

Rebuild the Welfare State!

OVER £600 billions of money are in circulation in Britain. Total incomes are about £13 to £14 billion a week. To rebuild the Welfare State would take maybe £40 billion a year. That would be enough to pay for all the demands of the current welfare-state campaigns — free education, restored health service, reduced class sizes, renovations to school and hospital buildings, nursery provision, new housing, increased pensions and benefits — yet it is less than £1 billion a week.

Whatever the obstacles to such demands, lack of cash certainly isn't one. Is it a lack of real resources?

Not that, either. The number of hospital beds in the Health Service has gone down by one third since 1979. Yet the number of beds in private hospitals and nursing homes has gone up by the same number. There are not fewer beds. Equally, one-third of the health-care staff in Britain now are in the private sector. The resources are there — they're just in different hands.

The 10% or so of school teachers who work in private schools are not enough to make up the shortfall in education. Yet there are tens of thousands of qualified teachers jobless or in work outside teaching which does not use their qualifications. Schools are sacking teachers. Again, the resources are available — but squandered.

Hundreds of thousands of people qualified and willing to do ancillary work in the Health Service and education are on the dole. Nearly half a million building workers are jobless, and there are vast stockpiles of bricks.

If the welfare state were restored, and a decent minimum wage introduced, then the previously poor — jobless, low-paid, pensioners, students... — would eat better and dress better. Would that strain the available real resources?

No. The European Union pays farmers *not* to produce. Whereas for thousands of years virtually all the labour power of society, applied to the land, could not reliably produce enough to feed everyone, today about 2% of the workforce in Britain can do it. It is hard to disentangle exactly how much of society's labour time goes to producing the basics of life — food, clothing, housing, education, health-care, transport, and, of course, the equipment and raw materials used as inputs for all these — but it is probably no more than 25% in Britain. Some of the "overhead" labour — wholesale and retail, banking and book-keeping — would be necessary in any society, but not most of it.

Price £1.20/60p (UK)

(\$2.50 US; \$4 Australia)

IRE1.40 Ireland, FF15 France,

DM4 Germany, R4 South Africa)

ISSN 0960-8753



We can afford free education. Photo: Mark Salmon

The world's natural resources, the existing technology, and the available labour force, are not sufficient — and perhaps fortunately so — to enable everyone to live like Princess Di. They are amply sufficient for everyone to have a comfortable life, a good education, and adequate health care.

That, however, is not how it works. Resources, technology and labour are deployed differently. They are allocated by the ebbs and flows and signals of those coloured bits of paper called "money" — diverted to wasteful or harmful "manufactured needs", to the luxuries of the rich, or held idle by the rich.

The demand to tax the rich is highly justified as against Tony Blair's promises to bosses that Labour will increase no taxes, and could certainly yield improvements. Successive Tory tax cuts now put £10 billion a year extra into the pockets of the top 10%, while the majority pay *higher* taxes. Dividend, rent and interest payments to individuals currently total £73 billion a year.

At least £30 billion a year (after current taxes) goes in over-the-top salaries to managers and professionals. Of the money collected by the state, £22 billion a year is spent on the military.

Yet we should go further than these figures, for two reasons. The first is that £10 billion is less than £40 billion: the proper rebuilding of the welfare state requires more than can be got from easy immediate tax increases. The second is that to focus attention on £10 billion, or even £40 billion, to be taxed or not taxed, is to leave the course of the other £600 billion of national income unexamined. It is to accept the market as the basic, "natural", economic regulator, and confine ourselves to nibbling at the edges.

Because we have never lived under any other regime, the capitalist market may look like an eternal fact of nature. It is not. It was created, and is reproduced, by particular human actions; it can be replaced by different human choices.

Our economic world is one of *social relations between things* — goods, services, money, all exchanging with each other in ways apparently prescribed by their objective nature, outside the scope of human choice — with human relations subordinate. As long as capitalism is the framework, that seems natural. Yet in a longer view, all those goods and services, and the relations between them, are no more than the products of human activity.

Karl Marx argued that commodities can be equated, and measured as higher or lower on a single linear scale (10p to £10 billion) only because they all represent more or less of a single social substance, social labour-time. The market relations of commodities are a "fetishised" way of forcing the labour of each individual into line with social-average labour and allocating to each commodity a value corresponding to the social-average labour it represents.

The value of commodity *labour-power* is determined by the social labour-time it represents, that is, the social labour-time embodied in an average "living wage" for the whole working class (costs of children, etc., included). But the exchange in which labour-power is bought and sold has a special character. The workers sell not this or that item, but their *productive life-activity*; the capitalists buy the *whole creative power of society*. The capitalists "consume" the labour-power they have bought by making the workers work — by turning labour-power into labour. Profits come from the difference between the new value produced by that labour and the "living wage."

However fair and properly-conducted the exchange may be by the criteria of the market, in human terms it is grossly unequal. The capitalist market shapes production so as to make the expansion of the wealth of the rich its central goal, and the maintenance of the working class a mere "overhead expense." Health-care, education and other services for the working class are also only "overhead costs", with the capitalists always on the look-out to reduce them.

To force them to pay more for overheads is worthwhile. It is also possible. One conclusion from Marx's theory is that the division between profits and our "overheads" (wages and welfare) is not fixed, but flexible and elastic, open to being changed by class struggle. But our aim should be something more — to change the organisation of production, through common ownership, so that people's basic needs, and not expanding the wealth of the rich, become the central priority of production. That is the political economy of the working class. ■