

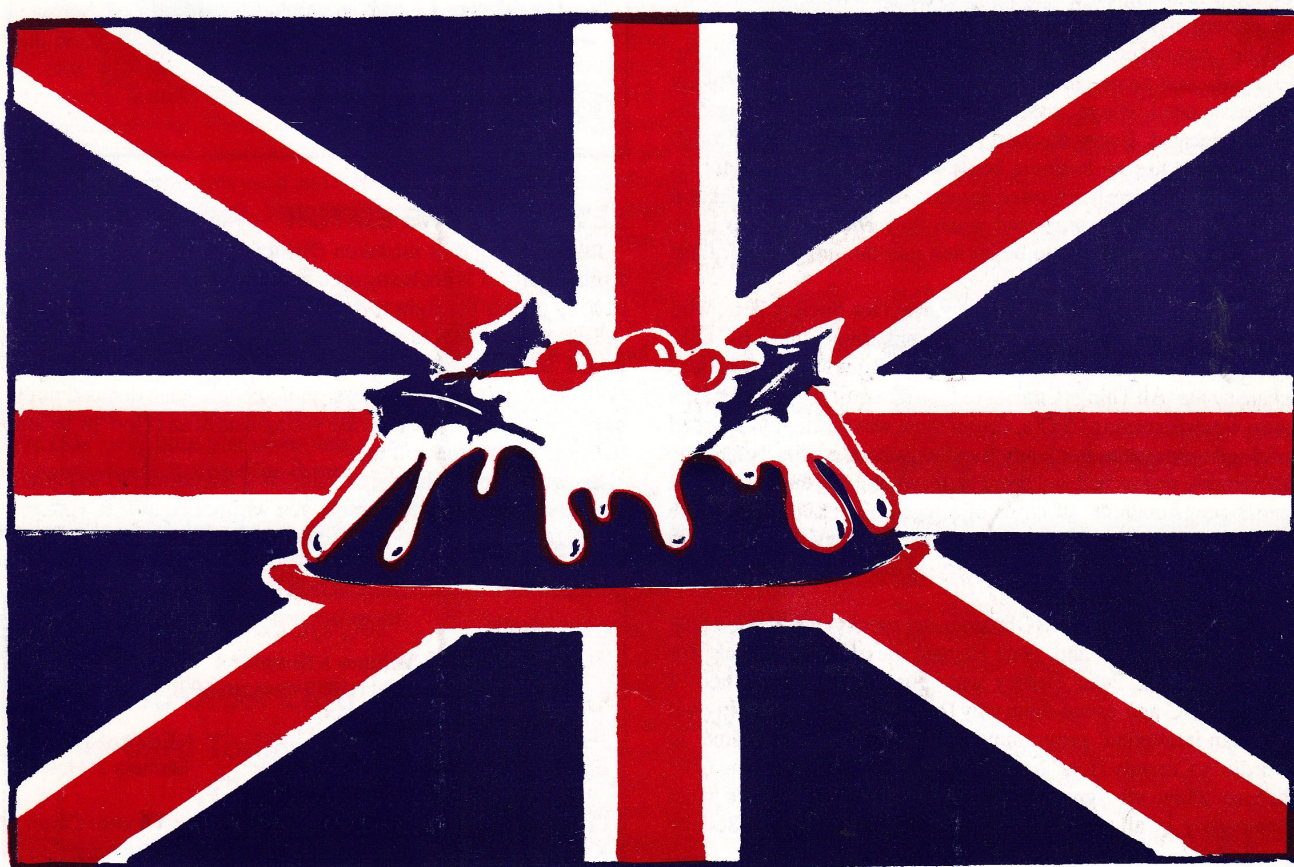
# *BRITICISM*

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**The Wonder of Wales**

**British Miami**

**The Real North - South Divide**

**Interview with British actress Alexandra Jones**

**Plus columns on theatre, travel and books.**



# THE REAL NORTH SOUTH DIVIDE: UNEMPLOYMENT AND WORKFARE IN THATCHER'S BRITAIN

BY ALEXANDER BARON

Recently, the British people celebrated ten glorious years of Thatcherism. Judging by the reception the Prime Minister received on her last visit to the United States, the Americans view this as Britain's new economic miracle. It is true that even after the crash of '87 and subsequent Stock Market 'shake out,' and in spite of the Torie's failure to cap inflation and rising unemployment, that an increasing number of our people never had it so good. However, it is also true that the gap between the haves and have-nots has never been wider, and that a new underclass has come into existence over the last few years. Much has been made of the so-called North/South divide; the rising salaries and house prices in the 'affluent' South-East, and the supposed desolation of all industry north of Watford Gap. In reality, the truth is not quite so simple. For while there is undoubtedly a higher percentage of wealthy people resident in the South East, and while salaries (and prices) are generally higher, there are also more people sleeping rough in London than in any other ten cities in the country.

But poverty does not begin and end with the homeless. A recent survey indicated that one family in six now lives in some degree of poverty. At the same time, government minister John Moor claimed that "there is no absolute poverty at all in modern Britain!" Certainly there will soon be no unemployed. Not because two million currently signing on will be miraculously found jobs, but because the government is very cleverly moving the goalposts, first by pressurizing, then coercing, then finally by compelling the long term unemployed into taking up low paid jobs on 'approved training schemes.'

## WHAT IS ET?

Employment Training (ET), and the junior equivalent, Youth Training Scheme (YTS), is a cleverly disguised system of work for benefits. Last year, Independent Television screened a documentary on the American workfare system in which the former government minister Michael Heseltine (he of Westland fame) was interviewed. Mr Heseltine was enthusiastic that

people who were unable to find full-time work and had no means of support should be required to work for their benefits. It is not known if his distaste of unearned income extends to his own portfolio, but he is adamant that able bodied men and women who refuse to work for their benefit should receive none. This chorus was taken up by Norman Fowler, Secretary of State for Employment, although he stressed in the first instance that the scheme would be purely voluntary. Another scheme which began life in the voluntary sector is Restart.

## RESTART; FROM VELVET GLOVE TO IRON FIST

Between April and August of 1987, Job Centres contacted over one million unemployed people, and some 840,000 attended Restart interviews. In principle the idea of Restart is a good one. Certainly most long term unemployed people get themselves into a rut psychologically, and need to motivate themselves. Many also do not know how to effectively look for a job besides visiting their local Job Centre once a week and taking a card off of the notice board. At Restart interviews some of the ways out of unemployment are suggested by the interviewer/councillor. These would include the Community Programme, (now scrapped), and the Enterprise Allowance Scheme. The latter, despite its high failure rate, has led to many thousands of previously unemployed men and women starting up and running their own successful, small businesses. In fact, for those with some capital to invest (eg redundant workers with sizeable golden handshakes), the government has made available a number of direct and indirect schemes, varying from courses in business management to guaranteed loans, and they should certainly be given credit for this. One cannot challenge the sincerity of the Thatcher government's devotion to the enterprise culture. However, for those without a nest egg to dip into, (the majority of the unemployed, and nearly all the long term



The Greenwich Action Group on Unemployment in action - street advertisement.



unemployed), the element of encouragement and nurture has been replaced by one of coercion and compulsion.

### THE MYTH OF EMPLOYMENT TRAINING

Returning to ET, its immediate predecessor was the Community Programme (CP). CP was run by the Manpower Services Commission, (now abolished and replaced by a new Training Commission). Though often criticized, the Community Programme had its good points. It consisted of full-time and part-time jobs, many of them with some training, and offering real work experience. Jobs varied from landscape gardening and nursery work to insulating old people's homes and sports coaching. There were also some financial incentives. Most part-time workers were more than £15 per week better off than on the dole. Men who worked full-time were £28.87 net in pocket, and women £26.62, on average.

ET has no such financial incentives, and nothing at the end of it. It is, in fact, a strictly work for benefits scheme. Participants are paid their benefit plus a 'premium' of £10-12 per week. Out of this, 'trainees' have to meet their costs of working; eating out, for example, and the first £5 of their travel expenses.

### RESPONSE TO ET

Several blue chip companies have taken up the ET scheme, including construction giant Taylor Woodrow and the supermarket chain Sainsburys. No doubt the latter's enthusiasm for the scheme has waned considerably since a number of London stores were picketed by the South East Anti-Workfare Movement. Sainsbury's gave their staff two days on-the-job-training, so much for work experience. So in theory, and in practice, one can find two men working side by side, one taking home £120 a week and the other doing exactly the same job for his dole money. Obviously, an unscrupulous or greedy employer would think nothing of firing the first man on some pretext and taking on another ET 'trainee' in his place.

Incredibly, the Trades Union Congress (TUC) gave ET the green light. Perhaps they have become so emasculated by anti-trade union legislation that they could do nothing but tamely acquiesce. Or perhaps they didn't appreciate where it

would lead. At any rate, an increasing number of individual trade unionists and unions have been waking up to the reality of ET. In August of last year three of the country's biggest unions - TGWU, NALGO and NUPE - went so far as to sponsor a booklet, *Square Pegs in Round Holes*, which roundly condemns the scheme and calls for proper training and adequate rates of pay.

The slogan of ET is "Let's train the workers without jobs to do the jobs without workers." In some areas, graffiti artists have altered campaign posters to read "...the jobs without wages," and other witty, but depressingly true captions. The extent to which ET has been both actively boycotted and simply avoided can be gleaned from the following figures: NACRO (National Association for the Care and Resettlement of Offenders) have so far managed to recruit less than 2,000 people out of the 20,000 required, despite the management's removal of all those who oppose the scheme. In provincial Norwich an unemployed group managed to organize a total boycott of the scheme so that not one unemployed person was recruited onto it. This latter is remarkable since many less aware unemployed people are being left with the impression at Restart interviews that if all else fails, ET is compulsory. Well, it isn't yet!

### MOVING THE GOALPOSTS

The Government is committed not just to pushing Workfare to reduce the unemployment statistics, but also appears to be engaging in a certain amount of stochastic gymnastics in order to manipulate the unemployment figures downwards. Since 1982 the method of counting the unemployed has changed no fewer than 28 times! When they claim



Protesters of ET picket the Department of Employment.

unemployment is now below the two million mark they are excluding the remaining Community Programme workers (88,000), those on the Enterprise Scheme (93,000), the 106,000 who have already been inducted on to ET, and the 428,000 on the (compulsory) Youth Training Scheme. These figures are by no means inclusive.

### ALTERNATIVES TO ET

According to retired accountant Stan Goddard, the problem is not that of finding work nor even of training, but of distributing incomes. Stan, who has just had his first book published - *The Myth of Unemployment* - explained the principle of 'Social Credit' to me over coffee and bagels at his north London flat. "Actually it's not so much a book as a grubby little pamphlet," he says, "because I couldn't get proper distribution." According to Stan, the purpose of employment is not to enable people to earn a living, but to distribute the goods and services demanded by the community: "What we call unemployment is really only super-efficiency. With modern technology there are too many workers chas-



ing too few jobs. If a machine can replace ten, or even 100, men, then it makes good sense to employ the machine instead. The other nine or 99 men who have been made redundant do not need to be found work, but what they do need to be found is spending power. What the government should do is not create unnecessary or even useless jobs, but create the credit, ie the spending power, to enable these men to purchase the products they are eager to consume." "How is the government to do this?" I ask. "By the simple expedient of writing figures in a book," he says. "Provided it is done scientifically it need not lead to inflation; the banks do it all the time and charge us interest for the privilege of borrowing what is, in effect, our own money." At this point he loses me by going on to discuss the A+B theorem and unbalancing the budget, but I understand the gist of it.

According to Stan, if the government were to create its own credit and distribute it to the public instead of borrowing it from the banking system by the process of selling securities, there would be no national debt, and no unemployment because the resulting increases in purchasing power would mean we could all live comfortably by working a three, or even two, day week. I eye him suspiciously at this point, but he backs up his claim with concrete documentation. As long ago as 1981 the Economic Research Council concluded that the government should create all its own credit for public works and that this would have saved over £30 million since the War. "The problem," says Stan, "is an international one. The only place where the state does create its own credit is on the island of Guernsey. Every other country in the world borrows money at interest when it could create its own credit as a sovereign right." "Then why don't they?" I asked. "Why doesn't the government ban smoking? That kills a hundred thousand people every year." I shake my head. "Because it's a racket," he says, "the whole system is a racket."

#### ABOLISHING THE POVERTY TRAP

Greenwich Action Group on Unemployment (GAGOU) and other unemployed centres don't go so far as Stan, but they do, interestingly, advocate the abolition of the means tested benefit system, and its

replacement by a basic income. Amazingly this idea is also mooted in part by Milton Friedman, Mrs Thatcher's monetarist guru. Friedman inclines more to a negative income tax, but Hugh says that the basic income would solve all the problems. This is much like Stan's Social Credit, the main difference being that this would not be a credit created by the government, but one financed out of taxation. The problem most unskilled people have is that they can earn only a low wage, so that if their take home pay is, say, £70 per week, they might be no worse off, or even better off by staying at home drawing the dole. But, if they had a guaranteed non-means tested income of, say, £40 per week, anything they earned on top of that, by working part-time perhaps, would not be clawed back by the Department of Health and Social Security. This would give them a real incentive to work. If on top of that one applies Professor Friedman's negative income tax, it will be seen that the poor and those on very low pay will drop out of tax altogether. At the same time, the 'culture of dependency' will have been eroded. As Stan says, "What is needed is to destroy the poverty trap without removing the safety net."

Whether or not one inclines to either of these solutions, it is obvious that something is radically wrong with the present system. Certainly the idea of creating jobs for the sake of it is a pointless exercise.

Paying the unemployed to do nothing may seem to be an abhorrent concept to the British workers, but for the unemployed, Workfare is a medicine which, if it cures the disease, damn near kills the patient as well.

*The Myth of Unemployment* by Stan L. Goddard. Price £1. Available from: A Distribution, 84B Whitechapel High Street, London E1

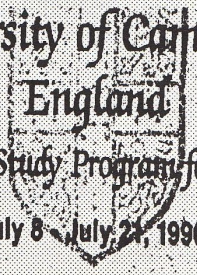
#### Is There Intelligent Life on Earth (Continued from page 2)

are inhabited, bar Mercury, which is presumably too hot even for the great JC.

In case the reader thinks I am winding him up, I can assure him that all this is Aetherean dogma and is accepted without question by the followers of George King. On a visit to the US he became Dr King; today he is Sir George. I telephoned the Aetherius Society's Fulham Road headquarters and spoke to their PR officer, Christine Aubry. I didn't ask if they still stocked tapes of Jesus speaking through their leader. This was very controversial back in the fifties, and led to accusations of blasphemy. However, I did ask about George's qualifications. Miss Aubry was very reticent to give a direct answer. Yes, George King does have doctorates, (note the plural). Yes, he does have a knighthood. No, not from the Queen; from an unnamed European source. Is that spelt 'source' or 'sauce' one wonders?

Dr Sir George King is now 70, and presides over an empire of thousands. Perhaps George really isn't so daft after all. One suspects that he is laughing all the way to the bank, and he has been to America, New Zealand and to the top of Mount Kilimanjaro in his endeavours (successful apparently) to save us unworthy Earthlings from the Fiends of Garouche - wicked fish-like creatures from the other side of the Milky Way - and from the evil scientist Lubek, an employee of none other than Satan! All this kind of makes the Virgin Birth and the Resurrection look quite tame, doesn't it?

No, George isn't daft, neither are the people at LBC. Misinformed yes, but daft, no. So perhaps after they read this they will not invite the Aethereans back to discuss UFO's. At least, not until April 1st.



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