



# **Bradford Workers Commonwealth**

## **Radical Alternatives for a Post-capitalist Local Economy**

### **An Introductory Framework**

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2013

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## Introduction

Regeneration in major metropolitan districts like Bradford has failed because mainstream economic policies, ranging from the totally disastrous neo-liberalism of the Con-Dems, to the slightly less disastrous, reflationary Keynesianism of the (Newish) Labour opposition, do nothing to address the long-term structural problems of a capitalism in terminal crisis. Rather, they make things worse by clinging onto a discredited growth model that is leading to resource depletion, climate change and catastrophic environmental breakdown.

Radical alternative are needed to a destructive, globalised capitalist system. Local commonwealths, collectively owned by working people, have the potential to provide the essentials of life through local resources, while addressing major objectives including full employment and the elimination of carbon emissions. Over the longer term, workers commonwealths can replace capitalism, balancing the material needs of each citizen to live a full and productive life against the carrying capacity of a fragile planet with finite resources.

## Bradford and the global capitalist crisis

The structural economic problems of Bradford can be traced back to the steep de-industrialisation of the 1980s from which it has never recovered. Some industries, like textiles, were already in decline but the Thatcher regime's monetarist policies left whole swathes of the manufacturing landscape devastated.

Various attempts have been made to stimulate regeneration, either through regional frameworks or local economic initiatives, including infrastructure projects, retraining programmes and incentives to attract inward investment. None have had a lasting impact, which is hardly surprising since they were usually of limited funding and duration. Far more significant have been central

government spending and public-sector employment, that provided a multi-billion pound input and some level of stability through various peaks and troughs of economic activity but is now being significantly cut.

A significant factor here, is the increasing importance of quasi-public sector employment, reliant on public spending, but now farmed out to private sector companies. Statistically, these are classified as new, private sector jobs, even though they constitute a transfer of existing employment from the public sector to the private. Without this transfer it would be difficult to distinguish any real, private-sector employment growth in the district.

This weakness of private sector employment generation is partly explained by the district's exposed position to external influences and its peripheral role in globalised corporations. Many of the major household companies are now subsidiaries of multi-national corporations, including Grattans and Allied Colloids (the Otto Group and BASF respectively). Substantial job losses have already been experienced in all the major, traditional sectors like chemicals and textiles as transnational corporations seek to rationalise production and focus on low-cost manufacturing sites abroad.

## Bradford and the 2007-08 Recession

The financial meltdown and subsequent recession of 2007-08 were even more damaging to economies like Bradford than that of the early 1980s. According to the government, its austerity measures, although painful, were necessary to deal with government debt; while most economic forecasters predicted a short-lived recession as public spending and employment declined, to be quickly compensated by private sector growth as the economy 'rebalanced'.

Instead, austerity not only made the recession worse, it was used to disguise a sustained

ideological assault on the public sector with cuts to local authority spending averaging 28%, further reducing demand in the economy and precipitating massive job losses. In Bradford's case, although no official estimate has been provided of total public sector job losses, we estimate a figure of between 8,000-9,000 by the end of 2015, or about a third of total public sector employment in the district compared to the figure for 2012.

The most recent economic strategy documents from the local authority recognise the scale of the challenge and the limited effectiveness of previous regeneration initiatives. Emphasis is made on a revitalised city centre and on Bradford's traditional manufacturing strengths, in a clear attempt to attract new, 'high-tech' private sector industries. But there is little here that is not being replicated by every metropolitan district in the UK as they desperately seek investment from footloose corporations whose long term-commitment is questionable.

To put it bluntly, the last recession has further exposed Bradford's peripheral role in globalised manufacturing and service sector industries, while the local authority will have to deal with the serious economic and social impact of public sector job losses and a tsunami of welfare cuts in a district already suffering acute issues of deprivation. It is grimly symbolic that one of the most successful firms in Bradford is the Provident Finance Group, recruiting staff to deal with the demand for short-term loans from some of the most marginalised and vulnerable in society.

#### Bradford and the Next Recession: 2015-2017

All the economic forecasts suggesting a gradual recovery, and on which local authorities depend for their projections of growth and increased employment, are fundamentally flawed. The recovery, based on financial mechanisms like quantitative easing, will be weak and unsustainable because of underlying structural issues in the global,

capitalist economy. Accumulated financial and trade imbalances, increased energy and raw material costs, and continued sovereign and personal debt, will put massive strains on the capitalist system. This could best be described as 'recessionary growth' - a final and desperate attempt to return to the 'golden age' of the 1960s and to the chimera of steady increases in overall prosperity, that can only lead to a much deeper and global depression characterised by massive disparities in wealth and power between capitalist elites and ordinary people.

The neo-liberal ideological context will become even clearer, as either a Conservative or Labour-led government will re-emphasise debt clearance through further cuts in public expenditure. Structural unemployment will be disguised by various statistical sleight-of-hands around part-time and temporary work, as well as zero-hour contracts. This represents the total breakdown of the social-democratic contract providing real wage increases and welfare entitlements on which the modern industrial state was constructed. Bradford will be exposed to a form of red-in-tooth-and-claw capitalism not seen since Victorian times. A large proportion of the population will be either unemployed or living in precarious conditions of wage slavery, under-employment and absolute poverty, while areas of the city will become investment-free zones of dereliction.

#### Alternative Economic Strategies

The mainstream, left-of-centre economic strategy emphasises the restoration of public expenditure to stimulate demand, combined with focused investment on housing and infrastructure. The Green New Deal proposed through trade unions and some left-of-centre think tanks like the New Economics Foundation takes this a stage further by outlining the benefits of a major energy efficiency programme and investment in renewable energy. Hundreds of thousands of new jobs will be created and carbon emissions reduced. Localisation is also emphasised, whereby the purchasing power of local authorities is used to encourage a network of

suppliers in the district. Income is recirculated through those networks, rather than distributed externally, encouraging further local employment and investment.

Compared to the disastrous neo-liberal policies of the government, this emphasis on public investment, particularly in energy efficiency and renewables is welcome. But the overarching framework continues to rely on growth as the only guarantor of full employment and on the potential to reform an unreformable globalised capitalism that will continue to plunder the world's finite resources with devastating environmental consequences.

A much more radical framework is required that recognises we are in an emergency situation and that the entire capitalist system has to be dismantled and replaced immediately if we are to achieve fundamental economic, social and environmental objectives. To some extent, this framework is being developed around concepts like the Solidarity Economy, an international movement that places social objectives above private profit and looks to workers organisations, prominently co-operatives, as the basis for new economic structures and common ownership.

### A Local Sufficiency Programme 2015-2030

In terms of solidarity economics, Bradford's priorities are clearly social and environmental. There are over 12,000 people on the waiting list for social housing, while much of the existing housing stock is poorly insulated, adding further pressures of fuel poverty through high energy bills. A major social housing programme involving the construction of at least 5,000 new homes to high environmental standards, coupled with energy-efficiency schemes like loft insulation for existing stock is required. Serious consideration should also be paid to the compulsory purchase of private houses left unoccupied for over a year to be brought up to the standard of new, social housing build, or demolished and rebuilt to similar standards.

Investment funding on this scale would clearly be significant, but historical precedents exist, as with the Attlee government in the early post-war years. The UK's overall GDP was much smaller and the level of debt as a proportion of national income much larger to pay for the war effort. Local authorities built hundreds of thousands of homes over a five-year period in a slum-clearance programme that transformed the lives of many ordinary working people. A range of options exist for such investment funding, including a progressive tax regime that ensures corporations actually pay tax in the UK, and the use of local government pension funds as guarantors for local investment.

Priority should be to stimulate a local network of co-operatives for house building and energy efficiency programmes, providing skilled work while contributing to carbon emission goals. It is entirely feasible to implement a plan that, over a five-year period, ends housing waiting lists, and uses locally-available resources for construction and energy-efficiency systems that eliminate carbon emissions.

Similar exercise could be carried out for other key sectors of the economy with investment funding made to co-operatives and community-based organisations to achieve broader social and environmental goals. All land available for food growing in the district would be identified with the objective of providing good, nutritional food at affordable prices through a combination of local farms, market-gardens and allotments, etc. A local public transport system, subsidised at the point of use, would also guarantee accessibility while significantly reducing private car use across the district.

While ambitious and requiring multi-billion pound investment through the reprioritisation of public expenditure, such a programme will provide the basic infrastructure for a solidarity economy that is resilient and able to offer a viable alternative to a discredited global capitalist system. A framework will

have been put in place that, through local sourcing of material for production and distribution, coupled to community renewable energy systems and local food growing, can pave the way for a self-sufficient local economy by 2030 that achieves comprehensive social, economic and environmental objectives.

### Reimagining Economics

When faced with seemingly insurmountable obstacles, it is easy to dismiss any radical alternative as utopian and unattainable. Certainly, we are living through an intensifying ideological onslaught that austerity is inevitable if the country's finances are to be brought back into balance, and that the burden of failure should fall on working people, even as the elites accumulate resources on an unparalleled scale.

But the seeds of opposition and active resistance are growing. Recent history tells us that, from very small beginnings rapid changes can take place. Whether it was the Cuban food revolution of the 1990s, or the takeover of factories by Argentinian workers facing mass unemployment during the austerity programmes of the early 2000s, the strength exists to respond to major social and economic crises and to organise collectively. More recently, spontaneous acts of land possession, direct trading by farmers linked to local workers organisations, and acts of social solidarity to protect people facing eviction, have all taken place throughout Europe and the United States in response to austerity policies. Nor should we ever lose confidence in the capacity for a radical transformation of society around a comprehensive, alternative economic system. Throughout Catalonia, during the Spanish Civil War, the economy was organised on the basis of workers control involving thousands of factories and farms in the heroic struggle against the forces of fascism.

Reimagining economics is not utopian, but a vital response to a failed system, offering a set of social and environmental priorities that enhance the material well-being of ordinary

working people while addressing fundamental challenges of climate change and resource depletion. Above all else, it is political will and courage that is required to make spontaneous forms of opposition into a revolutionary movement.

### Local Economic Sufficiency and a Workers Solidarity Centre

One way of moving forward is to recognise that political power will flow, not through parliamentary representation, but through direct action at the local level. A Workers Solidarity Centre would marry the capacity for spontaneous actions with the practical tools to develop a viable alternative local economy. For example, where local groups of workers or community activists had identified unused land or industrial sites for potential alternative use, it would offer both political and economic solidarity.

This would combine financial, technical and organisational advice linking local groups to a growing network of expertise around building a sufficiency economy, with the clear and unambiguous objective of replacing capitalism by a local workers commonwealth. At the same time it would offer political solidarity, up to and including physical support to protect workers organisations from attack, either by state forces or from uniformed thugs (private security guards) employed by corporate power and its interests.

As the network developed, various forms of democratic representation from the workplace through to community and district level would be put in place that extended democratic control of the economy by working people to the point where a viable alternative political system and workers commonwealth was in place.