

Burnham's government: Not tackling the “cost of living” but imposing austerity and war

Robert Stevens, Chris Marsden
3 September 2026

Six weeks into his premiership, Labour Prime Minister Andy Burnham used Monday's “Direction of Government” statement to Parliament to bury whatever populist pledges he made on taking office in July.

At the insistence of the militarist lobby and financial oligarchy that ousted his predecessor Keir Starmer, Burnham delivered a speech centred on backing Ukraine's war against Russia, and service to big business.

He began with the issue of paramount importance to British imperialism: waging the proxy war against Russia in Ukraine and preparing to massively escalate the conflict.

Beginning with his visit to Kyiv on the 35th anniversary of its supposed independence, Burnham declared that “The UK's steadfast support has helped sustain Ukraine's resolve over the past four and a half years, and particularly so in the last two.” Starmer's position, “building on the work of his predecessors as Prime Minister, is one that I will not change, whatever the threats that we face.”

On anti-immigrant measures, prison places and workfare to cut the welfare rolls, he ticked every box for the capitalist oligarchy.

He boasted that small boat arrivals “over the summer halved on last year, making this year, to date, the lowest for crossings since 2021.” He congratulated French President Emmanuel Macron for joint measures that have “enabled us to prevent more than 48,000 people from crossing” the Channel.

Only then did Burnham turn to the “biggest issues facing the country—the economy and the cost of living crisis,” solemnly declaring that “Life is too expensive and too hard for too many.”

Burnham then presented a potted version of his claim to

represent a break with the Thatcherite orthodoxy, stating that “From the 1980s, this country took a series of wrong turns. Political power was centralised, economic power privatised and the country deindustrialised.”

Yet beyond a vague pledge of “ownership and control”, the relief measures he proposed were minimal: a cut to household electricity bills worth just 86p a week, already wiped out by rocketing fuel prices, and “the £2 [single trip] cap on bus fares for the whole of 2027”.

His focus was instead on “entwining business, academia and government” to create “a pro-business culture”. This was coupled with a long list of measures involving cross-party collaboration with the Liberal Democrats and others, echoing Starmer's rhetoric of putting “country before party”.

Burnham's statement was his first after Chancellor John Healey was lambasted in the media, which demanded Labour make rearmament and welfare cuts its priorities.

Conservative Party leader Kemi Badenoch's reply for the opposition therefore also centred on criticising Burnham for failing to make Britain “war-ready”.

She initially praised Burnham for “continuing the Conservatives' world-leading support for Ukraine's fight against Russian aggression,” before immediately stating that Starmer and his Chancellor Rachel Reeves had “left an enormous hole in Britain's defence budget.” John Healey, she continued, had “quit as Defence Secretary over that black hole, saying that it could put British troops at risk,” so would Burnham and his now chancellor Healey provide the funding he had said “was necessary to keep British troops safe?”

This meant above all “dealing with the ballooning welfare bill,” she said. To carry out this offensive, she pledged, “Where it is in the national interest, I will help him. He may find that Conservative votes come in handy

when Labour MPs are too scared to do the right thing.”

Burnham replied that he had appointed Healey “precisely because of his commitment to the defence of our realm” and would honour “our international commitments in full” at next year’s spending review.

On Badenoch’s proposal of a political alliance, centred on welfare cuts and war, he replied that “I will work with the right hon. Lady where I can—we should make that commitment to each other today...”

Later, replying to Conservative John Whittingdale, the former Greater Manchester Mayor promised that he would run “a pro-business and pro-small-business Government. Nobody should make any mistake about that.” This was the “approach that I led in Manchester... That is Manchesterism, and that is what we will bring nationally.”

Other economic issues were directly cast as national security issues. He promised to protect agriculture “because, for me, farming and food production are part of this country’s sovereign production and manufacturing capacity”.

When asked about “securing and protecting our sovereign steel industry”, an issue always raised in the media and parliament in terms of the ability to wage war, he stressed that he had met with trade unions in South Wales over the bankruptcy of the Tata Steel-owned British Steel plant to ensure an “industrial transition that will set up steelmaking for the rest of this century”.

None of Burnham’s assurances were enough to placate the ruling class. Several newspapers made clear that Burnham has until the October 28 budget to prove his worth. The *Times*, citing borrowing costs at an 18-year high, called it this government’s first real test, demanding “decisive action”.

In the *i*, James Lyons, a former Downing Street communications director and now a consultant at Penta Group, invoked September 1939, when a “glorious summer” was “brought to a sudden and dramatic end by the declaration of war against Germany. Andy Burnham faces something similar, if less violent, as MPs return to Westminster for the first time since his ‘coronation’”.

The fact was that “If Burnham does not get these next few months right, his hopes of being more than a one-term prime minister could really be over by the time we are tucking into the turkey at Christmas.”

Most concrete were the warnings that Burnham risks a Liz Truss-style market meltdown, due to UK borrowing costs hitting their highest level since 1998 on Wednesday.

Speaking for the bond markets, Jim Athey, a portfolio manager at Marlborough Investment, told the *Telegraph*: “Spending cuts are the thing the market wants to hear... the path we are on in terms of welfare spending is completely unsustainable. The market knows that, and the market wants to hear that the Government understands that.”

The economist Lord Jim O’Neill, formerly of Goldman Sachs and previously a Conservative government minister, said that Burnham must “get real” and cut public spending. This meant taking “credible action to deal with the excesses of the triple lock [guaranteeing the state pension rises by the higher of the rate of inflation, average earnings growth, or 2.5 percent minimum] or the excesses of welfare spending”.

Burnham responded by stating that he had worked with O’Neill as Manchester Mayor and pledging, “This will be a government grounded in fiscal responsibility, it will stick to the fiscal rules.”

What he means is that his “cost of living” rhetoric will be abandoned in a heartbeat and that his will be a government of guns and no butter.

This throws into sharp relief the politically criminal character of the efforts of Britain’s pseudo-left groups to portray Burnham’s premiership as an opportunity to push Labour to the left.

The Socialist Workers Party’s Camilla Royle responded immediately to Burnham’s speech by claiming that his reforms would be “a breath of fresh air for workers”, claiming that they supposedly included post-war-scale council house building and control of essential services.

In opposition to all such efforts to maintain the grip of the Labour Party and its allies in the trade union bureaucracy, workers and young people must take up the building of the Socialist Equality Party, fighting for a workers’ government and the socialist reorganisation of economic life.



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