

## LABOUR PARTY RESHUFFLE



For a moment Ian Duncan Smith huffed and puffed about the Cabinet reshuffle and the planned demise of the Lord Chancellor's office as though he had found a real political issue. Some Labour members joined in the disquiet about not knowing where, in future, they would find the Scottish or the Welsh Office. But it is the politics of small beer.

Unknown and un-noted ministers give way to others who will tread the ground just as lightly, MPs who bemoan the lack of ministerial accountability to parliament, uncritically vote through half-baked offerings from the same ministerial fiefdoms.

A willingness to be indignant in principle but inert in practice is one of the sad hallmarks of today's parliamentary democracy. So too is a willingness to focus on the smaller issues of political difference rather

than the larger substantive ones. So it was over the mock debate about a referendum on the Euro and the non-debate about the Prime Minister's speech on the future of public services.

There will not be a referendum on the Euro in this parliament. The 1.3 million words that went into the Chancellor's assessment of the five economic tests will go down as the longest 'no' in history. Gordon Brown knows that the straight-jacket of European monetarism is throwing Germany into recession at the same time as Spain and Ireland risk overheating. Europe's structural budgets will break under the pressure of an enlargement driven by free-market ideological obsessions.

New entrants to the EU are being forced to dismantle the most sustainable parts of their own economies. In return, existing EU members become more protective of their own slices of the economic cake they currently share. Gordon would not want to plunge into this economic maelstrom even if Tony does.

Beyond the economic uncertainties of the Euro, however, all but the euro-fanatics know there is a starker political reality we have to face. Labour would tear itself apart in any referendum campaign. The two sides would brutally assault each others character, credibility and parentage in a debate where passion overtook party loyalty. Winners and losers alike would carry scars and grudges that would not heal. None of this is compatible with a credible run up to the next general election campaign. Whatever the Chancellor says in a year's time, a referendum will be lost in the political long grass. I wish that were so for the Prime Minister's vision of modernised public services.

Beyond the rhetoric of 'more choice' lies a grim determination to transfer public services into private hands. The Faustian pact that Blair and Brown have entered into with global (corporate) capital, hinges on their willingness to turn the public sector into a milch cow for private capital.

The WTO is looking for this to be enshrined in their free trade rules on trade in services (GATS). So when Tony Blair proclaimed that "services would be opened up to more overseas, private and voluntary suppliers", it was a not-so-coded challenge to the very core of public service values.

Public services have always bought from private suppliers. Education authorities have not manufactured their own pencils and paper. Hospitals never produced their own beds, operating equipment or drugs. The suppliers Tony Blair has in mind are those who supply services for profit, poach staff from the public sector and demand tax subsidies to stay around.

Those on the Left have always led the demands for improved public services and wider public choice. What we are faced with today is an ideological hostility to the public sector being allowed to offer this choice. Council tenants are being offered the choice of being transferred to a new private landlord, a non-for-profit housing association or an arms length management organisation (ALMO) company set up by the local authority. But ministers rise in anger at the suggestion that tenants might choose to remain as council tenants, and that councils should then have the same freedom to borrow to invest in upgrading and maintaining their housing stock.

Schools and hospitals are encouraged to 'choose' to opt out in pursuit of financial inducements and market freedoms. Yet across the world, all the evidence is that the liberalisation of social markets inflicts class and wealth divides that are brutal in their consequences. It isn't that the model works, just that it makes money for the corporations who become the new monopoly suppliers of public services.

At long last, the trade union movement is rising up in opposition to the theft of the very services they themselves fought to construct. At the recent Unison conference Dave Prentis announced he would be joining 'the awkward squad' of trade union leaders campaigning for regime change within the Labour Party. He specifically aligned himself with Campaign Group MPs in the struggle to defend and extend public services. Tony Woodley (TGWU), Kevin Curran (GMB), Derek Simpson (Amicus), Bob Crow (RMT), Mick Rix (ASLEF) and Andy Gilchrist (FBU) are already occupying the same ground.

The scene is set for a return to real politics and meaningful choices. Unison made one of these choices in its decision to maintain its link with the Labour Party. So too have all the other unions. The challenge now is to make the link work – for union members as much as for constituency activists. The unions know that getting their own direct representatives in the Labour Party to stand up for their own union policies is a starting point. But they must also know they will have to put real resources into the changes they are looking for.

Regime change is not a Downing Street game of musical chairs. The unions know it is the economics as well as the politics of New Labour that is moribund. The coming partnership between the unions in the Party and the Campaign Group in parliament has to change the rules of the game, not just the person in charge of the music.