

The Tories are doing Corbyn's job for him

By Janice Turner, [The Financial Times, Jan 12, 2018](#)

For voters increasingly sceptical about unfettered capitalism, the multi-billion dollar bankruptcy of the Carillion service and construction conglomerate in Britain makes socialism dangerously seductive

Firefighters on standby in Oxfordshire to serve school meals, men in hard hats sent home from building roads, hospital managers worried wards won't be cleaned--there's a whiff of Winter of Discontent about the Carillion affair. A fear basic services could unravel, jobs evaporate, firms be dragged down. In the Conservative playbook, it is exactly the cascading crisis a Jeremy Corbyn government would create if it got into power. Yet this is happening on the Tories' watch.

If John McDonnell were to sit down with his Momentum [Labour Party left wing movement] massive and devise idiot-proof teaching aids on the evils of capitalism, he couldn't do better than Grenfell [the fire of the low-income Grenfell Tower residential building in June 2017 that killed 71], Carillion and the east coast mainline [railway] bailout. Labour's major weakness has always been fiscal credibility — until the Tories helped them out.

The opinion polls remain close, Brexit is a thunderous noise which drowns out other debates, an election is still four years away. But beneath the surface, the Tories are starting to lose — with swathes of non-radical, level-headed people — the argument on the economy they've dominated since 1979. Not just in shallow political terms, but morally.

The Grenfell fire was the first sign. That 71 people died because Kensington and Chelsea council, with its £274 million in reserves, skimmed £300,000 on flame-proof cladding for its poorest residents spoke starkly of social inequality. But will it be remembered at the ballot box? Sure, it inspired young activists who will work tirelessly for Corbyn. Yet a tragedy involving London council tenants may not sway homeowners outside the capital.

Carillion, however, has far greater potential to change the hearts of middle England. For a start, it is so easy to understand, so obviously wrong-headed. Try using the 2008 crash as a political tool and you struggle to explain derivatives, credit default swaps, over-leveraged banks. But Carillion is less abstruse. The government gave so many contracts to one huge firm because its bid was lowest. So low that Carillion's margins could not absorb unforeseen setbacks like currency fluctuations. Thus prisons, GCHQ, schools, hospitals, army bases, besides massive capital projects, became wrapped up in what looks like a Ponzi scheme. Ministers heard Carillion's profit warnings, knew hedge funds were betting millions it would fail, but kept awarding contracts to stave off a public sector collapse. Now myriad small business folk — natural Tory voters — won't be paid.

So rash, so fiscally imprudent and, as Corbyn says, so ideological. What happened to Tory pragmatism? Why not share these tenders with smaller businesses? All those precious eggs in one teetering basket. Wouldn't it be sensible to give a school meals contract to local caterers

rather than a remote corporation? The Tories respond by pointing out: “Well, Gordon Brown did it too!” But Labour can respond: “Haven’t you noticed? We’re under new management now.”

After Carillion, the Tories won’t be able to take easy shots about Labour turning Britain into Venezuela.. Having let Virgin wriggle out of £1.5 billion due on the east coast mainline, they will struggle to argue against Labour’s rail renationalisation plans. Even if (like me) you are queasy about a Corbyn government, you can feel the wind in his sails.

A recent Comres survey showed 18 to 24-year-olds are more worried by big business than communism. Mock our ahistorical youth or damn their Marxist academics for underplaying Stalin’s crimes. Or think about the corporate morality they’ve witnessed in their short lives: tax-dodging internet corporations, bailed-out banker bonuses and now Richard Howson, CEO of Carillion, receiving his £660,000 salary plus benefits until October while workers are laid off. A Fairtrade coffee generation raised on *The Simpsons*’ evil capitalist Mr Burns questions anew why companies should, say, profit so much from the water we drink to live. No one under 40 can remember ill-run 1970s nationalised industries producing terrible cars no one wanted to drive, or decrepit British Rail. As the Tories discovered when they played the Seventies fear card last June, that folk memory is dying.

In its place is a distrust of globalisation. Locally sourced, ethical, not-for-profit are buzzwords now; outsourcing is not. Not only is it often more efficient for hospital porters or National Gallery staff (who were outsourced to Securitas) to be employed by the institutions they serve, to a growing number of people it “feels” better too. Less soulless and building employee loyalty. Politics is about heart as well as head.

The high tide of privatisation, when George Osborne tried to sell off the land registry, national forests, the Ordnance Survey, any damn thing not nailed down, has passed. So must what Corbyn calls an “outsource-first dogma”.

Quite how the Tories extricate themselves from this mess isn’t clear. Theresa May is excellent at identifying a problem, hopeless at resolving it, except in some diluted, piecemeal fashion. But if she doesn’t address private sector outsourcing, another bailout when Brexit is over and the economy is back on the election agenda would blow her out of office.

Meanwhile all Labour has to do is look reasonable: not swing back too drastically to nationalisation. Talk about ethical private enterprises as much as state control. Already Labour is proposing contracts be awarded on “public value” rather than the cheapest deal. No one who’s ever hired a builder could disagree with that.

George Osborne’s charge that Labour failed to “fix the roof when the sun was shining” sounds hollow now we learn the Tories outsourced the roof to cowboys who went bust.