

# Blair denounces public sector workers to an audience of Venture Capitalists

## A man haunted by the persistence of class

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Prime Minister Blair took the opportunity of a speech July 6 to the Venture Capitalists Association conference in London to vent his spleen against public sector workers.

Unveiling a £50m fund to back budding entrepreneurs, Blair said his Labour government wanted to be the "champion of entrepreneurs", and to bring about a "revolution" in peoples attitudes towards what he called the "front-line troops of Britain's new economy". "We need society as a whole to applaud you", he continued.

In a departure from his prepared speech, Blair told the audience of speculators that British culture is "fundamentally anti-meritocratic."

"Too often in Britain, if people saw someone with money, they were jealous of them, whereas in the US they wanted to emulate them". The years of "snobbery" against people making money was particularly entrenched in the public services, he went on. "Try getting change in the public sector and the public services. I bear the scars on my back after two years in government and heaven knows what it will be like after a bit longer. People in the public sector were more rooted to the concept that 'if it has always been done this way it must always be done this way' than any group of people I have come across."

He would continue to try and "tear down the barriers to upward mobility" and help to change such "unhealthy" public attitudes, he pledged.

Faced with an immediate barrage of criticism—particularly from public sector employees—Blair's spokesman attributed the Prime Minister's deviation to "stress". There is undoubtedly an element of truth in this. His outburst came amidst

growing problems for the government in a number of areas.

Blair was the most belligerent supporter of NATO's bombing of Yugoslavia. But the last weeks have exposed that, far from safeguarding Kosovar Albanians, NATO's actions inflamed ethnic conflicts within the region. Its aftermath has created a new wave of refugees and atrocities against Serbs and gypsies.

In Northern Ireland, Blair's attempts to seal the so-called "peace process" through a combination of horse-trading, contradictory assurances and "deadline" ultimatums has yet to come to fruition.

In Britain, mass abstentions in recent local government and European elections dealt a further blow to the Prime Minister who had sought to utilise them to establish his credentials as a popular leader.

But Blair's attack on the public sector was specifically directed. As well as slashing spending, the government is attempting to push through their Private Finance Initiative (PFI). Under this scheme, the entire public sector is being put up for grabs to the highest bidder. Private contractors will build, own and operate a range of services—including schools, hospitals, roads, etc. Blair, in his speech, offered the Venture Capitalists Association government money as an inducement for them to participate in this "risk-taking", but highly profitable, venture. He also promised them further opportunities in the telecommunications market and called on pension fund managers to stop being "too cautious" in investing in risk-taking ventures.

An element of Blair's frustration is rooted in the mounting opposition to his government's attack on the public sector. Far from being resistant to change, public services have changed beyond recognition over the last

two decades under both Tory and Labour administrations. Whilst Blair praised the "get rich quick" spirit, some five million public employees have faced an effective wage freeze that has left them amongst the poorest paid workers in Britain. More than 60 per cent of full-time workers now earn less than the average wage of £20,770 per annum. The average has been skewed upwards due to large increases for a small group of high earners—executive pay increased by 7 per cent and boardroom bonuses by 23 percent last year—and the exclusion from the survey of 6 million part-timers, who mostly earn less than £100 a week.

The growing levels of inequality have greatly exacerbated social problems and placed further strains on public services. Labour's response is to blame public sector workers for "failing their consumers" and to starve them of cash. The resulting crisis is then used to legitimise privatisation.

Millions of public sector employees—who looked to Labour for salvation after two decades of Tory attacks—regard the government's actions as a betrayal. At the British Medical Association (BMA) conference last week, doctors openly denounced Blair's policies and complained that their hopes that health care would be safe in Labour's hands had been "massively disappointed".

Beleaguered on all sides, Blair believed that in front of an audience of venture capitalists, he was finally amongst friends. He even confided that, in his youth, he had set out on a risk-taking venture—organising rock tours—and failed. His speech was an appeal to New Labour's real constituency to come to his aid. But his intemperate remarks reveal a fundamental flaw in his grand design to refashion British society along the lines of his favoured American model. His "Third Way" rhetoric and assertions of a new entrepreneurial meritocracy are aimed at removing what he believes is the "British obsession" with class. He believed that the constant assertion by Labour's well-oiled PR machine that there is no such thing as opposing class interests would be enough to convince everyone of the error of their ways.

Propaganda can indeed be an effective weapon. But in the final analysis, it cannot persuade working people to ignore the reality of their own lives. Moreover, there is a widespread recognition that when the private sector so beloved by Blair last held sway, the conditions of

life for the majority of people were appalling.

Even within the Labour Party, Blair's remarks caused disquiet. Deputy Prime Minister John Prescott was faced with the unenviable task of addressing a meeting of public sector workers immediately afterwards. By way of an apology, he told his audience that "Since the 19th century it has been local councillors and the public sector who have forged a modern society. When the private sector failed, the public sector stepped in locally and nationally. It was the public sector who made possible universal education, developed public transport, provided affordable and good quality housing, maintained parks and open spaces—and organised care for those most in need."

Prescott has played the role of New Labour's "working class face". He is a supporter of PFI and every measure introduced by the government over the last period. His riposte reflects concerns that Blair's arrogance and stupidity is endangering the very project upon which the government has embarked.



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