

Labour's business conference promises government of, by and for the banks and corporations

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The Labour Party held its flagship business conference Thursday, “Britain’s Future”, attended by more than 400 people including executives from Goldman Sachs, Google, AstraZeneca and Airbus, each paying £995 for a seat.

Sponsored by HSBC and Bloomberg, the event was the culmination of Labour’s pre-election pitch to big business, designed to make clear that the party will rule more directly and aggressively in the interests of shareholders than any government in British history.

The delegates were hard won. At its party conference last year, Labour raised close to £2 million selling exhibition hall space and doubled its revenue and attendance for business day compared with 2022. Shadow Business Secretary Jonathon Reynolds was described by the *Guardian* at the time as being on a “breakfast-time charm campaign” to match former Labour Prime Minister Tony Blair’s infamous “prawn cocktail offensive” with the City of London. Reynolds met with BlackRock, Goldman Sachs and Toyota, among others.

In December, Labour appointed an advisory panel to the party of 10 senior figures from the financial services sector, including the chairs of Barclays, ABRN, Schroders, Legal and General and Prudential, and the chief executives of YBS, Amadeus Capital and the London Stock Exchange Group.

Tulip Siddiq, Labour’s shadow economic secretary, said the panel “demonstrates Labour’s commitment to the sector and our determination to put it at the heart of our plans for growth. It builds on the extensive engagement we have done across industry to meet banks, insurers, fintechs, asset managers, investors, payments providers, consumer groups, and trade associations.”

David Postings, chief executive of UK Finance, commented that Labour “understand the importance of the sector and capital markets in particular. They are very keen to be seen to be doing things even if they are not vote winners.”

At the World Economic Forum in Davos this month, also attended by Labour Party leader Sir Keir Starmer, Shadow Chancellor Rachel Reeves joined a breakfast meeting hosted by JP Morgan and told those present, “With Labour, Britain will be open to business. We will restore stability and security into our economy. We will restore Britain’s reputation as a place to do business. And we will be a trusted partner with business in delivering the change our country and our economy needs.”

Last week, Labour published the report, “A New Partnership: A long-term plan for Government business relations to power our economy and society”, carried out by prominent business consultant Iain Anderson, a Conservative Party member of 39 years who quit to help Starmer’s party. Reynolds welcomed the publication as “an important step in putting the voice of business at the heart of government.”

Faced with the disasters inflicted on the economy by the Tory Brexit project and the unravelling of the faction-ridden Tory government, epitomised by Liz Truss’s abortive premiership but continued under her replacement Rishi Sunak, Labour’s appeals have been well received in boardrooms and executive offices. Places for Thursday’s conference sold out within hours when tickets were released last October.

A poll of 500 business leaders carried out by Opinium for the Labour Party this month found that 49 percent preferred a Labour victory at the next election, versus 34 percent for the Tories—a reversal of the balance of their actual votes in the 2019 election.

Starmer and Reeves pushed their case Thursday, announcing that there would be no cap on bankers’ bonuses and that Labour would keep corporation tax at the Tories’ rock-bottom 25 percent, the lowest in the G7, for at least five years (it was 35 percent when Margaret Thatcher left office in 1990). Labour even left the door open to cutting the rate further, with Reeves promising to “act” if the UK’s

“competitiveness is under threat”.

Reeves also spoke about the “spirit of partnership with business that will guide the next Labour government” and how “a more unstable world” meant that “business and government must work together like never before.”

She promised, “when we say we want to work with business, that there is no policy we can announce, no plan that can be drawn up in Whitehall, that will not rely on the engagement of business, we mean it.

“That this Labour Party sees profit not as something to be disdained but as a mark of business succeeding.”

The shadow chancellor again swore, “I will not waiver from iron-clad fiscal rules,” referring to her “decade as an economist at the Bank of England” as proof of her credentials.

Starmer picked up the thread, stressing Labour’s “commitment to always put economic stability first. We cannot and will not allow public spending needs, however important, to threaten the stability of our finances.”

He offered his own hymn to “private enterprise,” which “is how we pay our way in the world” and denounced “the caricature that British business only serves shareholder interest” as “lazy and out of date.”

Labour, he said, “is the party of business,” and had not just “opened our doors” to the corporations but “taken decisions together as equal partners in the venture of national renewal. Your fingerprints are on every one of our five missions.”

The two speeches were an open admission that big business will dictate Labour government policy. Promises of a “new deal for workers” and a “level[ling] up of workers’ rights in a way that’s not been attempted for decades” are flimsy window dressing for an agenda drawn up by the banks and corporations.

The working class must prepare itself now to defeat that agenda. It must recognise what a Labour government would mean. Starmer is already widely reviled in the working class as “another Blair”, but the reality is that a Starmer government would be incomparably worse.

Margaret Thatcher described Blairism as “her greatest achievement” for continuing much of her economic agenda, including privatisation. But Blair at least initially tried to portray himself as something different, a proponent of some mythical “Third Way” rather than an untrammelled worshiper of the “free market”.

Moreover, helped by more favourable economic conditions, the Blair-Brown governments of 1996/7 to 2009/10 increased education spending and health spending as a share of GDP, with overall state spending growing by £326.98 billion in real terms, or 9.6 percentage points of GDP, the largest increase of any 13-year period back to 1955.

Blair was despised above all for his having taken the UK into war with Iraq in 2003 based on lies. The last Labour government’s death sentence, however, was the 2008 financial crash and its throwing hundreds of billions at the UK’s failing banks. And it was Labour that in this way initiated the “Age of Austerity” proclaimed by the incoming Tory/Liberal Democrat coalition led by David Cameron.

Almost a decade-and-a-half later, amid a deepening economic crisis and with workers’ wages continuing to fall, Starmer’s Labour Party even before taking office wags its finger and warns “there is no magic money tree,” while ruling out any tax increases on the wealthy.

The one area of public spending Labour is happy to talk about increasing is on the military. Britain is already heavily involved in the NATO war against Russia in Ukraine and is the United States’ leading partner in the war in the Middle East, now including attacks on the Houthis in Yemen and Iran-allied forces, begun by Israel’s genocidal assault on Gaza. These are two fronts of an eruption of imperialist violence directed against Russia and China.

This is at the same time a war against the international working class. Social and economic life will have to be torn apart and rebuilt on a war footing to sustain such a global military onslaught, with devastating consequences for workers. Talk of lifting defence spending to 3 percent, 5 percent and beyond of GDP means clawing billions from the working class through wage cuts, ramped up exploitation, the decimation of essential services and the destruction of many jobs through automation and AI.

Labour’s declaration that it is “the party of NATO” is as much a statement of class war as its promise to govern as “the party of business”.

For the trade union leaders to present the Labour Party as a progressive alternative to the Tory government is to deceive and disarm the working class, which must urgently prepare a counteroffensive against the twin parties of austerity, inequality and war.

It is impossible for workers to secure peaceful, dignified and fulfilled lives without removing both these organisations from power and replacing them with a government of the working class—the real producers of social wealth—led by its own socialist party. The challenge confronting workers today is to join in the building of that leadership, the Socialist Equality Party.



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