Solidarity

The Archbishop of Canterbury tells us solidarity is at the heart of Christianity. That's not the Word the Bible uses. The origins of solidarity in modern politics is somewhat different to that. I attended a Methodist school with a Christian education in RE classes. I was never introduced to the word solidarity in those sessions, and never saw it appear on the pages of the Bible translations we used. At the heart of Christian teaching was the idea of Christian charity, and the modern political versions of it in Christian Aid. The relevant Bible passages were about the rich and powerful helping the poor and needy as an act of charity. They gave them money, jobs, support without expecting anything in return. They did so because it was morally good to share some of their wealth and power, They should not pass by on the other side without helping those in need. The unreformed Catholic Church of the medieval period sold pardons and the promise of eternal life to the rich to sustain clerical incomes and to pass money to the needy. These practices had their supporters and produced an early limited welfare state with hospitals and some support for the poor, but also bred their critics over clerical use of the money. It led to the huge Protestant revolt and the dissolution of the monasteries in Protestant countries. In England it led to a flowering of charitable giving by the newly prosperous landowners and traders that benefitted from the dissolution, leading to many almshouses, and the Elizabethan poor relief system organised by parishes.

Solidarity is a concept from the Union movement. Most famously it became a well known political movement in Poland in the 1980s, seeking the overthrow of authoritarian communism. The idea of solidarity amongst workers is not the same as Christian charity. It is a mutual insurance and assurance scheme. Each Union member pays Union dues. These are used to promote their shared causes, and some of the money is used to help individual members in need of legal assistance or temporary income support because they have hit hard times. The Union member pledges to obey Union rules, and to withdraw his or her labour should the Union by ballot decide on industrial action. The mutual part is based on clear obligations or responsibilities on the Union member, in return for various benefits and the possibility of joint action in need.

The EU took up the idea of solidarity as an important concept in the Treaty of Lisbon and thereafter. The idea of EU solidarity is to tell member states they have to meet their responsibilities to the economic and political union, in return for possible help in their times of need. There is an implied promise of assistance should their state fall on hard times or suffer some natural disaster. That part is a mutual insurance scheme. There is also a mutual assurance scheme that one state threatened in some way would qualify for the support of all in a just cause under the Treaties. The member state has to promise to keep to the rules of the Union, to pay money into the Union coffers, to accept joint action and be willing to come to the assistance of other members in specified circumstances.

The wealthier EU countries led by Germany do not think solidarity requires them to send large sums on a charitable basis to the poorer parts of the

Union. Nor does the concept extend to meeting the internationally agreed target of 0.7% for overseas aid. The offer of mutual support can also be selective, as Greece and Cyprus discovered in the Euro crisis. Solidarity leads to a modest scale of regional and social grants at EU level. It is a frequent demand on recalcitrant member states when the EU is seeking to get to a collective agreement, a reason given to make compromises.

Solidarity in the sense of helping the poor is also hedged and often queried by member states. The EU has struggled over the issue of migration and borders in trying to decide how much of an obligation it owes to the poor of the non EU world. It has ended accepting miles of border fence and efforts to deter illegal settlers. Currently the EU wishes to buy up supplies of vaccine for its own citizens, not to help distribute vaccine to the low income countries of the world as the WHO would like. I am not sure this squares with the Archbishop's view of Christian values.

EU plays vaccine politics badly

I have tweeted on this fast moving story. I am pressing the government to sort out the GB/NI trade. The EU's ill judged actions strengthen our hand, giving us space to legislate our own solution that would be fair to all sides and ensure smooth flow of trade GB/NI as before.

The curious case of the car industry

Remain MPs over the last few years have endlessly warned us that were the UK to end up with a 10% tariff on cars into the EU it would mean job losses and trouble for a crucial industry. They ignored the possibility that had we ended up with a tariff there might have been some compensatory movement in the currency, and failed to rejoice when an Agreement was reached for zero tariffs anyway. Rules of origin mean that the industry will make and supply more components in the UK to comply, which is a force to strengthen the industry.

At the same time these Remain MPs were usually demanding much faster progress to net zero carbon, busily condemning diesel and petrol cars as one of the main causes of the climate threat they highlighted. They saw no obvious contradiction or hypocrisy in these two positions. They failed to note that the UK had been especially successful at attracting substantial investment allied to UK development of diesel engines for cars and enjoyed a strong position in diesel engine manufacture. They gave no credit to the industry for cleaning up the diesel exhaust so there was practically no particulates passing. The policy of zero tolerance of diesel cars will mean the closure of all those factories and the loss of all those jobs, far more than they said were at risk from a 10% tariff. The industry itself lobbied strenuously for tariff free trade in diesel and petrol cars, but did not lobby against the banning of exactly the same vehicles a few years later. The likelihood of a ban of course means a major fall in diesel car sales in the meantime, as people seek to avoid the possible fall in values when new ones are banned and as governments made clear their dislike of such vehicles.

It would be interesting to hear from all those who spoke up for the industry what they think will happen as we move to complete bans on diesel and petrol vehicles. Making an all electric battery car is a very different process from building an internal combustion engine vehicle. Around a third of the value lies with the battery. The UK needs to rush to catch up on battery production. Where it has a strong position in diesel technology and capacity it has no such current strength in batteries. It will need to work with our present motor manufacturers over their designs for popular electric cars, and how the parts, batteries and assemblies can be made in the UK. I wish the government and industry success.

All we can be sure about is there will be many closures and job losses in diesel and petrol car and component manufacture . There will be a commercial and country scramble to design and produce replacements to the electric standard. The government would be wise to relax its rules on hybrids, to allow that technology to act as a bridge and reassurance to vehicle buyers. I have no financial interests in diesels, but do run a diesel car because I like its range, convenience and fuel economy. I worry a lot about the costs to jobs and businesses of banning all petrol and diesel cars.

President Biden turns the USA green

Amidst the welter of new Executive Orders and statements of intent coming from the White House, there are several aiming to make the USA a global leader in the battle against fossil fuels. President Biden is a carbon warrior. He is cancelling a new oil pipeline, suspending new licences to drill in the Artic, committing the USA to net zero carbon in power generation as early as 2035, and to complete net zero carbon dioxide output by 2050. He plans to double offshore wind power, promote electric vehicles, and persuade and regulate the oil and gas industry into a major transformation away from their principal business activities. It is a major shift from President Trump’s policy of making the USA energy self sufficient, fostering a large expansion of the domestic oil and gas industries and aiming at re industrialisation based on a plentiful supply of relatively cheap local fuel.
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The statements so far are short on the detail of how such a huge transformation will be carried through and paid for. If the country is successful in talking people out of their diesel and petrol cars into electric ones they will need a large expansion of domestic electricity output at the same time as they are closing down all the fossil fuel power stations. There will be a need for substantial investment in new power cables, switching, transforming and relaying to each house. Each home will need improved capacity cables and supply to allow for the heavy demands of recharging electric vehicles. The grid will need access to considerable extra reserves of generating capacity to handle much higher peak demand levels. As much of the additional electricity capacity will be wind and solar there will also need to be substantial back up generators to avoid black outs when the natural power sources fail or go slow. Industrial USA will face Chinese competition which still has access to huge supplies of fossil fuel generated power, as China continues to add to her coal and gas stations. Will the USA be able to compete on price and on reliability of supply in this new world? Will the USA develop massive storage batteries or pump storage schemes to handle variable load power?

It will be interesting to see how far President Biden goes in introducing Federal capital and subsidy to bring about this new power world, and how much he seeks to do it by regulation and requirements on the network suppliers and power generators. He will need plans to make sure the USA does not run out of electricity when undertaking its electrical revolution, to make sure the electricity is affordable, and to ensure that they can arrange the supply to cater for peaks in demand as more Americans come to depend on electricity for their transport as well as for their space heating and much else.

The Green revolution remains a top down revolution on both sides of the Atlantic. We still await the iconic affordable cars, space heaters and other crucial products to bring this revolution into most people's homes. Meanwhile governments like the new US one wrestle with how far they should go with laws, bans and subsidies to try to depose King carbon. It looks as if it is going to take a lot of US law and state spending to bring about this democrat vision in a country where many are committed to their vehicles.

Spending and value for money

I have always stressed when saying we can afford to borrow to offset the damage done by anti pandemic policies to the economy that we should not waste money or undertake spending the private sector can cover as it did pre pandemic.

The Business Department budget shows that it should be possible to reduce future outgoings whilst still doing a good job for the UK economy and business sector.

The Business department has a massive £175 bn of accumulated liabilities. Many of these are possible future payments to close down nuclear power plants and to subsidise wind and solar power. The Accounts may understate the possible outturn on contract for differences power costs, which are currently priced at £89.6bn by the Department compared to the more modest £16.5bn liability on the balance sheet.

All this needs managing to get value for money and to control outgoings.

1. Safety should of course be an absolute override, but it would repay study to examine the pace of the nuclear closure programme and the speed and incidence of remedial and recovery work thereafter. They currently assume 7 stations close 2023-30.

2.The Smart meter programme is costing a massive £20.1bn and is very unpopular with many users. Could this be rephased?

3. International contributions to climate change projects are in at £11.6bn. So far the public sector has contributed more than the private. Maybe it is time to demand greater leverage from the private sector? Surely emerging countries would prefer profitable projects?

4. £85.3bn of accumulated business support for CV 1 9 was necessary spending. As there are £69.1bn of loans, what is being assumed about repayment schedules once we have a proper economic recovery post vaccination? It is important the government makes sensible phased arrangements for recovery or for the transfer of these loans to banking sector.

5. CFD payments for renewable power . It is time for a value for money review of options as this is becoming a large contingent liability, particularly for new nuclear.

The Business Department budget is a reminder of just what a complicated nexus of subsidies, regulations and interventions there are now are to keep the lights on and the factories turning.