Burnham’s business secretary reassures *Financial Times* of Labour’s pro-market bona fides

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On Wednesday, the *Financial Times*—mouthpiece of the City of London’s corporations and banks—ran a front-page splash: “Burnham to seek private sector deals in growth push”. Its purpose, as the strapline added, was a “bid to soothe ‘public control’ anxiety”.

Inside, an interview with Labour Prime Minister Andy Burnham’s Business Secretary Jonathan Reynolds reassured the FT’s constituency that his talk of facilitating “public control” over critical sectors of the economy was an appeal for collaboration with private investors not an attempt to control or replace them.

Any such concerns were unfounded noted the FT, with Reynolds “stressing the new administration’s desire to attract private capital into key sectors of the economy.”

Burnham made a focus of his by-election campaign to enter Parliament a denunciation of decades of “neo-liberalist policy”, including privatisations, promising to confront “vested interests” in the water industry. Such talk was cynically deployed to appeal to the anger in the working class constituency of Makerfield he was contesting, and that of millions nationally at decades of profiteering by the corporations controlling the utilities on which life depends.

Thames Water’s bankruptcy has produced widespread demands for nationalisation, but Reynolds said the government wanted to “attract quite a lot of capital to [the water] sector to give it the kind of resilience and the results that people want”.

Not only has privatisation left the waterways full of excrement, but the water companies have paid a staggering £72 billion in dividends since privatisation in 1989 while running up £60.6 billion of debt. Thames Water, serving 16 million people, including the population of the capital, London, owes £15.2 billion, around 80 percent of its value.

The second example Reynolds offered to affirm the government’s pro-business credentials was British Steel. The government did not intend to keep the company in public ownership after the 15-month process culminating in its nationalisation was completed this week, he explained. “It has always been about bringing in a private-sector partner,” he told the FT, floating a “degree of public control” through a “golden share” or similar arrangement.

As Business Secretary under Burnham’s predecessor Keir Starmer, Reynolds initiated the state takeover of “British Steel” from its Chinese owner—nothing to do with the former nationalised industry—as an existential crisis enveloped the Labour government. In April 2025, Jingye refused to buy raw materials for the blast furnaces at Scunthorpe. The Starmer government recalled parliament to force through emergency legislation in a day, not primarily to save the 2,700 jobs at the plant but because Britain was about to become the only G7 country unable to make primary steel from scratch. This would strip a leading NATO power of the capacity to produce a material without which war cannot be waged.

Central to his “Productive State” agenda, Burnham promotes “public control”, not “public ownership”, as his policy. Reynolds made clear that despite all the fuss over “public control”, it didn’t threaten private sector corporations but rewarded them. He pointed to Greater Manchester’s transport system as the model of Burnham’s approach, telling the FT, “He [Burnham as mayor] took public control of the bus network in a way that has genuinely improved the network… but it is still delivered by private companies.”

Reynold’s mission was to underscore Burnham’s promise to be “a pro-business leader of the Labour Party as I was a pro-business mayor of Greater Manchester.”

The FT was happy, commenting that “Reynolds played down the prospect of sweeping nationalisations. ‘The UK is always going to be a safe place to do business,’ he said.”

Burnham has been installed to complete the assignment the ruling class handed Starmer, which he proved incapable of carrying out: a vast expansion of military spending by hundreds of billions of pounds, paid for by a corresponding assault on the welfare bill. Burnham has pledged both, with Reynolds to play a major role in enforcing the welfare-to-work policies required.

While big business was largely amenable to the Employment Rights Bill passed under Starmer, it complained, as the FT notes, of it being still too onerous and expensive to hire young and part-time workers. Reynolds’ made clear to the FT that this could be resolved in partnership with the trade union bureaucracy, who could be relied on to police a further cheapening of young workers’ labour.

Reynolds “suggested he could bring unions and businesses together to reach a compromise”, the FT reported, “I want [business] to come to us and say, ‘Look, if you meet us a little bit of the way, this is what we can do’, because we all [government, business and unions] have the shared purpose of getting more young people into work.”

Reynolds was retained as Business Secretary from Starmer’s Cabinet. But he was first deployed to court the financial elite under Jeremy Corbyn’s nominally left leadership of the party (2015-20). Despite having backed Blairite Liz Kendall in 2015 against Corbyn in the party leadership contest, Reynolds served briefly under Corbyn as shadow rail minister in 2016 before resigning from the front bench. This was part of the launching of a coup by the right-wing, which failed to remove Corbyn. Four months later, Reynolds was nevertheless brought back by Corbyn’s Shadow Chancellor John McDonnell as Economic Secretary to the Treasury, declaring, “I want the City to see me, and us in the shadow Treasury team, as a constructive partner.”

The *FT* promotes Reynolds and Burnham as a reward for their assurances, which it earlier insisted on in a threatening tone. Days before Burnham entered Downing Street, the FT editorialised that any remotely leftist rhetoric must be abandoned as “the corporate world will hope to hear from him ... much more of a commitment to business and markets, and to a dynamic, open economy as the driver of prosperity.”

As Burnham took office, it insisted, “Above all, the incoming government needs to develop a plan for growth that revives animal spirits in the private sector.”

As the WSWS has noted, in opposition to the claims of the numerous pseudo-left groups, Burnham’s government is implacably hostile to the “pressure from below” that they insist can push it to the left.

Burnham takes his marching orders from the boardrooms of the FTSE 100 companies, and the financial speculators. On offer now to address the social crisis facing millions is a handful of small change: capping a single bus fare nationally at £2, but not for another six months, and a miniscule 86 pence a week off electricity bills, but only from October 1 and to last just six months.

Even this is deemed unaffordable by the ruling elite. On the same day as the Reynolds interview, the National Institute of Economic and Social Research (NIESR) warned that Burnham faced a “challenging inheritance”, with plans to revamp public services meeting severe pressure from persistently higher prices.

With oil back above $100 a barrel and the Strait of Hormuz all but closed since March due to the war against Iran, it projected inflation reaching 3.8 percent by February 2027. This would require Chancellor John Healey finding an extra £24 billion by decade’s end merely to maintain services and current welfare spending and not to increase it.

With government debt at almost £3 trillion, 95 percent of GDP, Stephen Millard, head of the NIESR’s macroeconomic forecasting, said that an economic slowdown was “still to come”: “Even if peace is restored relatively quickly in the Middle East, inflation will still rise and the new chancellor will need to make some difficult decisions with respect to how to fund the latest policy announcements…”

The think-tank’s director David Aikman bluntly advised, “New commitments on defence or household support should be funded through taxation or savings elsewhere, not through further borrowing… Rebuilding the capacity to absorb future shocks will require a determined attempt to bring debt down.”