

1986 THIRD WORLD TRADE AND TECHNOLOGY CONFERENCE

INTRODUCTORY REMARKS BY ROBIN MURRAY DIRECTOR OF INDUSTRY AND EMPLOYMENT, GREATER LONDON COUNCIL

Opening plenary, Monday 17 February 1986

In his welcome and introduction to conference participants, Robin Murray pointed out that the Greater London Council only had 30 working days left before abolition. One priority during recent months had been to establish ways in which the GLC's work could continue; TWIN and Twin Trading, and the London Food Commission, were examples of the kinds of solution which had been developed. Sixty jobs in the GLC Industry and Employment Branch (IEB) were being saved through finance provided by the London boroughs, and the Greater London Enterprise Board (GLEB) was also due to be taken over by the boroughs.

The 'GLC in exile' was now due to become a reality through such arrangements. The Labour party was committed to restore elected government in London and it was hoped that a Labour government would also make resources and people available to support TWIN.

In Robin Murray's view, TWIN had a number of aims and principles which a future Labour government should seek to expand.

The first was the principle of barter trade. This was important because it forced advanced countries to take the import of Third World products very seriously and to consider questions of marketing and distribution apart from the question of tariff barriers. It also enabled links to be made with campaigns in Britain for alternative trading structures, an end to tariff barriers and a fair deal for the Third World.

Marketing and design, and the ability of producers to respond quickly to changing tastes, were becoming key factors in the economies of advanced capitalist countries and the areas in which the real profits were now being made. One criticism that could be made of the traditional left was that it concentrated too much on the importance of gaining control of the means of production and neglected these other factors. Advanced capital, on the other hand, was well aware of the significance of marketing and design and was now quite willing to subcontract control of the productive process itself, particularly if the subcontractors were firms skilled in the control and manipulation of labour.

The control of distribution was also crucial. The London Food Commission, for example, had investigated the distribution of food and established that two major retailers, Tesco and Sainsburys, controlled 68% of the grocery trade, subcontracting supply and distribution on a daily basis to smaller firms.

The key factor was the ability of production, design and marketing to respond quickly to changes in consumer taste. Computerisation had enabled the clothing industry to be transformed, for example, starting with Marks and Spencer and spreading to chains such as Burtons, Next and Richards. ^{shops} These firms had now ^{stopped} ~~stopped~~ ^{single} ~~importing~~ cheap Third World products, converted fashion into a designer industry and brought production back to Britain. They were able to respond to changing High Street tastes in a matter of seven to ten days by using computer technology to link with a network of small producers.

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Such 'flexible specialisation' was characterised by a high degree of integration of manufacture, design and supply. It had drastically reduced the cost of working capital because large stocks were no longer required.

A second important aspect of barter trade, in Robin Murray's view, was that it avoided the main Third World problem of indebtedness and the need to accept credit. The problem that remained, however, was the need for working capital: this had not been seriously addressed at the time of the 1985 Third World Trade and Technology Conference because it was felt that the problem could be avoided through the use of barter. But bridging loans were still needed.

It was now clear that a revolving capital fund was needed to finance TWIN and Twin Trading operations. Two main projects identified so far each required £0.5 million, and if this problem was not resolved very soon, the aims of TWIN and Twin Trading would not be realised.

The second important principle represented in TWIN and Twin Trading concerned **technology**. TWIN started from the assumption that a great deal of technology available in London was in practice wasted. Sources could be found through the technology networks; the North London-based London Innovation Network, for example, now had a flourishing bank of 150 low technology products including disabled aids and teaching equipment. The London Transport Technology Network was developing an alternative 'human centred' bus based on a Volvo chassis and designed in conjunction with user groups and the trade unions concerned. Some of this information might be useful to Third World partners and TWIN might consider a publication based on it.

Because capitalism concentrated on the marketplace and the production of goods for sale to the consumer it had an inbuilt tendency to try to resolve problems through material production and marketing. In three identifiable sectors, however, the solution to problems tended to lie in the opposite goal of not producing.

In the field of health, for example, the major causes of ill-health in advanced capitalist countries today lay in working conditions, food and eating habits, stress and pollution rather than infectious diseases. Health improvements came from solving these underlying problems rather than building more hospitals and other curative services. In practice, average life expectancy in London had not increased and it was clear that health needs had to be integrated into technology, industry and employment.

In the field of energy, the fourth energy source, conservation, was now being recognised in the United States, France and elsewhere as the most important area for investment by private capital. Britain, however, was lagging behind in this shift in attitudes.

In the field of transport, the battle was one for greater efficiency. In London the railways were being run down and replaced by increasingly powerful road lorries. The GLC, however, had established that the key technologies were those that linked road to rail more effectively through greater use of small containers and small freight lorries.

The third important principle was that treating trade as a means of **political solidarity** and using it as a way of developing links with progressive Third World partners. The GLC had tried to develop this approach within the London economy, using the principle of contract

compliance to ensure acceptable wage levels and anti-racist, anti-sexist practices. This had proved to be a formidable undertaking involving many legal battles.

Attempts to trade with the GLC's own choice of partners raised a number of problems. Chosen suppliers, such as co-ops, could not always produce in the quantities and quality required. One breakthrough had been made in the supply of food to school but only through developing a new distribution system to enable goods to be purchased from the chosen suppliers.