

Britain : Labour's manifesto - bowing down to the false gods of social liberalism

mercredi 19 juin 2024, par [KELLAWAY Dave](#) (Date de rédaction antérieure : 14 juin 2024).

Dave Kellaway examines how the Labour manifesto is underpinned by an ideology that slavishly accepts the status quo as a model for organising the economy, the welfare state, and the government. Rather than generating hope for real change, it is imbued with pessimism about what we as working people can achieve, assuming the gods of the market and capital cannot be even minimally challenged. It even rejects a traditional social democratic vision of public ownership, taxation, and redistribution.

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Let us examine these 10 false gods or myths in turn.

1. Tax and Spend Governments are Wrong

"It's always tempting for a government to go to tax and spend, but I'm not going to pull those levers. We don't intend to pull those levers. We want to go to the lever marked growth."

KEIR STARMER, 12TH JUNE

Wes Streeting on Newsnight recently signalled Labour's rejection of old-style social democracy when he stated that the new Labour government does not believe in traditional tax and spend policies. Instead, Labour proposes a new partnership with business to generate growth that will provide the funds for progressive change.

Think about this for a minute. An historic Labour minister like Herbert Morrison, who was no leftist, would be turning in his grave. He believed in taxing and spending to build houses for working people, supported local councils running transport, and led the nationalisation of key industries after the war. Only with New Labour and Tony Blair did we begin to see a decisive break with traditional social democracy, and even then, Blair never completely dismissed 'tax and spend' as Streetering does today. How can any government function without a process of taxing and spending ?



Streetering is not being honest, as he selectively condemns tax and spend policies. There is no criticism of taxing and spending to increase military expenditure or buy new Trident nuclear submarines. His take on tax and spend concerns the false trade-off between more public or social spending and increased taxation. One of Thatcher's greatest contributions to the ruling class was to get Labour's leadership to accept this narrative, leading to both main parties competing to show how strongly they will not increase tax. The mass media has greatly contributed to this notion of taxation being negative.

2. Respecting Fiscal Rules

Labour agrees with Rishi Sunak about keeping debt to a certain proportion of gross domestic product. Who decides this proportion ? It is essentially the unelected financial establishment - the Office for Budget Responsibility, the Bank of England, and the City of London. Such rigid rules obviously constrain government spending to improve the living conditions of working people, for example, financing the NHS. Different economists and capitalist countries in Europe today have varying estimates, which is often ignored in public debate.

Gordon Brown previously accepted the rigid spending limits imposed by the Tory government for several years after Blair's 1997 victory, limiting redistribution under Blair. Grace Blakely has produced an excellent five-minute video explaining the myth of these fiscal rules.

Video Youtube

3. There is No Money, the Credit Card is Maxed Out

Labour shadow ministers often claim they cannot abandon the two-child benefit cap and immediately lift hundreds of thousands of children out of poverty because "there is no money." Britain is the sixth richest economy in the world and the ninth most unequal among 38 OECD countries. Wealth is evident in London's Mayfair apartments, £220 Covent Garden Opera seats, £80k Wimbledon centre court debentures, and £200-a-head menus at Darroze's at the Connaught restaurant.

Given the social background of most of the current Labour leadership, they know this as much as we do. Governments have myriad ways of raising tax revenue. Labour perpetuates the same myth as the Tories that raising tax must hit working people on average or below-average incomes. The Greens have proposed a tax plan to raise over £50 billion to sort out the NHS through equalising capital

gains and income tax rates, removing the upper limit on national insurance contributions, and introducing a wealth tax of 1% on the first million, 2% on the second million, and so on. Tax specialists have called it credible, even if it is politically explosive in today's climate. [Thomas Piketty](#) has developed a detailed wealth tax along these lines in France, and it is taken seriously. Labour refuses to consider it.

Another myth is that the Tories have made such a mess of the economy that nothing significant can be changed, or at least not in the short term. Imagine if Atlee in 1945 had thrown up his hands and said the debt was too big to do anything. Instead, he led the most radical social democratic government Britain has seen. Yes, Starmer will inherit a worse situation than Blair did, but let us not exaggerate.

4. Growth Will Finance Progressive Policies

Recent figures show GDP was flat in April, and we have been in a long wave of low growth. Economists and think tanks do not project the kind of growth needed for minor redistribution through increased government spending. Talking about growth in general is dangerous. As ecosocialists, we understand the need for sustainable, not capitalist, growth. Increasing capitalist commodity consumption and energy use will accelerate the ecological crisis. We need to stop growth in some areas, like fossil fuel extraction and fast fashion, and increase it in others, like social care and public transport.

Starmer assumes his policies on infrastructure and streamlining planning regulations will bring enough growth to avoid austerity. On this issue, there is little difference between the Tories and Labour. Sunak talks about growth all the time - the word is meaningless in their mouths. What growth, how much, and in whose interests ?

5. There Will Be No Austerity

Starmer has stated, "Read my lips, there will be no austerity under Labour." The Resolution Foundation and the Institute for Government acknowledge the positive impact of Labour's manifesto policies but point out there is no contingency for the £18 billion public spending deficit built into current Tory spending plans. Even if Labour generates growth, it will not come quickly enough to fill that gap. Historically, growth periods do not fundamentally change social inequality without government redistributive measures or victorious wage struggles. Blair's government saw more growth than currently forecast, yet social inequality worsened.



6. Our Policies Will Be Good for Workers and Business

There was a relatively short period in the 20th century - the post-war boom from the early 50s to the

early 1970s - when capitalist profits and living standards rose together. Reagan and Thatcher marked the end of this period as capitalists ensured their politicians organised society to maintain profit rates. Unions were shackled, and wages and conditions were cut. There is no sign of a new boom.

Who is Labour going to partner with ? Amazon, which organises against union representation ? Big tech, which moves jurisdictions to avoid taxes ? Tata, which is sacking thousands of workers in Port Talbot ? Companies have a prime responsibility to their shareholders. Water companies pay millions to shareholders while polluting rivers and seas. How do their interests coincide with working people ? Will Labour ensure proper wages and environmental standards in business partnerships ? Labour has already abandoned fair sector pay bargaining from its programme.

Reeves' belief in the goodness of capitalist business is more utopian and naïve than the left's protest-oriented approach. Labour could generate revenue for social and environmental programmes by keeping its 2017/19 manifesto of taking energy, water, and utility companies into common ownership. The public loses money from dividends paid to shareholders over the decades. Big companies provide advisory staff to the shadow cabinet and attend Labour conferences if they know a Labour government will not threaten their profits.

In the La La Land inhabited by Starmer and his team, business is always there to help, and its interests are seen as aligned with those of workers. The government is just there to hold everybody's hands. Do not expect Starmer to support any workers who go on strike against their employers. Sharon Graham's reluctance to underwrite the manifesto shows that this partnership with business might create conflict with Labour's affiliated unions.

7. Sunak's Manifesto is as Bad as Corbyn's - A Wheelbarrow of Uncosted Demands (Starmer)

A key part of Starmer's strategy is to win Tory voters. He believes Labour lost in 2017/19 because the policies were too radical. Unlike more coherent right-wing Labour figures who refused to serve with Corbyn, he did not argue this at the time. His reading of history is one-sided and simplistic. In 2017, Labour won more votes than in previous elections under Miliband and Blair (apart from 1997). It had begun to mobilise and extend its base with popular and radical policies. Polling still shows majority support for common ownership of utilities and progressive taxation.

Brexit and the role of UKIP in supporting Johnson were huge factors in Labour's failure in 2019 to convert the advances made in 2017. You can argue that the 2019 manifesto became a bit unwieldy, but everything got drowned out by the clamour to get Brexit done. Labour's split on Brexit was always the Achilles' heel of the Corbyn project. Nevertheless, for Starmer to claim that the manifestos at that time were uncosted is shameless and demeaning. Andrew Fisher, who was involved in writing many of the policies, tweeted almost immediately that Starmer was rewriting history. The costings were on the official Labour website (probably removed by now).



Behind this dishonest factionalism is Starmer's strategic project. He thinks it is impossible to win an electoral victory with popular radical policies and that the Tories have a stranglehold over a certain sector of voters. Therefore, Labour has to adjust everything to win this layer by adapting to their concerns. Hence the ditching of all the pledges made during his leadership campaign. We really do have two different ways of looking at the world : "for the many, not the few" versus growth through a partnership between business, working people, and the government.

8. More Police Will Stop Anti-Social Behaviour

Diane Abbott's election leaflet redefines some of Starmer's six first steps. Starmer talks about recruiting more police to deal with anti-social behaviour. Diane says, "reform policing, restore social supports to tackle crime at its root including expanded mental health provision and a new network of youth hubs." Solving anti-social behaviour requires social intervention, not just more police, particularly as the police do not operate fairly among the black community. Starmer condemns the left for focusing on protest, but Diane's policy is more realistic and addresses the real problems. However, "more police" is what Tory voters want to hear.

9. We Will Stop the Boats with Anti-Terrorist Methods

Apart from opposing Rwanda and not threatening to leave the European Court of Human Rights, Labour's policy on the boats is similar to the Tories. The quickest way to stop the boats is to provide safe routes for asylum seekers to board a flight or ferry and request asylum as their right under international law. But Starmer fears being seen as soft on migrants. He added "stop the boats" to his five pledges. There are currently 120 million displaced people worldwide, with 8 million joining this flow this year. Resources from the West need to address the sources of conflicts, some of which stem from imperialist interventions. Labour never defends migrant or asylum seekers' rights.

10. Creating 100,000 New Nursery Places in Empty Classrooms Without Extra Spending and Resolving the NHS Crisis by Working with Private Medical Companies

Everyone supports the proposal for 100,000 new nursery places, but it is uncosted. The idea that you can just use current primary classrooms as nursery areas is unrealistic. Adapting classrooms for babies and toddlers can cost up to £40k each. Then there is the staffing issue. Without improving pay and conditions, it will be difficult to find people to fill these positions. This proposal ignores the fragmentation and privatisation of most nursery care. Creating a coherent, coordinated system requires a national, state-financed, accountable nursery system, which necessitates investment. Labour claims there is no money for this.

Some advisors must have seen the empty classrooms in places like London because of the housing crisis and thought we could just place the toddlers in these spaces. Even the Lib Dems are more serious about the care crisis, proposing significant funds to fix it.

The health unions were angered to see the temporary aspect of the NHS/private sector partnership policy removed. Instead of investing in NHS staff and facilities, this policy will make the private sector richer and more viable as destructive competitors for the NHS. Private medical companies do not provide a proper health service but take the lucrative parts. NHS staff still train those who end up working for the private sector, effectively subsidising private health companies.

The labour movement has failed to counter the myth that private business is more efficient than the public sector. Blair was responsible for much of this mythmaking, which ended up costing the public sector significantly in Private Finance Initiative Contracts. Hospitals are still repaying private companies today. These companies were always very efficient at setting up lucrative contracts. The refrain we started to hear under Blair and repeated today is that standards, not structures, matter. As long as the service is provided in a timely manner, it does not matter if a private provider does it. The long-term transfer of public money to private shareholders was never properly calculated.

Pessimism of the Intellect, Pessimism of the Will

Labour's social liberalism today - a retreat even from moderate social democracy - is a culmination of the labour bureaucracy's integration into capitalist structures and political institutions. Partly it reflects a sociological distancing from working-class communities - despite Starmer's being the son of a toolmaker, there are very few working-class or trade unionist MPs today. There is also an ideological justification - Labour leaders theorise this is all they can do - progressive realism, as some of Labour's house-trained academics dub it. They believe working people in this country will never adopt radical Corbynist policies and think this is really a Tory country, so they need to work with that. This approach makes for a more comfortable political life, with big business and the capitalist press being friendlier.

Starmer's claim that it was a great battle to take back the Labour party from Corbyn is cheeky. He had the majority of the Parliamentary Labour Party, the media, the well-funded Campaign against Antisemitism, and the establishment on his side. His government will continue to ride that current. We need to keep organising against that tide. Farage is already looking to command the opposition. Today there are disparate forms of resistance to Starmer from within and outside his party. The left needs to unite, lead that opposition, and develop an optimistic eco-socialist alternative.

Dave Kellaway

P.-S.

- Anti*Capitalist Resistance. 14 Jun 2024 : <https://anticapitalistresistance.org/labours-manifesto-bowing-down-to-the-false-gods-of-social-liberalism/>
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