

letter from the editor

One aspect of Henry George less often discussed than the land question or free trade is his concern for monopolies, especially those which provide essential public services. These included the railways, the telegraph service and water supply. We would now also include energy, refuse collection, street lighting, maintenance of parks, provision of public libraries, public transport and a host of other services.

In the UK all of these services were once undertaken either by government or local authorities. Then, in the 1980s, it was argued that many of them would be run 'more efficiently' if privatised. It was claimed that, if run privately for a profit, they would attract capital and be improved. Investors would be keen to make a return, while public funds would no longer be needed to maintain them. This would also involve reducing the workforce. So shares in British Rail and telecommunications were made available, and although acquired by many at first, gradually they were purchased by large investors. British Rail was split into several geographical companies, each one becoming a regional monopoly.

One of the more controversial privatisations was that of local refuse collection. Companies tendered for the council provision and re-employed the existing workforce. Straightaway the wages of the workforce were reduced. This is what 'efficiency' and 'rationalisation' meant in practice. Under pressure to work faster, the service was now poorly done, with emptied bins left scattered in the streets for householders to tidy up.

In theory there would be competition between companies seeking to provide these services. But in practice there cannot be several companies in one district providing the same service, and so each became a monopoly, while the services themselves were not improved, and often become worse.

For example, in 2020 Southern Water was fined £90m for dumping raw sewage into the sea on the Kent coast to avoid the costs of upgrading and maintaining infrastructure. Its operating profits in 2019 were £213m. This privatised company had been penalised several times in the previous six years and is now under criminal investigation. There are notices on the Kent beaches warning people not to swim in the sea this summer. In this instance the profit of shareholders repeatedly took precedence over public health. Fining seems a very inadequate response.

By contrast, our local authority provides excellent services where they do them themselves. For example, our Memorial Park is kept beautifully by a team of gardeners who clearly enjoy their work. Also the sea-front facilities are kept really well.

These examples show that privatisation motivated by profit-making lowers the standard of services while depressing the wages of the workforce. The only gain is for the shareholders who have no direct interest in the services. It means tasks are undertaken for the wrong purpose.

Such privatisation had its roots in the nineteenth century belief that business exists solely for monetary gain, and that the law of 'survival of the fittest' secures efficiency. This belief was linked to the rejection of all government or public intervention in business or in employment conditions – in the name of 'freedom of contract'.

The world that this ideology defended was the world that Charles Dickens portrayed in his novels. It was the age of 'enlightened self-interest', the theory that selfishness is the best drive for an economy.

At the same time, it was argued that all public provisions would attract corruption. On this basis the building of the sewers in London was long resisted. Why should the rich pay for this 'on the rates'? It was also claimed that the slums arose because the poor were by nature unhygienic, lazy and morally degenerate. This was preached to them in their Sunday sermons. Poverty was equal to vice, while wealth indicated virtue and moral superiority. These were the 'Victorian values' hailed by the UK government in the 1980s one hundred years later.

It is true that the appalling conditions of the Victorian era are no longer present in the UK, largely due to the influence of philanthropists and reformers such as Robert Owen, Patrick Dove, the novels of Charles Dickens and Gladstone's government. It was not businessmen, investors, or captains of industry who improved society. It was those who opposed their money-making motivations, or who set up businesses on moral principles and in a spirit of public service, such as the original Barclays and Lloyds banks, the Cooperative shops, Clarks shoes, Cadburys, Rowntree's and many Quaker companies. Business does not need to be exploitative of customers or employees in the name of efficiency.

Land speculation and private monopolies of public utilities distort the natural functioning of the economy. This in turn takes the heart and meaning out of work. If land speculation was eliminated through George's proposed land value tax, and if all natural monopolies were returned to public ownership where they properly belong, the economy would be transformed. It would no longer be ruled by profit-making or rent-seeking, but rather it would open the way to the realisation of the natural talents that everyone possesses but which can only rarely be cultivated in the present economic situation.

Land speculation and private monopolies together create a vicious circle from which it seems impossible to escape. So it maintains itself. It becomes very difficult to grasp what holds it in place, and even more difficult to imagine the economy of society unfettered by it. Having worked in education for many years one sees that young people aspire to higher things. But most are soon disillusioned and very few indeed find their way into genuinely fulfilling work, or which enables them to make a contribution to the well-being of society. Most will become the unwitting slaves of land speculation and anonymous shareholders. Some will become land speculators and anonymous shareholders themselves. The tragedy for each is that their talents will never be realised, while society loses what they could contribute.

One way we can escape this vicious circle is to enquire into the question of meaningful human work, work that is an end in itself and which springs naturally from human nature and participation in community. We have allowed ourselves to see the economy merely as an external system, almost as if there were no human component in it. It has become entirely separated from human nature and from citizenship. Everyone senses this strange anomaly, and it should prompt us to enquiry. Nature is telling us that something is profoundly amiss, now writ large in global warming. Society needs to realign itself with nature, and the economy with human nature, and work with service. The misappropriation of land, the monopoly of utilities, and the degradation of work are three expressions of our alienation from the laws of nature.



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