



Polly calls for comfy capitalism

LAST WEEK Polly Toynbee visited a Jobcentre and took heart from the nice carpets, open plan design and comfy chairs. (Not at all like the bad old days of lino and plastic seats bolted to the floor.) Two out of three new claimants that she met were professional people. One was a former banker who'd just lost his £75,000-a-year job, next was "a breathtakingly chic music branding publicist", and bringing up the rear was a *shop girl* dismayed at only finding temporary jobs for the Christmas rush. She wasn't breathtakingly chic; if she was I'm sure Polly would have told us.

To be fair, despite her rather posh blind spots, Polly is calling for a massive job creation scheme. Her "mantra for a softer recession" is "jobs, jobs, jobs". Accordingly, she is urging cabinet ministers to ensure that a Labour recession is "less brutal" than a Tory one. She is evidently concerned about the impact of joblessness upon single parents, the young, and the low paid. But, during her jobcentre visit she was strangely drawn towards the predicament of the distressed gentlefolk she found there. In this, she was echoing the outlook of James Purnell, the work and pensions secretary, who was concerned to stress last week that the forthcoming recession would affect the *middle class* (as distinct from the *working class*) in every part of Britain.

The minister and the journalist are picking up on a theme that has come more and more to the fore in

Britain: professional people are having to cut back, shop in budget stores, and economise. Expensive newspapers run stories about how it is possible to put on a decent dinner party for six for as little as £85 if you shop carefully at Netto, Aldi and Iceland. There is a certain uneasiness that poverty might spill over from the benighted housing projects – *the dump estates* – to engulf ordinary managers, journalists, lawyers, copywriters and accountants. This is a novel anxiety because for the last fifteen years or so poverty has been largely confined to the feckless and the unfortunate: they readily fell into the *underclass*, a fate unthinkable for professional people.

Those with routine jobs in offices and shops, in warehousing, deliveries, and manufacturing – working class people – have also been insulated from the fate of the *underclass*. Although more vulnerable than those with highly paid *career-jobs* working class people have been shielded from the abyss by readily available wages and credit; they have for many years been as unfamiliar with jobcentres, and the humiliations of life on the dole as more professional types. Indeed a fake classlessness has arisen in Britain where it is common to regard *class*, *class privilege*, and *class conflict* as a thing of the past. Because prosperous working class people have cars, double glazing, take showers every day, and have been able to lash out on a Louis Vuitton bag, a weekend in Barcelona, or a trip to Miami, it is thought that the edges between classes have been blurred.

Vulgarity in dress, jewellery or social manners might identify some people as *chavs*. The *style police* should arrest them for outraging public decency; they have nobody but themselves to blame. Others are recognised by their evident poverty and ignorance as *scallys* or *hoodies*; in any event they are likely to be rascals and thieves, confined to the margins of society and living on benefits in a permanent state of joblessness. Members of this Victorian *residuum* have brought misfortune on themselves: they evidently deserve to be exactly where they are.

Now the looming recession is threatening to wreck the comforting idea that those at the bottom of the abyss are the authors of their own misfortune. Working class people, and God forbid, even some from the professional middle classes will find themselves down the jobcentre signing on for the weekly dole: £60.50p (or £47.95p for youngsters under 25). It is impossible to live on this pittance for more than a month or two before poverty begins to bite as payments for gas, electricity and water, come due, clothes can no longer be sent to the dry-cleaners, flowers can no longer be afforded, and fresh fruit and vegetables disappear from the menu. This is not life on \$2 a day, but it does mean being forced to the margins of a rich society. Your ATM card fails and your credit dries up, as you struggle to avoid eviction because the Housing Benefit office hasn't paid your rent, or the mortgage company is calling in its loan.

Literally millions of people will find themselves in situations similar to these. They will, despite wider anxieties, be predominantly working class people with savings well below the permitted level of £6,000. Those with fewer skills and poorer education will be much more vulnerable than professionals or those qualified for *career-jobs*. Consequently, Toynbee's aspiration for a "softer" Labour "recession" rather than one accompanied by the brutality and recklessness she associates with the Tories is a hollow one. When you lose your job, and you fail to find another one for many months and maybe even a year or two, the price paid is poverty, stalled or spoiled ambition, and wrecked personal lives.

The proposals circulating in the Labour Party for big increases in public spending on care homes, social housing (including the nationalization of house building), infrastructure projects, and home insulation schemes would, no doubt, help to keep a fair number off the dole. But such schemes will only blunt the edges of widespread unemployment. In any event, their overall effectiveness will depend upon the length and depth of the recession. It is entirely sensible to

raise public debt for schemes of this sort, but *public works* will not pull the economy out of recession.

Systemic failures cannot be dealt with by the rejection of the *Anglo-American* model, the pursuit of protectionism, or the adoption of Keynesian economics. Capitalism *requires* this *correction* in the value of shares and other assets. Billions *must* be wiped off of asset books and balance sheets before profitability and reasonable levels of security can be restored. Business failure, bankruptcy, and unemployment are an integral part of the system. This “brutality” and “recklessness” has nothing to do with the Tories and has everything to do with the economic system, which the Labour Party (and Polly Toynbee) has always been committed to defending.

Slumps – catastrophic falls in production – may be avoidable by the coordinated actions of capitalist governments across the world, but we have no reasons, historical or otherwise, for believing that the system can function without the periodic *correction* of asset prices which result in widespread business failures and large-scale unemployment.