

Left- Horizons

Real divide in UK: between poverty and wealth

Jeremy Corbyn has argued that the real divide in British society is not between Brexiteers and Remainers, but between the rich and the poor. In this we agree with him one hundred per cent. Almost every week new information is published out about the rising inequality in wealth and income in Britain and the world. Some of the latest information is carried in the blogs and articles of Marxist economist Michael Roberts, such as his latest article published on our website.

It hardly needs saying, but this issue is not about dry statistics or data; it is about real lives and concrete hardships faced on a daily and weekly basis by large numbers of the population. According to the homelessness charity, Shelter, there is something like a third of a million people living on the streets or in hostels in the UK – and outrageous statistic, in what is the sixth wealthiest nation on the planet. Across the country, food banks have proliferated and the demand for them shows no sign of decreasing. Many of those attending foodbanks are not the unemployed – although that in itself is bad enough – but are workers who are just simply too poorly-paid.

Four million *workers* are officially in poverty. Indeed, in the last few years the rise of official

poverty data is almost entirely due to the insecurities faced by working families, trying to juggle food bills, rocketing rents and the cost of utilities. For millions of people, the backdrop to their lives is a shaped by low-pay, insecure jobs and declining working conditions. Research by the End Child Poverty coalition, shows the extent of child poverty across the whole country: their website has an interactive map so it is possible to check out poverty in any area. Few areas are immune and child poverty is now the 'norm' in many UK cities.

Life expectancy declining for the first time since WWI

The latest astonishing example of in-wage poverty was pointed out by Jeremy Corbyn in parliament: a food bank that has had to be set up in a top government department. The Department for Business, Energy and Industrial strategy has outsourced its payroll services to a private contractor and, as is usually the case with such outsourcing, the contractor cannot do a decent job of it. The result is that many workers have not been paid the right amounts, or have not been paid at all, leading to the PCS union setting up the food bank.

For the first time since the First World War, nearly a century ago, the trend for life expectancy is declining in Britain, and has been for the last three years. There are big disparities in life expectancy across the country, region by region, but these mask what are really *class* disparities, because some of the areas with the greatest deprivation are actually in the south of England, a world away from the relatively wealthy commuter suburbs of outer London. If you live in a rich part of Kensington and Chelsea, for example, you will likely live a lot longer than you would living in, say, Liverpool or Newcastle

Into this situation, we have a new “review into inequalities” announced, led by economist, Angus Deaton. His review, working with the Institute for Fiscal Studies, will take up to five years to come to its conclusions. Cynics might be forgiven for thinking that this review is simply another *fudge* to avoid any real efforts being made to tackle the power, privilege and wealth of the established rich. After all, why is a five-year review needed? Why is *any* review needed? Isn't there already enough published information about the poverty, austerity and insecurity faced by millions on a daily basis?

The logic of capitalism operates against workers

Angus Deaton has suggested a rationale for the review. “If working people are losing out because corporate governance is set up to favour shareholders over workers,” he says, “or because the decline in unions has favoured capital over labour...we need to change the rules.” But what he outlines here is simply the whole logic of capitalism. There are no ‘ifs’ about it: we live in a system that is fundamentally based on profit at the expense of workers. As Marx explained many years ago, *profit is the unpaid labour of the working class*.

All the benefits that have accrued to workers, in terms of better working conditions, higher

wages and social benefits have come about as a result of the struggles of the workers themselves and the pressure they have exerted on governments, usually Labour governments. Nothing has ever been given *gratis*. Nothing. And there is no reason to suspect that anything will change. Indeed, all the benefits gained in the first post-war decades are now being whittled away, including local authority services, the NHS and public education. Angus Deaton's new review is like an inquiry into links between the Devil and Sin and it is completely *superfluous* to the needs of the moment.

For millions of workers facing the daily grind of austerity, a Labour government cannot come soon enough. A Labour government is needed to carry out socialist policies and to implement radical and permanent changes in the interests of the big majority of the country – the working class. Polices for the Many and not the Few. Moreover, we have argued on this website that Labour is remiss in not campaigning more vigorously and more effectively *now* to kick out the Tories and to demand a general election.

The Labour Party has the apparatus and the financial wherewithal to conduct a national campaign now. Instead of playing parliamentary games over Brexit with Theresa May, Labour should call a national rally to protest *against poverty and austerity*. How much better would it be, for example, for Labour to organise for a *national* demonstration in a regional city like Sunderland, where there was a big pro-Brexit protest vote and where workers are justified in feeling ‘left behind’? The national Labour leadership need to come out from behind the smokescreen of Brexit/Remain. If the obscene disparities in wealth and income represent the real divide in the country – and they do – then Labour must start acting and campaigning like it.

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