

## WHAT DOES THE MAY ELECTION RESULT IN UK TELL US THAT'S USEFUL TO KNOW?

### Introduction

Let's be clear right from the start: like everyone else whose politics is based on the class struggle we don't really care about the results of elections. It's hard to improve on the comment by Marx in the critical notes to the article "*The King of Prussia and Social Reform*":

*"Wherever there are political parties each party will attribute every defect of society to the fact that its rival is at the helm of the state instead of itself. Even the radical and revolutionary politicians look for the causes of evil not in the nature of the state but in a specific form of the state which they would like to replace with another form of the state."*<sup>1</sup>

We don't believe the parties of the Left when they claim to protect us from the irrationalities of the market or the parties of the Right when they say they'll give us the opportunity to earn more by working harder. For example, we can be sure that whoever had won, the "Tory austerity" policies would have continued in almost identical form.

However, that doesn't mean we should ignore elections completely. If nothing else, the fact that (against all expectations of the pollsters and pundits) the Tories won an overall majority in parliament after the UK General Election of May 2015 means that they can carry out their desired policies quickly with very little opposition, but also with no other party to share the blame like in the days when they were in an uncomfortable coalition with the Lib Dems. The results of the election have real implications for the working class and can tell us a lot about the divisions in British society, both within the ruling class over issues like Scotland and the EU and within the working class as well. So, what *can* we learn?

### The anti-immigrant right has not gone away

Only the UK's "first past the post" system of electing politicians stopped UKIP becoming a major force in UK parliamentary politics<sup>2</sup>. UKIP got almost 4 million votes, 12.6% of the total (the third largest party after the Tories and Labour).

We should have no illusions about this: it was mostly working class people who voted for UKIP, and mostly the poorer sections of the class. Certainly there was an age gradient involved – in the UK the older you are the more likely you are to vote Tory or UKIP (across all classes). No doubt, many elderly Tories were horrified that the party they had loyally supported had ended up enacting marriage equality. But the strongest predictors of UKIP voting were low income and a low level of education<sup>3</sup>. Significantly, 18% of people in social housing voted UKIP. And this is not by chance. UKIP openly pitched themselves at lower-skilled workers with a promise to remove tax on the minimum wage, and a famous poster of theirs showed a bloke in construction gear begging in the street because the immigrants had stolen his job.

If we take a look at voting by constituency, we can see that UKIP hardly made any impression in metropolitan areas where a large proportion of the working class is composed of people from all over the world, or whose parents and grandparents came from outside the UK.

<sup>1</sup> *Critical Notes on the Article: "The King of Prussia and Social Reform. By a Prussian"*, published in *Vorwärts!* Nos 63 and 64, 7 and 10 August 1844. Marx criticized article from A.Ruge published in *Vorwärts!* No.63, 27 July 1844.

<sup>2</sup> Unlike the anti-immigrant parties of the quasi-fascist right – such as the British National Party – who were almost invisible, only slightly more significant than Left Unity or the Animal Welfare Party.

<sup>3</sup> "General Election 2015: how Britain really voted", YouGov:

<https://yougov.co.uk/news/2015/06/08/general-election-2015-how-britain-really-voted/>

But once you step outside these “multi-ethnic” urban centres, the UKIP vote jumps to 15%, 20% or even higher<sup>4</sup>. For example, in the Dagenham and Rainham constituency, just east of London, they got almost 30% of the vote, and in Carshalton and Wallington (south of London) they got 32%! Clearly, anti-immigrant, “anti-Europe” sentiment still has a strong appeal in areas where an overwhelming majority are “white” and “English”, and where people not in those categories are generally recently arrived. Indeed, in the one constituency where UKIP was elected, Clacton, the proportion of people born outside the UK is 4%, against a national average of 13%<sup>5</sup>. UKIP also did well in the ex-industrial parts of the UK, the North and North East (the latter has the highest level of unemployment in the UK, 7.7%).

We can speculate about all the peculiar reasons an individual might have for voting UKIP, but the fact remains that unashamed anti-immigrant rhetoric is acceptable to a large part of the working class.

### **The “Scottish Question” has certainly not gone away**

The victory of the Scottish nationalists (SNP) was almost complete in Scotland. They returned an MP in all but two constituencies (both on the English border!) and generally with a clear majority of votes. Their votes were spread across all income levels. This is only a few months after a referendum which was supposed to settle the question of Scottish independence – the “No” (to independence) vote defeated the “Yes” vote by roughly 55% to 45%<sup>6</sup>.

It doesn’t mean that the entire population of Scotland want Scotland to separate from the UK, but it does make this much more likely to happen. In Scotland the Labour Party was totally discredited because it signed up to the dominant view of the political elite that austerity is inevitable, whereas the SNP was adopting an increasingly leftist anti-austerity rhetoric, representing a break from its traditionally rightist form of nationalism (“Tartan Tories”). This was taken seriously by many people because the devolved Scottish parliament (dominated by the SNP) really did make welfare state concessions to the working class – free higher education and free prescriptions, for example<sup>7</sup>. Therefore the claim that an independent Scotland would be a social democratic utopia doesn’t seem so ridiculous, particularly when combined with exaggerated notions of how much the oil in the North Sea is worth. In fact many of the oilfields will run out sometime in the 2020s and there will be some very expensive decommissioning of oil infrastructure required. And then there are also some very expensive nuclear power plants to shut down, and the shrinking of Scotland’s oversized financial sector after the collapse of Royal Bank of Scotland (RBS). On top of that there’s the fact that productivity is 11% lower than in England and the population is older and less healthy<sup>8</sup>.

Nevertheless the myth of a prosperous “socialist” independence means that the SNP has completely taken over from the left of the Labour Party in terms of playing the classical social democratic role within the working class. During the Scottish referendum campaign leftist activists were overwhelmingly attracted to the “Yes” vote campaign, and it seems to have been a major distraction for those involved in community-based struggles against measures such as the “bedroom tax”<sup>9</sup>.

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<sup>4</sup> “UK 2015 general election results in full”, *Guardian*, 7 May 2015:

<http://www.theguardian.com/politics/ng-interactive/2015/may/07/live-uk-election-results-in-full>

<sup>5</sup> *The Economist*, 6 June 2015.

<sup>6</sup> “Scottish independence referendum: final results in full”, *Guardian*, 18 Sept 2014:

<http://www.theguardian.com/politics/ng-interactive/2014/sep/18/sp-scottish-independence-referendum-results-in-full>

<sup>7</sup> In England and Wales students normally have to get a loan from a government body to pay tuition fees of £9000 per year. Prescription fees are £8.20 per item.

<sup>8</sup> *The Economist*, 12 July 2014, “A costly solitude”.

<sup>9</sup> A measure introduced by the Tory/Lib Dem government which restricts the amount of housing benefit (rent money) which can be claimed by someone with a “spare” room, often resulting in eviction for vulnerable people such as the disabled or long-term sick.

## The budget – welfare “reform” continues

On 8 July the new Tory government presented its Budget. The main planks of the Budget are:

- Renewing commitment to “balance the books” (get the budget deficit to zero or lower), but this time a year later than previously stated, 2019-2020.
- Raising Tax revenues in various ways: increased taxes on cars, insurance and dividends; less pension plan tax relief for the rich.
- Cutting welfare benefits intended to save £12bn per year by 2019-20. These will mostly come from freezing benefit rates (£4bn) and serious cuts to working tax credit (£6bn), along with cuts to social housing<sup>10</sup>. Tax credit entitlement is aimed at adults with children<sup>11</sup> and will be removed from third and subsequent children (but raised for the first child). There will also be a big reduction in how much “families” can earn before tax credits are withdrawn.
- Raising the minimum wage from £6.50 to £7.20 (€10.35) an hour, calling it a “living wage”, a term blatantly nicked from the Citizens UK pressure group! This will increase to £9 by 2020.
- Raising the personal tax-free allowance to £11,000 per year (in 2010 it was £6,500). This means that someone on the new minimum wage won’t pay taxes on most of it.

At first sight it may look like the higher minimum wage will make up for the attack on working tax credit but, in fact, these two measures are very different things. Tax credits support adults with children with low annual “family” incomes. The minimum wage supports those with low hourly wages. They are not necessarily the same people or the same issue. In fact, overall effect on earnings will be around £4bn, so will not make up for the cuts to tax credits<sup>12</sup>.

In short, the attack on the lower paid sections of the proletariat is still in full swing. However, we should note that the Tories are politically constrained in important ways. In total distinction to other state benefits, the state pension is still subject to the “triple lock” – an annual rise equal to the inflation rate, the growth of average earnings or 2.5%, whichever is the highest. And the over-75s have also been able to keep their free TV licences, albeit now at the expense of the BBC<sup>13</sup>. This is massively important to the Tories because pensioners are more likely to vote than younger folk, and to vote Tory!

In addition, for slightly more complicated reasons, health, some parts of education (schools, certainly not higher education), the military and international aid are considered to be “ring-fenced”, which means that large parts of state expenditure are, for the time being, immune from budget cuts. The extent to which the NHS is actually protected from cuts is hotly disputed, but it’s a fact that it hasn’t suffered the deep cuts suffered by other areas of state expenditure under the Con/Dem coalition government<sup>14</sup>. At the time of writing, the Chancellor of the Exchequer, George Osborne, has ordered non-ring-fenced government departments to submit two scenarios for how they will function with reduced funding – one with a 25% reduction and one with a 40% reduction, all part of the plan to eliminate deficit spending by 2019-20...

<sup>10</sup> Institute for Fiscal Studies, slide presentation on Budget:

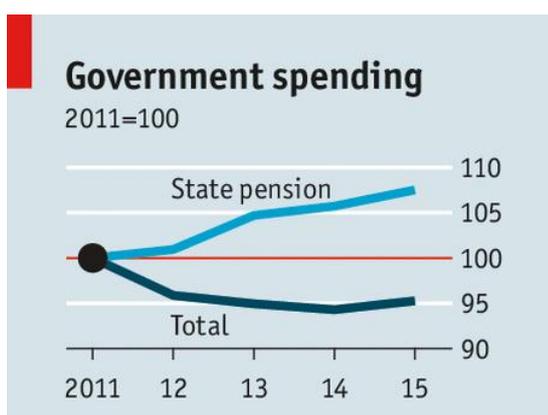
[http://www.ifs.org.uk/uploads/publications/budgets/Budgets%202015/Summer/Hood\\_distributional\\_analysis.pdf](http://www.ifs.org.uk/uploads/publications/budgets/Budgets%202015/Summer/Hood_distributional_analysis.pdf)

<sup>11</sup> Although it can be claimed by single people over 25 with no children, but they have to work at least 30 hours per week!  
<https://www.gov.uk/working-tax-credit/eligibility>

<sup>12</sup> *ibid.*, plus Social Market Foundation: <http://www.smf.co.uk/smf-response-to-the-summer-budget-2015/>

<sup>13</sup> The TV license currently costs £145.50 per year. The cost of free TV licenses for those over 75 will now be borne by the BBC rather than the government. This will amount to something like £0.7bn per year

<sup>14</sup> To add to the confusion the usual measure of spending on health is the day-to-day costs (pay, maintenance of buildings etc.) and not the total expenditure, including capital spending. See *The Independent*, 18 Jan 2015, “What’s really happened to NHS spending under the Coalition?”  
<http://blogs.independent.co.uk/2014/09/25/whats-really-happened-to-nhs-spending-under-the-coalition/>



Source: *The Economist*, 29 November 2014

### The EU referendum – a source of uncertainty

It's not yet decided when the referendum on Britain's membership of the EU is going to happen, but it could be as early as summer 2016. The question asked will be a simple "Should the United Kingdom remain a member of the European Union?" It's quite likely leading Tories didn't want the referendum to happen, but just promised it as a sop to the anti-EU right-wing of the party while expecting to be in a messy coalition government where the referendum would disappear and this could be blamed on some other party (maybe the Lib Dems again!). Now, of course, *it's really going to happen* and the Cameron Tories are going to make the most of the opportunity to demonstrate to the Right that they can "stand up to the Brussels bureaucrats" and renegotiate the role of the UK in the EU. But the referendum's result cannot be predicted with certainty (and we're not going to try!).

Before the election the Tories made a lot of noise about restricting the rights of EU migrants to claim benefits (including in-work benefits). In November 2014 Cameron said that there should be a four year wait before migrants could claim working tax credit. But, of course, discriminating between UK citizens and other EU citizens is illegal, and Cameron knew this! What will happen is that working tax credit (and various other benefits) will be replaced by Universal Credit, which requires someone to have lived in the UK for two years (whether or not they are a UK citizen). So the Tories can claim to be bashing the migrants without having to actually change EU law, while attacking all EU workers (migrant and native).

On the side of big private capitalists, most business interests support the EU<sup>15</sup>, but that doesn't mean that they want Britain's relationship with the EU to remain exactly the way it is now. A long standing gripe of most sections of UK business is that the EU is too regulated and too social democratic – restricting their rights to sack workers and imposing too much "consultation" with their staff, along with "over-generous" welfare benefits. For example, in 2000 both the biggest bosses' associations (The Confederation of British Industry – CBI – and the Institute of Directors - IoD) lead a campaign against new EU legislation banning age discrimination.

There is a "Business for Britain" group which wants to renegotiate the UK's role in the EU by threatening to leave. Essentially, they want the EU to be less social democratic and for Britain to "have more say" in things like employment legislation. They don't seem to represent any clear fraction of capital, although many of its leading supporters run financial companies. The CBI, the biggest bosses' organisation in the UK, which claims to represent 190,000 companies, is clearly pro-EU. It says that 80% of its members want to stay in the EU regardless of negotiations. However, the IoD (with 35,000 members and representing financial as well as industrial companies) says that only 40% want to stay in the EU no matter what. This partly reflects the traditional division in the British ruling class between manufacturing industry which favours closer integration with Europe (as both market for goods and source of labour) and the financial sector which is more suspicious of the EU's desire to regulate the

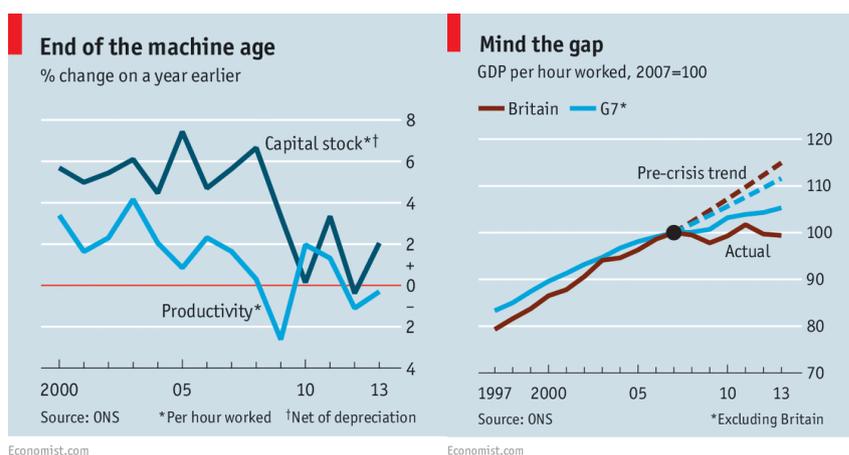
<sup>15</sup> For a fine example of this kind of opinion see the report by the Society of Motor Manufacturers and Traders, *The UK Automotive Industry and the EU*, released in April 2014.

financial sector, which they see as potentially undermining the UK's global competitiveness. However, “*the City [of London] has few Eurosceptics*”<sup>16</sup> ... The smaller businesses are even less enthusiastic about the EU. The British Chambers of Commerce, representing SMEs, talks more about a “reformed Europe” and how “*the status quo is not an option*” and wants Britain to make a credible threat to leave<sup>17</sup>.

Whatever happens in the period leading up to the referendum, and after it, we can be sure that the uncertainty will create a fall in direct foreign investment and perhaps a tightening of credit for UK firms, resulting in a slowdown of new business and perhaps a new round of “necessary” wage cuts and other forms of belt-tightening for workers – that is, a “mini-crisis” situation.

## Productivity

Britain has a long history of a productivity which lags behind the other industrialised nations. Presently the US, France and Germany all have a GDP per hour worked at least 25% greater than the UK<sup>18</sup>. More importantly, output per hour is still 2% below its pre-2007 peak, while in the other G7 countries it's 5% higher. Worse, the growth in capital stock has fallen (in fact, total British investment — public and private — is the lowest in the G20) along with the growth in productivity and the absolute level of productivity has effectively been static since 2007. This “productivity gap” is not only recognised by far-sighted industrial capitalists but even by Tory politicians. The Business, Innovation and Skills Secretary, Sajid Javid, recently described productivity as “the economic challenge of our age”<sup>19</sup>.



Source: *The Economist*, 29 November 2014

Quite simply, Britain competes on low wages – of the 15 original members of the EU, only Greece and Portugal now pay lower wages<sup>20</sup>. Since 2007 wages in the UK have fallen further and more consistently than any other G7 country. In fact the UK was unusual in that, relative to other developed countries, the response of large firms to the financial crisis was to cut wages rather than to lay off workers, meaning that unemployment in the UK was (and is) relatively low. In other words, wages were successfully ratcheted down without much resistance from workers. There is no sign that this is about to change.

<sup>16</sup> *The Economist*, 18 July 2015, “A chance of showers”.

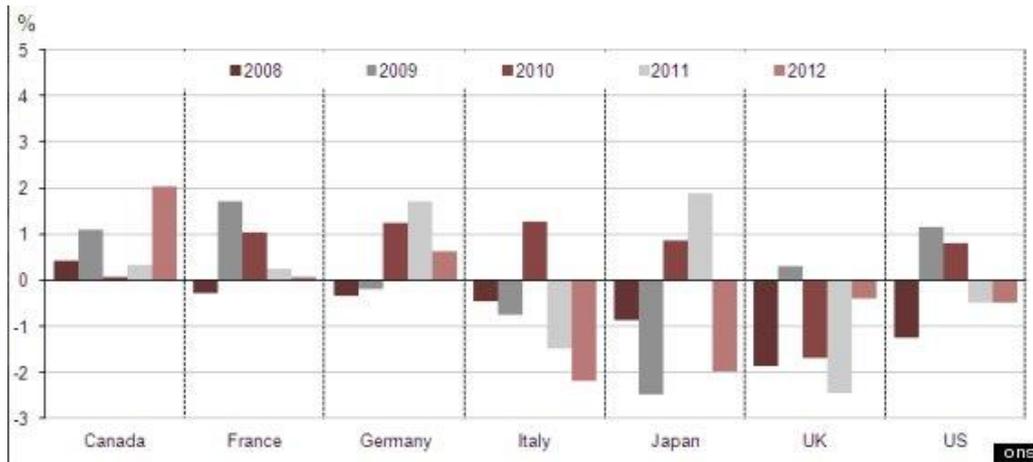
<sup>17</sup> *The Economist*, 6 June 2015, “Divided loyalties”.

<sup>18</sup> This figure is calculated by dividing GDP by hours worked on a yearly basis. They shadow fact that for instance in automotive industry investments are “sustained” at least for Nissan and BMW. So while not calculating rate of surplus value from the above general figures, rate of exploitation is roughly the same as other parts of Europe - workers produce less and they get paid less.

<sup>19</sup> For an inspiring speech on the matter see here:

<https://www.gov.uk/government/speeches/fixing-the-foundations-boosting-britains-productivity>

<sup>20</sup> *The Economist*, 14 March 2015, “If Britain cannot get more from its legion of cheap workers, the recovery will stall”.



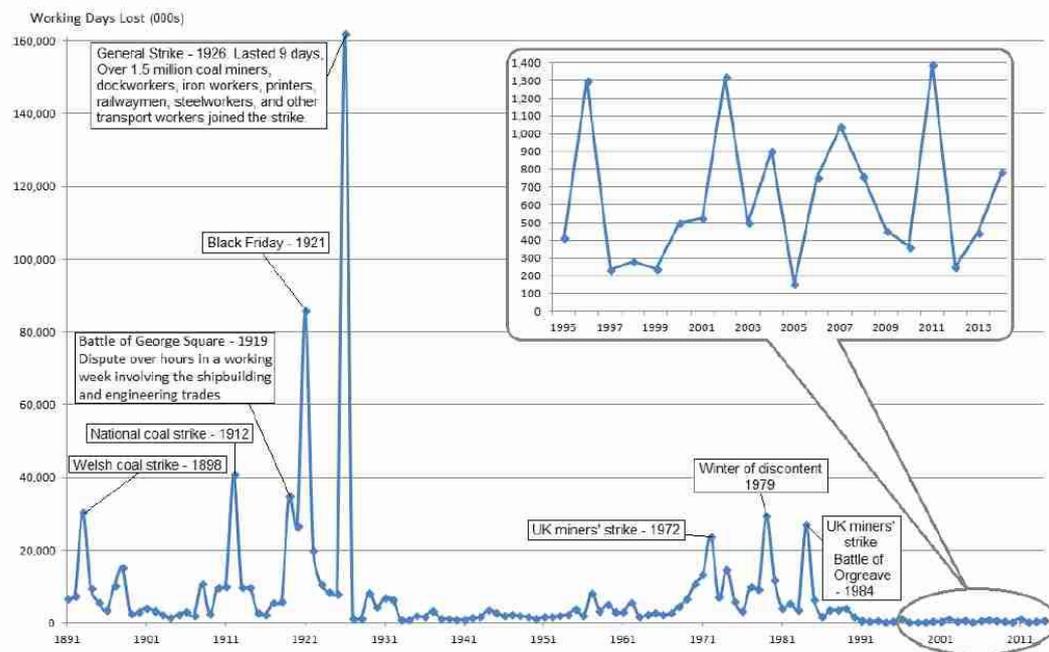
Source: Office for National Statistics

We can also add that it competes on unpaid overtime<sup>21</sup>. A recent study by the TUC claims that around a fifth of workers “regularly” work unpaid overtime and that these workers do an average extra 7.7 hours per week<sup>22</sup>. Naturally, persistent low productivity and low wages are connected – when workers are cheap there is less incentive for the bosses to invest in new means of production. In the UK this is intensified by the system of “working tax credits” introduced by the last Labour government. This is a benefit paid to people in work which tops up the wages of the low-paid – in other words, it subsidises the bosses, allowing them to pay lower wages than would otherwise be the case. Thus the measures announced in the recent budget, to abolish working tax credit in favour of a higher minimum wage, make perfect sense in terms of encouraging British bosses to behave like proper capitalists and replace workers with machines, as well as being an expression of fiscal stinginess!

**But what about the class struggle?**

Workers’ struggle in the UK has been at a historic low for around 25 years. To look at this longer-term:

**Figure 3: Labour Disputes Annual Estimates, United Kingdom, 1891 to 2014**



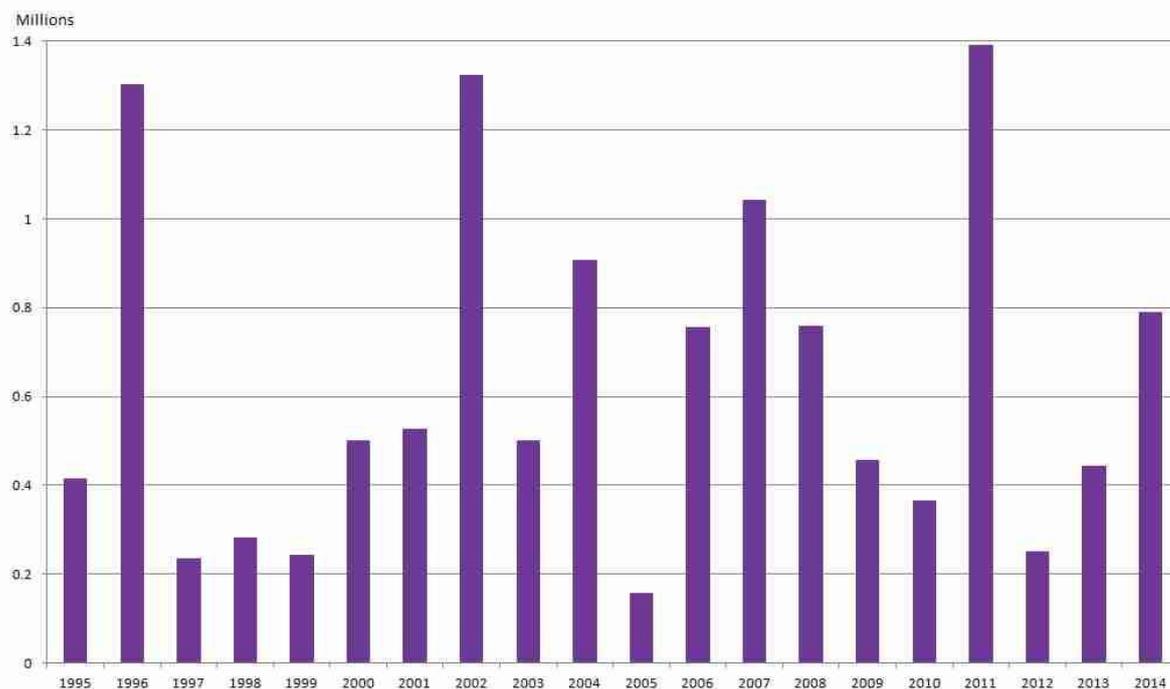
Source: Labour Disputes Statistics - Office for National Statistics

<sup>21</sup> In UK law there is no obligation for an employer to pay for extra hours worked, as long as the total wage divided by the number of hours doesn't work out less than the minimum wage per hour!

<sup>22</sup> <https://www.tuc.org.uk/economic-issues/labour-market/fair-pay-fortnight-2015/workplace-issues/workers-contribute-%C2%A332bn-uk>

And slightly shorter term:

**Figure 4: Working days lost (WDL), United Kingdom, 1995 to 2014 (millions)**



Source: Labour Disputes Statistics - Office for National Statistics

We might get the impression that there are some years where strikes have drastically increased, but it's generally the case that this is just down to some large-scale union-organised token strike distorting the figures, as in 2014 when hundreds of thousands of public sector workers walked out for one day to attend union rallies and marches against the public sector pay freeze. The 2011 peak is similarly a product of a one day strike by public sector workers over pensions.

Another policy which the Tories are about to introduce is a series of measures restricting the right to strike.

This can be summarised as:

- There has to be a clearer majority for official strike action. At least 50% of a union's members will have to vote for a strike to be legal. In addition, for many "key" parts of the public sector, such as health, education, transport and the fire service, there is a requirement that at least 40% of the membership vote for a strike.
- The vote is only legitimate for four months.
- The employer must be given 14 days' notice of any strike action.
- Employers will be allowed to bring in agency workers to scab on the strike (at the moment they can't do this for a legal union-organised strike).
- Every picket line must have a named picket supervisor whose name will be given to the police.
- And, in an act of pure party-political spite, workers will have to "opt in" to political donations made by the unions (which in almost all cases go to the Labour Party), whereas at the moment they have to "opt out". This is, of course, irrelevant to the class struggle and need not concern us here... But it's interesting to note that the RMT (National Union of Rail, Maritime and Transport Workers, the main transport union involved in the recent London tube strike) was expelled from the Labour Party in 2004 after it reduced its affiliation fees to the Labour Party and allowed local union branches to affiliate to other political organisations.

Looking at these new restrictions from a positive point of view, we can say that they weaken the traditional argument of trade unionists that "we can't do anything outside the unions because inside

the union framework we are protected by the law". The new arrangements make it *harder* to act within the union framework (at least, much harder to legitimately call a strike!) and simultaneously provide *less reason* to act within the legal union framework (the boss can bring in agency scabs anyway).

## Tube Strike

Can we say that the July and early August tube strikes were a glimmer of hope? Certainly, both strikes were very solid 24-hour strikes. Unlike the last strike on the London underground (in Feb 2014) where around a third of the trains ran, there were no trains running at all (in both cases). In the case of the first strike, the level of disruption was intensified by an almost simultaneous 48-hour strike by workers at the First Great Western (FGW) Company which operates trains between London and west England/Wales.

The decisive difference this time was the issue which the workers were striking about. Last year it was possible job losses caused by closures of ticket offices; this time round it was the changes to working conditions that will be caused by the introduction of a 24-hour tube service in September (as well as a pay dispute). Effectively, workers are being asked to work nights with almost no additional pay. This means that the tube *drivers* got involved. The drivers belong to a different union, ASLEF<sup>23</sup> (which has in many ways retained the traditions of a craft union), and this union did not participate in last year's strike. This meant that last year many of the drivers scabbed and so management were able to organise a skeleton service using managers and others to cover the less safety-critical work. This time there was an ASLEF ballot for strike action with a turnout of 81% and 98% voting for the strike!

This should be contrasted with the RMT<sup>24</sup> vote, which was 91% for the strike, but on a turnout of less than 50% (as in Feb 2014)<sup>25</sup>. The drivers' union felt compelled to act because this time the issue was one which directly concerned drivers as much as anyone else. In fact this time there were 4 unions involved in total – RMT (biggest general tube workers union), ASLEF (drivers), TSSA<sup>26</sup> (the white collar union) and Unite (more skilled non-driver jobs, around 400 workers) – but it was ASLEF that had the decisive effect.

Briefly, these strikes were much more solid strike because of the involvement of less replaceable skilled workers, but there was no sign of any workers self-organisation, or even of any purely trade unionist attempt to cut across craft and union divisions.

Is austerity inevitable? Yes, unless the working class asserts its needs independently of national politics, elections, trade unions...

MC/KPK, 7 September 2015

For all correspondence, please write, without adding anything else to the address, to: BP 380, Centre Monnaie 1000, Bruxelles 1, Belgium  
See the websites for [www.mouvement-communiste.com](http://www.mouvement-communiste.com) and Kolektivně proti kapitálu: <http://protikapitalu.org/>

<sup>23</sup> Associated Society of Locomotive Engineers and Firemen.

<sup>24</sup> National Union of Rail, Maritime and Transport Workers.

<sup>25</sup> It's almost certainly the RMT that the Tories were thinking about when they crafted their new anti-strike laws.

<sup>26</sup> Transport Salaried Staffs' Association.