

Britain: Brown's pledge to "clean up" Parliament masks austerity drive

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British Prime Minister Gordon Brown set out his government's plans to "clean up" Parliament last week. His move was forced by the scandal over the expenses charged by MPs (members of parliament).

For weeks, the media, led by the *Daily Telegraph*, has published details of MPs' extravagant expense claims. Though most of these were within the rules, chits for moat-cleaning and duck houses fired public indignation.

This was manipulated by the right-wing media to sideline criticism of the billions of pounds in taxpayer monies used to bail out the banks and to demand the reining in of supposed government largesse—a euphemism for public spending on essential services.

Following Labour's worst election results for almost 100 years in the European elections, Brown announced that he would establish a National Council for Democratic Renewal, claiming that its deliberations would be part of the process through which Parliament "reconnects" with the population.

He promised legislation to enable MPs who abuse the system to be excluded from Parliament or face recall by their constituencies. An independent regulator of Parliament is to be set up and a code of conduct for MPs' behaviour established.

Reference was also made to "reform" of the House of Lords, so that it is wholly or largely elected. Brown even flirted with the idea of a written constitution and reform of the voting system. Although it is claimed that the new council will review every option, Brown is said to oppose the introduction of proportional representation, while Conservative leader David Cameron has categorically rejected such a move.

The crisis of democracy

It is common coin throughout the media to describe the uproar over expenses as a crisis for British democracy. Like the cash for peerages scandal before it, however, there is never an examination of how such a crisis could arise. It is simply asserted that revelations of MPs living high on the hog have badly undermined the credibility of all parties and of Parliament itself, which the government must be seen to address.

There undoubtedly is a crisis in the traditional forms of bourgeois democracy in Britain. Its source is not in the recent expenses row, however, but in the tremendous growth of social inequality within Britain over the past three decades as a consequence of the big business agenda pursued by all the official parties.

A study by the Institute of Fiscal Studies in May showed that the UK is one of the most unequal societies in Europe, and among developed countries more generally. Inequality has grown under Labour so that the number of people deemed to be living in relative poverty is now worse than at any time since 1961.

Wages have largely stagnated. Some 65 percent earn less than the mean of £487 a week. Meanwhile, the number of billionaires in the UK has leapt to record levels under Labour.

Access to cheap credit and the promise of never-ending increases in house prices was the means through which the ruling elite sought to mask the real fall in the living standards of the broad mass of the population.

The result is soaring personal indebtedness. The total of UK personal debt stood at £1,459 billion at the end of April. The average UK household debt is £58,370, including mortgages. With more than two million people now out of work and dependent upon meagre welfare benefits, and millions more on short-time working or facing pay cuts, such debt levels are unsustainable.

Labour at the centre

There is a direct relationship between the recent expenses row and this increase in social inequality.

From the 1970s onwards, there has been a concerted offensive by Britain's ruling elite aimed at dismantling the social gains made by the working class and restructuring Britain as a low-pay, low-tax economy.

At the centre of this process was the Labour Party's drive to shed its former connections with the working class and transform itself into the preferred party of the financial oligarchy. This was the essential means through which the ruling elite excluded working people from the official political set-up.

The administering of policies designed to enrich the few at the expense of the broad majority is incompatible with any notion of

genuine democracy. It also requires that those charged with carrying through the dictates of big business be brought fully on board—largely by the simple expediency of making sure that they too benefit.

The Additional Cost Allowance (ACA), which is at the centre of the recent scandal, assumes significance in this respect. Over the three decades in which the ruling elite effected a major transfer of wealth from working people to the super-rich, the terms of the ACA were relaxed and made more generous.

The ACA was introduced in the 1970s at a time when the Labour government of James Callaghan was attempting to impose below-inflation wage deals on millions of workers, particularly in the public sector. Kowtowing to the demand of the International Monetary Fund and global financiers, the government insisted that wage restraint was vital for the national economy. But calls for collective sacrifice in the national interest presented problems for MPs when it came to raising their own salaries.

To avoid political embarrassment and prevent a deeper popular backlash against the IMF cuts, the decision was taken to supplement MPs' incomes through a more liberal expenses system that would conceal a de facto pay rise that broke the government's limits.

It was under the Conservative government of Margaret Thatcher that the gravy train really began to gather steam. As Thatcher conducted a major offensive against the jobs and wages of the working class under the slogan of "rolling back the frontiers of the state," the rules for the ACA were relaxed still further, so that MPs could claim for mortgages on second homes, instead of rental charges.

The rule change enabled MPs to cash in on the property boom which, fuelled by broader policies of speculation and deregulation, saw house prices rise sharply.

The Labour government of Tony Blair extended the scheme still further. While holding down public spending and wages during its first term in office, Labour increased the ACA by one-third, to just under £20,000 in 2001.

In 2004, another rule change was introduced allowing MPs to claim any home as their primary residence. Previously, ACA had applied only to constituency homes outside London. Now MPs were able to get in where the real money was to be made—on the capital's housing market.

The Blairs themselves were infamous for their attempts to add to their property portfolios, with several homes in London and southern England.

Today, the earnings and expenses of MPs place them in the top four percent of the UK population.

A fresh deceit

The constant demands for parliamentary "reform" made by the media have nothing to do with establishing democratic accountability. Rather, the financial oligarchy is seeking, through its media mouthpieces, to utilise the crisis of the parliamentary

system for its own ends. It is demanding political changes aimed at ensuring that the institutions of bourgeois rule are able to effectively implement the austerity policies it now demands.

The government's fiscal stimulus package was nothing more than a massive plundering of social wealth for the benefit of the City of London, financial speculators and the super-rich. Now these same layers are insisting there must be deeper inroads into the living standards of working people.

They regard Labour's promise to make cuts of seven percent in public spending, delayed until after the next general election, as too little, too late. They view Brown as hostage to Labour's deep unpopularity, prevented from doing what is necessary by fear of impending electoral wipe-out.

The Conservative Party, eager to win the backing of the likes of Rupert Murdoch, has committed itself to cuts of 10 percent or more. On Monday, shadow treasury spokesman Philip Hammond pledged that an incoming Conservative government would implement these cuts immediately, insisting that the overriding political priority must be sending "the right reassuring signals" to the financial markets.

Labour has attempted to make political mileage from the Tories' cuts pledge, but it too will do whatever big business demands of it. It already plans to impose cuts in 12 government departments that the Institute for Fiscal Studies estimates at £26 billion. When questioned, Labour has refused to ring-fence any department from possible cuts, or to guarantee its pledge to raise spending after 2011.

The scale of cuts planned surpasses anything attempted by Thatcher or Callaghan. The ruling class knows, in turn, that opposition to such measures threatens social protests surpassing even those of the late 1970s and early 1980s.

The Chartered Institute of Personnel and Development forecast this week that 350,000 jobs could be slashed in the public sector as part of a "bloodbath in public finances." This could lead to "ongoing 'workplace guerrilla war' marked by waves of major public sector strikes and regular bouts of unrest," it said.

"One brake on this possibility may well be wider public opinion," it added.

The claims to be involved in a fundamental "redesign" of official politics is an exercise in manipulating public opinion to provide a veneer of legitimacy to the institutions and parties tasked with the restructuring, or rather dismantling, of the public sector and welfare.



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