

# Labour Party conference commits to austerity, cuts in pay, jobs and welfare

Julie Hyland  
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Proceedings in Liverpool this week made clear that in the fight against rising unemployment, poverty and the mass spending cuts of the Conservative-Liberal Democrat coalition, working people face no greater enemy than the Labour Party.

The Labour Party's annual conference convened amidst dire warnings from the International Monetary Fund (IMF) of global recession and fears of a collapse of the euro zone.

Across Europe, national governments—working with the IMF and the European Union—have seized on the economic crisis to launch a social counterrevolution against the jobs and rights of working people.

In Britain, the government's £80 billion package of spending cuts has already seen official unemployment pass the 2.5 million mark, with 100,000 jobs lost in the public sector in the last three months alone. Working class youth have been hardest hit—their right to further education stripped away through the abolition of education allowances and the tripling of university tuition fees.

But in his keynote speech, party leader Ed Miliband defended the right-wing policies championed by Conservative and Labour alike over the past 30 years that now threaten an economic and social catastrophe.

The Conservative government of Margaret Thatcher in the 1980s had been right to slash taxes on the super-rich and to introduce anti-union laws, Miliband said—i.e., to drive down the wages and conditions of the working class so as to facilitate ever-greater financial speculation.

He praised the “proud record” of Labour's 13 years in government—during which it had accelerated Thatcher's policies, producing record levels of social inequality. Former prime ministers Tony Blair and Gordon Brown are “great men”, he said.

Finally, he insisted that a Labour government would be just as committed to austerity as the coalition.

A Labour government would “live within its means”, Miliband stressed. “We won't be able to reverse many of the cuts this government is making”.

Labour's top priority would be to pay off the national

debt. Naturally, Miliband made no mention of the fact that this debt was caused by the previous Labour government's multibillion-pound bailout of Britain's banks in 2008, which transferred the massive losses run up by the super-rich onto working people.

Instead, he warned, “If this government fails to deal with the deficit in this Parliament, we are determined to do so. It's why we will set new fiscal rules to bind government to a disciplined approach.”

It is a measure of the profound disconnect between Labour and the mass of working people that Miliband's speech was trailed as setting out a “new bargain” between the party and the “silent majority”: the “people who don't make a fuss, who don't hack phones, loot shops, fiddle their expenses or earn telephone number salaries at the banks.”

Miliband had to concede that “a system run for decades had failed”. He criticised “predators”, “asset-strippers” and individual bankers for encouraging a “fast buck” culture.

But these were all meaningless sound bites. The system that has failed, according to Miliband, is not capitalism—the word was never mentioned—but a system of “values”.

An “economy and a society” had been created that rewarded “not the right people with the right values, but the wrong people with the wrong values.”

While claiming Labour would redress this situation, Miliband proposed not a single measure to regulate or limit the activities of the financial oligarchy, much less suggest that they be held to account for the economic crisis.

Labour was “pro-business”, he stressed, which meant it would ensure the “most competitive tax and regulatory environment we can for British business.”

Miliband's hypocritical moralising over “wrong values” was aimed solely at justifying further attacks on working people.

Referring to the riots that swept London and other cities in August, the Labour leader bracketed the legitimate anger of working class youth over poverty and police brutality with the rampant greed and corruption that has been exposed as endemic in ruling circles.

The riots were “not the first time we’ve seen decent people with the right values losing out to those with the wrong ones”, he said, listing them alongside “the banking crisis, MPs’ expenses. Journalists hacking phones.” They were all representative of a “something for nothing culture”.

This slander against working class youth—the real victims of the “fill your boots” culture that Labour worked so assiduously to facilitate—was the pretext for Miliband’s declaration that his party would take “tough decisions” on welfare, forcing young people into work and clamping down on “benefit cheats”.

It would also ensure that social housing was allocated to prioritise those who show “responsibility” and “contribute” to society—in other words, the unemployed would face homelessness under a Labour government.

It would be “irresponsible” to scrap university tuition fees, Miliband said, setting out that Labour would double them from the current annual amount of £3,000 to £6,000.

He also made clear that Labour is only too ready to whip up racism so as to divide working people—implying that immigration policy in the past had been too lax and was responsible for social deprivation.

The same “tough decisions” would apply to “our public services as well”, he said.

Shadow chancellor Ed Balls had earlier spelt out what that meant. Labour would ensure “discipline in public and private sector key”, and would not “duck difficult decisions on pensions”, he said, lining the party up behind the coalition’s attack on public sector pensions.

In her speech to conference, Yvette Cooper, Labour’s home secretary, supported the state repression meted out against young people in the wake of the riots, which has seen thousands face summary justice and many imprisoned for the most menial offences.

Calling for an increase in police numbers, she demanded, “This country must never again tolerate such lawlessness.” “Labour [is] the party of law and order and that is how we will stay.”

There is no difference between any of this and Conservative-Liberal Democrat policy. All in all, Labour’s demand that the government take a “steadier and more balanced” approach to reducing the budget deficit amounted to the most paltry and ineffective measures—a temporary tax break for small businesses, and reducing VAT from 20 percent to 17.5 percent, and to 5 percent for home improvements.

But Miliband’s commitment to austerity is not simply a pledge for the future. Throughout the country, Labour-controlled authorities are working in a de facto coalition with the government to push through its spending cuts.

In Liverpool, for example, the Labour-led council has

agreed to budget cuts of £91 million over the next four years—a 22 percent reduction in its annual budget. According to the policy research unit Centre for Cities, Liverpool could lose nearly 8,000 public sector jobs, while cuts in welfare provision would cost £200 per person. This is in a city where the official unemployment rate is 12 percent—the highest in the country—and where more than a quarter of all households rely on welfare benefits.

In Liverpool and elsewhere, Labour is relying on the trade unions to prevent any opposition to mass layoffs and spending cuts. Even as the contracts of tens of thousands of local authority workers were arbitrarily ripped up by local authorities in March of this year, the trade unions did nothing. All they have committed to is a token day of action on November 30, which the Labour Party conference made clear it opposed.

That is why Miliband offered the trade unions a key role in any Labour government. “The most important future for the trade unions in this country”, he said, was to help build an economy based “on cooperation not conflict in the workplace.... Raising productivity, working together, helping firms to compete.”

Union representatives should be present on pay boards, Miliband said, so “that sacrifice as well as prosperity is fairly shared.”

Miliband speech won the backing of the trade union leaders. Dave Prentis, leader of the public sector union Unison, said it “hit the right buttons”, while Len McCluskey, general secretary of Unite, claimed it was “the beginning of a radical alternative”.

“I think trade unions feel more at home than we have done for a long time,” he said.



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