

# IN PLACE OF AUSTERITY

A PROGRAMME FOR THE PEOPLE

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# AUSTERITY — A CRIME AGAINST THE PEOPLE

Speaking on behalf of the rich and powerful, the Tories and almost all of the mass media have told us for nearly a decade that austerity is necessary for “deficit reduction” and “economic recovery” following the financial and economic crisis of 2008.

They even tell us that the crash, and the recession that followed, were not caused by bankers and speculators not by the big corporations nor by the politicians and their deregulation of the financial sector. They still insist the crisis was caused by too much public spending, not least on public sector workers’ pay and pensions - local government staff, health visitors, carers, park attendants, firefighters, nurses, doctors, technicians and all the other committed, hard-working staff. . . it was all their fault.

Almost every year the government cuts the tax bill for the wealthiest few, reduces corporation tax, squeezes income and benefits for working people, for the unemployed and disabled. The Tories tell us ‘we’re all in it together’ . . . but we all see plainly that “austerity policies” always make the poor poorer and the filthy rich even richer

In terms of stated government objectives, austerity policies have failed: deficit reduction targets are routinely “missed”, and there has been no national debt reduction - in fact it has steadily grown from under 40% of GDP in 2008 to just under 90% in 2017.

But the real aim of austerity was to restabilise the post crisis economy in favour of the class of bankers and big business billionaires, raising the rate of profit at the expense of the working class. In that they have succeeded, and will continue to do so, if we let them.



# FROM PROTEST TO FIGHTING TO WIN

The People's Assembly Against Austerity was founded in 2013 to meet the need for a focused movement to protest against austerity, and to develop a strategy to defeat it. We bring together a wide range of campaign groups to form a unified movement to expose the lies and deceptions of the political, business and media establishment... and to give the people the opportunity to make their voices heard.

In that we have been successful. No-one believes any more that “we are all in it together”, that the crisis was caused by too many services, or that austerity is unavoidable. The People's Assembly has brought hundreds of thousands of people into anti-austerity action at national and local level, and has organised some of the biggest public demonstrations ever seen in Britain.

It was this growing mass movement –reaching deep into communities and unions– that led to the growing “anti-establishment mood”, and the commitment to bring about a radical change in politics – notably in the leadership of the Labour Party - from the neoliberal austerity mongers of the Blair government, to the progressive leadership of Jeremy Corbyn. The results of the Labour leadership elections, and Labour advances in the General Election on an overtly anti-austerity programme could not have occurred without the work of our movement

Now it is essential that we, together with the Trades Unions, continue to build that mass movement further to force the Tories out of office and to sustain a future anti-austerity government - which of course would be under fierce attack by the bankers, big business corporations, and their supporters in the political establishment and media .

We are pulling people together to challenge the government, and their billionaire class backers. Frances O'Grady, TUC General Secretary told the founding conference of the People's Assembly “This not just a policy, it is class war”. We know that this will not end in a draw. Either we defeat those who are attacking us, or they will defeat us.

We must be there at the forefront of the campaign to dislodge the Tories and there ready to step up and defend any anti-austerity government should it succeed to power. This is the clear aim of the People's Assembly.

## THE REAL AUSTERITY AGENDA

Austerity policies have never really been about improving Britain's finances, eliminating the deficit or reducing the National Debt. Far from stimulating the British economy, promoting growth and generating extra tax revenues for the Treasury, austerity measures have delayed, choked off and stunted economic recovery.

Despite this, the Government continues to receive accolades from the City bankers and speculators. They understand that this Tory government is a class based government carrying out a big business and bankers' agenda at the expense of the working people of Britain

Austerity policies have meant:

- Pay freezes and even lower pensions for public sector workers. Between 2008 and 2015 real pay declined by 14% (GMB). Low inflation in 2016 reduced that decline to 10.4%. Now with growing inflation, and continuing pay caps, wage decline is accelerating again (OECD/TUC)
- Falling wages add further to the number of workers on poverty wages, forced to claim benefits.
- Public sector pay caps - real pay cuts - have set a standard of decline. Private sector average real hourly wages have fallen even faster in the wake of the recession (Institute of Fiscal Studies)
- A fall of 15.5% in public sector jobs – 1 million jobs lost. (GMB/TUC)
- Many public and private sector workers are forced into unemployment, “self-employment”, zero hours contracts or insecure and casual work
- More than one in five private sector workers, 7.1 million people, are

now in precarious employment where they could lose their job without notice – up from 5.3 million in 2006 (Philpott/Guardian)

- Almost 1 million workers are on zero hours contracts, an increase of over 100,000 in 2016 (ONS)
- Half of the “self-employed” take home less than two-thirds of the median earnings. Two million self-employed people now earn below £8 per hour. (UNITE)
- 16% (2.24million) of women workers have more than one job to make ends meet. Half a million of them have three jobs or more. (OnePoll)
- Massive cuts and backdoor privatisation in the NHS, state education, housing and other parts of welfare state provision
- Local government services and facilities such as day care centres, libraries, home help, equalities work, sports and leisure centres, youth clubs, care homes, social work, advice and counselling services, legal aid, parks and gardens, environment protection, refuse disposal and bus services are cut back, made more expensive or closed altogether.
- Less investment in community infrastructure as capital spending is further reduced on school buildings, hospitals and clinics, roads, council housing and neighbourhood safety.
- Less funding for charities and voluntary organisations to combat poverty, drug addiction, mental illness, sexual abuse, domestic violence, crime and anti-social behaviour.
- Huge cuts in public support for the arts and culture at every level, including severe reductions in funding for public sector broadcasting through the BBC and S4C.
- The Bedroom Tax and cruel cuts in social benefits or tax credits for the low paid, poor parents, the unemployed, sick and disabled

# GOVERNMENT BUDGETS

**2015 BUDGET**, Chancellor Osborne set out his scheme to eliminate the deficit by 2019/20. He stated his aim to reduce government borrowing by £97bn over the following four years by slashing £33bn from the welfare budget and raising £12bn through tax reform. That still left £52bn to be saved by other means – including the cuts of between 24 and 40 per cent in departmental spending. While under huge pressure the November 2015 Autumn Statement withdrew the most drastic cuts to working families' tax credits, austerity continued to increase inequality in our society.

**2016 BUDGET** At the same time as Osborne was taking a fresh axe to benefits and tax credits, especially in relation to families, housing, young people and children, he was promising income, inheritance, corporation and bank levy tax cuts for the rich and big business to the tune of more than £10bn.

His proposed cuts in disability benefits (PIP) would have ended up losing 370,000 people an average of £3,500 a year, amounting to a total of up to £4.5bn once the 'knock-on' effects were counted as well. Following strong opposition, another U-turn saw this particularly vicious austerity attack on disabled people temporarily dumped – but the Tories have since sought to surreptitiously reinstate it by further limits on those who can claim.

He also introduced “Further Education Maintenance Loans” for 16-19 year olds in further education in England saddling even younger students with debt — while Education Maintenance Allowances continue in Scotland and Wales thanks to the devolved governments.

A further budget “promise” to privatise all schools by 2020 directly funding 110 new free schools while cutting general schools funding by £3bn by 2020, was temporarily withdrawn within days due to public pressure and threats of action by unions.

**2017 BUDGET** Chancellor Hammond continued down the austerity route. Nominal budget increases to government departments were shown by the official inflation figures to be a real-terms cut.

The budget provided £325m to the NHS to accelerate the NHS “slash, trash and privatise” STP plans, which overall contain cuts of £22bn. A further £2bn for social care was spread across three years — which means that the funding gap will reach £3.5bn by 2020, with much of the money going directly to private sector providers and their shareholders in profits and dividends.

The Higher-Rate income tax threshold was raised to £50,000 by 2020 — a giveaway to the richest 15 per cent of the population - while Personal Income Tax Allowance was raised to just £12,500 by 2020 — doing nothing for the 20% of workers who aren't paid enough to reach the threshold.

With sleight of hand he raised “national living wage” to £7.50 but “revised” it down 25p to £8.75 in 2020 — making minimum-wage workers £500 worse off a year.

Hammond also announced a rise in National Insurance for “self-employed” workers over two years. The large increase in numbers of self-employed (3.8 million to 5 million since 2008) - due largely to redundancies, and to employers avoiding the costs of direct employment - has been mirrored by a large reduction in the average income of self-employed workers – made worse by this planned increased NI. But Hammond also faced such opposition on this, that within days this particular attack was abandoned – though the Tories continue to argue the “justice” of it!

**NOVEMBER 2017** £28bn of “emergency funding” for the NHS fell £1.2bn short of what NHS England chiefs had said was a “necessary minimum”. There was not one word about the crisis in Social Care in Hammond's 7,704 word speech. To add insult, Hammond tried ham-fistedly to divide public sector workers by suggesting nurses may get more than the 1% cap – though not very likely to reach the 3% inflation figure



Abolishing stamp duty on houses under £300,000 for first time buyers was to cost £600m. “A £600m gimmick” said the Office for Budget Responsibility, which would create a house price bubble, counteracting any savings – and benefiting only existing high value house owners and the private house building industry with £8bn financial guarantees. In terms of Social Housing, £400m for “estate regeneration” which together with Right To Buy has more than a whiff of class based social cleansing about it.

Tinkering with Taxation Thresholds leave the average person about £70 a year better off, but those earning above £46,000 will be 5 times better off, as you'd expect from the Tories

While Corporation Tax on profits continues its downward trajectory to the lowest in Europe, there were generous tax write offs for the oil and gas drilling corporations... but sadly no more support for renewables until 2025 at least.

Tax evasion – Hammond hopes to be grabbing back £4.8bn a year by 2022. HM Revenue & Customs reckon they fail to collect £35bn a year right now, through understaffing and other internal reasons. A total of around £100bn is avoided and evaded. 98 of the FTSE Top 100 corporations have a total of 8000 subsidiaries used for tax avoidance purpose. No word on these, or on any aspect of Tax Havens from Hammond

## POVERTY

Despite Theresa May's absurd claims that the Tories are “the Party of working people”, the wealth gap is widening. Poverty's increasing – as is the wealth of the already very wealthy.

Many studies (Warwick Centre for Human Rights in Practice) have illustrated how austerity has hit particular regions and sections of the population disproportionately hard. Even the conservative Institute for Fiscal Studies calculates that the aggregate tax and benefit changes have cut deepest into those household with the lowest incomes, hitting those

with children hardest of all.

The Joseph Rowntree Foundation calculates that there are 13.5 million people in poverty in the UK, 21% of the population. 2.7million of them are children

Today one in five workers earn less than the living wage. 55% of families living in poverty have at least one member employed - but on poverty wages. Of the 13.5 million in poverty, more are in work than unemployed.

The number of tenants being evicted from their homes as a result of poverty has grown by a third: 10,000 more tenants lost their homes in 2015 than in 2003.

The intention, design and application of the Government's "flagship benefit system", Universal Credit, are resulting in extreme stress and hardship. Its integral delays in payment, suspensions of payments, sanctions, overcomplicated and punitive application and reapplication procedures are escalating poverty generally and creating periodic extreme financial crises for those people most affected.

## **AUSTERITY IS WORKING**

Austerity is working – but only for the richest and most powerful class of people in Britain. They want to roll back all the social gains won by working people over the past 70+ years in terms of public services, the welfare state and employment and trade union rights. They wealthiest 10 per cent want more financial and economic deregulation, and tax cuts for themselves, while slashing state spending still further as the remaining public services are handed over to big business to run for profit.

They want the Tory government to further restrict our rights to organise, protest and take industrial action when we already have some of the harshest laws against democratic freedoms in western Europe.

This is the outcome they want to see from BREXIT. Many people who

voted against BREXIT did so because they feared what the next steps might be in Austerity Britain under the Tories. But many who voted to leave the European Union did so because of its fierce imposition of austerity economics and politics across Europe, its anti-union directives and court judgements, and punishment of the people of countries that dared to vote for anti-austerity governments. We need to unite all those against austerity – no matter how they voted

The Tories boast that more people than ever are in employment in Britain – though of course the simple fact is there are more people than ever before living in Britain. Around three-quarters of the extra jobs are part-time, with workers who need full time jobs forced into part time by threat of sanctions. There are many individual workers with two or three part-time jobs, who count in the Tories' bent figures as two or three people in employment.

Many more jobs are “self-employed” as workers who have lost paid employment try to survive in the precarious world of “small business”, facing long hours, low income, no holidays, sick pay or pensions etc.

Many more “new jobs” are low paid and precarious, especially those of workers on zero-hours contracts whose number has soared to just under 1 million.

While unemployment figures have indeed reduced, not least because so many people are excluded from the official figures by reclassification or unfair benefit sanctions, there remain 1.7 million people registered as unemployed. Even in the face of statistical manipulation, nearly 600,000 young people are registered unemployed, 13.6 per cent.

The slump in people's living standards is the biggest since records began in 1856. There has been a massive growth in payday loan sharks, with annual interest rates of between 4,000 and 6,000 per cent. The use of food banks has exploded with over a million families using them in the course of last year to put a basic meal on the table.

Yet there have been winners too.

Putting together figures from Inequality Briefing and the High Pay Unit, we find that the richest 1% of the population own about 25% of all the country's wealth - the same amount of wealth as 60% of the population together. The richest 5% own a massive 44% of all wealth. The richest 10% own over half – 54% - of all wealth. The least wealthy 50% of the population share only 2% of all wealth, while the poorest 20% own 0.8% - with many of these owning no wealth at all, being in sustained and deepening debt. The wealth gap is widening, and has been throughout the economic crisis.

- Average annual salary of the top 100 FTSE company chief executives in 2016 was £4.53million. It would take a worker on average pay (£28,000) 160 years to earn what the CEO earns in a year. In other words, the CEO earns in two to three months what the average worker would earn in a lifetime.

- Company profitability has risen from an average rate of return of 9.5 per cent at the depth of recession in 2009 to 12.7 per cent in 2017. Meanwhile, successive Governments have reduced the rate of Corporation Tax on company profits from 30 per cent in 2008 to 19 per cent in 2017 – the lowest in the G20 – and planned to be reduced again to 17% by 2020 .

- The banking and finance industry made an annual profit of £90 billion profit and paid out around £7 billion in bonuses on top of their already huge salaries. Banks, hedge funds and other holders of government bonds have recently been given £375bn in 'Quantitative Easing', much of which has been stashed in reserves, or used for takeovers and financial speculation instead of being used to stimulate the productive economy

Furthermore, not content with the historically low rates of taxation now applied to high incomes and corporate profits, the wealthy and big businesses engage in tax dodging on an industrial scale, as revealed in the 'Panama Papers' and 'Paradise Papers' leaks,

HM Revenue and Customs estimates that it fails to collect £35bn in tax

every year, through “internal factors” - including lack of staff - £8.8 billion of this is kept by big businesses. In total, around £100 billion tax is lost through ‘legal’ avoidance and ‘illegal’ evasion schemes. Ninety-eight of the FTSE 100 top companies in Britain have a total of 8,000 subsidiaries, often registered in overseas tax havens, for tax dodging purposes.

These lost revenues could be used to fund public services, investment in housing and infrastructure and reducing the financial deficit and its interest payments. Instead, successive governments have imposed austerity on the mass of the people and added more than £586bn to Britain's National Debt since 2010. Over the same period, public sector capital investment has been slashed from 3.2 per cent of GDP to 1.8 per cent.

And this Tory government intends to continue austerity policies until at least 2022, if we allow it.

## PRIVATISATION

Austerity has also played a central role in driving forward the privatisation agenda of the Tories and their big money backers – eager for new profitable investment areas in privatised services and industries.. While many public services are being wiped out, the potentially most profitable services have been lined up for sale to unscrupulous companies whose interest is profit before people.

**PFI.** In order to keep down short-term borrowing and taxation in line with the Europe wide directive, the government's Private Finance Initiative and similar schemes have enabled the private sector to make huge profits from financing and managing public facilities and services. By 2050, taxpayers will have paid at least £301bn in unitary charges for assets worth £55bn.

**THE NHS** has been attacked through fragmentation and privatisation for many years. Expensive PFI schemes burden trusts with debt for decades, paying big profits to big business and reducing the money for care. The NHS will end up paying more than £85bn for existing PFI projects with a

capital value of less than £13bn. Annual charges paid to PFI contractors are now running at more than £2bn, helping to plunge a quarter of all NHS hospital trusts into the red.

The Health and Social Care Act has entrenched and deepened the marketisation of the NHS. The top-down reorganisation of the NHS cost £3 billion, opened the door to the private sector; and made hospitals and health centres operate as “competitive” private businesses, leading to reduced pay and working conditions for staff.

There have been increasing referrals from the overstretched NHS to the private sector, and the so-called “right to choose” private hospital treatment for 'profitable' areas of treatment has robbed the NHS of the public money needed to offer the full range of treatment.

The Government development of “Sustainability & Transformation Plans” aimed at delivering a £22 billion cut to the NHS has met nationwide community opposition. Now private sector “Accountable Care Organisations” (ACOs) linked to American-style healthcare, and imposed on us without consultation or legislation, bid to take over “care” for profit. Both STPs and ACOs will result in a dramatic reduction in NHS standards across the board: the Government is deliberately undermining public confidence in the NHS, providing, they hope, further impetus for the profit driven private health sector.

**EDUCATION** The state education system at all levels, from nursery education to HE (including primary, secondary, adult, community and Further Education) is being subjected to huge cuts, fragmentation and privatisation.

The £3 billion shortfall in schools funding is resulting in schools losing resources across the board, including huge numbers of staff. The Tories promise £1.3 billion “extra spending” for schools budgets - leaving the remaining £1.7 billion unmentioned. The £1.3bn is not “extra” at all but diverted from money already committed elsewhere in the education budget.

Democratic local authority control is being swept away by a combination

of cuts and – in England – academies and ‘free schools’. The proliferation of education ‘consultancies’ and management companies shows that big profits are available to the education privateers. Cuts in educational support services have opened up the sector to privatisation giants such as Virgin, Capita, Serco and G4S, who make huge profits for often very poor services, letting down our children and vulnerable communities.

The Chancellor's announcement in his March 2016 Budget that all English primary and secondary schools would be turned into academies, would have handed a bonanza to the business and religious interests who would have been subsidised to buy them up. The Government has modified this proposal for the time being in the face of huge opposition and threats of action by teaching unions... but watch this space.

‘Sure Start’ provision and children’s centres have been closed, in a society where we work the longest hours in Europe, forcing parents into private child care provision. Many of the needs of our most disadvantaged and deprived children, including those with special needs, are being left unmet.

Further Education students have been hit by the abolition of the Education Maintenance Allowance and its recent replacement with a loan, preventing many young people from continuing in education beyond 16, or forcing them to work in part-time McJobs jobs to make ends meet.

Continuing cuts in universities and colleges, combined with massive increases in fees, are putting Higher Education beyond the reach of many working class young people who don't want a working lifetime of debt.

**HOUSING** There is a housing crisis across Britain and homelessness is at an all-time high. Recession, unemployment, poverty, the Bedroom Tax and removing Council Tax rebates are resulting in many more people losing their homes through repossession and eviction, and young people unable to leave parental home.

There is an urgent need for three million new homes, and one in three council houses are in need of repair. Yet council house building is at an all-time low, while speculative private builders only follow big money builds,

not social need. Local authorities have been bullied into transferring their housing stock to 'arms length' housing bodies – and now the government is to force housing associations to sell their homes into the private sector.

Private rents rise out of the reach of ordinary people. Social housing rents are rising dramatically towards commercial rates, which combined with cuts in housing benefit is forcing many working class people out of their traditional communities. In effect, we are witnessing the 'social cleansing' of our cities.

The tragedy of the Grenfell fire – where a working class community, in the richest borough in London was first ignored and then devastated – illustrates only too well the class nature of the housing crisis.

**RAILWAYS.** The privatisation of British Rail demonstrates just how inefficient and costly services can be when delivered by the private sector, while lining the pockets of wealthy directors and shareholders.

The cost of rail fares has risen in real terms by 30 per cent, with fat profits for those who operate the franchises. We have the most expensive fares in Europe with the most fragmented network, while some other European countries have efficient national rail services in the public sector- for now. The EU's new "Fourth Railway Package" directs that all European railway systems must be open to private ownership by 2019, making nationalization and re-nationalisation illegal in member states.

British public sector operators have now been banned from bidding for East Coast Mainline (where the private sector owners failed and handed it back to the State) or any other new franchises.

The campaigns of the rail unions against staff cuts and "Driver Only Operated Trains" illustrates very well the different priorities of profit driven provider companies, and service and safety driven railway workers and the public. It has won huge support from the public, and polls show a clear majority want to see the rail network renationalised.



**ROYAL MAIL.** Government privatisation of postal services has enabled multinational and domestic private corporations to cream off the most lucrative operations, resulting in a reduction of Royal Mail deliveries and the closure of hundreds of post offices in villages, towns and cities across Britain. The Tories and LibDems recently completed the sell-off of Royal Mail, at £1bn below its real value..

Other recent privatisations have included the forensic science, probation and air-sea rescue services. Sales of state shareholdings in Eurostar and the Royal Bank of Scotland (taken in the “bail outs”) have taken place below value to the tune of £3bn and £1bn, respectively.

## **WHAT'S THE PEOPLE'S ALTERNATIVE**

There is nothing strong about an economy, which sees food bank use on the rise, wages plummeting and spending power diminishing with it. We believe that to bolster the economy we should expand our public services instead of cutting them and invest more in jobs and industry. The People's Assembly stands for total opposition to all austerity with its policies of tax cuts for the rich and big business, and cuts in public services, welfare benefits, pay and pensions for the rest of us.

The people of Britain need financial and economic policies for full and sustainable employment, rising living standards, social justice and a better quality of life socially, culturally and environmentally.

## **REBUILDING PUBLIC SERVICES**

In terms of its output of goods and services – the Gross Domestic Product – Britain has the fifth biggest economy in the world. We are wealthy enough to rebuild and properly fund public services. Our first steps must be to halt the austerity cuts in public services and welfare benefits.

But for there to be improvement in the future, these steps need to be linked to proper management and delivery of these services. Therefore,

the People's Assembly proposes that an anti-austerity government should

- End and reverse the fragmentation, marketisation and privatisation of our public services, in the NHS, State Education and elsewhere
- Return all powers and resources, removed over recent decades, to democratically elected local councils
- Reintroduce the role of elected and accountable Local Education Authorities into the local management and delivery of all publicly funded education, from pre-school to Further Education.
- Restore the integrated management of the National Health Service under democratic control, with cooperation rather than competition
- Restore the value of – and entitlements to – all social and welfare benefits to their pre-2010 levels. Scrap the current benefit sanctions scheme
- Abolish Further & Higher Education student fees, reinstate student maintenance grants, and provide statutory funding for the youth service and adult and community education to invest in a future for all.
- Build more actually affordable homes, reviving investment in council house building and repairs, and ending all council house sales and transfers to the private sector

## **POLICIES FOR SUSTAINABLE GROWTH**

We need to build a balanced, productive and technologically advanced economy that will protect the environment, and benefit working people and their families.

- Develop a broadly based, sustainable industrial and agricultural economy with one million anti-global warming jobs by developing a rational link between R&D, investment in plant and productive capacity, vocational training and integrated strategic economic planning at local,

regional and national levels.

- Direct unused corporate capital held “in reserve” by the banks – estimated at £27bn by the Bank of England – into productive and socially useful economic activity through low-interest investment
- Take the banks and essential industries – energy, water, postal services, telecommunications, rail and bus transport – into public ownership and run them on an eco-friendly basis, and ensure the use of their resources for the benefit of local communities and society at large.
- Integrate transport and energy conservation plans, based on publicly owned transport and energy industries, including railways, domestic airlines and municipal and freight transport.
- Limit the export of investment capital to markets overseas and outlaw the use of closures and mass redundancies to export jobs to super-exploited labour and lower wage economies abroad.
- Prevent the super-exploitation of migrant labour imported by gangmasters and unscrupulous employers
- Move the focus of labour law from statutory minimum rights to collective bargaining, allowing workers to organise and negotiate collectively for wages and conditions in their own companies and across entire sectors of industry and services. Introduce labour law as detailed by the Institute of Employment Rights.
- Take back control of interest rates and monetary policy from the Bank of England.
- Reduce VAT to boost working people’s spending power and stimulate the productive economy.
- Provide Government support and import tariff protection for strategic industries or enterprises under threat

- Institute planning agreements between government and companies receiving state aid relating to jobs, pay, pensions, training, trade union representation, environmental standards and where appropriate Research & Development.
- Provide greater investment in renewable energy sources, energy conservation and the recycling industries for domestic and industrial waste, assisted by the abolition of VAT on solar power and energy saving measures.

## FINANCING THE FUTURE

How are such policies to be paid for?

There should be a return to a fair, progressive taxation system based on the principles of social justice, solidarity and ability to pay. In particular, this should take the form of:

- Closing the 'tax gap' by clamping down on all forms of tax avoidance and evasion which deprive the public purse each year of around £100bn (Estimated between £44bn (HMRC) and £119bn (Public & Commercial Services Union)).
- Ending the 'tax haven' status of 28 or so British dependencies and overseas territories to attack tax dodging, the hiding and manipulation of finances, and money laundering
- Levying a Wealth Tax of 2 per cent on the assets of the richest one-tenth of Britain's population. This would raise £84bn a year, or even £44bn on financial and property assets alone.
- Increasing the top rates of income tax on earnings above £50,000, raising £5bn a year
- Raising the rate of Corporation Tax on business profits to the European average which would raise at least £10bn a year

- Placing a Windfall Tax on the super-profits made by the financial, energy, retail, armaments and pharmaceutical companies, raising around £16bn this year.

- Imposing a 'Robin Hood' tax on speculative transactions on Britain's financial and commodities markets, bringing in up to £20bn a year.

Such measures would generate well over £100bn annually – more than enough to wipe out the deficit without closing a single youth club, library or day centre for the elderly, and without impoverishing a single working mother or anyone in need of disability support.

## 'QUANTITATIVE EASING' FOR THE PEOPLE

Through the mechanism of 'Quantitative Easing', the Bank of England recently made available £375bn to pour into the banks, hedge funds etc to refuel the financial markets.

Under an anti-austerity government, the Bank could similarly make funds available to provide money for housing, research & development, the railways, solar energy etc. Such a Public Finance Initiative – or 'People's QE' – would help our society meet essential social and environmental objectives. Though explicitly forbidden by Article 123 of the Treaty on the Functioning of the European Union, it could be part of an anti austerity government plan

## REAL SAVINGS FOR THE PEOPLE

There are, of course, areas from where we could divert public funds for positive public expenditure

- Cutting military spending to levels of other European countries releasing between £6bn and £19bn for civilian research, development and production in socially useful industry and services.
- Scrapping plans to renew or replace the Trident nuclear weapons system, which latest government estimates indicate would cost a total of £167bn (according to Tory MP Crispin Blunt and Reuters News Agency)

to build and run until 2060. That money is equivalent to the cost of doing all of the following:

- Building 1m new homes (£67bn).
  - Building 10,000 new schools (£33bn).
  - Funding all Accident & Emergency centres (£25bn)
  - Employ an extra 20,000 nurses (£6bn) and 1,000 junior doctors (£4bn) for a decade.
  - Slicing tuition fees in half for 1 million full-time students for two years (£17bn).
- 
- Establishing an “Armaments Industry Diversification Agency” - to consider moves away from armaments production, beyond those needed for genuine defence, to socially useful production as part of an overall Industrial Strategy. The Agency would guarantee no loss of jobs, skills or pay in the process.
  
  - Ending PFI contracts, with their private sector profiteering in order to fund the projects more cheaply and efficiently without the need for profit.

## WHAT ABOUT THE DEBT?

None of this means that the annual deficit and the consolidated National Debt don't matter. In 2015-16, the Treasury paid out £46bn in interest (almost half the NHS budget) on British state borrowing, not spent on boosting the economy as it should have been because of their political priority of austerity.

The Tories insist that, just like any responsible family or household, we cannot go on living beyond our means. It is a simplistic argument echoed by most of the state and monopoly mass media.

But as most families and households know from experience, borrowing is both necessary and wise to pay for big long-term necessities – mortgages for example. Similarly for governments, borrowing provides money for big long term investment.

Investment in housing, public transport, sustainable energy and the environment can bring enormous benefits, quickly outweighing the costs of borrowing.

Prioritising the elimination of annual deficits for evermore is primarily an excuse for the continued imposition of austerity on working class people.

Britain's current and projected levels of deficit and debt are nowhere near as severe as the Tories have been claiming since 2010. Historically, Britain's annual deficit as a proportion of GDP (the output of the whole economy) has often run at levels higher than the present one of around 4 per cent. The National Debt as a proportion of GDP, currently at around 84 per cent, is lower than during the whole period from the end of the First World War until the early 1960s – including the years when British governments built the modern Welfare State and NHS and carried out massive investment programmes in council housing and the nationalised industries.

Borrowing to allow new investment initiatives would boost the economy - for example in modernising infrastructure and industry, developing new green technology, revitalising and expanding services, creating jobs, raising skill and pay levels and so income from taxation. Only a growing economy that actually works for the many allows for systematic debt reduction. Austerity on the other hand means simply taking money from the poorest and giving it to the rich.

## **FAIRNESS AT WORK**

The fight for social justice, democratic accountability and popular involvement should not stop at the workplace door. The People's Assembly has always recognised the need to build strong links with the Trade Union movement. Together, we commit ourselves to winning a government that will:

- End pay freezes and enforce workers' rights to free collective bargaining. Establish negotiated Collective Agreements on pay and conditions across the economy, preventing super-exploitation of sections

of workers, including immigrant workers, targeted by unscrupulous employers.

- Enforce equal pay and other labour equality law throughout all sectors of the economy. Close the gender pay gap. Ensure high quality training and work for people with disabilities.
- Develop and enforce Health & Safety Law to tackle death and injury at work
- Increase and enforce the national minimum wage for all workers aged 16 and over to two thirds of the median wage, and the promotion of the real Living Wage.
- Reduce job insecurity through the abolition of zero hours contracts, and misuse of short-term and temporary contracts
- Quality vocational training for young people, with maintenance grants, to meet long term employment needs, as part of a government led jobs and skills creation scheme.
- Adopt the target of a standard 35 hour week with no loss of pay, enhancing the work-life balance of millions of workers while creating more than a million new jobs
- Abolish Britain's anti-trade union laws, introduce a statutory right to trade union organisation and recognition by all employers, and reinstate full and free rights to Employment Tribunals for all workers.
- Legislate for the “Manifesto for Labour Law” of the Institute of Employment Rights.



# HOW THE PEOPLE'S ASSEMBLY WORKS

The People's Assembly is a broad united national movement against austerity, cuts and privatisation in our workplaces, community and welfare services

It is linked to no political party, committed to open working and dedicated to supplementing opposition to austerity measures.

It is based on affiliation by individual supporters, unions nationally and locally, anti-cuts campaigns, and other student, pensioner, unemployed, disabled people's, women's, Black people's, youth and LGBT campaigning organisations.

It aspires to support, encourage and coordinate joint action. The People's Assembly encourages the establishment of new local campaigns and People's Assemblies.

It organises newsletters, a website, twitter, Facebook and social media, meetings, conferences, lobbies, rallies, marches, demonstrations and other events.

It vehemently opposes all proposals to "solve" the crisis by discrimination or scapegoating on grounds of disability, race, religion, ethnic origin, nationality, gender, age, sexual orientation or identity.

It encourages a wide debate on how to protect the welfare state and develop an alternative programme for economic and social recovery

## CONTACT THE PEOPLE'S ASSEMBLY:

[office@thepeoplesassembly.org.uk](mailto:office@thepeoplesassembly.org.uk)

[web@thepeoplesassembly.org.uk](mailto:web@thepeoplesassembly.org.uk)

Phone: 020 8525 6988 - office hours 10am - 6pm

The People's Assembly, 52 Beachy Road, London E3 2NS

<http://www.thepeoplesassembly.org.uk>

# SUPPORT THE PEOPLE'S ASSEMBLY WITH A REGULAR DONATION

**Bank** [redacted]

**Bank Address** [redacted]  
[redacted]  
[redacted]

**Sort Code** [redacted]

**Account No** [redacted]

**Please pay a regular gift of** (please tick a box)

£2  £5  £10  £20

**Other Amount £** [redacted]

(please state in words) [redacted]

each month to The People's Assembly

**Please start on** [redacted] [redacted] [redacted] [redacted] [redacted] [redacted] [redacted]

and each month until further notice.

**Signature** [redacted]

**Date** [redacted] [redacted] [redacted] [redacted] [redacted] [redacted] [redacted]

The People's Assembly UNITY Trust Bank, Nine Brindleyplace,  
Birmingham, B1 2HB Sort code 08/60/01 Account 20309817

Insert details of person setting up standing order below

**Title** [redacted] **Name** [redacted]

**Address** [redacted]  
[redacted]

**Post code** [redacted]

**Phone** [redacted]

After filling in the standing order form, please return it to:

**The People's Assembly 52 Beachy Road London E3 2NS**

**WWW.THEPEOPLESASSEMBLY.ORG UK**



10 MYTHS

ABOUT

AUSTERITY

**1 Austerity has worked.** **TRUTH** - Austerity was meant to reduce the deficit – the gap between the government’s spending, and what it gets from taxes. Deficit reduction targets are routinely missed, and the national debt has more than double as a percentage of GDP.

**2 The British economy is stronger than other big economies.** **TRUTH** - The majority of developed countries have grown faster than the UK since 2010.

**3 We are creating jobs and prosperity for all.** **TRUTH** - Average pay, taking account of rising prices, has fallen every year for eight years. This is the worst decline living in standards for most people since official records began in 1856.

**4 We are all in it together.** **TRUTH** - While most of us have seen falling pay year after year, the wealth of the richest 1,000 people in Britain has doubled since the financial crash.

**5 We are rebalancing the economy by creating jobs outside of financial services.** **TRUTH** - Only 1 out of all 40 new jobs is proper full-time employment. Most new jobs are forms of fake self-employment without enough work to pay the bills, part-time or temp jobs, or zero hours contracts.

**6 Austerity has reduced the government’s debt.** **TRUTH** - Because austerity has failed, this government has borrowed more in 4 years (over £430bn) than Labour did in 13 (£429bn).

**7 The NHS has been ring-fenced.** **TRUTH** - NHS spending has been capped. It has not kept pace with inflation and a growing population, and therefore is falling in real terms. That’s why waiting lists are rising. Now a huge £22bn cut is in the pipeline, and the privatisation process is about to accelerate”

**8 The government has invested in future growth.** **TRUTH** - Government investment has been slashed from 3.5% of GDP to 1.5%.

**9 We must curb benefits to stop benefit tourism.** **TRUTH** - Britain has the lowest wages in Northern Europe, and one of the lowest levels of immigration. Recent migrants contributed £20bn more in taxes than they took in public services over the last decade.

**10 We must stick to the course.** **TRUTH** - Austerity has lowered living standards, cut public services and not reduced the deficit. More of the same will produce the same result.