

Austerity does not work**London Young Labour notes and believes:**

- 1) That the British economy was disproportionately affected by the 2008 global financial crisis due to its dependence upon the financial services sector, and successive governments' failure to adequately regulate it prior to the crash.
- 2) That as a result of the crash, the then Labour government had to bailout the banks in order to rescue Britain's economy. Doing this required the government to increase the UK's debts, but was a necessary step to prevent total collapse.
- 3) Since 2010, the Conservative government adopted an austerity program, with the expressed intent of bringing down the deficit by reductions to public spending.
- 4) That throughout the European Union we have seen austerity negatively correlate to economic growth.
- 5) That this government has seen the longest all in living standards since 1870, at the same time as the income and wealth inequality has grown.
- 6) That, when incomes decline, and care services are cut back (such as Sure Start closures) households are forced to save money by taking on work that they used to contract out to the paid labour market (for example care work), thus effectively taking on more unpaid labour in the home. Women typically are more likely to bear the brunt of this unpaid labour burden than men.
- 7) That research examining the unpaid labour burden of women during the crisis also found that, because more women entered the workforce to make ends meet, in addition to their unpaid labour in the home, the overall labour time-burden of women has risen disproportionately to men.
- 8) That the impact of austerity cuts has disproportionately impacted women, ethnic minorities, disabled and lone parents, making austerity inherently discriminatory, and a mechanism that exacerbates the structural inequalities already faced by minority groups.
- 9) That the long term prosperity of the UK economy depends on reducing public debt as a proportion of GDP, and that reduction of the budget deficit is a necessary step in achieving this
- 10) That governments since 2010 have failed to achieve their own goal of deficit reduction due to an ideologically-driven focus on reducing public spending rather than on stimulating economic growth.
- 11) That previous Labour governments, most notably under Clement Attlee demonstrated that it is possible to reduce public debt in a way that is both socially just and which lays the foundations for future economic growth.
- 12) That the cost of public borrowing, at 1.4% is substantially lower than the cost of private borrowing, which can reach the thousands of percent.
- 13) That while deficit reduction is an economic imperative, a Labour government should seek to achieve this goal through a combination of: short-term borrowing to stimulate economic growth; taxation on financial services and capital investment projects such as Heathrow and HS2 to boost the UK's long-term economic potential.
- 14) That leaked advice to minister shows that plans to lower the household "benefit cap" from £26,000 to £23,000 will plunge 40,000 children into poverty, alongside a more general growth in poverty, rent arrears, evictions and homelessness.
- 15) That there is no "need" for any sort of benefit cap. Like the whole of "austerity", it is about attacking the working class and the most oppressed in society to help the rich get richer.
- 16) That the party leadership's support for austerity is bad, and its pandering to the Tories' campaign against benefit claimants and migrants particularly bad.

- 17) That instead of promoting such shameful policies, the party should demand the rich are made to pay to provide decent jobs, benefits, homes and services for all.

London Young Labour resolves:

- 1) To campaign against the austerity on the grounds that a) it does not work, and b) it is discriminatory and cruel.
- 2) To lobby the Labour Party leadership to adopt an economic programme that achieves the goal of deficit reduction by stimulating economic growth and prioritising long-term investment in the UK's physical infrastructure and human and social capital.
- 3) To issue a press release condemning the lowering of the benefit cap (and the assault on benefits more generally) and sharply criticising the party's stance on it and calling for it to be changed; and promote a statement on these issues in the London party and labour movement.
- 4) To organise a London Young Labour presence on the Labour Bloc of the End Austerity Now demonstration on the 20th June, alongside other Labour organisations like the Labour Campaign for Free Education
- 5) To call on the Labour party to not buy in to the narrative that their spending caused the economic crash and, therefore, austerity is needed.
- 6) To work with other grassroots activists in challenging austerity since we are powerful when we are unified.
- 7) To as part of the campaign against austerity provide opportunities for members to learn about the economic theory behind austerity and feed in to what our alternative looks like. Campaign and build up the educational material to counter the narrative the neo-liberals have.