Starmer pledges austerity alliance between future UK Labour government, big business and unions

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Sir Keir Starmer's New Year's speech was a message to big business that the Labour Party was ready to govern based on continuing the austerity offensive carried out by the ruling Conservatives over the last 12 years.

Declaring Labour was the party of national unity, he began, "I believe in our country, I believe in our businesses, I believe in our people, and I believe in our spirit. It was there in the coming together for the funeral of Queen Elizabeth II." This was why "2023 marks a new chapter for Britain, with a new King to be crowned in May."

Just how right-wing is Starmer's pitch was apparent in his refusal to commit to even a single penny in extra public spending if he took office. He stated, "let me be clear – none of this [Labour's programme] should be taken as code for Labour getting its big government chequebook out… I can see the damage the Tories have done to our public services as plainly as anyone else. But we won't be able to spend our way out of their mess – it's not as simple as that."

Starmer's speech was trailed by the *Guardian* as "stressing the role of the private sector." It was more accurately described as a paean to big business. "Strong, dynamic government is necessary, but it's not sufficient… For national renewal, there is no substitute for a robust private sector, creating wealth in every community."

In previous set piece speeches, at the Trades Union Congress (TUC) last October and at the Confederation of British Industry the following month, Starmer declared that Labour would govern in a corporatist alliance with big business and the trade unions. He told the TUC that an Industrial Strategy Council would be created, delivering "a real partnership between Government, business and unions."

Starmer said in his latest speech that he would "convene a real industrial partnership between business and unions." There would be "a new approach to the power of government. More strategic, more relaxed about bringing in the expertise of public and private, business and union, town and city, and using that partnership to drive our country forward."

Less than 18 months from a scheduled general election, Starmer's every utterance is framed to reassure big business and the finance sector that nothing will change under Labour, even as he acknowledges the desperate situation facing millions of workers facing an offensive against their living standards and jobs by the Tories.

While trying to distance himself from the "all the chaos" of the Tory government, Starmer announced that he would still be adopting the main slogan of the Tory right, "Take Back Control." This was the slogan used by the Brexiteers in winning the 2016 referendum to leave the European Union.

A new "take back control bill" would be "a centrepiece of our first King's speech", said Starmer. The Bill would "spread control out of Westminster. Devolve new powers over employment support, transport, energy, climate change, housing, culture, childcare provision and how councils run their finances."

Such an appeal is aimed at enabling Labour to win back the "red wall" seats held by the party for generations that fell to then Tory leader Boris Johnson in his rout of Labour leader Jeremy Corbyn in the 2019 General Election. The abandonment of millions of workers in the de-industrialised north by Labour's lurch to the right over the last decades resulted in many workers voting in support of Brexit.

In a Q&A session after the speech, Starmer repeatedly made clear that a Labour government would follow an anti-working-class austerity agenda. Asked if Labour

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would match Tory spending limits at the next election, he replied, “we know we are going to inherit a badly damaged economy and badly damaged country. Therefore, we have to be absolutely clear that we can’t just spend our way out of that mess.

“We have already set out our fiscal rules in terms of spending, only borrowing to invest, and getting debt down as a percentage of our economy.” He emphasised, “we won’t be getting out that big government chequebook… Everything we say we will do will be fully costed and set out, as it already has been, and we’ll do that going into the election.”

Starmer has already junked most of the Labour manifesto Corbyn stood on in 2019, though he needed to change nothing regarding the UK’s membership of the NATO military alliance, commitment to a new generation of the Trident nuclear weapon’s system and to spending at least two percent of GDP on the military.

Asked by the *Times* if he would retain the manifesto commitment to abolish university tuition fees, at a cost of £9.5 billion a year to the Treasury, Starmer refused to make such a commitment. The *Financial Times* wrote approvingly of a “move that underlined the UK opposition party’s newfound commitment to fiscal discipline.”

The *Times* enthused, “Sir Keir would like to see the economy grow, the national debt and inflation fall, NHS waiting lists shorten and illegal crossings of the English Channel cease. He is of the mainstream of British politics.” They lauded his “encouraging suggestion of partnership with the private sector…”

None of this produced anything of a genuinely oppositional character from the party’s notional left, with Corbyn not even composing a tweet.

Unite General Secretary Sharon Graham, portrayed by the pseudo-left groups as a staunch fighter for the working class no longer prepared to uncritically back Labour, said Starmer must provide assurances that the party is not preparing to make “continued cuts to services and pay… I want to hear Labour make it abundantly clear that the choices it will make will not lead to austerity – that we will not be getting some new buzzword that amounts to continued cuts to services and pay. They cannot afford to tinker around the edges.”

The only assurances made by Starmer are directed towards the City of London. Anything he might promise workers is a flat-out lie and Graham knows this very well. Graham’s period in office has seen Unite impose one below inflation deal after another on workers, and the sacrifice of their terms and conditions. Any polite criticism she or any other union bureaucrat might make of Starmer now will not stop them backing Labour in a general election. Nor will it prevent them from sitting down with a future Starmer government to impose the austerity agenda demanded by the City of London, who will effectively write his election manifesto for him.

Starmer again made a pitch to the ruling elite that a Labour government was the best means of quelling workers’ demands and anger because of its ability to utilise the trade unions to suppress the working class, rather than relying on further anti-strike laws, including minimum service level legislation.

Asked if he would repeal the Tory government’s proposed anti-strike laws if elected, the Labour leader replied, “If it’s further restrictions then we will repeal it … I do not think that legislation is the way you bring an end to industrial disputes.”

A *Guardian* journalist noted, “You said that 19 percent was too much [for nurses to be given in a pay rise]. Will you at least say that 2 percent is too little if that is what ends up being the offer [from the government in this year’s pay round]?”

Starmer did not even oppose a 2 percent pay deal, with inflation at 14 percent. “Let’s see what the government actually brings forward,” he said. The government should “compromise” with the health unions, as, “all they are saying is ‘come into the room and talk to us and we won’t be on strike’, and the government won’t do it.”

Royal College of Nursing leader Pat Cullen confirmed the same day as Starmer speech that the union would be prepared to accept a 10 pay percent pay deal—around half of the 19 percent they originally called a strike ballot and began industrial action over.

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