

IFS analysis exposes the appalling failure of seven years of this Government's austerity economics – John McDonnell

John McDonnell MP, Labour's Shadow Chancellor, responding to the analysis today by the IFS, said:

"The analysis by the Institute for Fiscal Studies has today exposed the appalling failure of seven years of this Government's austerity economics and its grim consequences for working people.

"Seven years of austerity has not only blighted lives and plunged our public services into crisis, it has also trashed productivity growth and dragged down living standards.

"The NHS faces its toughest ever decade, whilst the IFS expects those on average earnings to be around £1,400 a year worse off by 2021, with workers facing two decades without earnings growth.

"The Tories are overseeing the worst economic growth of any comparable G7 country, while the outlook for real wages and salaries looks dire for generations to come.

"The IFS has also lifted the lid on Philip Hammond's attempt to fiddle the figures, exposing his failed attempts to meet his own targets and admitting his chances of balancing the budget are 'remote'. This means austerity is still top of the Tory agenda and looks set to continue well into the next decade.

"The confirmation that the stamp duty cut will in fact increase house prices, helping sellers and pricing some people, including first-time buyers, out of the market, will come as a major disappointment to many hoping to get onto the housing ladder.

"This is a government and an economic policy that has completely failed by any conventional standard, they can serve no further purpose in office. Labour stands ready to govern in the interests of the many, not the few."