

What does Labour's praise for Thatcher mean for workers under a Starmer government?

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12 April 2024

When Margaret Thatcher described Tony Blair and New Labour as her greatest achievement, she hadn't been introduced to then Queen's Council Sir Keir Starmer. But he and his senior shadow cabinet ministers have spent the last several months returning her compliment, with interest.

In December last year, Starmer praised Thatcher's efforts "to drag Britain out of its stupor by setting loose our natural entrepreneurialism."

This March, Shadow Foreign Secretary David Lammy told *Politico* she was a "visionary leader for the UK," adding, "You can take issue with Mrs Thatcher's prescription, but she had a big manifesto for change and set about a course that lasted for over two decades."

He was defending comments made by Shadow Chancellor Rachel Reeves during her Mais Lecture, the most prestigious event in London's banking and finance industry calendar. Reeves drew repeated comparisons between Labour's plans for government and the "challenges" confronted by Thatcher's incoming Tory administration in 1979.

Shadow Chief Secretary to the Treasury Darren Jones threw all caveats to the wind, telling Times Radio, "Both Margaret Thatcher and Tony Blair delivered that decade of national renewal for our country, in terms of economic growth and wealth creation."

Media commentators have described these comments as headline-grabbing attempts to emphasise the break with Corbyn-era policies and make a play for Conservative voters. This is true. Thatcher is a hate symbol for millions of workers and an idol for the Tory faithful.

But the Labour Party is signalling far more than an unapologetic embrace of right-wing capitalist politics: it is making clear its preparations to wage an unprecedented offensive against the working class.

Given the strong likelihood of this year's general election returning a Labour government, workers must be politically prepared for this assault.

Understandably, the first reference point for a Labour government—after 14 years of Tory rule and Gordon Brown's moribund three-year premiership—will be that of Tony Blair from 1997-2007. But the reality is that Starmer's Labour Party in government will make Blair, the Iraq War criminal and enabler of the "filthy rich", look like a left-wing stalwart of a bygone age.

In referencing Thatcher, Starmer, Lammy, Reeves and Jones make clear that 1979 is a far more relevant comparison than 1997. Blair was able to use the fruits of a relative economic upswing to carry out significant social spending increases, softening the blow of privatisations and soaring wealth and incomes among the top 1 percent of the "filthy rich". But he also built on the class war agenda pursued relentlessly by his Tory predecessor in the 1980s when confronting a major crisis of British capitalism and imperialism.

Reeves drew the parallels to today in her Mais Lecture speech: "As we did at the end of the 1970s, we stand at an inflection point. And as in earlier decades, the solution lies in wide-ranging supply-side reform, to drive investment, remove the barriers constraining our productive capacity, and fashion a new economic settlement, drawing on evolutions in economic thought."

This would be necessary to tackle Britain's problem of "political turbulence and recurrent crises... at its root, a failure to deliver the supply side reform needed to equip Britain to compete in a fast changing world."

Thatcher is admired in ruling circles and the Labour leadership because she resolved the 1970s-80s era crisis decisively in favour of the capitalist class, confronting head-on the resistance of the working class and paving the way for an explosion of inequality. Draconian laws, the whip of unemployment and militarised, violent policing were used against the 1984-85 miners' strike and then the printworkers at Wapping.

Both, like other groups of workers, were defeated due to the treachery of the trade union and Labour Party bureaucracy, which was abandoning its former national reformist programme and openly embracing capitalism.

As the Socialist Equality Party explained:

Under Thatcher, the bourgeoisie sought to arrest the historic decline in Britain's global position, destroying manufacturing industry and deregulating the City of London so as to expand its ability to speculate on global markets. While seeking to buy off a section of the middle class with the fruits of the speculative binge, described as "popular capitalism", she set out to "roll back" socialism through union-busting, attacks on the welfare state and an

aggressive assertion of imperialist interests. The response of the trade unions and the Labour Party was the emergence of what came to be known as “new realism”—an end to what were derided as out-dated notions of class struggle and workers’ solidarity, and the embrace of free-market nostrums.

The results were devastating. Inequality saw its sharpest increase of the 20th century as a result, reversing a 65-year fall after 1914, with the Gini coefficient rising more than a third from 0.25 to 0.34, the highest in Europe. The proportion of children in relative poverty more than doubled to over 30 percent. “Right to Buy” sowed the seeds of today’s housing affordability crisis. Major industrial concerns such as Jaguar, Rolls Royce, British Telecom, British Gas, British Petroleum, British Airways, water and electricity companies were privatised.

Thatcher’s government was no less savage in its defence of British imperialism and the oppression of the working class and rural poor abroad. It continued a brutal counterinsurgency in Northern Ireland, launched a bloody campaign to secure British imperialism’s control of the Malvinas/Falklands islands, was among the staunchest allies of Augusto Pinochet’s dictatorship in Chile, and opposed sanctioning the apartheid South African regime.

This time, Labour will not be in opposition facilitating the attacks of the Tories as in the 1980s and 1990s, nor continuing a Thatcherite agenda under relatively favourable conditions, as did Blair initially.

A Starmer government would take power under conditions of a massive economic crisis for world imperialism that has already required a multi-trillion-dollar bailout in 2008 and then an even larger one during the first stages of the COVID pandemic. The world economy is still on the point of crisis, with the UK especially vulnerable after the undermining of its world position by Brexit.

Most importantly, British imperialism will be called on to pursue the US and NATO powers’ war against Russia, back Israel’s genocide in Gaza and escalate towards further military aggression against Iran and China.

Starmer’s class war agenda would exceed by far that waged by his hero, Thatcher. It would be shock-therapy imposed on a victim already tortured half to death.

Under Thatcher’s government, corporation tax was between 52 and 35 percent (it is now 25 percent), capital gains tax was between 30 and 40 percent (it is now between 10 and 24 percent), and the top rate of tax was held at 60 percent (it is now 45 percent) until 1989.

The major corporations and super-rich today insist they will pay nothing to preserve even the most essential social services, and Labour has got the message. Reeves has made clear that the Labour leadership “don’t have any plans to increase taxes”, making a specific pledge to a room full of business executives to keep corporation tax to 25 percent or lower.

The *Times* also reported last July, based on conversations with senior party figures, that “A Labour government would follow

Conservative tax and public spending policies... Senior members of the shadow cabinet expect to have no more money for public services if the party wins the election next year.”

Labour’s “fiscal rules” commit it to seeing the UK’s debt-to-GDP ratio falling in five years’ time—a debt largely run up by the bailout of the banks after the 2008 financial crash and which the last 14 years of austerity have done next to nothing to remedy.

On the war-front, Labour, described by Starmer as “the party of NATO”, has made clear its total commitment to war in Europe against Russia, in the Middle East against Iran and its allies, and in Asia against China.

Thatcher’s years in office saw spending on the armed forces move between 4 and 5 percent of GDP; a level which would require a more-than doubling of UK defence spending today, or £46 billion extra a year—roughly half the education budget. That level of military spending is now once again being demanded.

The trade unions will be called upon to demobilise and betray the working class so these attacks can be imposed. But whereas Thatcher relied on the acquiescence of the Trades Union Council (TUC) and its affiliated unions for its victories, Starmer’s reliance on the trade union bureaucracy will be even more direct.

The decades since the 1980s have seen the trade unions transformed into open appendages of corporate management and the capitalist state, presiding over an endless series of sellouts that have left workers facing a social nightmare. As he made clear in speeches to the TUC and the Confederation of British Industry, Starmer intends to make corporatism—planned tri-partite collusion between the government, the employers and the trade unions—the basis for his government’s assault on the working class.

In return, the trade unions have touted Labour as a progressive alternative to the Tory Party and provided a downpayment on their services with the suppression of the 2022-3 strike wave and refusal to mobilise their members against British complicity in the Gaza genocide.

The Socialist Equality Party will stand candidates in the general election in opposition to all Labour candidates and all campaigns limiting workers to a perspective of pressuring Labour and advancing the Labour “lefts” led by Jeremy Corbyn and the trade unions as a force for opposing Starmer.

Waging a class and political struggle in the interests of the working class can only proceed in direct conflict with any Starmer-led Labour government and as a political rebellion against the trade union bureaucracy on which it would depend. It means preparing now to end Labour’s stranglehold over the working class by building the SEP as the revolutionary leadership needed in the fight against austerity and war.



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