

Sid's Campaign

Charlie Leadbeater's article 'The Sid in us all' (*MT*, Jan), though I disagree with much of it, is both thoughtful and intriguing.

He is right to regard privatisations as a misrepresentation of the 'popular capitalism' they were designed to promote. They have created, by the generous pricing of share issues, expectations, on the part of those to whom they have introduced direct share-ownership, that are wholly inappropriate.

New investors have been introduced not to capitalism, but to a form of speculation - stripping the discount from their shares by the immediate sale of their allocations.

But cheap privatisation issues are not the only contemporary sign of movement towards popular capitalism. There is also a growing interest in owning shares in the company for which one works, which I, were I a member of the Left, would be much more concerned about.

The trouble with state-ownership is that, contrary to Leadbeater's assertion, there are no sound economic arguments for it. Inefficiency is endemic in state-owned organisations, as it is in all other monopolies. A major government stake on the supply side of the economy is, and always has been, a recipe for serious misallocation.

The misallocation is best regarded as a substantial agency cost of egalitarianism. There are much more efficient ways of promoting equality, through the tax system for example.

The fact that privatisation has done precious little to improve efficiency is because of the subordination by government of competition to budgetary need. BT and BGC would have

attracted much less investment support had their sales been accompanied by vigorous attempts to promote competition. As Leadbeater suggests, competition offers the best protection against monopolistic exploitation.

This is why Leadbeater's novel suggestion that utilities might be organised on a franchise basis is so interesting. Periodic competitive tendering for franchises, tantamount to establishing a market in the corporate control of utilities, would not offer consumers the protection of full competition, but it would be far better than nothing.

But Leadbeater seriously weakens his argument by proposing that government should retain 80% of the regional companies. This would destroy completely the effect of competitive tendering. The proposal demonstrates how profoundly the Left has misunderstood the significance of ownership.

State ownership and control, by removing competitive discipline, *always* imposes unnecessary agency costs on consumers. The pursuit of the egalitarian goal through state ownership is a costly confusion of the 'allocative' with the 'distributive' role of government.

Competitive tendering for *all* regional utility franchises is an allocative idea worthy of further study. It would have distributive implications - through the conversion of the agency costs of state ownership into lower prices and higher tax revenues - but should not incorporate any distributive features such as the retention of state control. •

Tom Lloyd,
Editor and co-owner
Financial Weekly

Terrorism

Fred Halliday, terrorist or freedom fighter? Why is it that *MT*'s only major reference to Palestine for some time is a rather cryptic photo-caption attached to an article on 'terrorism' (Jan *MT*).

I cannot see how Fred's rather glib and highly Eurocentric treatment of the problems faced by liberation movements has taken the Left forward.

Fred makes the dubious comparison of what is official Israeli policy, ie, the indiscriminate bombing of

Palestinian refugee camps, with what 'some Palestinians' may do to Israeli citizens in reprisal. The PLO and Fatah do not condone the indiscriminate killing of innocent Israeli citizens, or the bombing and hijacking of civilian planes, so why imply otherwise?

I suppose the magazine's editors had the good taste to remove some of Fred's other 'tips' for the PLO made at the Left Unlimited event. Is it too much to ask for a right of reply for the PLO? •

Paul Hassan, London

Fashionable Left

We'd been looking forward to *Marxism Today* running an article on fashion. At last, we'd see the plurality of people's fashion, as well as political, lives.

Instead we were treated to a snide prescriptive piece which pretended to be about fashion and the Left (*MT* Jan) but was actually about what straight, white men (preferably from London) are wearing. Why did the editor choose to focus on this least stylish 'minority', omitting not only women but the particular contributions of black people, lesbians and gays to radical fashion?

Women have always taken clothes more seriously, and recognised that they do say something. That's why it was feminists, such as Elizabeth

Wilson and others, who began to develop theories around fashion, and women designers like Katherine Hamnett who started the current wave of 'political clothing'. And it's not just designers who've been influential. Street fashion has become increasingly important. Young women in Doc Martens and leggings are the inheritors of feminism's earlier 'comfortable' fashion style. And they're having fun dressing like this too!

When we look at the new 'fashionable' man, he is in fact made up of the styles which were developed by the 'outlaws' of the Left, particularly by black men and gays. Why couldn't this have been acknowledged and explored? •

Janie Glen and
Sioned Mair Richards

European Women

Catherine Hoskyns' article on the scope and limits of EC equality legislation (*MT*, Jan) made refreshing reading. Access for the British Left to such valuable information and excellent analysis is long overdue. Selective reading of the Treaty of Rome and a myopic view of the EC in the past by a male-dominated labour movement has not helped. One serious result of this is that EC equal opportunities laws have not been exploited by, or on behalf of, women as they should have been.

Catherine is right to underline the gap which exists between the women's movement and Brussels civil servants responsible for framing equality laws. Such a gap also exists for Euro MPs (even those on the women's rights committee) and stems from the division of

power between EC institutions. Euro MPs have to really coax and cajole on the sidelines in an unsatisfactory *ad hoc* manner using debates in Strasbourg, the occasional committee meeting, or informal lunches, to get their point across.

Labour women must have more access to EC information. Meeting women from other countries is also essential. The distance between an obscure political process and the real struggles of women has to be bridged, as does the distance between European women themselves. The European Parliament must be used to provide facilities for European women to meet, as the peace movement has done in the past. Euro MPs can, and must, continue to give a helping hand in this crucial venture. •

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