

# UK Conservatives set out election agenda of austerity until 2020

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Prime Minister David Cameron's keynote speech to the Conservative Party conference in Manchester this week was a declaration of escalating social warfare.

He pledged to impose austerity until 2020. This meant targeting welfare and public spending for a freeze and removing the right to claim unemployment and housing benefit altogether for the under-25s.

This toxic brew was wrapped up in vile anti-immigrant rhetoric and pledges to give the major corporations whatever they demand in terms of tax cuts and stepped-up exploitation.

Cameron made clear that the attacks levelled on working people thus far are seen as only a down payment on what is to come. "This isn't job done; it is job begun," he declared.

The man who once professed to be transforming the "nasty party" this year portrayed himself as the heir of Margaret Thatcher.

Against a projected picture of himself with the deceased former leader, he described Thatcher as "Rescuing our economy. Giving power to our people. Spreading home ownership. Creating work. Winning the Cold War. Saving the Falklands...she was the greatest peace-time Prime Minister our country has ever had."

He would continue her agenda by completely eliminating Britain's deficit, achieving a balanced budget and even running a surplus in the five-year lifetime of the next parliament, to be achieved through further savage cuts.

Global companies, he said, "base their decisions" on where to locate "on some simple things: like the tax rates in each country." The Tories would "cut for businesses large and small."

Above all, this meant no let-up in the attack on welfare. Here Cameron played the anti-immigrant card, declaring, "British people...have every right to be angry about a system that is unfair and unjust."

"We've capped welfare. We've capped housing benefit. We've insisted on new rules so that if you reject work, you lose benefits", he proclaimed. "And let's be absolutely clear. As [London mayor] Boris [Johnson] said in that great speech yesterday, the problems in our welfare system and the problems in our immigration system are inextricably linked.

Adding a cap on immigration to his list of caps, Cameron declared, "If you are not entitled to our free National Health Service, you should pay for it. If you have no right to be here, you cannot rent a flat or a house. Not off the council, not off anyone else. When you are a foreign prisoner fighting deportation, you should pay your own legal bills. If you appeal—you must do it from your own country, after you've been deported, not from here."

Cameron reserved his most punitive measures for young people.

The under-25s would not be able to claim benefits under an all-Conservative government, liberated from its alliance with the Liberal Democrats.

Cameron disingenuously claimed that "Today it is still possible to leave school, sign on, find a flat, start claiming housing benefit and opt for a life on benefits. It's time for bold action here." "We should ask, as we write our next manifesto, if that option should really exist at all," he said.

Instead, young people should have a "clear, positive choice" to go to school or college, do an apprenticeship or get a job.

Cameron was preceded this week by Chancellor George Osborne, who pledged to achieve a surplus "in the next parliament"—by 2020—which would require maintaining the cap on "working age welfare bills." A cap on already meagre welfare payments was brought in this year.

In addition, a new scheme called Help-to-Work would be enacted from April 2014 for those who had not found work after two years on the existing Work Programme.

In order to qualify for the Jobseeker's Allowance benefit, set at £56.80 for 16-24-year-olds and £71.70 for those 25 and over, the unemployed will now have to either take a work placement such as cleaning up litter, make daily visits to a job centre, or take part in compulsory training.

Unlike the Work Programme, which is limited to six months, Help-to-Work will be open-ended until someone finds permanent employment. A first breach of its rules will result in the loss of four weeks' benefits, and a second breach means losing three months' benefits.

The cuts required for any British government to run a budget surplus would dwarf the more than £155 billion in austerity measures already in place. The Tories presented their pledge as "a break with the past", noting the British government has only run a surplus in 7 of the last 50 years and 3 of the last 20 years.

Big business was euphoric.

The Confederation of British Industry said, "Committing to build an absolute surplus once the deficit is eliminated sends a strong signal that the chancellor is serious about keeping public finances in check."

"Breaking government addiction to debt and achieving a surplus in public finances is the most important ambition any administration can have," the Institute of Directors proclaimed.

The *Financial Times* editorialised that Osborne's target was "a challenging objective," while stating it was "right to stress the importance of bringing down the public debt."

Cameron himself and the media were keen to stress that he was laying out a choice between the Labour Party, intent on "bashing business", and the Tories, committed to "profit, wealth creation, tax cuts, enterprise."

The *Financial Times*, for example, wrote that the proposal to eliminate the deficit through a public spending freeze until 2020 "is likely to open a new dividing line with the opposition as Labour is unlikely to match this pledge."

Such political criticism will be seen by Labour as setting down the next line to be crossed.

Party leader Ed Miliband is anxious to give the appearance that Labour offers an alternative to the Tories and austerity, under conditions of rising social and political discontent. But he is extremely circumscribed as to what he can offer, given the demands placed upon him by big business.

All he has been able to come up with is a proposed freeze on fuel bills until the beginning of 2017—worth just

£120 to an average household—and a shift towards speaking of a "cost of living crisis" rather than a debt crisis.

The reality is that in Labour, the Conservatives and the Liberal Democrats, workers face rival parties that are all committed to austerity and cuts.

The seven years cited by the *Guardian* in which a British government ran a surplus included the three successive years after the 1997 election of the Labour government of Tony Blair, which retained spending cuts outlined by the previous Tory government.

Miliband and his chancellor, Ed Balls, have made the same pledge once again.

Balls called in June for "iron discipline" regarding public spending: "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," he said.

Miliband stressed that "Social security spending...cannot be exempt from that discipline," pledging that Labour would not reverse any of the spending cuts introduced under the Tories and Lib Dems. Labour would in addition impose a three-year cap on spending on "structural welfare spending"—including housing benefit—from 2015-2016.

Labour has gone further than even the Tories in one respect—by mooting a cap on the state pension. And it is pledged to introduce a compulsory work programme in which, according to Miliband, "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."

The real difference between the two parties at this point boils down to whether caps on spending and benefits will remain until 2018 or continue until 2020. It will not be long before Labour bows to corporate and media demands and rectifies this political defect.



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