

UK Labour Party proposes compulsory cheap-labour scheme

Danny Richardson
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Labour Party Leader Ed Miliband has launched Labour's Jobs Guarantee scheme, aimed at young people age 18 to 25 who have been unemployed for 12 months or more.

The scheme will last the lifetime of the next parliament if Labour wins the 2015 election. Those enrolled will be compelled to stay for a six-month period at a minimum wage job. Another similarly exploitative scheme will be launched for those over 25 years of age who are on Job Seekers Allowance.

They will be paid the national minimum hourly wage for a 25-hour work week. The present minimum wage rates are just £6.31 (21 years old and over), £5.03 (18-20), £3.72 (under 18) and £2.68 (apprentice under 19). The unemployed will forfeit their benefits if they refuse to take part.

Labour claims that 80 percent of the jobs under its scheme will be in the private sector. Companies that sign on will not have to pay out a penny, as the scheme is fully tax-payer funded. The firms will also receive £500 for each worker they enrol.

With almost one million young people officially unemployed, young people already face a dire future, with little prospect of a secure, decent-paying job. This is due to years of recession and the policies of successive governments, which have bailed out the super-rich elite in the wake of the 2008 global financial crash. Now Labour intends to use young people as cheap factory fodder.

Shadow Chancellor Ed Balls praised the scheme in words virtually indistinguishable from his Tory counterpart. He said, "[T]his is a tough contract... The government will work with employers to help fund paid work with training for six months. Those who can work will be required to take up the jobs on offer or lose their benefits. A life on benefits will simply not be an

option."

The Labour Party launched its scheme just days after feigning concern for workers employed on zero hours contracts. These can pay even less than agency work. The contracts are based on a more flexible call-out system, offering no set hours. Such contracts run across the major employment sectors, but are most prevalent in health care, retail and the public sector, where many local authorities regularly use zero hours contract workers alongside agency workers.

Labour responded to figures from the Office of National Statistics (ONS) revising upward by almost 100 percent the number of people working on zero hours contracts. The revised official figures show that there are now 583,000 mostly young people on these contracts. The ONS claimed the discrepancy in the initial figure was due to an error committed by another official body, the Labour Force Survey, which claimed in its defence that employees were not registering their zero hours contracts.

In August of 2013, the Chartered Institute of Personnel and Development claimed that as many as one million workers in the United Kingdom, 3-4 percent of the workforce, work under the terms of a zero hours contract, and that the average hours worked per week was 19.5. The Unite trade union puts the figure as high as 5.5 million. The ONS' upgraded figure is a vast underestimation when compared to these estimates.

Chuka Umunna, Labour shadow business secretary, claimed that Labour will "tighten up the rules to outlaw zero hours contracts where they exploit people."

This is a fraud. Labour is not opposed to zero hours employment, saying only that they want to curb the worst excesses. But zero hours contracts are inherently exploitative.

The *Financial Times* on March 10 wrote of Labour's proposed jobs scheme: "The policy is intended to combat the Conservative accusation that Labour is willing to allow unemployed people to languish on benefits." Labour has more than matched the Tories, including announcing a cap on welfare benefit spending and agreeing to adhere to austerity measures already in place during its first year in office.

Previous Labour governments have imposed cheap-labour schemes for youth. In 1978, James Callaghan's Labour government launched the Youth Opportunities Programme (YOP). This was expanded by the Conservative government of Margaret Thatcher in 1979 and rebranded as the Youth Training Scheme (YTS). Both were despised by working class youth.

Miliband's scheme is even worse, as it is compulsory. Youth will lose welfare entitlement for refusing to take such jobs. An 18-to-20-year-old on Labour's scheme would earn just £155.25 and would pay out a considerable portion of that to get to and from work. This is before the basic necessities are paid for, including shelter, clothing and skyrocketing food and utility bills.

The minimum wage is calculated on recommendations by the Low Pay Commission (LPC). Leading trade union officials make up one third of the commission's number. In 2012, the LPC voted unanimously for the rate to be frozen.

Included on the commission were representatives of unions whose members were among the lowest paid workers in Britain. The present Trades Union Congress general secretary, Frances O'Grady, at the time the assistant general secretary, was a member of the LPC and voted in favour of the poverty-level minimum wage.



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