

# No repeat of Tony Blair's 'education, education, education' by a Starmer government

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There'll be no repeat of Tony Blair's 'education, education, education' by a Starmer government. For Blair and Gordon Brown 'education' became a key (if not the main) economic policy. Getting 'qualified' would, it was argued, sharpen people's ability to take advantage of opportunities in the new global economy, whereas those who did not would be left behind. In other words, as well as conveying huge benefits to the economy, individuals were encouraged to invest in their future welfare.

Able to enjoy the extra tax revenue generated from more favourable economic conditions and as the finance sector boomed, Blair and Brown spent lavishly on a 'school improvement', imposing national targets, establishing specialist schools and academies, creating new applied qualifications - the list could go on. Despite criticism from teachers, under the auspices of Ofsted, they also imposed stringent 'accountability' criteria. 'Failing schools', like unprofitable factories, would be closed, then reopened under a new management with a different business plan.

But if the UK economy continued to grow under the Blair governments, it was hardly the result of these divisive initiatives. The optimism of the New Labour education agenda certainly did not translate to large increases in high skilled, well-paid employment. As the financial sector crashed (and with the return of 'boom and bust') the Tories responded with a decade of austerity. Progressive post-war education policies also began to be reversed.

Shadow Chancellor Rachel Reeves used the Mais lecture earlier this year to set out her version of how Labour will grow the economy, but also to distance herself from the Blair years. Reeves called for a 'new model of economic management' and provided more

detail about Labour's 'interventionist' approach. Reeves says Labour will, to cite some of the more positive initiatives, initiate a Norwegian style National Wealth Fund and a state-owned energy company. There are also promises to renationalise the railways when current franchises expire, and a commitment to reduce labour market precarity, inequality and insecurity through a 'new deal for working people'.

In contrast, Blair didn't want anything that resembled Old Labour public sectorism, or interference with market forces. Though not openly attacking Blair, Reeves considers this approach 'too narrow'. Apart from a brief reference to poor basic skills and gaps in vocational education, 'human capital' arguments are largely absent.

## Globalisation

Post financial-crisis and post-covid, and as globalisation falters, there has been a new emphasis by social democrats on the 'supply-side' state. This is the argument of prominent economist Janet Yellen, now US treasury secretary in the Biden administration. For the new supply-siders, Bidenomics has pointed the way, with a significant fiscal injection allowing the US economy to expand more quickly than elsewhere. Though many would criticise the way this has been done, particularly the emphasis on subsidies to the private sector rather than more European-style public ownership.

But, in sharp contrast, Labour won't commit to major increases in public spending and has pedalled back on its green agenda. For example, the Biden stimulus resulted in an extra \$375 billion for green industries, compared to Labour's £24 billion (now

less) over the full parliament. Reeves's 'secureconomics' is Bidenomics without the cash. Reeves and Labour will promise cosmetic and 'organisational' changes instead of fiscal expansion.

Labour has justified all this by hiding behind self-imposed 'fiscal rules'. This demonstrates the extent to which neo-liberal thinking continues to imprison the Party, particularly the importance of 'balancing the books' and paying off government debt. This is because in neo-liberal economics the economy is no different from a prudent household. Reeves and her front bench team argue that, unlike the Tories, their rules allow borrowing to invest. Yet this all appears rather contradictory when another rule decrees that government borrowing as a proportion of GDP has to reduce over the lifetime of a parliament.

Tweaking a little more investment here and there isn't going to be enough to make major improvements to public services, particularly the NHS, over a five-year period. Yet even if its own rules put Labour in shackles, it could give itself more fiscal space by increasing taxes on the better-off which, as is now well known, it refuses to do. This means it will be going into the election continuing Tory spending plans. It has now said it will use legislation to ensure it can't deviate from OBR projections.

### Headlines

By implication there will be almost nothing new for education, and teacher pay claims would be brushed away. Starmer's promises of 6,500 more teachers might make good headlines (in reality one for every three schools), likewise breakfast clubs in primary schools. Yet there are few costed items of education spending in the Manifesto and those listed are minuscule compared to the education budget as a whole - being almost entirely financed by the £1.5 billion generated by imposing VAT on private schools. With education failing to make the top ten election issues in opinion polls and with proposed savings in departmental budgets, it's not certain if spending levels will be protected at all.

That Labour wants to see solutions as organisational rather than financial is clear in its approach to training and apprenticeships. Unlike Blair's costly drive to 'upskill' by pushing as many people as possible to HE, like the Tories, Starmer's Labour (wrongly) thinks there's a crisis with 'intermediate' skills. In contrast to Tories' empty apprenticeship promises, it has laid out plans to reform the

employer levy system, which it considers too narrow.

Pointing to (up to £500 million) levy funds being under-used and millions being returned / unclaimed, it proposes a new 'growth and skills' levy, allowing employers to use 50 per cent of their funds for non-apprenticeship training. In other words, resources are being redirected rather than increased. But without extra funding or higher employer contributions this may reduce further the small number of school / college leavers starting apprenticeships.

Moving on to adult skills training (those over 19 but outside of apprenticeships and higher education provision) where Mayoral Combined Authorities (MCAs) have had responsibility for spending their allocated budget, Labour wants further devolution. But the real issue is that total adult-skills spending in 2024-25 was 22 per cent below 2009-10 levels. Labour has made no commitments here.

### Tunnel vision

Labour's impasse on education is the result of its tunnel vision fiscal policy. There are other ways of running the economy, as an increasing number of critics remind us. Of course, it's important to make programmatic demands for schools, colleges and universities - (the National Education Union calls for an immediate £12 billion plus spending increase simply to start reversing the impact of cuts to schools). But with one neo-liberal party set to take over from another, union leaders must also address and confront Reeves's more general economic inadequacies, if they are to carve out space in Labour's post-election shopping list.