

ConDem - Myth Buster

We have all heard the rubbish that the ConDem coalition has come out with to justify their ideologically driven cuts. Below are a selection of ConDem lies along with UNISON's truth.

Put some Tories and LibDems on the spot by putting the below arguments to them.

ConDem	UNISON
The deficit has been caused by excessive and irresponsible spending on public services.	The deficit is the difference between how much the government spends and how much money the government collects in tax receipts in a year. So the deficit will increase if spending increases or if income decreases. Although spending has increased slightly, income in the form of tax has plummeted due to the recession, a recession caused by the greed of the richest in society. As the economy recovers tax receipts will increase and the deficit will reduce.
The national debt is out of control and we must cut now to save the country from financial ruin.	This is total nonsense and is designed to scare people into accepting cuts. National debt is measured as a percentage of Gross Domestic Product (GDP) which is the total economic activity in the country. It is currently 50%, which the International Monetary Fund (IMF) say is manageable. The IMF also say our economy is nothing like that of Greece or Ireland. It is worth pointing out that after World War Two national debt in the UK was 250% of GDP and yet the government created the NHS, the Welfare State and built two million council houses.
The Budget was progressive.	Joint UNISON & TUC research shows that the budget hits the poorest 10% of households around seven times harder than the richest 10% of households in terms of lost income and services. It hits women and children the hardest. This clearly is not progressive. Even the Institute for Fiscal Studies has said that the budget hits the poorest the hardest.
The Budget was firm but fair.	Public sector pay freeze for two years, child benefit frozen, most departmental budgets slashed by at least 25%, VAT rise to 20% (which hits the poorest the hardest as a proportion of income), benefits which keep the poorest in society out of poverty have been slashed regardless of whether you're out of work/ill/disabled, state pension age up to 66, six hundred thousand public sector workers will lose their jobs followed by the same number in the private sector. Bearing in mind the rich, greedy banks caused the recession, why is there a reduction in corporation tax (on businesses profit), tax breaks for entrepreneurs and businesses and why is there no Robin Hood Tax on banks?
We're all in this together.	Seeing as the majority of the ConDem government front bench ministers are millionaires, I doubt very much that they are in this with us.
The NHS will be protected.	This is a myth. There are already cuts in the NHS, for example the ConDems are scrapping free parking plans and have looked at scrapping NHS Direct. The ConDem government also wants to privatise the entire NHS. This will cost billions to implement and will lead to chaos for years to come. Plans to hand £80billion worth of budgets to GPs, who want to look after patients rather than manage money, will see profit hungry private companies brought in to run services. Job losses and reductions in service will almost certainly follow. These plans were not in their manifesto and UNISON is challenging these plans legally as the government is refusing to consult on them. They want to destroy our NHS so that a few of their friends can make money out of it.
Cutting is the only way to get the economy going again.	This is idiotic. Cuts will mean job losses and more unemployment. If somebody loses their job then they are not paying tax. Not only are they not paying tax but they are claiming benefits. Every redundancy creates additional costs to the government of £16,000. It does not save money. If people are unemployed they have less money to spend in the local businesses. If they are not spending in these businesses then these businesses will struggle and maybe close. This creates more unemployment and so on and so on.
There is a public sector pensions time-bomb.	Public sector pensions have been shown to be sustainable and affordable. This time-bomb argument is calculated by assuming everybody in the public sector will retire tomorrow and start claiming their pension. That is clearly ridiculous and impossible. The real time-bomb for the taxpayer is the means-tested benefits bill, and increased take up of social care and health services, to support people shut out of saving for their retirement through a decent pension scheme.

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Public Sector pensions are unsustainable.	The local government pension scheme makes around £4-5billion more than it pays out. It is not losing money and it is entirely sustainable.
Public Sector pensions are gold plated.	The average in local government is £4000 a year. Hardly gold plated. The real gold plated pensions are those in the board rooms in the city where fat cat directors slash the pensions of their employees while increasing their own pensions by millions. These are some of the same board rooms that caused the recession.
If we don't cut the UK will end up like Greece.	Another lie. The International Monetary Fund have said that the UK is nothing like Greece.
Public Sector spending is unsustainable.	This again deliberately misses the point. 92% of the cost of employing a public service worker is recouped by the state through increased tax revenues and reduced benefit payments. For every £1 spent on public services locally, 64p is re-spent in local shops and businesses which supports the local economy.
A public sector pay freeze is necessary.	A pay freeze is a real terms pay cut with inflation running at over 3%. If anyone should have a pay freeze it's the bankers. They caused this mess in the first place. Why should hard working public sector workers pay for the recession when the bankers, who caused the crisis, are still paying themselves million pound bonuses?
The banks are paying their fair share.	Where is the Robin Hood Tax? A Robin Hood Tax could raise £50billion a year! The ConDem bank tax raises only £2.5billion and banks also benefit from the cut in Corporation tax.
It's all ok because we believe in a big society.	Big cop-out is more like it. This is designed to undermine public services. Public services are based on the certainty that they are there when you need them, not when a volunteer can be found to help. Should we all be holding jumble sales to pay for new school buildings while bankers pay themselves millions?
We will mainly be cutting waste from the public sector.	Sacking 600,000 people isn't cutting waste, cancelling a school building programme is not cutting waste and getting rid of 60,000 police officers is not cutting waste. UNISON believes real waste should be cut, for example; ending government use of expensive private consultants could save £2.8billion, ending the use of expensive agency staff could save £1billion, cancelling Trident could save £100billion, eradicating healthcare acquired infections in the NHS could save £1billion (the extra cleaners would cost half this), improving health and wellbeing of NHS staff could save £500million by reducing sickness absence and billions could be saved if we scrapped PFI schemes and used normal public procurement methods.
The private sector will lead the economic recovery and plug the gaps in the public sector.	Research shows that 25p in the pound of collected tax goes on public sector staff where as 38p goes to private sector. Cuts will hit the private sector too. It's estimated that the Private sector will lose as many jobs, if not more than the public sector. The ConDem Office for Budget Responsibility claims the private sector will create 2.5million jobs over 5 years. Well, between 2000-2008 the private sector only created 1.6million jobs, and this was in the boom years!
There is no alternative to cuts.	This is a lie. We can reduce the deficit and create a fairer society by increasing government income via progressive taxation. For example, it is estimated that there is a tax gap of £120billion. The tax gap is taxes uncollected for reasons of late payment of tax, tax evasion and tax avoidance. Tax evasion is illegal and said to be worth £70billion. Why not address this rather than sack public sector workers? Other progressive solutions; scrap Trident which would save £100billion, £4.7billion could be raised every year by introducing a 50% tax rate on incomes over £100,000, £5bn could be raised every year with an Empty Property Tax on vacant dwellings which exacerbate housing shortages and harm neighbourhoods, £10billion could be raised every year by reforming tax havens and residence rules to reduce tax avoidance by corporations and "non-domiciled" residents, £14.9billion could be raised every year by using minimum tax rates to stop reliefs being used to disproportionately subsidise incomes over £100,000, £50billion could be raised every year by introducing a Robin Hood Tax on banks and other UK financial institutions.

We need to challenge these ConDem lies.

The cuts are an ideological choice not a necessity and they are definitely not in the national interest!

