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The glee over the Uber ban reveals how Corbyn's economic policy would work

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On Uber, reactions speak louder than words. Set aside for a moment the issue of Uber's compliance with the Transport for London (TfL) rules, and whether revoking their licence was justified or proportionate.

The celebratory tone of the supposed "labour movement" to news that 40,000 contractors will see their main source of income effectively banned (a higher number than employed in the much-discussed steel industry) was far more eye-opening, and should lead many to question the hard left's true concern for "workers".

In fact, this whole episode has offered a revealing insight into how a Corbyn-governed Britain might operate when it comes to business and the labour market.

First, there's the obvious: the unions running riot. Delirious from this "victory", the general secretary of the Trade Union Congress, Frances O'Grady, tweeted chillingly: "Firms have a choice. Sit down with us and work out a fair deal for workers. Or end up in court and all over the front pages. #Uber".

Never mind that Britain has a labour market with low levels of unemployment and a high number of vacancies – suggesting workers have market power and choices available. Under a Corbyn government, emboldened unions would use their bullying tactics to narrow that choice to firms where they consider strong "rights" available, no doubt shaped by existing models of employment.

In other words, in truly Orwellian double-speak, we'll see unions who purport to care about workers' rights – apart from the right to work for the company you want to. Second, there's the complete disregard for consumers.

Perhaps I've missed it, but I've yet to hear one Labour supporter of the TfL decision acknowledge that it could have a downside for the public who actually regularly need to get around London.

While most economists would weigh up the impact of any intervention using a cost and benefit analysis, including the impact on prices and availability for customers, the Corbynistas only seem to see things through the lens of the incumbent producers. Hence the obsession with “stopping undercutting of workers”.

This would no doubt permeate other aspects of their economic programme, with more in the way of protectionism for beleaguered industries on arbitrary “quality” grounds, and an opposition to expansive liberalising trade deals. The result? Higher prices, and a less dynamic economy. Third, there’s the reach for the nationalisation of everything. In the aftermath of the Uber decision, some Corbynistas are already urging TfL to create what is in effect a publicly-owned, or “mutually-owned, publicly-backed”, version of Uber called “Khan’s Cars” – a play on the “Boris bike” scheme. Talk about reinventing the wheel (or, rather, the app).

Far from viewing the role of government as to supply only what cannot be provided efficiently by the market, these guys reach for the state as the first resort for provision.

And to what end? Uber was innovatively providing its service cheaply to Londoners, with some critics even claiming it was subsidising journeys to encourage use. So either a publicly-owned scheme would be more expensive for consumers, or else it would instead be subsidised by taxpayers – increasing the tax burden further for no good reason beyond an ideological pet project. Wasteful spending would proliferate.

Fourth, and perhaps most worrying, is the arbitrary nature of the views held by Corbynistas about why Uber shouldn’t be able to operate, and what this would therefore mean for the role of government.

TfL had specific concerns (at least in the public reasoning for its decision) about Uber’s reporting of criminal offences and the use of its controversial “Greyball” technology. But others have since thrown in other gripes, egged-on by the black cab trade, for why Uber should be banned – from its role increasing congestion, to its contractor model and tax structure. The well-connected Corbynista journalist Paul Mason even tweeted that Uber “erodes social capital” as an apparent reason to oppose its existence.

This arbitrary, rather than rules-based, decision-making leads both to emboldened vested interests (in this case, the black cab trade, which played on Labour gripes with Uber in their campaigning), and businesses second-guessing the ideological preferences of the government. The willingness to revoke licenses and stop businesses operating at short notice creates substantial uncertainty, deterring investment and innovation.

But worse is the longer term consequence for remaining firms. Rather than spending time meeting the wants and needs of customers, companies would essentially become lapdogs to the Labour agenda – getting treats and tax breaks when they did something “progressive”, and the newspaper to the nose when they did not.

This is the ideal world, according to the anti-Uber Corbynistas.

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