

Britain's Tory-Liberal Democrat coalition plans attacks on social programmes

Julie Hyland, Chris Marsden
13 May 2010

Britain's new Conservative-Liberal Democrat government is the first formal coalition in 65 years, since the wartime "national unity" administration under Winston Churchill between May 1940 and May 1945.

The historical reference point is significant. This time, however, the measures associated with policies of all-out war are to be imposed on the domestic population.

The coalition began work as reports were released showing that unemployment had reached its highest level since 1994, with 2.51 million jobless. The Bank of England issued a warning that the new government must act "sooner rather than later" to slash Britain's deficit.

This is the primary task of the new administration. The most significant of the new policy issues announced was the commitment to introduce £6 billion in spending cuts, in addition to those already scheduled by Labour this financial year. This is to be implemented by an emergency budget within the next 50 days. A new office for "budget responsibility" is to be created, as suggested by the Liberal Democrats during the election.

George Osborne, a close friend of Conservative leader David Cameron from their time in Oxford University's "Bullingdon Club", assumes the position of Chancellor, the head of the treasury and the number two post. Osborne said on Wednesday that there would be a "significant acceleration" in budget cuts, and that the new government would also make changes in education and welfare programs.

Former Conservative leader William Hague and one-time leadership challenger Liam Fox—both associated with the Tory right—are foreign secretary and defense secretary, respectively. From the more "socially liberal" wing of the party, Theresa May has been appointed home secretary and Kenneth Clarke justice secretary.

Cameron's appointments within his own party are aimed at holding together its various fractious elements. But of greater political import is the extent to which he

has included the Liberal Democrats in the highest government positions.

Out of just 57 Liberal Democrat MPs, 20 have been given top posts. This includes leader Nick Clegg becoming deputy prime minister as one of five cabinet positions. Vince Cable is business secretary, and David Laws, a former investment banker, is chief secretary to the treasury.

Clegg, Cable and Laws are the three leading figures in the Orange Group, which has since 2005 advanced a Thatcherite free-market agenda within the Liberal Democrats, in opposition to its previous quasi-social-democratic position on the welfare state and redistributive taxation.

Another key appointment is Danny Alexander as Scottish secretary. He will actually head an office that the Liberal Democrats were pledged to scrap. His presence is meant to provide some legitimacy north of the border, given that the Tories have only one Scottish MP. He will preside over a nationally divisive agenda that includes devolving additional tax powers to the Scottish parliament—aimed at cutting taxes on corporations—together with discussions on the establishment of an English Assembly and ending the right of Scottish MPs to vote on policies affecting the rest of the UK.

The Liberal Democrats have all but abandoned any pretence that their own agenda on social cuts could be "fairer" than that of the Conservatives. The significantly accelerated reduction in the structural budget deficit is to be accomplished by prioritising spending cuts over increased taxes.

The Conservatives agreed to put on hold their commitment to raise the threshold for inheritance tax to £1 million, while adopting the Liberal Democrat policy of raising the personal tax allowance to £10,000—but only as a long-term goal.

The Liberal Democrats junked their proposed “mansion tax”. A deal has also been struck that Labour’s planned 1 percent increase in National Insurance will be borne by employees alone.

In all major respects, Conservative policy holds sway.

The Liberal Democrats will not oppose the Conservative marriage tax allowance. Promises of banking reform, such as splitting retail and investment banking, and a tax on bankers’ bonuses are on hold at least until the publication of an interim report.

The Liberal Democrats have even accepted the retention of the Trident nuclear deterrent and will not oppose plans to expand Britain’s nuclear power industry—overturning key pledges it made during the election campaign.

The Liberal Democrats have also accepted a cap in non-European Union immigration proposed by Cameron, and they have ditched their call for an amnesty for “illegal” immigrants resident in the UK for 10 years.

The Conservative’s education plans for “school reform” have been given the go-ahead, as well as the full implementation of its welfare “reform” programme. This includes barring the unemployed from benefits for three years if they refuse a job offer, along with an attack on invalidity and housing benefits.

There was not even any need to discuss the continuing war in Afghanistan, given that the Liberal Democrats were already committed to lending it “critical support”.

Proportional representation has been dropped unceremoniously. All that remains of the Liberal Democrats pretensions to inaugurating a new era in politics is a referendum on introducing the Alternative Voting system, by which second-preference votes are taken into account should the leading candidate not secure a 50 percent majority.

Of far greater significance in estimating the character of the coalition is the agreement by both parties to introduce five-year fixed-term parliaments. The intention is that this government, which no one voted for, will remain in power until 2015.

Hague said that this was to guarantee stability to the government, stating, “We have done everything possible to lock ourselves together to avoid the dangers of instability and haggling that are of course present in any hung parliament.”

According to the BBC, according to the plan, the only way to remove a government before the five years is up will be in a vote of confidence backed by 55 percent of MPs, rather than the 50 percent plus 1 currently required.

The extraordinary extent to which the Liberal

Democrats have been co-opted into government makes clear this is not so much a coalition as a virtual merger between parties that are indistinguishable on all fundamentals.

The same basic point can be made about the Labour Party. Before his resignation, Gordon Brown, in discussion with his unelected advisers Peter Mandelson and Alastair Campbell, had proposed a “progressive alliance” of Labour, the Liberal Democrats and smaller parties.

This was offered to big business as a surer way of imposing austerity without the immediate incendiary implications of a Tory government. A Labour-led government would also enjoy the services of the trade union bureaucracy as industrial policemen.

However, within less than a day, it was vetoed from within Labour’s own ranks. Leading figures such as David Blunkett, John Reid, Kate Hoey, Jack Straw and four cabinet members including Health Secretary Andy Burnham denounced the proposal in terms almost identical to those in the incensed pro-Conservative press.

Though now formally in opposition, Labour will dutifully support the thrust of Cameron-Clegg’s austerity measures and will do its utmost to suppress the emerging opposition within the working class.

Its role was aptly described by former Home Secretary Alan Johnson as “constructive opposition”. Johnson was the first major figure to rule himself out of the leadership contest triggered by Brown’s resignation. He has declared his support for former Foreign Secretary David Miliband, a protégé of Tony Blair.



To contact the WSWs and the Socialist Equality Party visit:

wsws.org/contact