

# Blair's Britain and what it means for Europe

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In his speech to the European parliament on June 23, British Prime Minister Tony Blair was at pains to stress his commitment to a “social Europe.”

He was responding to charges that the massive “no” votes in the French and Dutch referendums on the European Union constitution represented a decisive rebuff to the type of rapacious, deregulated free market economics that was championed by his government and had plunged the UK into a Dickensian-style nightmare of social inequality.

Blair denounced as a caricature “the idea that Britain is in the grip of some extreme Anglo-Saxon market philosophy that tramples on the poor and disadvantaged.” Rather, his government was at the cutting edge of social advances—introducing a “New Deal” jobs programme for the unemployed and a minimum wage, increasing investment in public services, regenerating the inner cities and tackling poverty.

It was these achievements, Blair implied, that gave him the authority to lecture other European leaders on the social and economic prescriptions that were necessary for the stability and well-being of the continent and its peoples.

It is a measure of the sycophancy of the British media that the prime minister's remarks were not made the subject of well-deserved ridicule. For in truth, Charles Dickens's depiction of England as a country in which a ruling elite gorged themselves and flaunted their fabulous wealth, contemptuously indifferent to the plight of the mass of the population, finds clear echoes in modern-day Britain. No matter how often Blair seeks to reassure workers in Europe otherwise, the facts speak for themselves.

Earlier this year, the Joseph Rowntree Foundation produced a study, “One Hundred Years of Poverty and Policy,” which compared a two-year investigation on the causes of poverty at the turn of the last century conducted by Seebohm Rowntree, the son of the foundation's founder, with one carried out at the beginning of the twenty-first.

The Rowntree report found that in the course of a hundred years, Britain had come full circle. In 1899, low wages were the main cause of poverty. This remained the case up to the 1930s Depression, when unemployment became the prime cause, to be replaced in the 1950s and 1960s by old age. By

2001-2002, however, low wages were again the leading cause of poverty in the UK, with more than a third of households counted among the “working poor.”

The causes for this turnaround are not hard to find. The period following the Second World War was not only marked by economic boom, but by a series of government-enacted measures designed to ensure class peace by establishing a social safety net below which no one of working age would fall.

By the late 1970s, however, such social protections were being denounced by the British bourgeoisie and the Conservative government of Margaret Thatcher as “sclerotic” and “outdated.” Global competitiveness dictated that welfare and public services be adapted to suit the realities of the “modern” world, was the constant refrain.

In the decade that followed, decent-paying jobs were destroyed by the tens of thousands and taxes on the rich and big business slashed so as to transform Britain into a cheap-labour location for the giant multinationals.

The Labour government has continued the offensive against the working class where the Conservatives left off. The various social policy schemes glorified by Blair in his speech to the European parliament have little in common with the welfare protections of the past. They are essentially a subsidy to employers to enable them to continue paying low wages.

The “New Deal” policy, for example, eliminates previous universal welfare benefits paid as a right, and forces the unemployed onto compulsory training schemes or into low-wage jobs. The minimum wage is currently set at £4.85 an hour for adults, and thereby serves as an official sanction for a low-wage economy.

Even so, plans to raise it by just 20 pence an hour from October have been bitterly contested by big business in Britain, on the grounds that such an increase would “damage competitiveness.” To make matters worse, the minimum wage is set at £4.10 for 18-to-21-year-olds, and just £3 for 16- and 17-year-olds. Apprentices are exempt altogether.

Low wages have helped ensure that British workers toil the longest hours in western Europe (the Blair government has resolutely defended Britain's opt-out from the EU

working hours directive of a 48-hour-per-week maximum). Child poverty levels are amongst the highest of the industrialised countries, with more than one in four children officially deemed poor. While the UK has one of the lowest corporate tax rates in Europe, the level of indirect taxation—which falls most heavily on the working class—is amongst the highest.

Low incomes for much of the working class have only been masked by an explosion in borrowing. But with the total of personal debt in the UK now surpassing £1,000 billion, individual bankruptcies have reached a record high—a 30 percent increase on the previous 12 months. The introduction of university tuition fees and the replacement of student grants with loans mean that young people account for an increasing number of these bankruptcies.

Almost 26,000 house repossession orders were granted in the first three months of this year because people could not pay their mortgages, the highest number since 1995.

As for Blair's claim that his government has increased levels of investment in public services, much of this takes the form of public-private partnerships, in which the government pays for commercial investors to penetrate lucrative markets in health and education provision that were previously closed to them. The end result is that the state sector is increasingly cash-starved and saddled with ever-rising payments to private investors, undermining the quality of schools and hospital care.

That Blair can boast of his government's success despite this appalling record confirms his role as the political representative of a financial oligarchy that has been the real beneficiary of his government's "reforms." Under his premiership, the wealthiest 1,000 people in the UK have seen a 152 percent increase in their fortunes, with the richest 1 percent of the population taking a greater share of national income than at any time since the 1930s.

It is in the interests of this narrow elite that social and economic relations in Britain have begun to recall a time that would have been easily recognised by Dickens: one in which the "highwayman in the dark was a City tradesman in the light," and poor were shunted off to debtors' gaols.

Small wonder that, in defiance of their own political leaders, working people in France and the Netherlands rejected the pro-business agenda of social devastation enshrined in the European constitution.

To believe that is an end to the matter, however, would be the greatest mistake. Notwithstanding the political tensions between Blair and other European leaders, the prime minister's call for the dismantling of social protections across the continent won significant backing at the European parliament.

In one aspect of his speech Blair was correct—his rejection

of the claim that the situation in Britain was simply the outcome of an aberrant "Anglo-Saxon" version of capitalism that could be simply set aside in favour of a more progressive European variant. In this respect, it is worth recalling another study produced in the nineteenth century, Friedrich Engels's *The Condition of the Working Class in England*.

Engels wrote his graphic description of the super-exploitation of the English working class in 1845, although it was only finally published in Britain seven years before Seebohm Rowntree's study. In examining the conditions of English workers during the time of the Industrial Revolution, his objective was not to point up the peculiarities of these developments in contrast to elsewhere on the continent, but to emphasise that the working classes in all countries confronted the same social order.

In England, working people were witnessing the inevitable result of industrial capitalism, he explained, whose consequences—in terms of social misery and oppression of the masses—would be the same for Europe's workers, unless the workers consciously set about building a socialist political movement.

Engels wrote: "The root causes whose effect in England has been the misery and oppression of the proletariat exist also in Germany and in the long run must engender the same results. In the meantime, however, the established fact of wretched conditions in *England* will impel us to establish also the fact of wretched conditions in *Germany* and will provide us with a yardstick wherewith to measure their extent and the magnitude of the danger." (Emphasis in the original).

Engels's warning retains its validity for European workers, but with one exception. Today, the yardstick by which the super-exploitation of the working class must be measured is set not in Britain, nor even the United States—no matter how bad things are there—but, as Blair himself acknowledges, in China and India.



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