

# The crisis of the Starmer government, the Labour Party and British capitalism

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Britain has entered a new stage of political crisis. Labour leader Keir Starmer's premiership is on the verge of collapse—shaken by resignations and no-confidence letters, including from the arch-Blairite Health Secretary Wes Streeting—and now awaits the final trigger for an open leadership challenge.

To mount a socialist response, workers and young people must look past the media psychodrama that reduces politics to soap opera and personality clashes, and focus instead on the underlying realities driving the crisis.

The Starmer government's crisis is the outcome of two intertwined, long-term processes: the global decline of British imperialism amid the convulsions of world capitalism, and the complete collapse of the Labour Party's working-class constituency.

In the nearly 30 years from 1979-2007, Britain had only three prime ministers. Two of them—Margaret Thatcher for the Conservatives and Tony Blair for Labour—served continuous 10-year terms. Since then, in less than twenty years, Britain has churned through seven prime ministers, with four—and now potentially five—coming in just the last four years.

In every case, the fall of a British prime minister has been precipitated by an international shock that exposed the brittleness of British imperialism's global position and, in doing so, sharpened domestic class antagonisms at home.

Gordon Brown's premiership was finished by the 2008 financial crash, as Labour bailed out the banks and opened the door to a new era of austerity. David Cameron was driven from office after the Brexit referendum, which was fuelled by austerity and which plunged the British economy into turmoil and threw the UK's foreign policy into crisis.

The domino departures of Boris Johnson, Liz Truss and Rishi Sunak, all members of the Conservative Party, ultimately reflected the impact of the COVID-19 pandemic and the US-NATO war against Russia in Ukraine. Both exposed the extreme vulnerability of British capitalism, while the war placed demands on British imperialism and militarism, which none of these figures was considered by the ruling class to be capable of managing.

The Conservatives were given repeated chances to resolve the crisis because the Blairite Labour Party combined a ruthless commitment to suppressing social opposition with an unpopularity so profound that, for years, it could not mount a credible electoral challenge. And when millions embraced the prospect of a left alternative to Blairism, Jeremy Corbyn—elected on that promise—responded by capitulating to the right wing of the party, disarming his supporters and systematically sabotaging any serious fightback throughout his five years as Labour leader.

Starmer ultimately came to power in what the media aptly characterised as “a loveless landslide”, delivered a huge majority on an unprecedentedly low share of the vote thanks to disgust with the Tories and Britain's undemocratic electoral system. Now he has been capsized by the shock waves of the war in Iran and President Donald Trump's detonation of the “special relationship” between the US and the UK.

Britain's ruling class is caught in a tightening vise. On one side is a brutal price shock—with food costs projected to end the year 50–64 percent higher than in mid-2021, and soaring fuel costs squeezing working-class families and battering industry. On the other is the demand for a massive rearmament drive—what one senior government adviser, quoted in the *Financial Times*, called a “rude wake-up call” for the country's under-investment in its military.”

Once again, amid deepening popular hatred of Starmer's government and its rapid electoral collapse, the Labour “left” is playing the decisive role in clearing the ground for the crisis to be settled entirely among a gang of right-wing Blairites in disarray.

John McDonnell—former shadow chancellor under Corbyn—speaks for Labour's ever-diminishing Socialist Campaign Group in calling for an “orderly transition,” with the aim of pre-empting any attempt by the working class to seize the initiative through strikes and protests.

The trade union bureaucracy has counselled, likewise, stating that “It's clear that the prime minister will not lead Labour into the next election, and at some stage a plan will have to be put in place for the election of a new Leader.”

Corbyn has plumbed new depths in his efforts to drain away political opposition. His campaign to abort the Your Party initiative for a “left-of-Labour” party, which gathered a mailing list of over 800,000 in a matter of days last year, has been entirely successful. A party in name only, it fielded just 20 candidates in recent local elections and backed 50 in over 5,000 contests.

In every crisis of rule suffered by the British capitalist class, as its global position has weakened, the dictates of international finance and the requirements of militarism have asserted themselves ever more directly and nakedly. Vastly more column inches—and far more anonymous briefings from Labour insiders—are devoted to addressing the wishes of the bond markets than of the population, when it comes to a potential new prime minister.

Kathleen Brooks, research director for investment company XTB, put the matter bluntly: “The UK still has the highest borrowing costs of any G7 member, and our yields have risen at the fastest rate since the Middle East war started. Until a challenge from the left of the Labour Party is eradicated, or the government embarks on growth-positive economic policy, we do not see UK bond yields substantially

falling from here.”

On the military front, whoever is the Labour prime minister for the rest of this parliament is expected to reverse the prolonged decline of the British armed forces by shifting billions from welfare spending to war.

These demands are incompatible with even the most minimal social programmes. The absurdly mislabelled “soft left” leadership hopefuls—Andy Burnham and Angela Rayner—have already begun the required pilgrimages to corporate headquarters, offering up whatever scraps of socially minded rhetoric may have escaped their list in the past. Global finance, they reassure, will have the final say.

The Labour Party is not merely *pressured* by these forces. Having severed any remaining connection to its former working-class constituency, it is a political instrument of the corporate and financial oligarchy—body and soul.

So much so that it is now the preferred party among “Higher managerial, administrative and professional occupations”, according to a YouGov Survey conducted in January.

Labour’s support falls with household income. It claims just 17 percent of the voting intentions of those in “Intermediate occupations” and just 14 percent of those in “Routine and manual” occupations. In both, it is dwarfed by the far-right Reform (29 and 39 percent, respectively) and soundly beaten by the Tories (23 and 17 percent).

Among voters under 35 who recoil at the nationalism, xenophobia and conservative social norms of Reform and the Tories, the Green Party far outscores Labour—which has taken up swathes of the right’s anti-migrant agenda. Starmer and his possible successor lead a hollowed-out party with no popular constituency, responding only to the dictates of the banks and major corporations.

Labour can only fully comply with these demands through a ruthless assault on the living standards of the working class to improve Britain’s international economic competitiveness and fund rapid remilitarisation. Starmer has barely begun this process and is tasked with either accelerating it or stepping aside for someone who will.

The *Times* sets the tone, denouncing Starmer for a legacy that has “reflected the worst aspects of old Labour: the highest tax burden for 80 years, soaring welfare spending, job-destroying employment legislation and an exodus of the rich. And just for good measure, he has failed to stop the boats and stem the tide of antisemitism,” which is code for opposition to Israel.

The social implications of these diktats are indicated by the planned deployment by the London Metropolitan Police of 4,000 officers, drones, enhanced stop-and-search powers and armoured vehicles at a pro-Palestinian protest this weekend, on the pretext of potential clashes with a far-right demonstration. Protesters have been threatened with immediate arrest for using the word “intifada”.

In less than two years, the Starmer-led Labour government has fully confirmed the Socialist Equality Party’s assessment on the day of his election: that a “new reactionary monster” had been installed “at the head of a Labour government on a collision course with the British working class.”

It has also confirmed the SEP’s total opposition to the policy of “lesser evilism” advanced by the pseudo-left in 2024: the call to vote Labour (save in a handful of constituencies), the Socialist Workers Party–led Together Alliance with its lineup of capitalist parties, and later attempts to corral discontent behind projects like “Your Party” or the RCP’s promotion of the Greens. They amount to new configurations of the same Labourite politics—different wrappers for the same pro-capitalist program of austerity at home, militarism

abroad, and suppression of working-class resistance.

One-hundred years ago, in the run-up the General Strike of 1926, Leon Trotsky wrote of Britain’s “abrupt and continuously declining world role”:

This irreversible process also creates a revolutionary situation. The British bourgeoisie, compelled as it is to make its peace with America, to retreat, to tuck and to wait, is filling itself with the greatest bitterness which will reveal itself in terrible forms in a civil war.

Trotsky warned in this context:

The whole of the present-day “superstructure” of the British working class—in all its shades and groupings without exception—represents a braking mechanism on the revolution.

Labour and the trade union bureaucracy provide in their actions Trotsky’s point. The opportunist line imposed on the Communist Party of Great Britain by the Stalinist faction in the Comintern—glorifying the trade union “lefts” and preserving the political authority of the Trades Union Congress—smothered the struggle to build an independent revolutionary movement. The result was to grant the ruling class time and space to pursue its own “solutions” to the crisis of British capitalism: wage cuts, the mass impoverishment of the Great Depression, and the drive to militarism that culminated in the Second World War.

Trotsky emphasised that the “chief brake upon the British revolution is the false, diplomatic masquerade ‘Leftism’ ... which is always ready not only for retreats but also for betrayal.”

As in 1926, so in 2026. Today’s “lefts”—Jeremy Corbyn and company—are the frontline defenders and supportive props of the politics of the Labour Party against the radicalising mood of the working class. They are what must be exposed and defeated to build a new and genuinely socialist leadership.

*Attend a Socialist Equality Party (UK) meeting on the 1926 General Strike.*



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