

# Britain: Labour leader praises unions for working with employers to cut pay and hours

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Ed Miliband reiterated the Labour Party's commitment to continuing public spending cuts, flexible employment practices and pay restraint in his address to the annual Trades Union Congress (TUC) on Tuesday.

Life "won't be easy under a Labour government", the Labour leader said. "We'll have to stick to strict spending limits."

Miliband's pledge for further austerity came just days after it was revealed that some five million workers in the UK—one in five of all employees—are on zero hours contracts. Those on the contracts work only as and when they are needed, often at short notice, and without holiday or sick pay.

Miliband made a few criticisms of the contracts whilst being careful to state that they will be retained under Labour as there are "some kinds of these contracts which are useful", citing doctors, teachers and young bar staff.

The assembled trade union bureaucrats listened to Miliband's speech in respectful silence with polite applause at its conclusion, despite the Labour leader's recent acrimonious dispute with the Unite trade union over the selection of the party's candidate for the Falkirk by-election.

Miliband had used the dispute to argue that trade union members should take out individual membership to the Labour Party, rather than the bloc membership operated by a number of unions. It was part of a pitch by Labour to press for state-funding of parties. Last week the party admitted that its allegations that Unite had tried to rig the selection were wrong and reinstated two union officials as members.

That has not damaged relations between the trade union bureaucracy and the Labour leader, as a succession of union leaders lined up to congratulate

Miliband on his speech. Unite leader Len McCluskey described Miliband as like a "real leader" adding, "He's beginning to seal the deal with working people. We look forward to hearing him put more meat on the bone in the coming months."

In a comment to the *Guardian* McCluskey spelt out that there was no question of any breach between Labour and the unions. The trade unions are too valuable he said, citing as an example the decision by Jaguar Land Rover (JLR) to create 1,700 jobs at its Solihull plant in the West Midlands.

JLR's announcement came just days after Unite squashed a dispute by workers employed by the logistics firm DHL, who supply JLR with components. They had been fighting to parity with permanent JLR employees and had voted overwhelmingly for strike action. Instead, Unite authorised a token 30 minute stoppage, so as to ensure production was not affected.

This sums up the unions whose only role is to serve up their members to global corporations on the best terms for their exploitation.

Five years into the most severe austerity measures since the 1930s, the trade unions have not lifted a finger against the assault on jobs, wages and conditions. The result, as Miliband noted, was that living standards in the UK "have now fallen for longer than at any time since 1870".

The TUC's own figures show that the total pay of British workers had fallen by more than £10 billion annually and was 7.5 percent lower in 2012 than on the eve of the recession in 2007. It noted, that "a combination of falling real wages, reduced hours and changes in the kind of jobs people are doing has reduced the UK's total pay packet by 7.5 per cent over the last five years—a real terms annual cut of £52bn in 2012. The UK's overall pay packet fell to £638bn last

year.”

This staggering decline has been directly facilitated by the trade unions, and their pseudo-left apologists in the Socialist Workers Party and the Socialist Party.

After last year’s conference, the pseudo-left groups had hailed a resolution for the consideration of “co-ordinated strike action” and “the consideration and practicalities of a general strike”, as proof the TUC could be relied upon to lead a fight.

In the year since, there has been no “co-ordinated strike action”, or any action whatsoever against the governments’ austerity. The reference to a general strike has now been dropped and all the pseudo-left could muster is another resolution, committing nobody to anything, calling on the TUC to “facilitate a co-ordinated programme of industrial action and civil disobedience”.

That is why Miliband was able to praise “how you unions and employers worked together” during the recession, citing their agreement to put “jobs above pay rises”, “working fewer hours in order to protect employment” and enabling “flexibility”.

Whatever their disagreements over party funding, Miliband and TUC are as one on the crucial role played by the trade unions in enforcing the diktats of the capitalist profit system.

Miliband made this the central theme of his speech, citing leading bourgeois figures from history who had understood this vital role—including the Fourteenth Earl of Derby, the Conservative Prime Minister who “first legislated to allow trade unions in this country” in 1867.

Complaining that Prime Minister David Cameron had abandoned the “one nation Conservatism” of his predecessors, Miliband declared that he stood in their tradition as a true “One Nation politician.”

The Labour leaders remarks on this score—including the reference to the Earl of Derby—replicates a 2012 pamphlet entitled “Stop the Union-Bashing”, issued by the Demos think tank. Written by Conservative MP Robert Halfon, it is a call on the Tories to recognise the sterling work of the trade unions and work more “constructively” with them.

“Conservatives and trade unionists can be soulmates”, he wrote. “Trade unions are capitalist institutions. They offer membership services that directly seek to replace government.”

In her own speech to the conference TUC leader Frances O’ Grady called on the Conservative-Liberal Democrat coalition to engage more closely with the unions and adopt as its model the government of German Chancellor Angela Merkel.

“Even from the European engine room of austerity”, Merkel “still defends co-determination” between government, employees and the trade unions, O’Grady said. “And her finance minister has called on business to meet union wage demands as a way to boost consumer demand”. She added “To paraphrase Rex Harrison in *My Fair Lady*, why can’t David Cameron be more like Angela Merkel?”

This hymn of praise to Merkel from the TUC is significant. In order to ensure the profitability of European, or more particularly German capitalism, Merkel has demanded savage cuts in social spending, jobs, health care and other vital provision across the European Union. Entire economies have been laid to waste and unemployment in Greece, Spain and elsewhere driven up relentlessly—to more than 50 percent for youth.

The aim is to drive down wages across the whole of the EU, in competition with wage rates in China and India. In Germany itself, where a general election will be held on September 22, all the bourgeois parties are committed to austerity. They seek to build on the “success” of Hartz IV—a programme of welfare cuts--initiated by the Social Democrats in 2002. As a result of these measures an OECD study published in 2011 concluded that income inequality has increased faster in Germany than in virtually any other member country.

Merkel doesn’t defend “co-determination” despite austerity, but because of it. In every country, the trade unions play the key role in enforcing the mass impoverishment of working people. At the TUC conference, the union bureaucracy renewed their pledge to continue to do the same in Britain.



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