

RICH MAN, POOR MAN, BEGGER MAN....



It was embarrassing to listen to the evasions offered by the world's Finance Ministers, describing their inability to cap or cancel banker's bonuses as they continue to stumble to the global economic crisis. A spectacle of lame excuses took me back to an incident in my early days as a community worker.

Many of the groups operating within the community were run by women – good women, strong clear women, in almost everything apart from their domestic circumstances. Many were caught in angry or abusive relationships and I could never understand why they stayed.

In the worst of times there was always talk about taking a tougher stand, changing the ground rules or ending the relationship.

Some did. For many, however, the patterns of abuse had produced their own dependencies. The fear of a life beyond the abusive relationship was somehow greater than the ongoing abuse itself. All this came back to me when I listened to the Chancellor, Alistair Darling, explaining that he was going to take a tough stand with the bankers, but not too tough.

In one interview the Chancellor claimed that bankers' bonuses were just like the 'signing on' fees for top football stars. You couldn't ban them. It was part of the inducements necessary to get the rich and talented to make their skills available in a competitive international market. All this was in the face of 'signing on' fees of millions of pounds for bankers, in the form of share allocations, unconnected to whether bankers performed well or were complete flops.

I couldn't understand how Finance Ministers had come to forget that one of the key abilities they have is the imposition of tax. It should not have been beyond the wit of even New Labour to recognise that a 60% tax on such bonuses or share options could be imposed at the point they were offered. Of course the recipient could offset this against the actual amount of tax owed on the value of shares when they were cashed in. All the Chancellor would be doing is exercising a right to tax this in advance as *s de facto* part of salary. If the bankers need such offers to induce them to work, let them pay the tax in advance and induce them to earn it.

This isn't rocket science. It simply identifies the dependency relationship that New Labour has found itself in with the world of speculative finance. When the going is really bad Ministers will talk of tough action. In reality, they are psychologically unable to break from the abusive relationship they are locked into with the City. New Labour is in thrall to the rich and powerful. The beatings will continue.

Sadly, as in many abusive relationships, rather than confronting the abuse it just gets passed on. So it is that we find governments across the industrial world, talking about tough times to come...and the need to cut back on services to the poor. This was spelt out in stark simplicity in a newspaper article not in the UK, but in the New Nation paper in Bangladesh.

“...trillions have already been spent to patch up leading world finance institutions while out of the comparatively small sum of \$12 billion pledged in Rome earlier this year, to offset the food crisis, only \$1 billion has been delivered. The hope that at least extreme poverty can be eradicated by 2015, as stipulated in the UN's Millennium Goals, seems as unrealistic as ever, not due to lack of resources, but to a lack of true concern for the world's poor.”

Domestically and internationally, the public are being repeatedly told that in the tough times ahead, the poor will have to pay for the sins of the rich. Bankers' debts have become public debts. As soon as it looks as though the survival of banks and bankers have been secured, the public will be told that the debts have to be repaid, the books have to be balanced, and a period of social austerity will follow. The public and the poor will be asked to pay off debts that were never theirs in the first place. In an era of credit card fraud this is the biggest scam of all; creaming money off those who don't even have bank accounts, let alone credit cards.

You could understand this line of argument if it was coming from the Tories. For Labour, with the certainty of an election in the next 9 months, it amounts to sleepwalking towards disaster. Avoiding this is going to require a policy revolution that puts the politics back into Labour.

Britain is not a poor country. We just have an economy that has become distorted around the interests of the financial services sector. Even the head of the Financial Services Authority is saying this. The challenge is simply to shift fiscal and economic policies, in favour of the real economy, rather than the speculative one.

In the tough times ahead Labour has to be, unashamedly, the Party of redistribution; not just from the rich to the poor, but also from the present to the future, and from the unsustainable to the sustainable. Internationally, it means recognising that if we starve the world's poor we only feed the certainty of war. Domestically, it means shifting into a whole new framework of sustainable economics, in which what we put back into the planet, substantially outpaces what we take out.

There are jobs a plenty in such a transformation, but they are 'green' jobs, not greed ones. Breaking from the abusive relationship we have become locked into with the banking system, becomes the essential first step in the process of creating a non-abusive relationship with the planet. It is also the first step in which we begin to free ourselves.