

Starmer declares “shock and awe” strategy to secure inward investment for UK

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The International Investment Summit held by Britain’s Labour government Monday saw the heads of up to 300 companies, with combined assets worth £40 trillion respond to the government’s pro-business entreaties with offers to invest over £63 billion, and create 38,000 jobs.

Attendees included Goldman Sachs chief executive David Solomon, David Ricks of drugs giant Eli Lilly, former Google chair Eric Schmidt and GSK chief Emma Walmsley. BlackRock CEO Larry Fink and Brookfield CEO Bruce Flatt both gave talks.

The government boasted that the investment committed was more than double the £29.5 billion committed at last year’s Global Investment Summit under the Conservative government of Rishi Sunak.

Labour pulled out all the stops in proclaiming Britain as the place for corporations to invest and reap profits, with the event held at Guildhall in the City of London. It concluded with a reception at St Paul’s Cathedral where King Charles was enlisted to flatter business leaders as they were feted with a concert by Elton John.

The conference included a behind-closed-doors session chaired by Business Secretary Jonathan Reynolds. *Sky News* reported that an invited group of CEOs would “jointly scrutinise a green paper on industrial strategy that will also be published on Monday.” One invitee “said they had been ‘asked to mark the government’s homework’.”

Sky News cited a source close to Reynolds saying, “When the business secretary said this government would work in partnership with business, he meant it. We respect the expertise of business leaders and want their voice at the heart of policymaking. That’s why we’re getting them around the table before the strategy is published, so it works for the industries it’s designed to benefit.”

The character of the event was summed up by Starmer in his keynote speech, in which he declared, “I am determined to do everything in my power to galvanise

growth... Determined for this country to be the highest growing economy in the G7. And of course, for any business it means a bigger market, higher demand, a more secure and prosperous future... Your effort and enterprise—rewarded in profit.”

Britain was a “country that is open for business” and Starmer would govern with big business setting every policy, as “Private sector investment is the way we rebuild our country...”

The government would ensure the best conditions for firms to make profits, having embarked on a deepening of 14 years of austerity carried out by previous Tory governments. Ahead of Chancellor Rachel Reeves October 30 austerity budget, Starmer said there are “Challenges we cannot ignore... And our public finances need the tough love of prudence...”

On this basis Starmer said, “I know some people may be wondering about our labour market policies introduced last week”, before re-assuring the corporate heads, “Let me be clear—they are pro-growth” and “will lead to more dynamism in our labour market.”

Starmer concluded his speech by declaring war on any regulation that stands in the way of corporate profits. He was “Determined to get our economy moving... Through the shock and awe of investment.”

No-one could be in any doubt what this meant. Starmer deliberately harked back to the militarist language used by US war strategists—and adopted by its Blairite backers—as they planned and implemented the destruction of Iraq and the killing of a million people following the 2003 invasion.

This, Starmer made clear, is a class war government that will deal ruthlessly with any opposition to big business.

Starmer cynically cited the 2017 Grenfell Tower fire in London as an example as to why “Some regulation is life-saving”, before reassuring his audience that “Across our public sector I would say the previous Government hid

behind regulators.”

His government would “look at regulation—across the piece. And where it is needlessly holding back the investment we need to take our country forward. Where it is stopping us building the homes, the data centres, the warehouses, grid connectors, roads, trainlines, you name it, then mark my words—we will get rid of it.”

Starmer in fact echoed almost word-for-word the “bonfire of regulations” rhetoric of former Conservative premier David Cameron that paved the way for the Grenfell tragedy.

Labour’s “shock and awe” policy meant “it’s time to upgrade the regulatory regime. Make it fit for the modern age. Harness every opportunity available to Britain.” Therefore, “We will rip out the bureaucracy that blocks investment. We will march through the institutions. And we will make sure that every regulator in this country, especially our economic and competition regulators, takes growth as seriously as this room does.”

Starmer promised of the Labour government that “Our door is open,” when the corporations are in fact already inside dictating policy. *The Times* led its front page with the announcement that JP Morgan, Goldman Sachs, Bank of America, Citi and UBS were among 14 signatories to a letter saying it is “time to invest in Britain.” Starmer was offering “greater stability” and with it Britain’s “attractiveness is increased. We are optimistic about the future of the economy, and believe it is time to invest in Britain.”

Starmer announced that in the first 100 days of his government there had been billions in “investment from the world’s leading companies,” including “Blackstone, Amazon” and among “The first of tens of billions worth of inward investment deals we will sign today” was £1 billion into its London Gateway port terminal in Essex by the global ports corporation DP World. DP has ports and logistics operations in more than 60 countries, with global revenues of almost £14 billion last year. This went ahead only after Starmer personally intervened to knock back criticism by Labour minister Louise Haigh earlier this week of DP subsidiary P&O Ferries—who two years ago summarily fired nearly 800 staff and employed a new workforce on inferior pay.

Chancellor Rachel Reeves confirmed that DP World/P&O Ferries, following its brutal operation, had a clean bill of health as government partners, telling *Sky News*, “I wouldn’t have any problems with getting on a P&O ferry.”

Around a third of the inward investment announced to

tie in with the summit is the £20 billion over five years from Australia’s Macquarie group. This is to include investments in energy, water, transport and waste sectors.

This is the same company whose previous ownership of the UK largest water company, Thames Water, responsible for the water supply of the capital—resulted in a massive debt pile and the company left of the verge of financial collapse. Macquarie bought a 48 percent stake in Thames Water in 2006 and took out £879 million in dividends before selling out in 2017. During this period, Thames Water’s debts surged to £11 billion from £6 billion.

Reeves concluded the conference after having written a series of op-eds in the *Sunday Times* and business publications *Les Echos*, *Handelsblatt* and *Nikkei* declaring that “Britain is open for business again.”

Reeves told delegates at the summit that they had a “crucial role in this government’s number one mission; to grow the economy by being the most pro-business government that this country has ever seen.” Labour had already secured the backing of the trade union bureaucracy as partners and “we will only succeed in this mission if government and business work hand in hand”. The October budget would require “difficult choices” and “discipline on spending” to “restore fiscal and economic stability”.

Reeves would “create a tax system that supports wealth creation and increases business investment”. Central to this would be no more rises in corporation tax that “in recent years have caused instability.” Therefore, in the budget, “We will cap the rate of corporation tax at 25 percent, the lowest in the G7, for the duration of this Parliament.”



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