

It's rising fast.
It will dominate the eighties.
Its causes are manifold.
So what is to be done?

Sam Aaronovitch

Unemployment - halting the slide

In the 1950s the idea that unemployment could rise to 400,000 was regarded even by a Tory as politically 'intolerable'. In 1981 the registered unemployed are 2,500,000 and another million are available for work but not registered. The aim of this article is to discuss first, the causes of rising unemployment in Britain; second, why the response from the trade union movement has been slow in coming (though it is now building up) and third, what are the lines of action and policies needed in the fight for jobs.

WHAT ARE THE CAUSES OF RISING UNEMPLOYMENT?

It would be possible to give a list of factors which have been at work but the causes lie in a dynamic process rooted both in the way the capitalist system works and the kinds of responses made especially by dominant classes and by government. One general comment first. The motor that drives capitalist economies is profitable expansion. Periodically barriers build up which slow down or even reverse that expansion and force down the rate of profit. Two things then happen: first, weaker capitalists go to the wall and 'excess capacity' is scrapped (various kinds of rationalisation); second, workers are shed, unemployment rises and a 'reserve army of labour' is created which weakens the bargaining power of the workers and their organisations. In these ways, new conditions for profitable accumulation are, hopefully, created. This has happened in all the periodic crises of capitalism since the system established itself.

But what we are now witnessing are not just periodic waves of unemployment but a longer term tendency for the number out of work to grow and for that trend to be more severe in Britain than in most other advanced capitalist countries. What follows is intended to bring out the causes of rising unemployment in Britain. It should be obvious that without an accurate diagnosis we shall not be able to put forward effective proposals. Certainly we are dealing with a world economic recession but it is superimposed on a domestic economy which has been running into increasing difficulties over a long period of time. As has been argued elsewhere, the path of British capitalism has been shaped by the fact that when it encountered the fierce rivalry of other advancing capitalist states towards the end of the last century, it 'retreated' into empire and world finance, failing to reconstruct and modernise its domestic economy at the same rate as its rivals.

From that time, at every critical stage, in the early 1900s, in the 1920s and again in the sixties and seventies, the dominant groups of British capital have sacrificed the productive base of the UK economy to what they considered their world role and interests. As a result, a vicious cycle was perpetuated which has resulted in the long run

Brixton, London, Unemployment Benefit Office



relative decline of the UK economy and now, even to an *absolute* decline in its industrial base. The failure to reconstruct and modernise in line with its rivals meant that much of British based industry has become backward and uncompetitive. Free trade in such conditions means that foreign manufactures push out domestic products from the home market (as well as from overseas markets). This in turn weakens British based output and investment still further and depresses the rate of return of many sectors especially in manufacturing. The response of the most powerful groups has been to attempt to increase their market power through greater concentration of control and ownership and to invest abroad where they believed markets were growing faster, where profitability was higher and there was less political uncertainty, and in such areas as finance and property. This has again weakened the domestic base of the economy.

The world recession with its slow down in world trade has aggravated this process because more efficient capitalist economies such as the Japanese have intensified their export drive to make up for the low growth in their own home markets; and a number of newly industrialising countries have entered certain key industries with strong export-directed strategies.

Deindustrialisation

As a result of the combined effects of continuing relative decline, economic recession and massive excess capacity on a world scale in such areas as steel, shipbuilding, textiles and vehicles, a large part of the entire industrial base of the UK is under threat. The basic problem arises however from the *underlying* forces which have been building up over time and which has been acknowledged by governments especially from the early sixties. A Tory government set up NEDO; the Wilson government that followed set up a Ministry of Technology, a Department of Economic Affairs and the Industrial Reorganisation Corporation. In the 1970s, Conservative and Labour governments were involved in rescuing firms and industries that were collapsing. And various regional strategies were followed to deal with the rising unemployment in those areas where the impact of decline was most severe. But these projects have all been partial and, looked at overall, have failed. At each critical phase the orthodox, deflationary responses have been applied usually because of a crisis in the balance of payments and the need to protect the world role of British capital. They have expected the working class to take the weight of the burden of decline; confronted by resistance, they have sought legal and other means of limiting the bargaining strength of workers so that government and business could carry out their partial modernisation on the terms that suited them.

The failure to resolve the problems of the economy was a factor in the successful Tory election campaign in May 1979. In the name of dealing with inflation as the central problem, the Government has carried out a wide ranging deflationary policy; cutting back many public sector programmes, imposing sharp cash limits on nationalised industries, pushing up interest rates which, together with the impact of North Sea oil, has pushed up the exchange rate. The result has damaged the construction and other industries (recall that about one third of all public spending on goods and services is purchased from the private sector). Defence industries alone have benefited.

The high exchange rate in turn has made the imports of manufactured goods more competitive *than they already were* thus still further depressing UK output and investment; and it made UK exports more expensive with effects that are now being felt as the old contracts expire. A further twist has been given to the process of deindustrialisation.

What is new about the Government is not just the scale of deflationary action but also its *explicit* abandonment of full employment as an objective which government should and can fulfil. It has attempted to redefine the nature of social and economic priorities. Monetarist theory has provided the rationale that government *cannot* determine the rate of unemployment; it can only determine the money supply. Events suggest that it has certainly managed to organise high and rising rates of unemployment but totally failed to control the money supply! Again and again, Tory spokesmen expound on the need to discipline workers and make them 'see reason'.

The actual economic effects are well known. The sharp fall in manufacturing output and the even sharper fall in manufacturing investment; the further rise in import penetration; the increased number of bankruptcies; the pressure on profits in many sectors of manufacturing. It is worth noting that no other government in a major capitalist state has carried out such severe deflationary policies.

As one would expect, the capitalist response has been to use the crisis to rationalise and reduce capitalist investment in the UK and where they can, redirect capital overseas.

As a result of the large scale deflation, and the fact that the higher exchange rate made imports cheaper, the inflation rate has fallen (after being initially boosted by government policies). This is not the place to argue why I believe that fall itself to be temporary, but the overwhelming impact has been on output, investment and jobs.

What is happening to employment and unemployment?

To see what is happening we have to look separately at employment and unemployment.

In the last eighteen months the number of people employed in manufacturing has fallen by nearly a million, the biggest decline taking place in metal manufacturing (but over 100,000 jobs have also been lost in textiles and clothing within the past year). This decline has gone together with something which is new: a fall in the numbers employed in service industries of about a quarter of a million in 1980. In the sixties and most of the seventies when the decline in manufacturing jobs was taking place, there was a corresponding *increase* in the number of service sector jobs (both public and private) especially using female labour, much of it part time. That situation has now changed.

This reflects of course the process of rationalisation but, though difficult to measure, it uncovers some of the effects of creeping technological change which have taken place in a number of industries.

The appropriate figure for unemployment is the size of the labour force (ie, those available for work) less those in work. How big that difference is, is affected by whether the labour force itself is growing. Such an increase in the size of the labour force is taking place for two

reasons: one is that because of previous 'bulges' in the birth rate the number of people of working age is increasing, and the other is that more women are seeking to enter work (in the jargon: the 'participation rate' of women has been rising). The combined effect is to produce a rise in the labour force of well over 1.2 million between 1978 and 1985. Even without deflation therefore, there would have had to be a considerable increase in the number of jobs available to prevent a rise in unemployment.

When we look at unemployment (as distinct from employment) we have to recognise that what the government publishes are figures for those who register as unemployed, now totalling about 2.5 million. But as unemployment rises increasing numbers of people who have only just entered the labour market and those who have been pushed

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out of it, don't register. That 'missing' number is estimated at little short of a million, mainly women. The figure of those available for work but not working is in fact nearer to 3.5 million *now*. Amongst the registered unemployed there are of course large numbers who are entering and leaving the register but the pool of long term unemployed is rising relentlessly.

That still does not fully represent the scale of the problem. We should also bring into the picture those who are kept off the register by temporary government schemes which at recent figures number around 270,000 and there are also about 200,000 on short time.

The costs which this scale of unemployment and underemployment has imposed on society include the direct economic costs of lost output (estimated at £18 billion); the loss of revenue to the government; the economic, social and psychological cost to the individuals and families involved; the social costs that must be paid in rising vandalism, ill health (mental and physical) and the costs of meeting them.

The government measures of last November and those of the March 1981 budget are estimated to withdraw a further £5 billion of purchasing power from the economy. Together with the worsening economic crisis in Western Europe the prospects are grim for employment.

Clearly, major questions are being posed for the whole of society. Many different groups are beginning to recognise a threat to the stability of the system which the events in St Pauls last year and in Brixton in April 1981 have underlined. Because of the crucial role the trade union movement must (and is beginning to) play in the fight for jobs I want to give it particular attention.

WHY HAS THE RESPONSE FROM THE TRADE UNION MOVEMENT BEEN SLOW IN COMING?

I think this slowness of response is widely admitted on all sides in the trade union movement and a frank recognition of the reasons will help to change the situation the quicker.¹ I can only claim to offer a few of

¹ The slowness to recognise how things were changing was expressed for instance by David Basnett (General Secretary of the GMWU) in writing about the flood of redundancy notices his council was receiving, in his union journal (July 1980): 'in the past, and to some extent still, unions have taken all too passive an attitude. This is in two senses. Most importantly, we have failed to anticipate that employers will be seeking redundancies, and have thus not tightened up our procedures sufficiently. When the employers do seek redundancy we have accepted the inevitability and tended to direct our negotiations at delaying or reducing the numbers; but in the end we have accepted the bulk of the redundancies'.

the main reasons and though there are dangers in doing it, it might be useful to distinguish between 'ideological' and 'material' factors.

The ideological backwardness in responding to mass unemployment partly arises from the efforts of both Labour and Tory governments, with the full scale support of the mass media, to justify their policies. The arguments include:

- the central problem is inflation and this can only be solved by harsh measures which may affect jobs.
- governments cannot spend their way out of recessions; public spending must be reduced even if this hits jobs.
- excessive resources are being used by wasteful and bureaucratic services and these must be released for use by the private sector.

The more sophisticated arguments of the monetarists about the inability of governments to determine the rate of unemployment have an influence amongst certain professional and business circles. I doubt if they have much popular currency but they form a prop for all ideas in which unemployment is some kind of 'fallout' which must be accepted whatever it is.

There is another major view: that those who are out of work are basically scroungers or deviants; and this also accompanies the idea that women are dispensable as workers if jobs must be cut. There has been an enormous amount of directed hostility against these groups which can be felt even amongst some active trade unionists.

Obviously the degree to which such ideas are widely held enables unemployment to be tolerated and even the approval of repressive measures against the unemployed. But there is also the problem that the arguments put forward by the Left only had limited mass circulation and appeared to many not to acknowledge sufficiently the deep problems confronting the economy.

Who and where are the unemployed?

Even so, to see why these arguments seemed so persuasive we must look at *who* and where the unemployed are. A very large part of the unemployed have been and are now still drawn from the following:

- young people (more than half a million are under 20).

Fear has been a powerful ally for the Government and employers

- women (unemployment amongst women has risen three times as fast as amongst men).
- ethnic minorities (where both male and female unemployment rates are well above the average).
- older workers and those with disabilities.

If we look at the unemployed from another angle we will find that to a large extent they have been and are unskilled or semi-skilled; often part time and home workers; unorganised or poorly organised, working in small and medium sized enterprises.

These are the people who have taken the main weight of rising unemployment.

That situation has clearly begun to change (as I discuss below) with the escalation in the number of unemployed which has risen as follows:

1966	330,000	1970	580,000
1979	1,300,000	1981	2,500,000

(these figures are of registered unemployed only).

But it is also significant that unemployment is heavily concentrated in a number of areas such as Northern Ireland, within which there are places where unemployment rates are over 25%. Large 'ghettoes' have been created which have had the effect of 'hiding' unemployment from millions of others. That situation also is changing as unemployment rises. But together these factors have affected the way the trade union movement responded until fairly recently.

There is often a big lag between actual changes in a situation and the ideas people have about it. For over two decades the trade union movement had operated in a situation of relative full employment which also contained extensive overtime working. When rates of growth slackened, it was often expected that output would fall faster than jobs because employers would hold onto labour so as to be ready for the upswing to come. These ideas still held even after the shake out started from about 1967.

But if it is true that the main weight of unemployment was taken by workers largely marginal to the bulk of trade union membership, then this obviously limited its impact on the trade union movement.

Large sections of organised workers were able to defend themselves against attacks on real standards of living and for periods many workers secured wage increases higher than the rise in prices ie, they have improved their real incomes. The threat to jobs was dealt with largely by agreements not to replace 'natural wastage' thus pushing the problem onto those who had not yet entered the labour force or were currently unemployed. Redundancy payments (which could also be forced up with tough negotiating) offered workers an individual solution and moderated the conflict between employers and workers. Many of those workers could, in the past, if they were of the right age and had the right skills, go and find other jobs.

In these circumstances, well organised workers in jobs have been able to make effective use of the normal methods of collective bargaining.

The situation has changed however and it is important to see what the impact of rising unemployment is upon the trade unions.

Impact of rising unemployment on the unions

The rise in unemployment within the last year has now hit the heartlands of British manufacturing industry; some of the 'outer layers' of jobs have already been peeled off; now entire plants and divisions have been closed down or are under threat not simply in small and medium sized enterprises or poorly organised establishments but in large firms and corporations where trade union organisation is strong. And in addition government cuts have put pressure on the local government and public service sector which has built up high levels of union organisation.

This process has had, as the Tories and big business intended, a direct effect on the morale of those still at work and their readiness to fight not only on redundancies but also on wages and conditions. Divisions have been created which the Government and employers have used to the utmost, sometimes separating shop stewards from the shopfloor. Those sections most open to international pressure (such as steel, shipbuilding and vehicles) and/or to direct government financial restrictions have been especially disadvantaged. New technical processes are being introduced without negotiations and often without the trade union officials even knowing. Fear has been a powerful ally for the Government and employers.

In addition, rising unemployment has meant falling membership for the unions and a decline in their funds; branches are being wiped out and their bargaining influence clearly weakened. Some unions are reducing their affiliated membership to the TUC and the Labour Party, which will also affect these organisations. To rescue themselves from this decline the question of mergers has come more sharply onto the agenda (see for instance the discussions between the NUJ and the NGA) though in some cases the matter is complicated by political differences within the trade union movement itself.

Furthermore the existence of a growing body of unemployed who have either not been organised or become separated from the unions has brought into existence a potential force which can be used by reaction against the labour and trade union movement in different ways.

Nevertheless, even if the unions had anticipated the scale of pressure they would be under, it does not follow that it would have automatically led to effective resistance.

The politics of recession

The economic crisis and its intensification by government and employer's actions raise major questions but don't by themselves provide answers.

The political effects of recession are not straightforward. There can be many responses depending upon the forces and ideologies at work. As someone who was unemployed in Stepney in the thirties and was a member of the National Unemployed Workers Union for a time (and also of the Young Communist League), I can testify that there was no automatic swing to the left or radicalisation of people simply arising from their experiences as unemployed or seasonal workers. Extreme right wing and racist ideas can gain a following as they did in the thirties and have today (as for instance with the National Front); the support won by the Tory Party in its election campaign could also be seen as representing a growth in the influence of reactionary ideas. Many people retreat into individual solutions or various kinds of sectarianism, and amongst ethnic minorities the response may be to intensify separatist groups which isolate them from the mainstream labour movement.

Many feel that the two main parties have abandoned them and look towards the Liberal and new Social Democratic parties. A survey of the political attitudes of unemployed carried out by Market and Opinion Research International (MORI) and published in the *New Statesman* (March 27 1981) suggests that the unemployed tend to hold onto their 'normal' political positions but that unemployment did not lead to any shift towards Labour. This was before the formation of the SDP.

In one way unemployment releases divisive forces as people struggle to maintain their positions whilst deflation limits the resources. But it also, as I have said, raises questions and creates conditions for resistance. As the costs and consequences of large scale

unemployment become pervasive, explosions and disturbances occur which threaten to destabilise the political and social framework. Many groups of people such as those in the 'caring' professions, religious and reform groups of all kinds begin to recognise its monstrous effects. Even certain Tory and business circles express anxiety and argue for a return to consensus politics if the Tory Party is not to be overwhelmed. For the labour and trade union movement what is at stake is also the unity and 'integrity' of the working class itself.

Within the labour movement, the defeat of the Labour government in 1979 has combined with the deepening economic crisis to increase support for the Left. But it is also because economic crisis poses sharp questions that the left advance 'provoked' the formation of the Social Democratic Party by a right wing group which left the Labour Party. However, that in turn has galvanised right wing and centrist elements in the labour and trade union movement to join forces in a counter attack on the Left. It is hardly surprising that it is the right wing within the trade unions which has been weakest in its fight against redundancies and rationalisation.

The political outcome of the recession therefore depends heavily on the ability of the Left to help the entire labour and trade union movement to focus and direct the discontent, alienation and concern which is now widely to be seen.

One very practical aspect of this is the way the trade unions build up their relationship with the unemployed (an issue explored by the TUC in their consultative document *Services for the Unemployed*). The unions must work out between them plans to provide more effectively for those who are liable to drop out of the unions when they are unemployed or may never have been members when they became unemployed (and that includes large numbers of young people and women). Also important is the campaign to set up Centres for the Unemployed either directly by bodies such as trades councils or in cooperation with local authorities. But the greatest significance of all such efforts is that they are linked to continuous public campaigning in a way in which fully involves the community including the employed and the jobless.

A serious fight against unemployment requires the left advance to be pushed forward *not in sectarian fashion* but in a broad and popular way. It is in this sense that the Peoples March for Jobs taking place this month (May 1981) symbolises the potential breadth of the forces that can be mobilised and the opportunities that can be created to inject into a heightened movement the policies and proposals which the Left regards as vital.

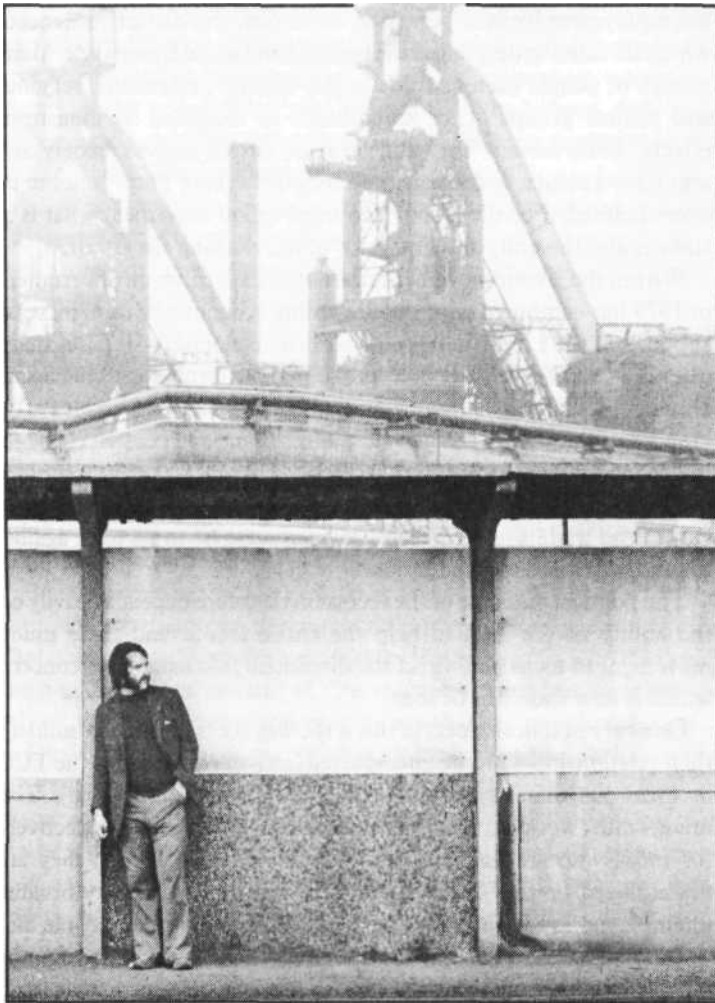
Socialist politics is becoming possible in a way that has not existed for many years.

WHAT ARE THE LINES OF ACTION AND POLICIES NEEDED IN THE FIGHT FOR JOBS?

If the argument in the first part of this article is anywhere near right, the fight for jobs cannot be separated from the relative decline of British capitalism, the long run deindustrialisation and the ways in which government and capitalist groups have responded. I discuss the implications of this for policy below but one conclusion I would draw is that the situation cannot be *resolved* by traditional forms of collective bargaining alone for the obvious reason that such bargaining does not get near to determining the overall level of activity of the economy nor can it decide and carry through the major and long term reconstruction which is needed. It is also obvious that in a deep recession the traditional forms of collective bargaining — vital as they are — are less effective for most workers. That is why the trade unions (and the TUC) must necessarily involve themselves heavily in political struggle to shift state policy and the distribution of power and also why the political parties of the working class are vital in creating conditions for

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a different kind of policy as well as a different kind of Labour government. If my focus in what follows is still strongly on the trade union movement that is because though not the only force, it is the crucial force without which the battle for jobs would be lost before it was even begun.

The fight against redundancies

The fight to hold onto every job that exists to the greatest possible extent is one of the most important areas of struggle for the trade union and shop steward movement; not just for itself as the TUC has rightly emphasised but to keep the largest possible basis for the economic advance that the labour movement is working for. In part it is an attempt to stop the dismantling of sections of industry and prevent the quality and scope of the social and public services from being undermined by the cuts. This defensive battle is of great importance; but, as those engaged in it know, it is an exceptionally difficult and exhausting one to fight. The firms involved (as well as those who work in them) are in very varied circumstances in terms of size, multinationality, degree to which they are affected by the crisis etc. It is hard to prevent a private firm from running down and closing a plant (and though many plants may be efficient, others are full of clapped out machinery and inspire no confidence in the workers that they have a future). And there are firms which must rationalise in order to survive. The fight has also proved difficult in some nationalised industries like steel, where there is massive over-production on a world scale because of the crisis and because of the

strategies followed by many producers.

Another aspect of the fight is to prevent employers from imposing *compulsory* redundancies. Its significance is first, the attempt to maintain some degree of control by the unions and stewards as to whether, who and when workers are to go but second, to make the preservation of jobs no less a matter for collective bargaining than wages and conditions. With the frightening daily list of redundancies and closures, the trade unions feel themselves under siege and in these conditions, every victory (however partial) is precious. This is why the tough stand of the National Union of Mineworkers, including the partial industrial action which brought about the withdrawal of plans to close 25 pits with a loss of 25,000 jobs, was important. The Liverpool dockers, with obvious widespread support, were able to throw back an attempt to break a clear agreement which would have threatened 178 jobs. In these two cases, it is true, both groups had big advantages. A different example was provided by the workers of the engineering firm, L Gardner and Sons in Lancashire, where the management threw out the stewards' proposals for worksharing and short time working, announcing instead 590 redundancies to cut the labour force from 2,400 to about 1,800. A determined struggle involving occupation took place and obliged the firm to withdraw the compulsory redundancy notices and negotiate a different and less harsh approach. It was in no sense a clear victory against redundancy but it was a partial victory for some measure of steward control over the process. In resisting closures, solidarity is vital and the support now being shown to the women workers of V F Jeans in their battle by the Scottish TUC and the Lower Clyde shipbuilding workers is an example to the entire movement.

In many cases, management is able to use the threat of compulsory redundancy to bring pressure on unions and stewards to accept the inevitability of cuts and to get an increase in the number who accept voluntary redundancy. But, for many workers now, with unemployment rising and concentrated in certain areas, the gains even from substantial redundancy payments appear less attractive; and in other cases, voluntary redundancies have removed an 'outer layer' leaving behind those, usually younger workers, who are readier to defend their jobs if they can.

There is another aspect of the struggle to maintain jobs which has become a growing issue: the campaign to cut overtime and negotiate a shorter working week. The TUC has been able to report that 'two of the greatest barriers to shorter working time — the 40 hour basic week for manual workers and the 4 week basic holiday entitlement — have now been comprehensively breached. Some 4 million manual workers — nearly half the full manual workforce — now have agreements that will provide a basic week under 40 hours.' Many sections of non-manual workers have also won agreements for shorter hours, longer leave and earlier retirement.²

This is an issue on which collective bargaining has considerable leverage.

But all experience shows that the scale of the Tory attack and the rapidity with which unemployment has risen makes these struggles difficult. Success depends heavily not only on the degree of organisation and combative spirit of the workers in a given location but also on the particular circumstances of the firm or corporation involved. It may help to limit or even in some cases control the decline; but it will not deal with the problem where the workers are poorly organised, nor will it provide jobs for the unemployed; nor can it deal with the overall policies of government and their consequences.

That is why the formulation and struggle for an alternative economic strategy is critical; such a strategy answers the Tory charge that there is no alternative; it constitutes a programme for unifying opposition to government policy and, more positively, in pointing that movement in a new direction.

The alternative economic strategy

The challenge to Tory attacks takes place on a very broad front which embraces the wages fight (especially to prevent wage increases falling below the rate of inflation) and the fight against cuts in government and local authority spending. Here I propose to deal only with three aspects with special relevance to employment.

The intention of the alternative economic strategy³ is to help inspire a movement for the reflation of the economy which can lead into a large scale programme of expansion and faster growth. The reflation calls for a big government spending programme especially on capital and investment projects together with the renewed growth of the social services. Such a programme involves, if it is to develop and succeed, growing democratic control of the national economy. Looked at in terms of jobs, a first stage reflation programme together with a cut in the working week could provide over 1 million new jobs; a second stage longer run expansion plan (assuming the economy can grow at 3% a year) would in five years provide 1.2 million jobs.

A second and urgent part of the alternative economic strategy is to develop a radical industrial strategy. Obviously action is needed now to protect and assist industries which are suffering from the economic crisis and the consequences of the Tory foreign trade policies. The debate has centred very much on selective control of imports of goods like textiles and vehicles. But it must be obvious that important as such defensive action is, it must broaden out into a struggle for a positive industrial strategy. The argument for *general* import controls (on manufactures and semi-manufactures) is to allow the economy as a whole to grow; but the industrial strategy must promote industries vital for expansion and the productive strength of the economy as in areas of high technology.⁴

I want to mention as my third point an even more immediate need: action to deal with problems facing specific groups of people. The most acute and desperately placed group is that of the young unemployed and, amongst them, those from the ethnic minorities. A whole series of emergency measures such as those put forward by the TUC is vital but the need is to move away from schemes like the Youth Opportunities Programme, which is threatened with collapse as more youngsters pass through it with even fewer job prospects and with employers abusing it in order to get cheap labour. One lesson is that the labour and trade union movement must be far more involved with special employment schemes than they have been but the biggest issue is full time training and education for all in the 16-19 age group and a vast extension of real apprenticeships.

In regard to women who experience massive and pervasive discrimination there is the beginning of a campaign for 'positive action' and demands for a further reform of the Equal Pay Act and the Sex Discrimination Act.⁵

The need for major political and social changes

It is a sobering thought that even the most ambitious of programmes put forward by those advancing the alternative economic strategy do not eliminate large scale unemployment. The TUC £6 billion stimulus advocated in their *Plan for Growth* would leave unemployment *at its present level*, though it would prevent unemployment from being 600,000 higher than it would otherwise be by the end of 1982.

Amongst the reasons for the difficulty of returning to the numbers of unemployed in the fifties are the following.

First, so much of our industrial capacity is being eliminated that even if the economy is reflatd, we would reach full capacity working with massive numbers still unemployed. And continuing technological change and reorganisation even of the sort now going on, means that output could rise with workers still being sacked.

Second, what cannot be evaded is that a large part of UK industry must be modernised if it is to be capable of meeting the needs of the

For instance, dealing with the distribution of work must involve completely new ways in which it is distributed between men and women

domestic market efficiently and of exporting enough to finance the necessary imports of food, raw materials and intermediate goods as well as manufactures. The heavy investment programme will increase employment as it starts up but in the longer run it will tend to be labour saving.

Third, the technological revolution now under way, even though economists reach no firm conclusion on its impact on employment, will not only affect the manufacturing sector but even more the service and information sector. This means the increase in jobs in labour intensive areas would need to grow massively faster to compensate for labour saving in other areas.

Fourth, the character of work and of skills required involves an enormous training and education programme which must take time and resources to mount and become effective.

To bring unemployment down even to 700,000 within say five years would involve creating jobs at something like the rate of 6-7,000,000 a year, not approached at any period in modern British history.

There are major technical and organisational problems to be resolved here but they are inseparable from the answers to such questions as to how society is to be organised, how work is distributed and on what principles.

Capitalist strategies have led the British people into an economic morass from which they will only be able to emerge by overcoming the entrenched power of reaction, big business and finance. In the fight for jobs there is great need to unleash forces at the level of the plant, the enterprise and the community; to stimulate every kind of organisation which can exert peoples' power and create the kind of movement which would make a government of the Left possible.

The alternative economic, social and political strategy upon which the solution to the problem of mass unemployment depends will be illusory if the mass of the people are not involved in deciding it.

But such solutions raise far wider questions than any we have so far discussed in this article. They involve massive environmental questions; new relationships being built up on a world scale; but above all a new approach to relationships between people. For instance, dealing with the distribution of work must involve completely new ways in which it is distributed between men and women. These are not matters which can be dealt with at some future date when 'we have dealt with unemployment'. They are on any long term basis, important aspects of the fight to bring about that 'irreversible shift in power', that is, the road to Socialism, which must be the guiding thought of the Left. D

²Note that even in 1980, over 54% of male manual workers were working overtime, averaging over 10 hours a week — almost as high as in 1974 or 1979.

³For a detailed discussion see Sam Aaronovitch *The Road from Thatcherism: the alternative economic strategy*, Lawrence and Wishart, 1981; and also CSE *The Alternative Economic Strategy*, 1980; and TUC *Plan for Growth*, 1981. These also discuss how expansion can be financed including the use of North Sea oil revenues.

⁴The idea is that imports will grow with the growth of the economy but at a controlled rate. In this sense, there is no question of exporting unemployment. For a more detailed argument see *The Road from Thatcherism*, Chapter 6.

⁵There are other important questions which I cannot deal with in the space which include specific proposals to improve benefits and services to the unemployed.