

Unbalanced Britain: Corporate Power and our Me-based Culture

Barry Winter



Over the past 30 years the New Right, aided and abetted in some respects by New Labour, has introduced changes that have profoundly damaged not only our economy, but British society, culture and politics. The result, says BARRY WINTER, is a seriously unbalanced Britain.

We live in an era which the American philosopher, Michael Sandel, describes as 'market triumphalism' – a society dominated by the demands of huge corporations, for which we are paying a heavy price.

He argues that the prevailing morality is that of the free-market which encourages selfish individualism, and the belief that 'greed is good'. Poverty is seen as the fault of the poor and ever-increasing riches are the rightful reward for the supposed 'wealth creators'.

This morality, for indeed it *is* a morality, has sunk deep into all levels of our society. To a greater or lesser degree it affects and unbalances us all.

Today consumerism and conspicuous consumption take precedence over earlier notions of fairness and shared lives. Fame and fortune are what matters. Celebrity grabs the headlines. Just look at the newsagents' shelves filled with glossy magazines devoted to the lives and loves of the rich and famous.

However, simply to dismiss this simply as trivia is to miss the underlying ethos, the spirit of the times which it continually reinforces. As Colin Crouch writes: "The neo-liberal answer is to offer glittering prizes for a few and to coerce the rest with workfare and cuts in welfare spending."

You can escape your lot, the dominant myth goes, if you try really, really hard. It's simply a matter of willpower. Or as I recently read on a greetings card: 'Difficulties are the stepping stones to success.'

Mind you, it also seems to help just a little if you are among the 7% of the population who have been privately educated. It is this select bunch of people who predominate in most walks of life, not least the Cabinet.

Another example of the cultural shifts taking place is in higher education. Just as universities are increasingly marketising themselves, likewise many students tend to see studying in narrower, more instrumental terms. Not least because attending university requires most of them to go into substantial debt. While half of our 18-25 year olds now have degrees, the graduate jobs market is failing to absorb them. To make even more unfair, young people who are able to afford unpaid internships have a built-in advantage.

As a result, university education today is seen as primarily as a commodity, where learning takes

second place to potential earning. 'I must get a 2:1 so I can get a good job' has become an oft-repeated student mantra. It's one that's perfectly understandable in an age of insecurity but, in the process, ideas of what really constitutes creative and critical learning are being devalued.

Seedy barbarism

In his excellent book, *Mammon's Kingdom*, David Marquand warns us that we are "sleepwalking our way towards a seedy barbarism; that our present way of life is unsustainable environmentally, emotionally and morally".

For him, British society is denying the human need for continuity, dignity and meaning. To confront this debased culture, he calls for broad public debate, a Big Conversation, to consider how this can be challenged.

For him, the sources of these problems are rooted in the huge imbalances in wealth nationally and globally. The dominant elites gain most from this me-based culture and its self-serving morality. It suits them very well, in good times as well as bad. Meanwhile, the social fabric is itself being undermined by growing inequality and widening social tensions.

There is much talk of rebalancing the economy to redress matters. But the reality is that the City of London – a world of its own and largely a law unto itself – grows stronger; as does corporate power more generally. Meanwhile, many of our regions continue to decline.

Poverty is also severe in parts of London itself. Unbalanced London cannot provide affordable homes for its essential workforce and house prices there continue to climb upwards, out of reach for all but the most wealthy. The poor are being driven out. As *The Guardian* reported: "Tens of thousands of poor families have left inner London in the past five years, creating 'social cleansing on a vast scale' and leaving large parts of the capital as the preserve of the rich" (August 28 2015).

Across the country, housing has become a land of topsy-turvy, which in itself deserves a full-scale national debate about who owns and controls the land.

As we know, even when the much-vaunted economic system crashes and burns as it did in 2008 – to be bailed out by the state and paid for by the rest of us – the elites have remained largely intact: and certainly

not out of pocket. Inequalities continue to grow. The big bonus culture for financiers has made a comeback,

In some senses, the crash itself has largely been erased from public memory. The unbalanced, indeed lunatic, misdeeds of the bankers and financiers have been largely forgotten or, at least, eclipsed.

This 'forgetfulness' was encouraged by the Coalition. Lib Dem and Tory Treasury spokespersons regularly repeated that the crash was *all* the fault of the last Labour government. This helped to secure Labour's recent defeat.

Mistrust and cynicism

One of the most observable trends today is the growing public mistrust and cynicism towards politicians, in particular, and politics in general.

In fact, since the 1950s the number of people participating in politics has been falling. Then the Tories could boast of some two million individual members, and Labour was not that far behind. Today the Conservative Party is a shadow of its former self, the average age of Tory members is 68.

As is widely known, turnouts in elections have also been in long-term decline. While much of focus in the recent general election was on UKIP's rise, less noted but no less serious, is how far fewer people voted..

How do we explain these trends?

For decades, the Labour Party did precious little to encourage its own supporters to become politically active. Instead they were encouraged to be passive consumers of politics – except when their votes were needed. 'Leave it to us' was the implicit and, indeed paternalistic, message.

Of course, Labour's failings are only one part of a much bigger picture. Again this relates to the way neo-liberalism has helped to unbalance democratic politics, undermining the links between people and politicians. It has led many to feel that governments – indeed the political class as a whole – are incapable of making a positive difference to their lives.

Of course, a vibrant minority still find imaginative ways to get their politics across – as can be seen by campaigns using social media. But, precious as this is, it is never going to be enough on its own. I wonder how many more online petitions I can sign

before I start to grow a little weary of them?

There are also some signs of a new generation emerging within the Labour Party, which is keen to revitalise politics and its links with people, particularly locally. Along with the recent upsurge in members, this is to be welcomed. But it is still early days.

We all have a long, long way to go. And, as the political commentator Jacob Hacker puts it: to overcome people's hostility to politics, we still need politics. So the question is how do we make politics meaningful to the wider society?

In addition, the breakdown of trust goes wider and deeper than alienation towards conventional politics. Widening social inequalities also lead to increasing isolation and fear, both within *and* between communities.

Perhaps this has become most clearly expressed in hostility to immigration and the rise of the populist right. Insecurity and widening inequality do not breed generosity and empathy. Instead they encourage us to look to our own and to single out identifiable targets to blame, whether people on benefits or migrants from Eastern Europe, or refugees fleeing from horrendous circumstances.

All this suggests that it's going to take time and considerable effort to reverse the damage that has been – and is being – done. But it is vital that we make a start. As part of this, we need our politicians to provide resources and support for communities experiencing rapid social change.

More than that, we are going to have to learn, indeed relearn, how to build shared lives with those around us. While the super-rich retreat into gated enclaves and detach themselves from the rest of us, the wider society has to start building bridges across the social divides.

Only in this way will attempts to re-create a much-needed, alternative and morally-based politics and counter the temptations to turn inwards. We need to rebuild and create institutions that help to foster a sense of shared lives that once sustained progressive politics.

More imaginative forms of trade unionism would be a help and, again, there are some signs of this happening. But much more is now needed. London Citizens, and similar initiatives across the country, also show what's possible.

Corporate excess

In these ways, it may be possible to start the long-term process of re-establishing trust and encouraging constructive, political conversations. Some of these discussions need to focus on how best to confront the political agencies responsible for unbalancing society, namely the large business corporations and Big Finance which are at the epicentre of our social earthquake.

How might we begin to counter their power of big business, to undo the damage it done over the last three decades? And how can we build public support to lay the basis for real change?

Wherever possible, this means generating and supporting campaigns that can connect with people. Labour's politics has to be made far more directly meaningful and tangible. It needs to offer a clear narrative of what it's about not simply a shopping list of policies. Progressive parties, as a whole, have to show how together they can affect real lives and demonstrate that something can be done – and that process can only be effective with people's active support.

Where to start?

Helpfully, David Marquand reminds us that, thanks to their market power, large corporations should be seen as *political* entities. Democratic left politics would do well to focus more closely on their activities – as has already happened with campaigns in relation to corporate tax avoidance.

Marquand highlights the rather-too-snug relationship that has evolved between corporations, governments and the civil service. We already know the Tories are funded by the corporate sector. While the party's membership is emptying, its coffers are kept well-filled by the super-rich and their companies. Often these friends and their enterprises are located in tax havens to avoid proper scrutiny.

Governments are dependent upon firms to deliver jobs and economic growth, as Marquand notes. It helps their poll ratings. True the mighty corporations need governments as well, but the balance of power has become increasingly one-sided.

As was recognised several decades ago by the Labour left, the mighty transnational companies wield considerable power that needs to be challenged. And today we also know that those who

run them comprise the world's wealthiest 0.1%. This elite is not only getting richer but is becoming more powerful and less and less accountable.

According to the Tax Justice Network at least £13 trillion is lodged in tax havens, many of them linked to the City. They include locations such as Jersey, Guernsey, the Isle of Man, Gibraltar and the Cayman Islands. British banks have over 500 subsidiaries in seven secret British locations, as do the UK's leading accountancy firms.

Marquand describes the transnational corporations generally as "mighty agglomerations of economic and political power". He points out that the processes go well beyond the traditional practices of lobbying politicians.

In *The Strange Non-Death of Neo-liberalism*, Colin Crouch makes a similar case. He argues that big corporations today are "right inside the room of political decision-making". He says: "They set the standards, establish the regulatory system, act as consultants to the government, and even have staff seconded to government offices."

There is a continuous interchange between politicians, civil servants, the military top brass and various transnationals. So when Tony Blair left office he became an adviser to the leading US bankers, JP Morgan, for an estimated £500,000 a year (some say it was double that). But he was not alone.

Many ex-ministers find consultancies and other posts for themselves in the private sector. Marquand notes that in 2011 seven former health ministers were working in private health care, while six former defence ministers took up posts in the defence industry.

Perhaps even more significant are the number of firms whose top staff occupy government consultancies, task forces and committees of enquiry. Thus, the government's advisory food group conveniently includes representatives from McDonalds, Mars and Pepsico.

It's all very cosy and, of course, very lucrative for those concerned. One day you retire as a Field Marshall on a goodly pension and the next you find yourself working in the defence industry. A former military man described the yearly £100,000 he was paid for two days' work a week as a "reasonable fee".

Even more insidious than the fees is how such

processes shape and corrupt politics. If you are looking for lucrative employment when you retire from the civil service or politics, then the temptation is to stay on very pally terms with your prospective employers in advance....

'People like me'

Meanwhile, the vast majority of people feel shut out of any influence. They are effectively voiceless. Here, I was struck by what a single mum, living on a large council estate in Leeds, had to say. Asked what she thought of politics, she said, succinctly: "People like me don't count."

She is far from being alone in her thinking. Her words, I suggest, are a terrible indictment of the political imbalance of power that prevails in society.

Inequalities of wealth feed inequalities of power which, in turn, feed inequalities of wealth – and so it continues. Meanwhile, more and more people feel devalued and disempowered: that they don't count. The same applies to many people feelings about their lives at work, a subject in itself that urgently needs addressing.

Corporations should not be free to act in these ways. Stephen Wilks, author of a study into the growing political power of business corporations, argues it's time to act.

He criticises what he sees as the illegitimate ways corporations are "colonising government". For him, this poses risks that are "as serious as terrorism, nuclear war or epidemics". He says: "The problem of how to make corporations accountable... is one of the most fundamental facing 21st century society."

Wilks argues that "corporations have more influence within the democratic process than do voters. The design and implementation of public policy caters to corporate interests to a greater extent than to popular interests expressed in public opinion."

The myths which uphold these powers constitute a dominant discourse, he argues. They are based upon notions like the sanctity of the private sphere. It's a discourse that, he says, "legitimises corporate power, skews democratic politics, and delivers huge benefits to a narrow elite".

As a result, democracy itself is being subverted, he argues.

In a comment which chimes with our theme of Unbalanced Britain, Wilks declares: "Until recently

the power of the corporation was held in balance. Since the 1980s the balance has been overturned... During the time this book has been researched and written, the extent of the contemporary imbalance has become clearer and more worrying."

He concludes: "Reforms are imperative if we are not to allow this governing institution to evolve into a source of oppression, exercising one-dimensional slavery."

Does this professor of politics at Essex University overstate the case? Well, he is not alone. There similar messages coming from a variety of quarters.

Big business and the free market

Mark Carney, the Governor of the Bank of England, has warned that capitalism is at risk of destroying itself unless bankers realise they have an obligation to create a fairer society. As the *Guardian* reported: "He questioned whether traders met ethical standards" and warned that amid rising social inequality "the basic social contract at the heart of capitalism was breaking down".

Of course, his remarks only refer to the damage being done by the world of banking. However, an interesting critique came from another source, namely the right-wing Centre for Policy Studies, which Margaret Thatcher helped to found.

The centre organised 'The Margaret Thatcher Conference on Liberty', attended by an international audience of her many admirers. Among the speakers who came to praise the Iron Lady were the foreign minister of Poland and the prime minister of Estonia.

The Independent reported that a German professor asked the audience why "we Thatcherites" are not much more popular?"

His answer is very interesting. He argued that it is because people mistakenly think of Thatcherism "as being pro-big business when it is really pro-market". This was the theme of the whole event. The attendees argued that the misdeeds of big business were not their fault.

The director of the centre declared: "Crony capitalism, cartel capitalism have rightly attracted much flak. But we think the true long-term solutions are free market policies. We think the distinction's been lost."

Now, I am an advocate of broad alliances –

particular against large corporations – but I’m not sure I could encompass this particular outfit. What they are blind to is how, in defeating and debilitating the trade unions, the Thatcherites removed one of the countervailing forces in post-war capitalism. This allowed big business to expand unchallenged. It was the Thatcherites’ actions and arguments that unbalanced British society.

It was their programme that laid the basis for the present state of affairs, for the unhindered emergence of ‘crony capitalism’, as the director disparagingly calls it. Poverty tripled during the Thatcher years.

Like Frankenstein, these Thatcherites recoil from the monster which they created. Unlike him, however, they are in complete denial about their responsibility. It was their efforts that released what the economist Keynes described as the “animal spirits of capitalism”. This is where their beloved free markets have taken us..

Interestingly their hostility to capitalism’s cartels and cronyism shows that there is growing concern about the abuse of corporate power. When it reaches such levels, the time is surely ripe to take up these issues more forcefully.

Rebalancing Britain

Marquand, for example, argues that “stringent rules” must be introduced to counter the interpenetration of political and corporate elites, “to stop retired politicians and public servants from finding lucrative perches in the private sector”.

This, he adds, “would help tilt the balance of the economy in a new and better direction”.

In addition, company law should be changed so that stakeholder interests – the workers and local communities – have to be taken seriously, and all those tax havens under British jurisdiction should be suppressed. He calls for a lot more but hopefully this gives the flavour.

Of course, there is a bigger picture to consider. Unbalanced Britain exists within an unbalanced European Union and an unbalanced global capitalism. We need friends and allies at home but also much more widely to lay the basis for a just society in which work can be both meaningful and keep you out of poverty; where the next generation can have a much better future than the one currently on offer: and where life for all is much less precarious.

Admittedly, this is a tall order but it indicates potential routes forward. It is possible to challenge the injustices and insecurities that so many people face. We have to learn to generate inclusive forms of politics, politics offering hope that the world can be made a better, environmentally safer, and fairer place.

It can’t be done all at once, and it can only be done by working with others to encourage public support and participation, both within and beyond the political mainstream. Progressive parties need radical movements and progressive movements need radical parties – and we have to learn how to involve more and more people in new forms of living politics.

*Credit is due to the Jimmy Reid Foundation for the notion of the ‘me-first society’ which it counters with the alternative of an ‘all-of-us first society.’
My thanks to Saffron Rose for her comments on an earlier draft.*

Forthcoming publication

The ILP will shortly be republishing the essay *Homage to Tom Maguire* by the late historian, Edward Thompson. This moving and rich account looks at the life and politics of this Leeds-based ILPer and poet at the end of the 19th century.

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