

# Cost of Living? Can't Pay, Won't Pay!

## **COST OF LIVING CRISIS**

Prices are soaring in our energy bills and at the shops. It's becoming more and more of a struggle for many to pay bills. At the same time, wages, benefits and pensions have been more or less frozen for years.

This is happening whilst the economy is growing and big business is making massive profits and the rich are getting richer and richer. The divide between the haves and the have nots is opening wider. But according to various economists, this must be because workers are asking for wage rises which are unaffordable, or the state is spending too much on the public sector. Therefore, according to this logic, wages have to be kept down and the state must cut back on spending, interest rates must raise to force people to save rather than spend, taking money out of circulation so that inflation drops.

As anarchist communists we say that this is false. The current situation is caused by the bosses accumulating so many trillions of profits and not investing in the economy. Instead they are hiding these huge amounts of money away in tax havens or investing on the stock market where they have a chance of making more profit. This is not just the case for Britain but in all the big capitalist economies, as is the cost of living crisis.

This situation of under-investment is aggravated by the ongoing problems caused by the Covid pandemic and by the war in Ukraine. This under-investment contributes to the ongoing collapse of infrastructure so that goods cannot be transported efficiently. Workers in transport and in the warehouses find it more difficult to get by on low wages and Brexit has accounted for a shortage of truck drivers. This also accounts for agribusiness preferring

to let crops rot rather than increase wages for agricultural workers, after the supply of dirt cheap labour from Europe dried up.

The same goes for the water and energy companies. The directors of these companies prefer to pay themselves huge bonuses rather than invest. As a result storage facilities are not up to scratch for gas and electricity. Much is lost through the failure to mend pipes and cables, resulting in huge amounts lost in water, gas and electricity. Rivers and the sea are polluted because of sewage dumping by the water companies.

At the same time we the working class have suffered years of austerity. And pay rises that do not keep up with inflation. The national minimum wage is kept low and many companies use fire and rehire policies to drive down their employees' wages and conditions. They cut back on staff, forcing individual workers to do the job of several.

The reliance on Russia to supply much of the gas supply for the whole of Europe, including Britain, helps push up energy prices as Putin uses this as a weapon. The war in Ukraine has also resulted in a large number of supply chain problems, as various foodstuffs and raw materials supplied by either Ukraine or Russia are affected by the war. The Centre for Economic and Business Research believes that sanctions have had a major impact on commodity prices and inflation. Brexit has also caused a number of supply chain problems.

The Bank of England wants to increase interest rates. This will only encourage the fat cat bosses to invest more of their profits in banks. For working people, this will drive up mortgage rates, increase rents and eat into spending power.

Would a rise in wages get us out of this? Well, this can only come about through forcing the bosses to raise wages through strike action.

However in the long term, the boss class will respond by increasing labour-saving technology to cut their wages expenditure. They will raise prices and charges, the banks will hike up interest rates and the landlords will raise rents. The wage rises gained through strike action would be eventually eroded. This does not mean we should not engage in strikes to fight for better pay and conditions.

We have to develop ways to resist the State and the boss class and develop networks of mutual aid.



The energy price hikes affect the poor the most, because poorer households spend three times more on energy than richer households. It also means that landlords will raise rents to pay for energy rises; in fact a third of renters have had their rents raised in the last year.

Covid has caused the deaths of at least 190,000 people in the UK and the government appears to have no plans to limit the spread of the disease, opening the way for the possibility of deadlier forms of the virus. Long Covid has affected nearly a million people, according to the Office of National Statistics. This has affected their ability to work, forcing more people into poverty.

Even without the soaring energy prices, the State and the capitalists would have attempted to pay for the costs of Covid and Brexit by attacking our living standards. Fourteen million people now live in poverty in the UK, and this is rising. Climate change has caused problems with food production, fuelling the cost of living crisis.



### What is the answer?

Help get mutual aid groups going- during the height of the Covid pandemic many mutual aid groups formed. These helped neighbours, got food packages for those isolating, and did other tasks for those less able to do themselves because of Covid. These need to be revived. They could set up community kitchens, provide advice and education, and help resist any evictions.

Form food cooperatives. One recent example of this is Cooperation Town, a network of food cooperatives in London. These are where people club together to buy food in bulk, thus cutting costs.

However, these basic ideas around helping each other survive the crisis are not enough.

**Join the Don't Pay** campaign- This is a movement against the rise in energy bills. It is organising a pledge for one million people to withhold payment together when the pledge reaches its target. So far over 196,000 have signed this pledge and Don't Pay groups are being set up all over the UK. If energy hikes go ahead and critical mass of a million is reached, this means cancelling direct debits on the same day.

**Rent strikes**- landlords are attempting to pass on their rising costs to tenants. Rent strikes took place in St. Pancras in 1960 involving many council tenants. More recently students at University College London organised a mass refusal to pay rent, forcing the university authorities to cut rents. Join or set up tenants action groups and/or join the London Renters Union, which fights for tenants, or groups like Housing Action Southwark and Lambeth. Groups like these set up telephone trees so that people can come together to resist evictions.

At work, **support the strikes**, and argue that different groups of workers should strike at the same time as with postal workers, rail workers etc. Join grassroots unions like the Industrial Workers of the World and the United Voices of the World. If you're in a mainstream union work to organise strike committees. Don't let the union bureaucrats stop effective action,

they will side with the government and big business if it comes to the crunch. Go out on unofficial wildcat strikes if you can. Already the number of wildcat strikes in the last few months has soared.

We need to organise together collectively without leaders or representatives so that we all control our struggle. All alone we can do little, but together we can help each other and fight back against the ever worsening situation.



### Useful Contacts:

Don't Pay: <https://dontpay.uk/>

London Renters Union: <https://londonrentersunion.org/>

Housing Action Southwark and Lambeth:

<https://housingactionsouthwarkandlambeth.wordpress.com/>

IWW: <https://iww.org.uk/>

UVW: <https://www.uvwunion.org.uk/en/>



## Anarchist Communist Group

Contact: [www.anarchistcommunism.org](http://www.anarchistcommunism.org)

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