

# UK Labour Party pledges cuts in welfare

Robert Stevens  
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The Labour Party has moved to position itself as the best placed vehicle to continue the imposition of savage austerity measures, in the event of the downfall of the Conservative/Liberal Democrat government.

In set-piece speeches, in the planning for months according to the *Guardian*, Labour's Shadow Chancellor Ed Balls and party leader Ed Miliband declared that Labour, if elected, will continue the austerity measures and welfare cuts begun by the Tories.

The speeches follow the introduction on April 1, by the Conservative/Liberal coalition, of the largest ever welfare cuts in British history, hitting over nine million families.

On June 3, Balls stated, "Labour must start planning now for what will be a very tough inheritance in 2015. It will require us to govern in a very different way with much less money around. We will need an iron discipline and a relentless focus on our priorities."

Labour he added would "look ruthlessly at every pound we spend. The relentless focus of my Shadow Cabinet colleagues must be on how to re-prioritise money within and between budgets for current spending, rather than coming to me with proposals for any additional spending."

In preparation for attacks on workers throughout the public sector, including the speeding up of the privatisation of the National Health Service and public education provision, Balls revealed Labour, "has already set up a public sector efficiency advisory board."

He added that Labour spending teams will "prepare a report on Public Service Reform and Re-Design setting out how we deliver better public services with less money, involving employees, charities, and the voluntary sector in our deliberations, as well as business and public providers."

Balls declared that Labour would end Winter Fuel

Allowance payments to higher income pensioners, slashing a further £100 million from welfare spending. The move affirms Labour's break with any concept of universal welfare provisions such as child benefit.

The coalition has already removed child benefit payments for families with one person earning over £50,000, a policy Ed Miliband declared would not be reinstated.

In his heavily trailed June 6 speech, Miliband too stated, "The next Labour government will have less money to spend... We will have to be laser focused on how we spend every single pound. Social security spending, vital as it is, cannot be exempt from that discipline."

Labour would not reverse any of the devastating social spending cuts introduced under the Tories and Lib Dems, he announced. Labour would impose three-year cap on spending on "structural welfare spending"—including housing benefit from 2015-16.

A compulsory work programme will be introduced by Labour said Miliband, in which, "young people will have an obligation to take a job after a year or lose their benefits."

"We will do the same for everyone over 25 unemployed for more than two years," he added.

Under the scheme businesses will have to pay virtually nothing in wages, with workers receiving just a pittance. Miliband said, "For every young man and woman who has been out of work for more than a year, we would say to every business in the country, we will pay the wages for 25 hours a week, on at least the minimum wage."

Miliband said that entitlement to Contributory Jobseeker's Allowance—a meagre £72 unemployment benefit available for just six months for those out of work, but who have worked for two years—would be reviewed. Labour would investigate, "Asking people to work longer—say five years instead of two—before they

qualify for extra support.”

Balls and Miliband’s speeches were welcomed by the right-wing press, including the *Times*, *Daily Telegraph* and *Financial Times* but with the caveat that Labour had to go much further. The *Financial Times* warned, “It will take far more than the removal of winter fuel payments from wealthy pensioners to show that Mr Miliband’s new realism is in earnest. The Labour leader has made a welcome step towards credibility. He still needs to do more.” *Times* columnist Philip Collins said, “Miliband is really late on the economy and welfare. This week could and should have happened long ago.” He added, “The next stage is to apply the insight in the arena in which it really bites—the reform of public services. Labour has as yet nothing interesting to say about either health or education. It needs to have, starting yesterday.”

This was Labour’s cue to announce yet more of its right wing agenda. Balls revealed that Labour’s proposed cap on welfare spending would also include the state pension. Welfare spending in the UK on pensioners accounts for £110 billion of the total £165 billion spent on benefits.

He told the BBC on Sunday, “As for pensions, I think this is a real question. George Osborne (Conservative Chancellor of the Exchequer) is going to announce his cap in two weeks’ time. I do not know whether he would exclude pension spending or include it. At the moment our plan is to include it.”

The unions once again marched in lock step with Labour on its right-wing course. Len McCluskey, the leader of the UK’s largest trade union UNITE declared, “If Ed Miliband continues in this vein, then he will win working people back to Labour.”

On Miliband’s pledge for a forced labour scheme, he added, “Labour now needs to firm these up, working with unions, as well as employers, because with our connection to millions of working people we can bring these promises to life.”

GMB General Secretary Paul Kenny said Miliband espoused, “exactly the type of policies that will win working people back to Labour.”

The unions’ full support for Labour’s austerity agenda exposes the patent fraud of the upcoming People’s Assembly to be held in London on June 22. Billed as “a national forum for anti-austerity views,” its stated aim is “to develop a strategy for resistance to

mobilise millions of people against the Con Dem government.”

The purpose of the Peoples Assembly is to dragoon whoever they can behind the election of a Labour government that is pledged to austerity, on the basis of the lie that it represents an alternative to the coalition.

Pride of place among the assorted trade union bureaucrats listed as the movers and shakers of the People’s Assembly is McCluskey, who has worked for years with pseudo-left outfits such as the Socialist Party, Socialist Workers Party and its Counterfire splinter. His declaration in favour of Miliband’s pro-austerity programme illustrates the virulent hostility of the trade unions and their hangers on to the interests of the working class.

Earlier this year he enthused over Miliband’s adoption of Conservative “One Nation” rhetoric “for the way he has raised this idea ... and for the content he is trying to give it... As the working class reasserts itself, Labour is the natural, historic, vehicle for their voice. Every Labour victory has been based on an alliance. And that is the alliance I see delivering a victory for Labour in 2015.”



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