Statement: The rich make us pay for their profits! Let’s mobilize against the rise in the cost of living

The following statement on the cost-of-living crisis across Europe has been prepared by sections of the Fourth International and is signed by ecosocialist.scot.

The rich make us pay for their profits! Let’s mobilize against the rise in the cost of living

For several months now, strike movements and popular mobilizations have been developing in Europe – both inside and outside the European Union – to resist the explosion in the cost of living.

The price of energy, food, rents, transport has increased over the past two years in all countries, aggravating the living conditions of the working classes already under heavy attack in recent years by precariousness, job cuts with Covid and a fall in real wages and benefits.

After inflation in the EU-27 and the UK of respectively 2.6% and 2.5% in 2021, in August 2022, the CPI year-on-year inflation rates reached at 10.5% and 9.9%, with 12.0% and 13.1% for food, 37.5% and 32.0% for fuels (44.6% and 48.8% in 15 months), (sources STATISTA and ONS). Electricity prices began to rise last autumn across Europe, with gas prices exploding during the same period (well before the Russian military invaded Ukraine), tripling over a year in Germany and the Netherlands, while energy prices doubled for households in Britain. In the all-Ireland energy market, prices have risen

across the board, north and south, including in the important cost of heating oil, with government interventions stalled in the north by the collapse of political institutions and the ongoing impact of Brexit.

The driving force of this inflation is found in the stock market speculation on raw materials since the recovery in demand since the height of the Covid pandemic, in the context of an oligopolistic market. The catastrophic climate situation in recent months, drought and heat, explicit consequences of climate change, have worsened this situation, as of course the invasion of Ukraine by Putin's army. Global oil supply is set to tighten, intensifying concerns over soaring inflation after the OPEC+ group of nations (including Russia), faced with falling prices, announced at the beginning of September its largest supply cut since 2020. The move comes ahead of European Union embargoes on Russian energy over the Ukraine war. Speculation on energy prices and an explosion of profits distributed to the shareholders of large companies have resulted. Underlying all this, there is an epochal reduction in the availability of fossil fuels.

Marginal rates of profit have risen, not only in large transport, energy and pharmaceutical companies. Profits in 2021 have been historic. In an unprecedented move, the five largest French banks generated more than €31 billion in profits in 2021. Spain's Santander recorded €8.1 billion in net income, Italy's Intesa San Paolo €4.2 billion and Germany's Deutsche Bank €3.4 billion. Volkswagen's operating margin almost doubled to €20 billion. In the first half of 2022, Shell (Netherlands) leads the way with profits of $20.6 billion, followed by BP (UK) with $21.5 billion and TotalEnergies (France) with $14.7 billion.

These few examples of dazzling enrichment, which is also accompanied by the personal enrichment of the propertied class, especially by distribution of dividends and increase of shares value, contrast with the low wage and benefit rises,

the drastic loss of purchase power and labour rights, which have increased the impoverishment of the popular classes. The unequal distribution of wealth worsened during the beginning of the Covid years. This inequality has sharpened even more, particularly for women, young people, the racialized working classes, disabled people, and those populations living in the most deprived areas. A study predicts that by the end of the year 80% of households in the UK will be in energy poverty and a further explosion of energy prices is anticipated in 2023.

In this period, neoliberal governments have stepped up tax measures in favour of corporations, cut social spending and significantly increased military budgets – with the concomitant impact on inflation – further worsening the living conditions of the most precarious. The Ukraine war is instrumentalized by reactionary forces, multinational firms and imperialist powers to push their own agenda, arguing that all military budgets are aimed at helping Ukrainian resistance, which is obviously false. Solidarity against the Putin invasion does not prevent fighting against neoliberal and imperialist agendas and austerity policies directed against the working classes.

Governments at different levels (national, regional, local) have introduced support aid systems, energy price ceilings or transport packages, so the weight of inflation on popular classes is uneven depending on the state, but these systems are temporary and do not make up for the increase in the cost of living.

Material conditions, including the interminable wait for the next pay or benefit cheque, have become the essential concern for the vast majority of the working class. Energy, food, housing costs are essential for everyone and these costs are all increasing to unbearable levels

Such a situation is intolerable.

Many struggles have taken place in recent months:

Across the UK state there has been a significant increase in national strikes since the spring despite the most repressive anti-strike laws in Europe – particularly in transport, on the post, in telecoms and in several major ports. A significant vote has just been won for strikes by university lecturers, while schoolteachers and health workers are also balloting. On the other hand, there have been signs of fragmentation of action on the rail and mail by the leaderships of those unions. There is a significant level of public support for the strikes that are taking place. This is combined with political action especially around the right to food and the right to housing. A six months' rent freeze has been imposed across Scotland by the devolved government there.

At the same time, we have seen the development of a movement to boycott the payment of energy bills with "Don't Pay UK" across Britain and in Italy, especially in Naples. In Germany, the demonstrations on the left have so far been limited to the oppositional left and some trade unions. This weakness is due mostly to the fact that the leadership of the big industrial unions, the chemical workers union and the metal workers union, are embedded in a tripartite structure which is proposing relief measures for the population. The far right tries to profit from the huge price increases with demonstrations that outnumber those of the left. Huge demonstration occurred in the Czech Republic on 3 October. Several days of strikes called by the trade unions, demonstrations against the high cost of living have taken place or are scheduled (in France 29 Sept, 16 and 18 October, 21 September and 9 November in Belgium). In France, strikes developed around the oil refineries, with workers on strike for four weeks.

Attacks on living conditions will worsen further in the coming months, particularly with the planned increase in contracts and energy prices, and the end of measures which partially

cushioned their impact.

In Italy, Germany, the Czech Republic, France, we see different political currents with different motivations attempting to divert popular classes' anger away from the capitalists responsible for this crisis and moreover refusing concrete measures to be taken immediately to protect and improve the level and conditions of life for the poorest and most precarious part of the population. At the time when the far right is seeking to exploit this situation, it is our responsibility to seek to organize the broadest class, social and political fronts to impose social demands, the requisition of the wealth produced and the organization of public services for the benefit of the popular classes by aiming at capitalist profits. We particularly want to see the whole movement devoting resources to organizing and supporting the most precarious.

In these mobilizations, we stand for:

• Increase in wages and benefits at least in line with inflation, with particular protection for those on low incomes, and "uberized workers", who are de facto employees of capitalist groups

• For automatic increases to keep pace with inflation – a sliding scale of wages and benefits with real measures of inflation determined by organized workers and benefit recipients themselves.

• Abolition of gender inequality at work; give effect to the principle of equal pay for men and women for work of equal value

• Access to free childcare for any child that needs it

• Abolition of VAT on food and energy and reduction and freeze of rents and prices of basic necessities

• Increase of effective tax rate on wealth and profit

• Free local and regional transport, growth of public transport systems

• Free power and heating corresponding to people’s basic needs

• Energy, banking and transport companies, to be socialized under democratic control by workers and users

• Audit of the public debt with citizen participation leading to the cancellation of the illegitimate debt as a way of finding more room for an increase in social spending and in the struggle against the ecological crisis.

• Massive investment into renewable energy, no new fossil fuels – for the decommissioning of nuclear.

At a time when ultraliberal governments are developing, attacking democratic rights, including in alliance with neo-fascist forces as in Sweden or Italy, it is vital that the anti-capitalist forces, the workers’ movement as a whole, develop an emergency plan against the high cost of living and inflation to support all the already existing popular mobilizations and develop them while fighting attempts by the far right to exploit popular anger.

16 November 2022

Signatures

Belgium: -SAP-Antikapitalisten / Gauche anticapitaliste

England and Wales: – Anticapitalist Resistance

France: – Ensemble ! (Mouvement pour une Alternative de Gauche et Ecologiste)

– NPA (Nouveau parti anticapitaliste)

Germany: – ISO (Internationale Sozialistische Organisation)

Greece: – TPT (Fourth International Programmatic Tendency) & Magazine “4” – Greek section of FI

Italy : – Sinistra Anticpapialista

Norway: – FIN (Fourth International in Norway, Forbundet Internasjonalen)

Portugal : – SPQI : collective of FI activists

-Toupeira Vermelha: collective of FI activists

Scotland: – ecosocialist.scot

Spanish State: – Anticapitalistas

Sweden : – Socialistik Politik

Switzerland : – BFS/MPS (Bewegung für den Sozialismus/mouvement pour le socialisme/movimento per il socialismo)

– solidaritéS

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