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Is the Labour Party's hour nigh?

After 12 years of Tories in power, the UK finds itself in a historic crisis. Chances are high that voters will be unforgiving

'Honey, I shrunk the state!' — UK Finance Minister Jeremy Hunt may well have said something like that when he sat down for dinner after presenting his recent budget plan in Parliament. After the disastrous so-called mini-budget that ushered in the demise of prime minister Liz Truss, Hunt's government statement on the report of the Office for Budgetary Responsibility (OBR) had been eagerly awaited. The figures of the OBR are dramatic and historically poor: the United Kingdom faces a lost decade. The average household after-tax income looks set to fall back to its 2013 level.

Traditionally, tax cuts have been part of the Tories' core brand. In the future, the British population will have to pay higher taxes, while receiving fewer services for their money. The term 'shrinkflation' is making the rounds in Westminster, in other words the alarming combination of falling economic growth, on the one hand, and higher inflation on the other. The United Kingdom is still one of the richest countries in the world, but commentators agree that the whole country is getting poorer while social inequality will continue to increase.

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Many British people admire the Scandinavian model with its social policy, impressive educational attainments and smart family and gender policies. A strong state, in other words. Simultaneously, however, they dream of US tax levels. Now they are getting the worst of both worlds. Every pay slip will display in miniature what a disaster recent government policies have been for society as a whole. Fewer resources will be available in the future for the state to provide for its people.

The UK economy is not growing but rather has bobbed up and down at the same low level since the 2000s. The population is ageing, interest

rates are rising, austerity policy and Covid-19 have left deep scars and Brexit is making everything even worse. The state has barely made an appearance in people's daily lives for a long time now. The National Health Service's (NHS) waiting lists are getting longer. Crime is rising as the detection rate falls. Staple public services, such as functioning public transport, water supply, waste disposal and gas and electricity supply at affordable prices, are successively being eroded. A wave of strikes is sweeping the country because there is no tradition of social partnership. Experts are not only complaining about years of meagre public investment but also the political will to tackle these problems at the root, especially within the health and education systems. After 12 years in power and an all-encompassing obsession with Brexit, it is no longer clear what the Tories stand for.

A sense of déjà-vu

No other European country has performed so badly in the current crisis situation as the United Kingdom. Now, policies that combined two factors into a toxic mixture are coming back to bite: the entrenched structures of social inequality established by Margret Thatcher in the 1980s and the stagnating economic growth. This is a poisonous cocktail that middle- and low-income households in particular will find hard to stomach. The fairly small wealthy British elite will shortly confront a precariat that after years of austerity and Covid-19, topped off by Black Friday in October this year, have no savings or additional resources to fall back on.

Is the Labour Party's hour now nigh? No general election is in sight. The Conservative Party is still living off the flesh of Boris Johnson, who gave it a fat parliamentary majority of 80 seats. It is unlikely that elections will take place before 2024. Will history repeat itself? Some political observers have a sense of déjà-vu.

There's a lot about the current crisis that is reminiscent of Black Wednesday, 16 September 1992, when the Bank of England tried to shore up the pound in the face of speculation and the Tories, under John Major, suffered an immense loss of face. Five years later Tony Blair and New Labour came to power. The voters were unforgiving, even though under Conservative Finance Minister Kenneth Clarke, the economy was humming. In sharp contrast, the OBR is already predicting a massive slump, two years before the likely next election, and deep cuts in living standards. Opinion polls in November pointed only one way, with the Conservatives registering 25 per cent against Labour's 48 per cent.

But many of those around Keir Starmer advise caution. It is true that the

party's popularity has risen in the wake of internal reforms and the leader of the opposition's office is recruiting campaign strategists. With Rav Athwal, Starmer has tasked a noted economic expert with writing a new election manifesto. He backs a new business-friendly agenda with which Labour clearly intends to go to the polls.

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But much work remains to be done. Keir Starmer is far from enjoying the same popularity as the young Tony Blair. Scotland is no longer red, but firmly in the hands of Nicola Sturgeon's SNP. Under current electoral law, Labour would have to win 326 out of 650 seats (at present it has a mere 195). This would be a bigger swing than those that brought Margaret Thatcher to power in 1979 or David Cameron into coalition in 2010. If Labour won only 280 seats, a coalition with the SNP might seem unavoidable. Of course, that party's very *raison d'être* is to achieve full national independence. If Labour wants to keep the SNP at a distance, as Keir Starmer has explicitly stated, it will have to regain seats in the so-called Red Wall – traditional Labour seats that went over to Boris Johnson's Tory party in 2019. The current Tory government will, of course, strain every sinew to continue to redraw constituency boundaries to make it harder for the opposition to attain new majorities.

In the coming months, Labour will be in election mode. Every utterance will be scrutinised by a hostile media, especially in questions of identity politics, of which Brexit is undoubtedly one. The sometimes uneasy relationship with the unions, which are regaining strength, must also be put on a clear footing once again. After the state crisis of October, the party will have to reposition itself strategically. But what does the Labour Party actually stand for, in light of the professed opinion that the modernisation programme oriented towards socioeconomic transformation, which it unveiled at its last party conference, is now considered barely affordable? Does politics in the wake of 'Black Friday' toll the demise of progressive programmes?

Additional borrowing on the part of the state is deemed no longer feasible. Where else, then, can Labour score points? A windfall tax has already been implemented. Social benefits, pensions and the minimum wage have been adjusted within the bounds of possibility. Labour's main

advantage will be that it cannot be held responsible for the crisis. Besides a reasonably convincing answer to one of the UK's biggest ever crises, Keir Starmer must above all exude confidence as the young Tony Blair once did in his most famous election commercials: 'things can only get better'.



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