

Miliband commits UK Labour to long-term austerity

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Ed Miliband committed Labour to long-term austerity policies, in a speech trailed as one of the most significant of his 15-month leadership of the party.

His remarks to a meeting of religious and voluntary organisations were made in the context of the Conservative-Liberal Democrat coalition's admission that its massive spending cuts were not helping pay off the UK's structural deficit. Rising unemployment and falling tax receipts meant that the debt had instead grown by almost £30 billion, Chancellor George Osborne conceded in November.

The packaging of austerity measures as a deficit-reduction strategy was always a fiction. Like governments across Europe, the coalition is using the economic crisis caused by the speculative and criminal actions of the super-rich to fundamentally restructure class relations in line with the demands of the finance markets, banks and major corporations for money to be siphoned into their coffers.

Labour was always at one with this policy. It was Gordon Brown's administration that handed over billions to Britain's banks, while setting out spending cuts and imposing a public sector wage freeze. The massive scale of its electoral defeat in 2010, however, coupled with widespread public anger against the banks and super-rich, meant that the new Labour leader had sought to strike a critical pose. He has previously denounced "predatory capitalism" and claimed to stand with the "99 percent".

His latest speech was intended to reassure the ruling elite and his own party that his feint of opposition was over.

"We live in tough times", which "will continue" for years to come, Miliband told his audience. Whoever takes office in 2015 "will have to make difficult choices".

This was the economic "landscape" that must shape Labour's agenda, he said, pledging any Labour government to "tough new fiscal rules".

Beyond vague talk about making austerity "fair" and "long-term wealth creation", Miliband did not propose a single measure against the financial oligarchy's stranglehold over all aspects of economic and social life.

Labour's agenda is "not anti-business, it's pro-business," he stressed.

Miliband even took pains to specify that coalition cuts in Winter Fuel Allowances paid to the elderly would not be reversed under any administration led by him, despite utility prices rising by up to 20 percent. All he offered was the worthless pledge that energy firms would be pressured to offer those aged 75 years and over the lowest available tariff.

The speech has given the lie to claims that Miliband's victory in the leadership contest over his brother and former foreign secretary, David Miliband, marked a break with the neo-liberal policies of New Labour. Elected largely as a result of trade union backing, this has been used by the various pseudo-left organisations, such as the Socialist Workers Party, to claim that Labour can be pressured into leading a fight against the coalition.

This deceitful claim is made despite the fact that Miliband has consistently opposed even token strikes in the public sector against the attacks on jobs, wages and pensions. Across the country, Labour-controlled councils are implementing some of the largest budget cuts.

Now the de facto alliance between Labour, the Conservatives and Liberal Democrats against the working class has been made explicit.

Miliband's speech follows months of demands that

Labour spell out its commitment to austerity, with the loudest noises coming from within the party.

A series of pamphlets have been produced by the Policy Network think tank run by Peter Mandelson, the main architect of Labour's refashioning as an openly right-wing pro-capitalist party.

The principal aim of these pamphlets has been to insist that Labour must prove its economic credibility by setting out its own cuts agenda. "In the Black Labour" stressed that "Taxpayers, voters *and lenders to the British state* feel they have a right to know what the main opposition party would do about high levels of borrowing and when they would do it by. Satisfying this demand is fundamental to being regarded as a credible alternative government" (emphasis added).

The pamphlets' authors, who include Adam Lent, former head of economics at the Trades Union Congress, propose that Labour strengthen the powers of the Office for Budget Responsibility to enforce austerity—a measure hinted at by Miliband in his speech.

Another pamphlet, co-authored by Labour's pensions minister Gregg McClymont, argued that the party should make "A patriotic appeal to the nation to improve growth and living standards," as opposed to a misguided "defence of the public sector and public spending".

A number of leading Labour advisers and spokespersons have made similar demands. Shadow defence secretary Jim Murphy denounced opposition to spending cuts as "shallow and temporary" populism, while the party's work and pensions secretary, Liam Byrne, called for the dismantling of social welfare.

The welfare system had "skewed social behaviour", Byrne said, arguing for unemployment benefit to be restricted and for social housing to be allocated to those deemed the most "deserving".

Finally, Maurice Glasman, Miliband's close ally and leading adviser, rejected as "sectionalism" any idea that Labour should try to appeal to public opposition to the government's policies.

Glasman is the author of the "Blue Labour" agenda—a pseudo-theoretical rationalisation for the dismantling of social provision utilising nationalism, anti-immigrant measures and a more corporatist relationship with the trade unions.

Writing in the *New Statesman*, he stressed that

Labour must not become "stranded in a Keynesian orthodoxy" and should set out its stall for "corporate governance, a vocational economy, regional banks and fiscal discipline" as a "platform for growth".

Miliband's speech ticked all these boxes. Lent welcomed it as a step in the right direction. "Labour must not be defined by opposition to the cuts", he wrote, but must be "emphasising our commitment to tough-minded, fiscal practice."



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