity between unions around a common industrial and political agenda.

2 Extending the New Deal for Working People. Labour's New Deal and its centrepiece legislation, the Employment Rights Bill, both bear the imprint of the government's contradictions. The New Deal resulted from trade union pressure on the Labour Party and was drafted in the period of Labour's left leadership under Jeremy Corbyn. Under Starmer's right wing leadership and intensive business lobbying, the New Deal's shifted away from collective rights and bargaining toward a new set of individual rights, supposedly setting a new 'floor' of employment rights.

In this way it partly resembles the raft of EU Directives of the late 90s and early 2000s, which theoretically gave new rights to part-time or fixed-term workers, or the Working Time Directive. Some trade unionists touted these as transformative individual rights and evidence of the existence of 'Social Europe'. In fact, they were designed to help erode collective rights while restructuring 'inefficient' capital by resetting the floor of workers' rights at a level that Europe's big monopolies could afford. The reality for working people in Europe has been a ceaseless downward pressure on collective bargaining coverage and erosion of its 'reach'.

The individual rights in the Employment Rights Bill may serve the same purpose. This helps to explain why smaller businesses have been vocal in their opposition, viewing new rights as a cost too far when added to big business economic domination.

Nevertheless, the New Deal represents an extension of some collective rights for the first time in decades. However limited these advances, the removal of the most onerous constraints on strike action, together with measures that ease the path to union organisation and recognition, could be significant. Unions must grasp these opportunities to break out of their strongholds and into new greenfield sites. The labour movement must also fight to win the Labour government to further legislation that continues the expansion of collective rights.

These should include enshrining a positive right to strike and restoring the right to take solidarity action. Together with extension of sectoral collective bargaining across the economy to enable the raising of living standards these will be vital to rebuild the power of organised labour, regulate the price of labour across the economy, increase labour's share of wealth and rebuild a confident, militant working class movement with greater coverage.

3 Organising in our communities. The labour movement must confront its weakness in 'left behind' communities across Britain where trade unions and collective organisation have all but disappeared. We won't abandon the working class to mobilisation by far-right, racists and fascist parties.

Extending trade union rights is part of the answer. Making

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it easier for unions to organise in greenfield areas could help to target sectors and regions where union organisation has all but vanished. But this will only be part of the solution.

The far right's mobilisations demand that the trade union movement takes action to rebuild collective organisations, using community campaigns around living standards where workplace organisation is not possible. This means unions taking coordinated strategic action to support establishment of Trades Union Councils, community campaigns, mutual aid groups, working together with local Labour parties, where they are willing. Building collective organisations that provide practical solidarity within these communities can help to draw people away from the far right snake oil salesmen.

Unions should campaign for the rolling out of anti-racist and anti-fascist education programmes among trade union members and for financial and organising support for union branches to work with Trades Councils, Local Councillors and campaign groups to build broad-based Local Action Committees combining practical action to rebuild community solidarity with anti-racist and anti-fascist education, prioritising areas where support for racist ideas has become embedded.

4 A radical equality agenda. The equality agenda in the trade union movement is now dominated by a dangerously divisive identity politics which pits working class people against each other and often conducts its battles as though oppression can be eradicated at the level of language.

Yet oppression on grounds of race and sex is a reality of labour markets in all capitalist societies. As capitalists struggle with their crises, so the ruling class seeks to erode institutions and relations promoting equality and to divide workers against each other.

Erosion of social security and childcare systems drives women back into 'traditional' carer roles, and into the labour market in part-time, outsourced and casualised jobs that reinforce their low paid status. Violence against women is a national emergency and women are forced into the sex industry and prostitution.

Black workers are more likely to be employed in low-paid, part-time, casualised and outsourced jobs, more likely to suffer from health inequalities. Racism arising from alienation and division in our communities is consciously whipped up by the far-right and indulged by ruling class politicians looking for a new electoral base.

These increasing structural inequalities cannot be tackled by language games, or identity politics, nor eradicated simply through street mobilisations. The labour movement must develop a radical policy agenda that attacks the structural inequalities that feed misogyny and racism by lifting working class communities out of poverty.

5 A new Labour movement peace policy. Britain's role on the world stage now stands exposed as a promoter of instability and war. In 2024 RAF jets bombed Yemen and flew surveillance flights for Israel over Gaza, while the UK continued to sell weapons to Israel facilitating the genocide in Gaza. British special forces have been active in Ukraine. Britain continues to pump £3 billion of military aid to the Ukrainians each year, prolonging a disastrous war with Russia and Boris Johnston personally flew to Kiev to scupper desperately needed peace talks.

Labour is committed to raising defence spending to 2.5% of GDP while mandating more austerity for the British people. The Labour Prime Minister has committed publicly to support Ukraine 'for as long as it takes'. Meanwhile, a constant barrage of government sponsored press stories seek to manufacture hostility toward China as an enemy state, despite Chinese insistence that it wants peaceful relations, softening up the population to support Britain's alignment with the US pivot to Asia. In September 2021,

the governments of Australia, UK and the USA announced the AUKUS pact to build nuclear-powered attack submarines for deployment in Australia against 'the threat of China'.

The UK government's pathetic warmongering is not in the interests of the British people. Increases in UK defence spending are paid for by cuts elsewhere in public spending. While 'public opinion' sympathised with Ukraine in 2022, there is little support for arms exports or military support for an intractable and unwinnable war in 2025. A clear majority want Britain to end arms exports to Israel. The dangers of Britain's recklessness in using UK 'Storm Shadow' cruise missiles against Russia in November 2024 are massive. Consequences of a nuclear, or conventional exchange with Russia would be catastrophic. The lives of millions of people are being gambled with.

It doesn't have to be this way. Britain could play a constructive role in the world economy, building a new generation of industries geared toward solving humanity's escalating problems from climate change, through multilateral relations with the countries of the global south and China. But the military-industrial complex of NATO instead drives us toward a cataclysmic war in which millions will die even assuming that generalised nuclear exchanges don't render the planet uninhabitable.

Peace is a trade union issue. The finest traditions of the trade union movement include working for peace and peaceful resolution of global disputes, recognising that a new era of war can only bring death, destruction and displacement, poverty and a growing environmental catastrophe as much needed resources are ploughed into war.

Some in the labour movement seek to drive a wedge between workers and the cause of peace by promoting the arms industry as a source of, skilled jobs. This is a false opposition, promoted by opportunists seeking short cuts to sustainable jobs and investment in exchange for an arms race to a war in which we all lose.

The Communist Party calls on trade unions to commit themselves to campaign for UK governments to work for peace and diplomatic solutions to war and end the UK's role in inflaming global conflict. The labour movement must strengthen support for peace campaigns globally and in Britain and convene a labour and peace movement summit to establish the basis of a foreign policy with peace and social justice at its heart.

This alternative strategy must reopen arguments for defence diversification to replace Britain's reliance on arms exports, reduce the influence of arms monopolies in the British state and create jobs based on production for civilian needs and export for development. Unions must deploy 'Just Transition' arguments for decarbonisation, commitments to like-for-like replacement of skilled jobs. There must be long-term prior planning and investment based on identifying the needs of civilian markets.

6 An Alternative Economic and Political Strategy. The Communist Party argues that Britain needs an Alternative Economic and Political Strategy (AEPS) to raise living standards, and erode the power of the monopolies and financial institutions holding the economy back to create economic growth. We argue that only by taking on the established power of these big business interests can we enact policies to help the mass of British workers and smaller businesses, and rebuild regional economies. Only by taking on these interests can we replace the reliance of our economy on overseas interventions and war, by building positive economic relationships with the global majority through the BRICS organisation.

While the broad contours of such an alternative strategy can be mapped out now, the exact proposals must be developed and actively, consciously fought for by the working-class movement. Many elements already exist as

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popular labour movement policies.

As a first step, trade unions should demand Labour in government immediately adopts alternative policies:

- Abandon self-imposed 'fiscal discipline', in favour of a fiscal policy aimed at restoring sustainable growth, renewal and rebalancing of the economy. Public opinion already favours this.
- Restore democratic control of the Bank of England and reintegrate monetary policy into wider economic planning. The main threats to the Britain's economy do not arise from short-term political interference in monetary policy, but from a long-term structural bias toward the interests of finance capital.
- Raise tax revenues to finance borrowing and public spending by shifting the burden onto big business and the super-rich. This includes corporation tax on big business and wealth taxes including a tax on assets over £10 million, windfall taxes on monopoly profits and abolition of Tax Havens in Crown dependencies.
- Counter attempts by the financial sector to destabilise government finances or create a 'run on the pound', as well as to limit outflows of capital to City offshore currency markets. This means proposals for capital and exchange controls and nationalisation without compensation where necessary.
- Create a publicly owned national investment bank and take other financial institutions into public ownership as necessary. Publicly owned institutions must have mandates to provide greater financial support for small businesses but also to invest in and retain public stakes in a new generation of strategic manufacturing with potential for new exports. This will ensure that public benefits from wealth that its taxes create and that public funds are not diverted into shareholder dividends..
- Replace subsidies with a new planning agreements with major infrastructure and manufacturing firms, including creation of better jobs and mandates to work with regional governments.
- Defence diversification to end Britain's reliance on arms exports, reduce the political influence of arms monopolies in the British state and create broader-based regional economies in which jobs are based on production for civilian needs and exporting for development instead of war. This must be on the same 'Just Transition' basis as trade unions argue for in decarbonisation. There must be a robust defence of jobs, with commitments to like-for-like replacement of skilled jobs. Long-term planning and investment must identify civilian markets.
- Public ownership and investment in renewal and reintegration of critical national infrastructure, including energy, transport and digital communications to support economic recovery.
- Public investment and control of health, education and social care and measures to de-commodify these services and extract them from entanglement with finance capital wherever necessary.
- Further development of the New Deal for Workers to enshrine the right to strike and restore the right to take solidarity action, together with the extension of sectoral collective bargaining to raise living standards. These will be vital to rebuild the power of organised labour to regulate the price of labour across the economy as a whole, rebuild collective bargaining,

increase labour's share of wealth and rebuild a confident, militant working-class movement.

- Restore and promote democracy in our political system, social life and economy. Devolution must mean more than handing unaccountable power to Metro Mayors. Power should be restored to democratic institutions and moved closer to working people, including by repealing laws attacking civil liberties, challenging monopoly power over the press, rebuilding sovereignty of Parliament over economic policy, support for a new 'progressive federalism' throughout Britain and rebuilding local democracy.

These measures would enable a Labour government to raise living standards for working people and take pressures off smaller businesses by tackling the biggest barriers to economic development and redistribution of wealth. An interlocking strategy to weaken the vice-like grip of monopolistic big businesses and financial interests in the City can anticipate the reactionary resistance of this small group of interests.

The above programme would build support for a Labour government among the mass of people including sections of the business community. It would also create new unionised jobs in manufacturing and empower unions to expand out of their current strongholds. This would help re-build an active, organised labour movement.

Work to develop this alternative is already being done throughout the movement, in policies developed democratically by unions, in the ideas of community wealth building in our cities and regions and in the heterodox economics that resides around the edge of the academic mainstream. But it needs to be better coordinated, further developed and seen as part of a unified and coherent challenge by the mass of the British people, led by the organised working class to weaken the entrenched power of big corporations.

The Communist Party believes that ultimately it will prove necessary to go further and develop socialist control of the economy. This is because the capitalist system cannot offer any fundamental solutions to the multiple existential crises facing us.

The approach we set out here elaborates a programme around which the trade union movement can unite to offer a way of winning concrete improvements now and making future inroads into the power of big business and the financial sector.

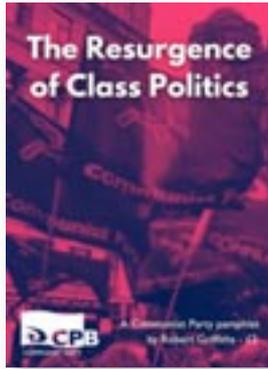
Notes

- 1 *Monthly growth of gross domestic product in the United Kingdom from November 2022 to November 2024*
<https://www.statista.com/statistics/941233/monthly-gdp-growth-uk/>
- 2 UK gross fixed capital formation (GFCF) was 18.1% of GDP in Q3 (July to Sept) 2024, compared to Germany (19.6), Canada (20.9), France (21.6), Italy (22.3), US (22), Japan (24.6). Source: *Business investment in the UK from the Office for National Statistics and OECD*
<https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/businessinvestment/julytoseptember2024revisedresults>
- 3 *UK labour productivity*, 15 Nov 2024
<https://commonslibrary.parliament.uk/research-briefings/sn02791/>
- 4 UK real wages are not forecast to recover 2008 level until 2028. TUC estimates the average worker has lost £14,800 since 2008 due to wages not keeping up with pre-global financial crisis real wage trends. Source: 08 Jan 2024
<https://www.tuc.org.uk/news/tuc-uk-families-suffering-worst-decline-living-standards-g7/>
- 5 *Unmasking Reform UK Ltd*, Communist Party (2024)
<https://shop.comunistparty.org.uk/?>
- 6 *Britain's Road to Socialism, Programme of the Communist Party*, (8th edition updated January 2020)

The UK government's pathetic warmongering is not in the interests of the British people. Increases in UK defence spending are paid for by cuts elsewhere in public spending. While 'public opinion' sympathised with Ukraine in 2022, there is little support for arms exports or military support for an intractable and unwinnable war in 2025. A clear majority want Britain to end arms exports to Israel. The dangers of Britain's recklessness in using UK 'Storm Shadow' cruise missiles against Russia in November 2024 are massive.

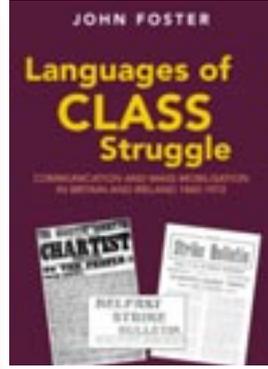


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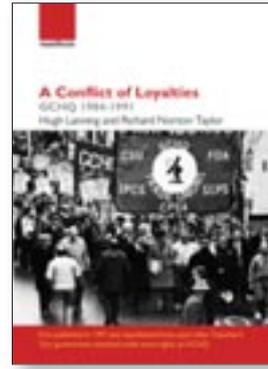
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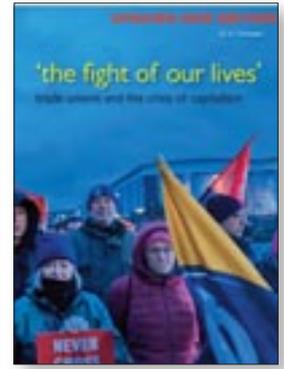
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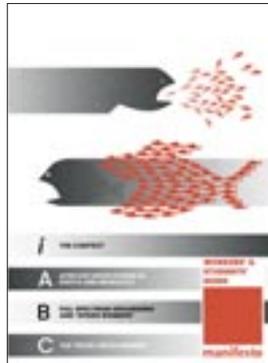
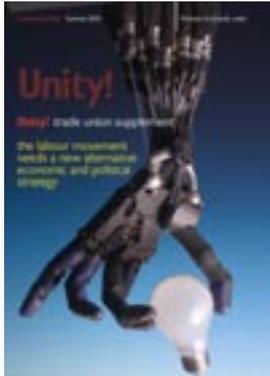
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