Our country faces long term economic problems. In the short term wages continue to stagnate while prices continue to rise. Gas, water, electricity and rail have all increased their charges. The economy and living standards will be the battleground on which the 2015 election will be fought.

The Tories have seized on the economic crisis to push their ideological aims to shrink the state and to trash Labour’s record in government. Economic failure wasn’t caused by Labour spending money to employ more doctors, nurses or teachers it was caused on the trading floors of Wall Street and the City.

George Osborne’s Comprehensive Spending Review (26.6.13) showed that he was more interested in playing to the gallery of right wing media commentators, and his own backbenchers than to a country crying out for investment. It was a supremely political speech pre-prepared for the 2015 general election campaign.

With one in five of our young people without a job and a million manufacturing jobs lost big changes are needed.

Despite an apparent economic growth the emeritus professor of political economy at Warwick University, Robert Skidelsky, in the Guardian (14.8.13) pointed out that Britain’s economy is still 3.5% smaller than it was in 2008. He also wrote that, despite the Government’s rhetoric on ‘rebalancing’, the growth strategy on which recovery relies is disproportionately based on debt-fuelled consumer spending and inflated house prices.

In a piece for Left Foot Forward, (14.8.13) Duncan Weldon, TUC economist also urged caution when looking at the data; “Much attention will no doubt be placed on the earnings figures, which at first glance, seem to show some encouraging signs. The growth of total earnings (as measured by the standard three month average period on the same period last year) rose by 2.1%. That is still well below inflation but would represent the fastest earnings growth in over two years.”
The economist Ann Pettifor is also scathing. You can read her article here: www.theguardian.com/commentisfree/2013/aug/16/not-road-to-recovery-but-wongaland

**How to get growth:**

- An immediate £1.50 increase to the minimum wage – will cost the government nothing and give 4.5 million workers more money to spend
- Tackle the housing crisis with investment in a major house building programme. £6 billion state investment will create 750,000 jobs
- Establish a state investment bank – supporting strategic industries and funding major infrastructure building projects. Spend money where it’s needed.
- Move to a green economy. This will take significant government action and investment in key sectors like renewable energy.
- On major infrastructure/procurement projects buy British.
- We need a cap on energy and rent bills. We need to bring to an end fuel poverty and the exploitation of tenants by greedy landlords
- Close tax loopholes and add £25-40 billion a year to the UK’s tax take.

**For more information:**
www.unitetheunion.org/unite-at-work/unitepolicies/

**Economists/commentators**
Ann Pettifor www.primeeconomics.org
Danny Blanchflower www.dartmouth.edu/~blnchflr

This blog includes the TUC’s, economist **Duncan Weldon** http://touchstoneblog.org.uk

**Resolution Foundation** www.resolutionfoundation.org

**Paul Krugman** http://krugmanblogs.nytimes.com