

The crisis of Parliamentary democracy

Socio-economic factors underlying the success of the SNP and UKIP

It is difficult to recollect a forthcoming general election that portends such an unpredictable and chaotic outcome. All elections are uncertain but this is uncertainty carried to an unlimited degree. We are accustomed to two great giants with opposing views battling for dominance, and over the past few decades a centrist party has usually entered the fray in attempting to exert a minor influence through the hope of participating in a coalition.

But this is different. The two giants remain but the electorate is disillusioned with both. Nonetheless, they present a sparring match as if they were really intent on the destruction of the other, and meanwhile, new parties that have lately caught the popular imagination, step into the ring in threatening to upset forever the duopoly that has lasted so long. Whilst the exhibition of a false hostility presents a sickening sight to a public tired of negative politics in the style of Wednesday “Question time,” the new entrants from the far north and middle England introduce unknown styles of “national politics” that are so unsettling to the stability of the past.

All this confusion is symptomatic of deeper socio-economic forces that have not been brought to the surface for open debate or resolution. It may be they touch on issues which politicians of all parties are loathed to raise. One must look to the transformation of society and the world of work over the past 60 years and their relationship with the political establishment for a satisfactory explanation.

As I have noted in an earlier article, the cynicism and alienation of the majority in supporting the long established party political system is traceable to the fact that our politicians, irrespective of party, have ceased to represent the interests of electors in any real sense. This is not because of the alleged self-centredness, greed, or “nefarious” characteristics of our representatives, but because serpentine transnational financial forces have increasingly eaten away the power of our elected rulers.

Hence the absorption of our democratic institutions by a toxic form of transnational financial power has not occurred through a carefully planned conspiracy, but is rather the result of Britain’s economic decline as a global power together with accidental circumstances surrounding our debt-fuelled financial crisis.

This should not be used as an excuse, however, for dismissing such a situation as “inevitable,” or as a *fait accompli* that cannot be reversed, for it would then follow we would need to give up hope in the saving grace of democracy. It is necessary to recognise that changes and events have moved forward at a faster pace than our political leaders are able to interpret and respond to them. In other words, progress or changes have advanced in ways that could not be anticipated, and this has confused and wrong-footed the political establishment.

All the old ideological beliefs that defined the political divisions of the left, the right, or the centre – and still do so in vague theory – are now in tatters. This is because the major economic issues facing us today are no longer properly confined to class-based interests, but have become universal in affecting 97% of the population, or those from almost any background or status. They have become generational rather than class-based, but this is an interpretation of fact that our traditional parties were never evolved to address.

For example, the inability of the younger generations to get their foot onto the bottom rung of the property ladder equally disadvantages those from every sector of society. Likewise, in a highly technological society calling on the expertise of the majority, the millstone of life-long student debt will oppress those from every background. To no lesser extent, the collapse of retirement expectations, due in great part to the scam of pensions linked to misrepresented investment funds, will also adversely affect those from every kind of occupation.

The structure of society and the world of work have been transformed out of all recognition over the past 60 years, but political thought has not kept apace with this in meeting the new realities. The old working class or proletariat as well as the old middle class with its bourgeois values, have long since disappeared – or are fast disappearing. They have been replaced by the middle-middle majority, or a new heterogeneous class that has not yet gelled into the awareness of its own specific economic and other interests that are quite different from those which existed in the past.

If parliamentary democracy has therefore been neutered by financial interests, how is the former to be regenerated in the new era? Certainly not by turning to the bankrupt ideologies of the past, or to the groups supporting them, for the impracticality of such an approach would do nothing to disturb the entrenched security of the financial establishment. The first step is to look more closely at the new realities.

The first observation is that socialism, or the politics of the left, became discredited worldwide as an economic system with the collapse of the Berlin Wall in 1989. The failure of the milder forms of socialism occurred not so much through its management or mismanagement of the economy, as through turning its back in disgust on the essential psychological motivations of productive business, and selling out to the worst forms of casino capitalism. This tendency in Britain is certainly traceable to the post-1945 election when it was decided to

endorse a demon-like pact of concentrating on social reform whilst leaving business for the most part to its own devices.

An ironic factor which ensured that the left in government was not prepared to challenge seriously the abuses of Rentier capitalism is that both socialist and neo-liberal economic thinking was favourable towards the idea of gigantism as somehow a value in itself – usually on the often deceptively simplistic grounds of cost-saving. The cost-saving argument too often turned a blind eye to the need for competition and wider choice, or to the abuses of hugely concentrated power in serving a small elite increasingly dependent on speculative activity divorced from production.

The second observation is that so-called “Neo-liberalism,” or more precisely, Rentier capitalism, or the politics of the right, became discredited worldwide as an economic system with the emergence of the debt-fuelled financial crisis in 2008. This series of events not only demonstrated the irresponsibility of Rentier capitalism and its divorce from democratic or any other kind of effective accountability, but something far worse. If Marx had been wrong on almost everything in his predictions on the future of capitalism, he was spot-on on one point: viz., the emergence of an ever widening divide between the super-rich and the rest in the ownership of wealth.

In addition to the above, there were other factors that alienated the new middle-middle majority from supporting the old economic systems and their ideologies. Advanced technological societies with their greater call on skills and brainpower also accelerated the spirit of individualism, not out of choice but through necessity.

Gone was the shoulder-to-shoulder collectivism in an industrial environment employing thousands on identical tasks, and gone too the particular brand of trades unionism which accompanied this, in place of increasing occupational differentiation. As son no longer followed father into the workplace, each individual had to look into his own abilities and life choices in forming a career best suited to his personal interests. In view of these demands socialist collectivism became antipathetic to the needs and nature of the newly emerging type of employee.

But the attraction of right wing politics, or its interpretation of economic forces, became equally repulsive. Years of study and expenditure in developing occupational skills at least deserved the reward of career stability, but this too was denied. An education that was broader than hitherto brought a greater awareness of opportunities won, lost, or denied. In terms of knowledge and skills there was now a far narrower margin between employees and bosses.

As business ownership and control became a game of musical chairs, ever more CEOs were either thrown onto the scrapheap or demoted to subordinate positions. And accompanying this process was the more painful task of managing enterprises not for the purpose of maximising market share in serving consumer

interests, but for the often self-destructive end of maximising shareholders' profits to the sacrifice of re-investment, innovation, and desirable productivity.

At the same time the interests of domestic ownership were adversely affected through the huge inflation values of the passive assets of land and property. This occurred as the consequence of mortgaging national assets to transnational interests – a process only resulting from the choice of the super-rich to refrain from investing in manufacturing or primary industries. In this way the supposed benefits of the super-rich in creating the trickle-down effect, so loudly proclaimed during the Thatcher years, were reversed to create the trickle-up effect.

This influenced a wide sphere of activities from haircutting to luxury goods but was most evident in the property market in putting flat or house purchase beyond the reach of the rising generation. Most shocking of all in this context, however, is the gesture of leading politicians to continue welcoming this super-rich class to our shores on the grounds of their helping to relieve our “debt-fuelled economic system.” Meanwhile, the silence of those on the left to this situation remains stunning.

As established parties across the entire spectrum of politics are unable or not prepared to address the major issues of our age, as they are locked within the thinking of the past, it should be no surprise that the public are alienated from the Westminster system. If the established left, or the right, or centre in any of their degrees or permutations, are defunct as organs for democratic change, then what alternative remains?

If democracy is to be regenerated as a living force then only one practical path may be followed, and that entails an economic system based on the *personalisation* of property. This can best be understood by comparison with public ownership which means the top-down power of state authorities; or “privatisation” which in reality is pure Orwellian Newspeak for the absolute power of giant corporations – usually traceable to transnational organisations with their offshore head offices safely secreted away from the tax demands of the nation state.

Although today no one would argue that voting rights should be linked to property qualifications, it should be borne in mind that democracy has everywhere only been able to develop in unison with the growth of personal property – and with good reason. Democracy would be quite meaningless and unworkable if it was not linked directly to the individual ownership and control of the means of production and distribution. In the past democratic societies were always faulted because of the injustice of the many who had minimal or no property.

Only today in advanced industrial societies, with their knowledge-based and socially well-informed majorities, is it practicable to initiate the fully formed equitable democracy. If those with knowledge, irrespective of their status or

financial affluence, are to accede to the positions they rightly deserve according to ability, then it is only necessary to declare that the Emperor has no clothes.

In practice this means that the nation state should democratise, i.e. bring to heel, business activity in ensuring that it benefits the majority population within its borders. It also means that legislation is necessary in endorsing personal property as a human right, and ensuring that the outcome of this is the dissemination of business ownership in encouraging a more competitive, innovative, self-sustainable and productive economy, particularly with regard to manufacturing and the primary industries.

With regard to industries that are essentially large scale, such as shipbuilding, auto-manufacture, mining, and certain retail sectors, Company law should be amended in giving employees both co-determination rights (*Mitbestimmung*) as well as a financial share interest with a preferential control over external investors. This, of course, should not exclude the encouragement of other ownership patterns, such as co-operatives of various kinds, providing they are commercially viable and managed efficiently.

Such an economic system would be correctly denominated *Productive capitalism* as based on the successful outcome of the northern Continental countries and the Far East Tigers in the four decades following World War II. Its success is not only attributable to greater productive quality and efficiency, but also to higher average wages, and a more equal distribution of wealth throughout the community. It is to be contrasted with the sad failures of *Rentier capitalism* of the Anglo-American model during the same period, which despite the raising of living standards, fades beside the relative comparison of the opposing system. Whilst the first was reliant on the desirable restrictions imposed by credit investment banks for funding industry; the second utilised the equity markets that mutated away from the outcome of productivity to that of money creation as an end in itself.

This returns us to explaining the success of the new nationalisms, i.e. the SNP north of the border and UKIP. Although many of the electorate may not have a comprehensive grasp of political causes and outcomes, it is true that most usually have a perceptive intuition of their real interests. And those interests today point towards the need for national or communal ends howsoever these may be defined.

It is unfashionable to promote national interests in the present age, and established parties of both left and right are traditionally opposed to them in almost any guise. The opposition of the left is ideologically based on the idea that all the world's peoples supposedly belong to one happy family – although in fairness it should be stressed that the Lib Dems are far more committed to an uncompromising internationalism than the Labour Party, and hence the collapse of the former's popularity at the polls. The opposition of the right is based on promoting the profits of international trade, and on the idea we should maintain a “friendly” open house for “foreign investors.”

But such policies are not necessarily beneficial to the interests of most people, and neither are they necessarily beneficial as economic policies in themselves. Much importing activity is of real harm, particularly to the agricultural sector. The importation from distant lands of carrots, brassicas, potatoes, etc., that may easily be grown in our own soil, diminishes our own farming sector; whilst it has been estimated by the NFU, that within ten years our dairy industry will disappear entirely due to the importation of cheap milk of questionable quality.

Meanwhile, the financial benefits of such transactions accrue to traders only through exchange rate manipulations and the acquisition of cash crop acreages in Third world territories. The resulting impoverishment of self-subsisting peasants pushed off their land into mega-city slums, and the carbon footprint added to the environment are additional damaging factors. Whilst those from abroad willing to invest in home-based industry should always be welcome in contributing to employment creation, the unhappy situation today (as noted above) is that the majority of foreign investors contribute little or nothing to home-based wealth creation.

The strongest argument for supporting national or communal policies is that democracy as a form of government is only workable within the nation state when extending its authority through the rule of law over all aspects of business and the economy. This is not to imply any extraordinary prerogatives, or the dictatorship of the state, but only to underline that the latter should reserve the right for monitoring and taxing those activities relating to or within its geographical jurisdiction.

If, therefore, the SNP or UKIP are to be regarded with askance, at least a sympathetic understanding should be given to the underlying psychological motivations of their supporters that may be hidden from themselves. If, however, these movements are to be regarded in a more disdainful light, then the only reasonable course of action is to persuade the older established parties to adopt the more positive aspects of their national or communal purpose for the greater benefit of the country.

The Scottish people are fully entitled to claim their cultural and economic integrity, but surely these things may be won without the break-up of the larger union. Likewise, the fears of UKIP supporters can surely be answered without resorting to an ugly, myopic or self-destructive nationalism which ultimately they would not wish for given a little more reflection or a better frame of mind. The cry of both these new parties, if interpreted in a more reasonable light is simply, "Give us back the key for the recovery of our democratic rights."

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