

# The reality of Prime Minister May's pledge to make Britain "fairer"

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Conservative Prime Minister Theresa May claims that the June 23, 2016 referendum vote to leave the European Union will be the basis for raising British workers' living standards.

Outlining the government's plans for Brexit last week, she said, "We will take this opportunity to make Britain stronger, to make Britain fairer, and to build a more Global Britain too."

Speaking earlier this month at the World Economic Forum, the annual gathering of billionaires in Davos, Switzerland, she told the assembled financial speculators and political representatives of the capitalist class, "We must never forget that our first responsibility as governments is to serve the people." Post-Brexit Britain would be "a country that works for everyone... a Shared Society, one that doesn't just value our individual rights but focuses rather more on the responsibilities we have to one another."

Those in attendance all knew May was lying through her teeth. The first act of international diplomacy performed by May in her quest for a "fairer Britain" was to visit US President Donald Trump, whose concept of "fairness" involves the appointment of a cabinet of billionaires and generals to preside over policies of trade war and militarism abroad and an assault on social services at home. Among his first major policy announcements was the confirmation that, in the name of putting "the American worker first," he will build a wall along the southern border of the United States and deport millions of Mexican immigrants.

May echoed Trump when she made clear that her own plan to put "British workers first" was based on a clampdown on migration from Europe. Her efforts to secure a trade deal with the US, China and other countries depends on a further lowering of British workers' living standards and a heightening of their exploitation.

This will be no mean feat. Britain—due to the pro-business agenda that successive Labour and Tory governments have imposed over three decades—is already one of the most unequal societies in the world.

## Poverty

According to the 2015 Breadline Britain study, 20 million people—a third of the UK population—live in poverty. One in five people lives below the official poverty line. Over half a million

people use food banks. The End Child Poverty coalition report states that 3.7 million children live in poverty.

## Inequality

In England, between 2012 and 2014 there was a 60 percent increase in the number of poor households. The top 10 percent of households—all worth more than £1 million—saw their wealth grow three times faster than the bottom 50 percent. The top 1 percent possess as much wealth as the poorest 57 percent.

## Wages

Since the 2007/2008 global financial crisis, UK workers have suffered the largest fall in real wages among leading Organization for Economic Cooperation and Development (OECD) countries. Nearly a million people are officially on zero-hour contracts, receiving poverty pay with no guaranteed hours of work.

## Health care

The National Health Service is being privatised and eviscerated. More than £40 billion in cuts is planned from 2010 to 2020. In 2014, the UK—at 9.9 percent of GDP—spent less on health care than the United States, Japan, France and Germany. Of the G7 countries, only Italy spent a smaller percentage of GDP than the UK in 2014. In 2015, the Health Foundation charity stated that UK health spending would fall from 7.3 percent of GDP to just 6.7 percent by 2020.

## Public spending

Public spending has been cut to levels previously not seen in peacetime. Around £100 billion in cuts are to be imposed from 2010 to 2019. By 2019, 1.3 million public-sector jobs will have been destroyed. School age education in England faces an 8 percent cut in funding per pupil by 2019-20 as a result of £3 billion in cuts. Homelessness in England alone has risen to over 250,000. This will get dramatically worse as by 2020 the £18 billion central government grant to local authorities is to be phased out.

## Welfare benefits

The UK benefits system has been slashed, with millions driven off the welfare rolls. In 2014, the Council of Europe found that the level of UK benefits paid in pensions, jobseeker's allowance and incapacity benefit was "manifestly inadequate," as it fell below 40 percent of the median income of European states. Short-term incapacity benefit stood at just £71 a week, Employment Support Allowance and Job Seeker's Allowance stood at £67 per week, and the state pension was just £102 a week. They have barely risen since.

May and her pro-Brexit cabinet claim that the social crisis is the exclusive result of excess immigration, when in reality it is the outcome of deliberate government policy by Labour and the Conservatives. The aim of policy has been to redistribute wealth from working people to the super-rich.

In her London Brexit speech, May threatened that she would "change the basis of Britain's economic model" if the UK was not granted unlimited access to European markets after it exits the EU. Central to this is a pledge to lower corporation tax in order to lure transnational corporations away from the UK's European rivals.

Britain's corporation tax currently stands at 20 percent and will be reduced to 19 percent from April. From 2020, it will be 17 percent. The UK already has the lowest corporation tax rates among G8 countries, and last November, May said the UK aimed "to have the lowest corporate tax rate in the G20." This followed the announcement by previous chancellor George Osborne that a rate of 15 percent was the goal.

Even this is now considered an obstacle to attracting global corporations, under conditions of escalating trade war. Last October, the Brexit-supporting *Daily Express* revealed, "Theresa May could be set to slash corporation tax by half" on the basis of a "secret plan," in which the UK would cut the rate to 10 percent "if EU rivals decided to block a free trade deal with the UK."

This rate is comparable with those that exist in Eastern European countries such as Bosnia and Herzegovina, Bulgaria and Hungary, where immense levels of poverty are the norm and there is no social safety net.

Corporation tax brought in £43 billion in 2015. Under the flag of being "globally competitive," additional cuts of over £20 billion would be needed—meaning the destruction of what little remains of welfare provision and essential social services.

Behind the talks with Trump over trade deals, what is really being worked out is a way to complete this social

counterrevolution. May's visit was organised by the most rapacious, far-right sections of the US and British bourgeoisie. Before leaving the UK, she refused to rule out a trade agreement that would open up the NHS and the public sector to US private corporations.

This is in line with the real model for "Brexit"—a Singapore-style tax haven off the shore of continental Europe. Singapore, the country most highly regarded by former Labour Prime Minister Tony Blair, has one of the highest rates of social inequality in the developed world.

The aims outlined by May mean returning the conditions of the working class to the Victorian era. One thing is certain: this is incompatible with her call for "national unity."

That is why May refused to be drawn in, in response to Trump's thuggish declaration that torture "absolutely" works and he was prepared to sign an executive order reinstating "black site" torture facilities. Instead, she boasted that Britain and America now have the opportunity to "lead together again."

It should be noted that the day before May left the UK, almost 40 percent of Tory MPs (127 individuals) supported a backbench motion demanding even more restrictive laws against industrial action. This is despite the fact that in March, the new Trade Union Act comes into operation—a law that already extends the employment categories subject to restrictions on industrial action. Wednesday's motion sought to include all transport and the NHS as "critical national services."

The bill failed only because Labour MPs voted against it on the basis that it was "unnecessary." Labour's argument is that further anti-strike legislation is not required, as the union bureaucracy already ensures that industrial action will remain at an all-time low.

Labour's Kevin Brennan noted, "There were 106 strikes in 2015—the last year for which we have figures—which is an eighth of the number of strikes that took place in 1985. That equates to a loss of 0.003 percent of all working days in 2015, when 81,000 workers went on strike. That is the lowest level since records began in 1893."



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