

FABIAN REVIEW

The quarterly magazine of the Fabian Society

Winter 2017 / fabians.org.uk / £4.95

OUT OF THE BOX



How Labour needs to reshape the economy, with Michael Jacobs, Chi Onwurah, Caroline Flint, Andrew Cumbers and David Walker p10 / Kate Murray talks to shadow equalities minister Dawn Butler p20 / Simon Toubreau on federalism and the European left p23

Saturday 13 January 2018

FABIAN NEW YEAR CONFERENCE

Policy priorities for the left

Featuring: **Sadiq Khan** and **Angela Rayner MP**

Venue:

Friends House, London

Visit fabians.org.uk/events
for information and tickets

FABIAN
SOCIETY



FABIAN REVIEW

Volume 129—No. 4

Leader

Andrew Harrop 4 Growth prospects

Shortcuts

Rachel Reeves 5 In awful isolation
Mike Owen 6 Mutual benefits
Richard Corbett 6 The crumbs of hope
Sam Tarry 7 Hearts and minds
Wes Steering 8 The new frontline
Lola McEvoy 9 Going further

Cover story

Michael Jacobs 10 A new form of capitalism
Caroline Flint 12 A fresh approach
Chi Onwurah 14 Creative solutions
Andrew Cumbers 16 In safe hands
David Walker 18 In the public interest

Interview

Kate Murray 20 The rights stuff

Essay

Simon Toubeau 23 States of the nations

Feature

Martin Whitfield 26 A new settlement

Books

Ria Bernard 27 Leadership lessons
Angela Davis 28 The parenting myth?

Fabian Society section

Deborah Stoate 30 The happy Fabian

**FABIAN
SOCIETY**

FABIAN REVIEW

Fabian Review is the quarterly journal of the Fabian Society. Like all publications of the Fabian Society, it represents not the collective view of the society, but only the views of the individual writers. The responsibility of the society is limited to approving its publications as worthy of consideration within the labour movement.

Editor, Kate Murray

Cover illustration © Katie Ponder,
www.katieponder.com

Printed by DG3, London E14 9TE

Designed by Soapbox, www.soapbox.co.uk

ISSN 1356 1812

info@fabians.org.uk

FABIAN SOCIETY

61 Petty France
London SW1H 9EU
020 7227 4900 (main)
020 7976 7153 (fax)
info@fabians.org.uk
www.fabians.org.uk

General secretary,
Andrew Harrop

Events and Partnerships
Director of partnerships
and events, Alex Sanderson
Events and communications
officer, Robin Harvey

Editorial

Editorial director, Kate Murray
Head of media and
communications, Claire Sewell

Research

Deputy general secretary,
Olivia Bailey
Head of the Changing Work
Centre and senior research
fellow, Cameron Tait
Researcher and assistant editor,
Tobias Phibbs

Membership

Membership officer,
Giles Wright
Local societies officer,
Deborah Stoate

Finance and Operations

Director of finance and
operations, Phil Mutero

Scotland

National manager,
Katherine Sangster



© Katie Ponder

Growth prospects

Britain's version of capitalism needs to be more European in flavour, writes *Andrew Harrop*

WHATEVER THE OUTCOME of the Brexit talks, in one respect the UK needs to become a lot more European. It is time to make a decisive break with 35 years of mid-Atlantic neo-liberal economics and to be a more normal European economy.

Compared to Britain, our near neighbours in north west Europe have greater productivity, less inequality, more investment, higher incomes, more stable job markets, stronger welfare states and longer life expectancies.

These are the economies the free-market Brexiteers want us to move away from. The left's economic mission must be to go the other way, to steer Britain's variety of capitalism towards those of our continental partners.

Jeremy Corbyn had fun this month when he told Morgan Stanley: "You're right, we are a threat." But the truth is that Labour's economic pitch is not Latin American socialist populism but European social democracy. It looks radical only because British economic discourse has become so warped. The party's ambitions are ordinary in a European context and they can be achieved through purposeful, consistent, long-term industrial and economic leadership, with government and business working in partnership.

In fiscal policy, seven years of Osbornomics has so twisted our debate that Labour is greeted with scepticism when it advances the most orthodox of economic propositions. Its plans for a surge in public investment – for infrastructure and housing – make it the pro-growth party. It must have more self-confidence when it explains that borrowing to fund productive investments pays for itself in tax receipts and in time reduces debt as a share of GDP.

Similarly, when a viable business is nationalised new debts are offset by new assets and the public balance sheet is unaffected. There is nothing especially radical about wanting to adjust our mixed economy so that public, municipal and mutual businesses play a rather larger role.

The test should be what is best for our economic, environmental and social sustainability, without presuming that public, shared or private ownership is best. The left should prioritise the creation of public sector challengers in energy, housebuilding and public service supply-chains as well as re-socialising utilities in cases where competition is clearly failing.

Labour also needs to start a new conversation about skills during working life, because Britain will not prosper if it only invests in educating the young. Under the banner of the National Education Service, the left can offer a deal to British business, with more employer involvement, more public support but also new obligations to upskill existing workers.

How those skills are used will be critical however. For Britain's productivity problems are largely explained by the huge variability in the productivity of individual firms, even in the same sectors and regions. When the Tories think about industrial strategy their focus is mainly on advanced innovation among high achieving companies. The left's economic mission must be to improve the productivity of every firm, in every sector and community. That will take hands-on support for managers and public-led coordination within sectors, supply chains and local economies.

This can be supported not just by a new offer on workforce skills, but also by new rights and new powers for employees. A higher minimum wage, more union bargaining power and worker involvement, and a return to European labour market standards will force struggling businesses to rethink their business models and invest in their people. These are not just social policies for redistribution and justice, they are economic policies for growth.

After Brexit and austerity, the Conservatives are no longer the pro-business party. The left's European alternative is good for business and good for Britain. **F**

Shortcuts



IN AWFUL ISOLATION

We must do more to tackle the UK's loneliness epidemic

—Rachel Reeves

We are suffering from an epidemic of loneliness in Britain today. Everyone experiences loneliness – it is part of the human condition – but this is something more. More than 9 million people in the UK say that they always or often feel lonely – people of all ages and in every walk of life. Not only is loneliness bad for our emotional and mental wellbeing, it takes a physical toll too: social isolation can be as bad for your health as smoking 15 cigarettes a day.

For the past year, I have had the great honour of serving as co-chair of the Jo Cox Commission on Loneliness, alongside Conservative MP Seema Kennedy. One of the great opportunities presented by the commission was to think more deeply about what is happening beneath the surface in communities up and down Britain.

We are a more disconnected society, with the average person spending more time alone today than 10 years ago. The way our economy and public services work often contribute to this. Many of the institutions that once would bring people together – trade unions, churches, the local pub and the workplace – have become marginal or changed beyond all recognition.

Many changes in society over the past half-century or more have brought greater freedom and opportunity, but they also sometimes serve to distance us from one another and leave us without the support networks previous generations enjoyed. Families are often separated by distance, and people who divorce or lose a partner are left without anyone to share their grief. We live longer lives but far too many of us die alone among strangers, whether in a care home or a hospital. The welfare state is there to support us but people's experience of it can be alienating and isolating.

The modern economy may have generated immense wealth but it has also brought with it communities fractured by globalisation, increasingly transactional interpersonal relationships, great inequalities of wealth and status, and a consumer culture offering instant gratification which cannot satisfy our emotional needs. Social media, smartphones and the internet often exacerbate these problems.

I think that profound loneliness in a society is a warning sign – that we need to change how we live together. But how can we even begin to address such a deep malaise?

We should consider the way our welfare state works. It is frequently experienced as top-down and target-driven, meaning that the very institutions designed to support people often feel disempowering to those who need them most. Teachers, social workers and other public servants are weighed down by serving the requirements of systems and prevented from doing the thing that they want to do: helping people and establishing real human connections. One of the greatest challenges for any government will be to reshape the welfare state. We should think of it as a convener which brings people together to help themselves, where the transformative power of relationships is absolutely central to the process.

I have outlined three further strategies for fostering a more connected

society. First, we need to think about culture, and especially nostalgia. Nostalgia is a much misunderstood feeling. For young people moving far from home or for those entering old age, nostalgia is a powerful way of thwarting loneliness. When we are processing change and loss, it can help us focus on what our lives mean and remember that we are valued people with meaningful lives. Popular culture is full of nostalgia, but sometimes we feel like a society focused on moving forwards, not leaving enough time to reflect. Research has shown that, in fact, the people best able to deal with loneliness are those able to use nostalgia to restore their social connections and preserve their mental wellbeing.

Second, we should consider character. It is in our earliest years that we develop much of the personal resilience that we need to draw on later in life. The children who flourish most and cope best when things get tough are those who have formed secure attachments and know they are worthy of love from an early age. Investment in early years is one of the most important things we can do if we are to ensure children grow up with the ability to communicate their needs and build healthy relationships.

Finally, we need a community strategy, focused on building the institutions, services and organisations that are able to connect people. There are countless fantastic community-led projects combating loneliness which deserve our support – whether that's by connecting lonely and vulnerable people, bringing parents and their children together, or providing activities where young and old spend time together. Businesses and universities also have a role to play in this.

Loneliness needs to be a priority for local and central government. But it is not only a challenge. Isolated people also represent untapped potential, which can benefit everyone. For instance, we could focus not just on getting bright young people into teaching, but also on a programme to bring older people's experience and knowledge into classrooms: Teach First but also Teach Last.

Our society can be richer for allowing everyone to contribute. My hope – and that of the commission – is that we can all live a life less lonely. ■

Rachel Reeves is Labour MP for Leeds West



© Pathlost

We feel like a society focused on moving forwards, not leaving enough time to reflect



MUTUAL BENEFITS

Housing regeneration does not have to pit tenants against their landlords—*Mike Owen*

When Jeremy Corbyn told this year's Labour party conference: "Families need homes. No social cleansing. No jacking up rents. No exorbitant ground rents," it struck a chord with many activists. And one of the most popular fringe events at the conference was Paul Ang's film *Dispossession*, a film that connected with the mood of the party with its depiction of the powerlessness of communities when regeneration takes place. Many of the communities being 'regenerated' are themselves products of earlier removal and replacement of working class communities. In the 1950s in Merthyr Tydfil, for example, the terraced homes of iron and coal miners in Dowlais were knocked down and the people were moved to a new modern open plan council estate called the Gurnos.

Building a similar-sized estate today would be an investment of over £500m, so you have to admire the post-war governments and their municipal house builders for their financial panache in making these schemes happen. Back in 1950 there was no levering in of private finance through sales and higher rents, just the political will to improve housing conditions. But regrettably there was no political desire to share power.

Today, estate regeneration is expensive – even with John McDonnell as chancellor it seems unlikely that a future government will ever find the resources to build both the new homes we need and to replace post-war council estates that need improvements. With no immediate government finance on offer, many Labour councils have been dazzled by the prospect of cost-free regeneration with its use of private investment. This private investment is only financed from three sources: higher rents to the existing tenant if they return; new people coming into the community who will pay even higher rents and new people buying the new homes offered for open market sale. In a couple of steps the

community has changed, gentrification has occurred and the latte cafes have opened.

Where land prices and rents are highest, this model works the best and it is of course in London where it works best of all. It is no surprise, then, that it is here where the opposition has been the strongest. Jeremy Corbyn has recognised that the council ballot box is not protecting tenants from the worst effects of regeneration and has proposed a direct vote for tenants when regeneration is planned. But without changes in power between landlords and tenants or massive and improbable public investment, tenants will once again be offered the zero choice between the status quo of poor housing, or regeneration and dispossession.

Many councils have lost the trust of the Labour leader and many housing associations have long since lost their social purpose and have become increasingly unaccountable to anyone but their balance sheet. But there is an alternative.

Over the last few years we have seen the emergence of a new type of mutual housing association in some of Britain's most challenging environments: Rochdale, Merthyr Tydfil, Walsall and Lewisham. They are going back to the original social purpose of social housing and giving tenants – and in the case of Rochdale Borough Wide Homes and Merthyr Valleys Homes, employees too – real power. These new mutuals are large and can deal with the finances of complex regeneration but tenants have the power. At Merthyr Valleys, the tenants and employee members elect a representative body which sets the mutual's vision and values and appoints, and can dismiss, the non-executive directors and the chief executive who run their housing on their behalf.

The powerlessness of communities should be one of the main points of focus of the Grenfell Tower inquiry but the terms of reference are centred on specifications, building control and fire safety control systems. All are important but would tenants with real power have made budget decisions and efficiencies at the expense of their own safety? A survey of high rise blocks found fewer than 1 per cent have sprinklers. In Wales it can be no coincidence that the only blocks of high rise flats with sprinklers are managed by the two mutual housing associations, where tenants have a built-in voice and real accountability.

If the Brexit vote, the challenges of populism and TV poverty porn series like *Skint* have demonstrated anything it is the real disconnect between communities and the people in power. If Jeremy Corbyn does want good regeneration schemes and a

tenant voice within them then Labour will need more than money, it will also need the right vehicle. The new mutuals emerging in housing offer a real opportunity to bring tenants and employees together to make those important decisions together. **F**

Mike Owen is chief executive of Merthyr Valleys Homes



THE CRUMBS OF HOPE

The crunch point on Brexit is fast approaching—*Richard Corbett*

From the start, the government's approach to Brexit has been characterised by divisions, confusion and chaos. And it took Theresa May far too long to accept the need to settle the three issues at the centre of the first phase of the negotiations – citizens' rights (for EU nationals in the UK and Brits in the EU27), the Ireland/Northern Ireland border, and valuation of the UK's budgetary liabilities – to have even a chance of addressing the crucial issues of trade, security, research, and a myriad of other issues in the remaining time available.

Prior to this month's European Council meeting ultra Brexiteers in the cabinet had been deliberately holding up an agreement on the first phase issues, not least on the UK's budgetary liabilities – an issue where they think they can portray the EU as holding the UK to ransom, hoping that most people will not look behind the lurid headlines that their friends in the press conjure up. They have clearly been aware that the government is losing public support and so have wanted to keep a Brussels-bashing issue alive as long as possible.

But these are minor skirmishes compared to the importance of what comes next. There is precious little clarity over what kind of long-term deal the government wishes to negotiate, and seemingly even less understanding of what will be possible.

Trade is far from being the only issue, but it is a crucial one for our faltering economy. Theresa May has repeatedly called for 'frictionless' trade with the EU after Brexit. The head of the EU27 negotiation



© Duncan Hill

team, Michel Barnier, has repeatedly told her that trade cannot be frictionless if Britain leaves not just the EU, but the single market and customs union too. Yet this is exactly what the government foolishly said it wants to do. It has ruled out membership of the European Economic Area (EEA), an arrangement that enables Norway, Liechtenstein and Iceland to be virtual members of the single market. It has also ruled out the Swiss model, a complex web of bilateral treaties with the EU. It doesn't even mention the Ukrainian model of a deep and comprehensive association agreement.

If the government is ruling out all the permutations of a close association with the single market, then it might logically want a lesser form of access to the single market, such as that recently (and laboriously) negotiated by Canada. But this was rejected as insufficient by Theresa May. And indeed, it does not cover services – some 80 per cent of the British economy.

So what exactly does the government want? Has it actually decided or does it remain split? Will it put options to parliament or decide itself? Is it even capable of deciding itself?

The last question is far from rhetorical. The ultra Brexiters don't actually want a deal. They think any deal will entail acceptance of European standards on consumer protection, workplace rights, environmental standards and fair competition – the very things the neoliberal right hate about the rules for the European market and why they wanted to leave the EU in the first place. No matter that a no-deal Brexit would leave a legal limbo for everything from airplane landing rights to citizens' rights, and mean

a sudden-death end to participation in EU agencies and programmes. No matter that it would mean immediate WTO tariffs on trade with Europe and dropping out of trade agreements with countries across the world that we currently have via the EU. They don't care. For them, it's a price worth paying to secure their ideological dream of a deregulated, low tax, low public service corporate free-for-all.

Other ministers do want a deal, keeping full access to the single market. But they do not seem to realise that the single market is in essence about agreeing and applying the same rules as each other, from technical standards to those rules that protect consumers, workers and the environment, and ensure fair competition. To have full unimpeded access to that market means playing by the same rules. Wanting to have separate, divergent rules means losing that easy unimpeded access. Restrictions, controls, delays, and extra costs will appear.

Lord Kerr said several months ago that the Brexit negotiations would 'test to destruction the theory that the UK could have its cake and eat it.' We are getting close to the point at which that theory will be disproved.

At that point, a rational government would go through an agonising reappraisal: leave the single market and customs union and take a huge economic hit; stay in them and become a rule taker, not a rule maker; or reconsider Brexit entirely. But among Conservative MPs, there may not be a majority for any of these options. ■

Richard Corbett is a Labour MEP for Yorkshire and the Humber, and leader of the European parliamentary Labour party



HEARTS AND MINDS

With a message that's both patriotic and progressive, Labour is winning over its traditional voters once more—*Sam Tarry*

"My parents voted Labour, my grandparents voted Labour, I've voted Labour in the past too, but this time I'm not sure, I'm thinking of going Conservative." This was typical of the kind of response I was getting in parts of the country like Oldham East and Saddleworth that troubled me at the start of the general election campaign.

Things were no different in my home, Dagenham, where I've been a campaigner since 2005 (when the BNP first won a by-election) and a councillor since 2010. Having been to primary and secondary schools in the area, having been involved in some epic political battles there, (including finally ousting the BNP councillors in 2010), and even having some old school friends join me on polling day to get out the vote, it's somewhere I feel comfortable; comfortable that I understand local people, their concerns, their history, anxieties, anger, and hopes. Nevertheless, it was a series of doorstep conversations that took place in Whalebone Ward – where like nearly all the other wards in the borough of Barking & Dagenham, Ukip had finished in second place in the 2014 council elections, with the Conservatives a distant third – that defined for me the key battle of the 2017 general election. Who in the end, Labour or Conservative, would be able to win enough former Ukip voters, to hold, or to win, Labour's heartland seats?

During the campaign, Labour were able to turn things round. Our bread and butter manifesto appeared real to people in working class communities. Tangible and realistic; anti-establishment yet deliverable. It resonated with the collective sense in so many of the communities where the Conservatives have consistently sold off the country's finest assets, and done little to advantage left behind communities – instead happy for them to sink in the global 'free market'.

On the doorstep in constituencies like Oldham East and Saddleworth, no one mentioned the Conservative attack lines. But people did mention the dementia tax, and the need for free school meals – which were under threat. And I remember a young father frustrated that his wife couldn't go back to work despite wanting to, because childcare costs were so high. Labour's pledge to extend free childcare won him over right there and then. After the conversation I had with him, he felt that Labour 'sounded like Labour' once again.

In my view people, particularly men of a certain age, are much more susceptible to the likes of Ukip and their dangerously simple solutions to complex problems when they and their community have been stripped of pride, self-worth and dignity for too long by the economic choices made in Westminster. Restoring their emotional connection with our party, through Labour championing better wages, real investment and the creation of jobs identifiable with a community's proud past but set in a modern context started to chime in a powerful way with voters who had perhaps given up on Labour.

Back home in Dagenham & Rainham, the progressive and unabashedly patriotic messages about restoring dignity and pride ensured that we bit a big enough chunk out of Ukip to match the collapse of many of their voters into an openly hard Brexit Conservative candidates' hands. In places like Dagenham we campaigned for more visible policing and honouring the historic shared sacrifices of working class kids in the army, yet at the same time celebrating the diversity of our communities.

Labour should never take its heartlands for granted again because those voters have shown they will go elsewhere. Labour in England came dangerously close to losing them permanently. Now these voters are returning, and Labour must ensure that they are welcomed, that we speak in their language and to their concerns and that our plans for ordinary people to take back control of their lives do not ring hollow. Whether it's through regional investment banks and the skills drive to accompany that through free lifelong learning; much-needed strategic industrial investment focused on northern England; running some parts of the country's infrastructure publicly again so people feel things are run in their interests first; a proper long-term deal on pensions; improved pay and conditions alongside a serious set of new rights at work; and ensuring that local authorities will be able to borrow more to build high quality council houses that will be

fit for a new generation, alongside making home ownership a reality for those who are now totally priced out.

If people believe that Labour will restore pride and dignity to held back communities and that they won't be at the back of the queue, whether that's in inner-city London or Hartlepool, then we can as a party build the coalition that needs reassembling to transform and rebuild this country with a Labour government. **F**

Sam Tarry is a councillor in Barking and Dagenham, a national political officer at TSSA and former director of Jeremy Corbyn's leadership re-election campaign



THE NEW FRONTLINE

The Uber saga shows we must ensure innovation works for all
—*Wes Streeting*

It has been a bad few months for Uber in the UK. In September, Transport for London (TfL) decided not to issue the app-driven minicab operator with a new licence, following serious concerns about Uber's safety record. In November, Uber lost an appeal against a landmark ruling by an employment tribunal that Uber drivers should be treated as employees and afforded the same rights as other employees. Uber now faces a tax tribunal battle against leading taxation lawyer Jolyon Maugham QC, who believes that the multinational giant has avoided VAT to the tune of more than £1bn. The debate about Uber isn't a new debate about how the UK can harness a fourth industrial revolution – it's a series of age-old battles about the interests of capital versus labour and how we get multinationals to accept that they need to play by the same rules as everybody else.

When the news went out that TfL would not be issuing Uber with a new licence, Uber's communications operation kicked into gear. Although the regulator's decision was based upon serious safety concerns – including damning criticism from the police that Uber had failed to handle serious allegations of rape and sexual assault appropriately – the debate was instantly

framed as a battle between protectionism and consumer choice. 'Save your Uber' was the organisation's clarion call to its loyal fan base. "This ban shows the world that London is far from being open and is closed to innovative companies, who bring choice to consumers and work opportunities to those who need them." Thousands of Uber customers were mobilised within a matter of hours to sign a petition to the Mayor of London, via a simple tap on their Uber app.

But Uber customers might be better off petitioning their favourite minicab provider to explain why it flouts London's safety regulations, resists drivers' demands for decent pay, terms and conditions and why it isn't paying its fair share of tax. On all three counts, Uber can be the means of its own salvation by bringing its operation in London into compliance with TfL's safety regulations, providing drivers with fair employment rights and conditions and by paying its fair share of tax.

The world is watching events in London to see if our global capital city has the strength to take on the multinational might of Uber. Early signs may be encouraging. Uber's new chief executive, Dara Khosrowshahi, has apologised for Uber's past conduct and signalled a willingness to change, but without a frank admission of what has gone wrong and how Uber plans to address concerns about its business model, cynics can be forgiven for dismissing his statements as PR.

The iconic black cab and the 'Knowledge' of the cabbies made London's taxis world-renowned for their quality. They are well equipped to compete in the changing market place by embracing app-based platforms like Gett and MyTaxi, accepting cashless payments and rolling out a new generation of zero emission-capable cabs. But they increasingly feel like they're competing with both hands behind their back. Across major global cities, Uber's modus operandi is to drive their competition off the road with the same formula: arrive in a city as a plucky tech start-up, design their way around existing rules and regulations, scale up at such a speed that before regulators know what's happened, they're facing a dominant provider with a fan base hooked on a diet of rock-bottom fares made possible through a combination of venture capital, unfair tax practices and poor wages, terms and conditions for drivers.

For all the histrionics from the Conservative party following TfL's decision not to renew Uber's licence on safety grounds and the moral panic about whether decisions of employment or tax tribunals

will spell the end of the gig economy, we might consider the alternative the Conservatives appear to champion: a multinational company allowed to flout safety rules, avoid tax and lead a race to the bottom for workers because it is deemed too big or too popular to fail.

TfL must hold its nerve to ensure that London's taxi and private hire industry is fairly regulated: making sure that competition, innovation and safety standards work in the interests of passengers and provide fair conditions for drivers.

The scale and pace of technological change sweeping the world offers enormous potential for ground-breaking developments to enhance living standards and revolutionise our response to some of the greatest challenges facing our world. How we protect the interests of labour will be an even bigger question in this century than it was when the Labour party was founded more than 100 years ago. We have a unique responsibility to champion technology, competition and innovation and to make sure that this new industrial revolution genuinely works for the many, not the few. **F**

Wes Streeting is Labour MP for Ilford North



GOING FURTHER

The living wage campaign has made a huge difference to the low-paid, but there is more to do

—Lola McEvoy

In 2001, families in the East End of London came together with broad-based community organisers working for Citizens UK, the sister charity of the Industrial Areas Foundation which trained Barack Obama. Citizens UK brought together people from all walks of life and asked them what issues were affecting their communities. From this meeting, the living wage campaign was born and 16 years on over half a billion pounds has been redistributed voluntarily from businesses and employers back into the pockets of those struggling to get by on the minimum wage.

It is hard to argue with the basic premise that a 'hard day's work deserves a fair day's pay', but where early campaigners had such an impact was in urging businesses to recognise their outsourced staff – like cleaners, security guards or temporary events staff – as part of the successful running of their business. These crucial outsourced workers can be invisible to the company – often wearing different uniforms from directly employed staff and working while everyone else is asleep. But this invisible workforce is where we see so much of the UK's low pay: 75 per cent of all catering and kitchen assistants and 70 per cent of all cleaners are paid below the real living wage.

That's why a central feature of living wage accreditation is that employers must pay the independently calculated rate to all contracted staff who work on site, as well as to their directly employed staff. It's in these jobs that the campaign for the living wage has really shone a light on the plight of those trapped in low pay. Some progressive local authorities have responded by bringing once outsourced workers back in-house. To build a pipeline of supportive partners in the outsourced industry itself, the Living Wage Foundation set up the recognised service provider scheme. It celebrates service provider companies which offer a living wage bid alongside every market rate submittal to their clients. This puts the onus back on the client to consider those invisible workers cleaning their offices. It is also a pathway to becoming a living wage employer for companies in some of the lowest paid sectors. This simple solution has seen a pay rise for more than 17,000 of the lowest paid workers in the UK.

There has been a lot of debate on the issue of mandating the living wage in public contracts. The posted workers directive states that any contract which involves workers being posted from one EU member state to another cannot require wages to be set above the national minimum wage. The reason for this is that companies based in member states with low wage economies have a competitive advantage when bidding for contracts in member states with higher wage economies: workers from Poland will often be willing to go and work in Germany for lower wages than the workers in Germany would accept and this gives Polish companies the ability to offer lower prices, making it more likely they will win the contract.

However, although the law makes some sense in continental Europe with its land borders and close proximity, when we're

talking about a cleaning contract in South Lanarkshire, it's extremely unlikely that workers would ever be sent from other parts of the EU – so why does any of this matter? The directive is broad enough that it can be interpreted to include a contract even where there is no cross-border element i.e. nobody is actually posted from one state to another.

The legal consensus seemed to be that any public body that stipulated the living wage as a requirement in a tender exercise would run the risk of being challenged. However, the Scottish government has shown that there is a way around the problem: it published guidance recommending that any public body should include a question in their tender exercise on fair work practices. Bidders are then required to list the ways in which they implement fair work practices, including the living wage, and their answers are scored. This means that any bidder which pays the living wage will get credit for doing so and will be more likely to win the contract. This is a huge step forward and has led to a significant increase in the number of workers paid the real living wage in Scotland.

The case for the living wage is not just a moral one. It is often said that workers in the UK are not as engaged or productive as their European counterparts – it takes us five days to produce what Germany makes in four. So much of the productivity debate is focused on the emergence of new high-skilled sectors like artificial intelligence and the e-motor industry, but the real lack of productivity is found where there's widespread low pay.

When we surveyed our living wage network the businesses with the highest number of low-paid workers reported the most significant benefits: 76 per cent of large organisations reported improved recruitment and retention; 78 per cent reported an increase in staff motivation. Staff who are paid a wage they can live on feel respected and motivated at work. Absenteeism and staff turnover decreases which reduces recruitment and training costs, directly impacting the bottom line.

Our movement of responsible employers is growing year on year but with over 20 per cent of the UK workforce still earning below the real living wage, including nearly a third of all working women, the job isn't done. Now, more than ever, businesses that can afford it should pay all their staff a real living wage. **F**

Lola McEvoy is senior campaigns manager at the Living Wage Foundation

A new form of capitalism

Our current economic system is in crisis and it is time for fundamental reform, writes *Michael Jacobs*



Michael Jacobs is director of the IPPR Commission on Economic Justice, which will publish its final report next year. His most recent book is Rethinking Capitalism; Economics and Policy for Sustainable and Inclusive Growth (edited with Mariana Mazzucato and published by Wiley Blackwell). He is a former general secretary of the Fabian Society

WHO'D HAVE PREDICTED that the big debate kicked off by this year's party conferences would be about capitalism and socialism?

Admittedly, it hasn't been particularly enlightening. At the Conservative party conference and in the right-wing newspapers, the embattled defence of 'free markets' and attack on Jeremy Corbyn's alleged Venezuelan tendencies tickled all the right ideological places but added little understanding. It doesn't take an economic genius to point out that there are no such things as 'free' markets – and they're definitely not what a Conservative government with an industrial strategy, an energy price cap and a rising minimum wage is currently proposing.

But equally, around the Labour conference (among both supporters and opponents) there was plenty of starry-eyed fiction about Labour's 'anti-capitalist' programme under the new Corbyn-McDonnell regime. Sorry to disappoint, but even after the entire Labour manifesto has been implemented, we will still have a capitalist system.

But it would take a different form, and that's the interesting debate we need to have. For if Theresa May is to be believed – and rather surprisingly her economic speeches deserve to be read – she too wants to change the nature of British capitalism. Like Corbyn and McDonnell she declares that our economy isn't 'working for everyone' and believes it needs serious reform. The promotion of a much more interventionist industrial strategy is intended to be her principal instrument.

Now you may or may not believe that a Conservative government will seriously attempt to reform the British model of capitalism. But the very fact that the prime minister is talking about trying to do so is indicative of a much larger transformation now under way. We may

be on the cusp of an epochal shift in economic thinking and policy.

Consider first the evidence that our current form of capitalism is in crisis. After a financial crash which exposed systemic risk and instability in our banking system, we have had the slowest recovery on record. Despite eight years of near-zero interest rates and unprecedented injections of money in the form of 'quantitative easing', our economy still can't generate sustained or stable growth. It is rising consumer debt which is once again fuelling such growth as we have. Both investment and productivity have been flatlining since the financial crisis and both are much lower than in our major competitors. Employment is high but earnings have been stagnant for more than a decade, and many jobs are low-waged and insecure. We have the most geographically unbalanced economy in Europe. We produce way too much carbon.

These problems are set out in detail in the interim report of the IPPR Commission on Economic Justice, *Time for Change: A New Vision for the British Economy*, which was published in September. The commission notes that some of these problems are also evident in other developed economies. Major companies all over the world are saving money rather than investing it; many economies are experiencing weak or non-existent earnings growth; few are growing sustainably with positive interest rates. But too many of the UK's structural problems are peculiar to this country.

Indeed, the striking observation if one looks at advanced economies around the world is just how different they are. From the egalitarian, high public spending model of the Scandinavian countries to the low-tax model of the US and Australia; from the famous 'Mittelstand' of small

Both investment and productivity have been flatlining since the financial crisis



© US Information agency

and medium sized family firms which form the backbone of German manufacturing to the close relationships of major companies and the state in Japan; from the tightly controlled labour market of France to the barely regulated labour market of the UK – capitalism comes in many different varieties. Some are more successful by some measures; others under other criteria. But there is nothing inevitable about the kind of economy we have now in the UK. It is the result of choices which successive governments – both Conservative and Labour – have made over the last 30 years or so. There are plenty of alternative forms of capitalism on which we could draw to address the profound weaknesses of our current model.

Fundamental reform of the UK economy – and of the economic analysis which accompanies it – has indeed happened before. In the 1930s and 40s, the crisis of the Wall Street Crash and the Great Depression led to the replacement of the previously dominant orthodoxy of *laissez faire*. Keynesianism provided a new basis for economic policy; the welfare state put it into practice. This post-war consensus lasted for 30 years until it too ran into crisis. Following the oil shocks and ‘stagflation’ of the 1970s, a new orthodoxy took root – that of free market or neoliberal economics and its associated policy menu of deregulation, privatisation and labour market flexibility.

Following the financial crash of 2008, and the failures of austerity since, there is a strong case that we need a comparable shift in economic thinking and policy today. In both those previous periods it is notable that there was widespread agreement across the political spectrum that change was needed. That is why the similar agreement we see today is so significant.

And it is of course no coincidence that much of the public appear to be ahead of the politicians in grasping that

something needs to change. The Brexit vote suggested that many voters believe that the economy is no longer working for them. Labour’s unexpectedly strong showing in the general election showed how widespread is the appetite for more radical approach.

So what would a ‘re-formed’ capitalism look like?

First, it would be governed by a much clearer social and political vision of what the economy is for. GDP growth is now a very poor measure of prosperity. It is no longer associated with rising earnings; it fails to take unpaid work or environmental damage into account; it does not measure inequality. So we need better measures of our individual and social wellbeing. In a re-formed economy we would be valuing social goods – education, health, social care, culture, vibrant cities and beautiful landscapes – as much as goods for individual consumption. We would be concerned about people’s mental health at work as well as their productivity; about achieving better work-life balance as well as ending gender and racial discrimination. The distribution of income and wealth would be as central to society’s notion of prosperity as their production. And we would need to ensure that the environmental foundations of the economy – at a global scale – were sustainably husbanded. Only a wide public debate about these objectives can ensure they become the foundation of a new economy.

Second, there would be a different view of business. Too often those who seek the reform of capitalism are described as (and sometimes sounds as if they are) ‘anti-business’. But this is absurd. Private businesses employ more than half the workforce and generate more than half of national income. So to be ‘anti-business’ is to be ‘anti-economy’. The issue is what kind of businesses we wish to incentivise.

And the answer is that more of them should be like the best already are. Britain's most successful companies – and there are plenty of them, from Siemens to John Lewis, Unilever to Nationwide – invest for the long term. They focus on innovation, not extracting value. They try to create good jobs, with good pay, training and career progression, engaging their workers to help increase both voice and productivity. They seek to reduce their environmental footprint. And they pay their taxes. A combination of competition and tax policy, corporate governance reform and industrial strategy would ensure that in a new economy we have more of such firms and fewer which bring business into disrepute.

Third, financial markets would be designed to serve the rest of the economy rather than simply their own profitability. Today too much of the financial sector is focused on short-term returns at the expense of long-term investment. We need less trading and more investment. A range of reforms – from executive pay to the fiduciary duty of pension and investment funds; from taxation to the establishment of new public investment banks – are likely to be required.

Fourth, a re-formed capitalism would distribute income and wealth more justly. This would happen not just by redistribution through the tax and benefit system, though this will always be important. It will happen in the way labour markets and firm ownership are structured. A progressively higher minimum wage would be augmented by stronger collective bargaining by trade unions to raise wages and ensure more of national income goes to labour. Firms would be owned more by their workers, through employee trusts and in various kinds of cooperative and social enterprise models. A sovereign wealth fund might give the whole population a stake in the ownership of capital.

Fifth, governments would have a stronger role in steering the economy. Fiscal as well as monetary policy would be used (unlike now) to sustain demand and employment and manage inflation. When the private sector won't invest, governments need to. Industrial strategy – as now recognised by both government and opposition – can both help raise the rate of investment and direct it into the areas society needs. Today we badly need more investment in infrastructure, in innovation, in automation and digitalisation, in decarbonising the economy and in meeting the challenge of an ageing society. And we need more of it in the nations and regions of the country outside London and the south-east. Government spending not only provides vital foundations for growth – in infrastructure, public services and social welfare. It socialises risk for the private sector and create expectations on which investment plans can be based. Only government (at national and subnational levels) can provide the strategic coordination a modern economy needs

Is such a form of capitalism possible? There's no doubt a lot of work still needs to be done to flesh out the policies and institutional reforms needed to bring it into being. But it is political will, not any kind of economic inevitability, that determines the kind of economy we have. We should be under no illusions that many vested interests will seek to obstruct the realisation of a new vision. But the interesting thing today is just how widespread is the understanding that change is needed. ■

A fresh approach

As the UK speeds towards the European Union exit door, *Caroline Flint* argues it's time for 'Britonomics'



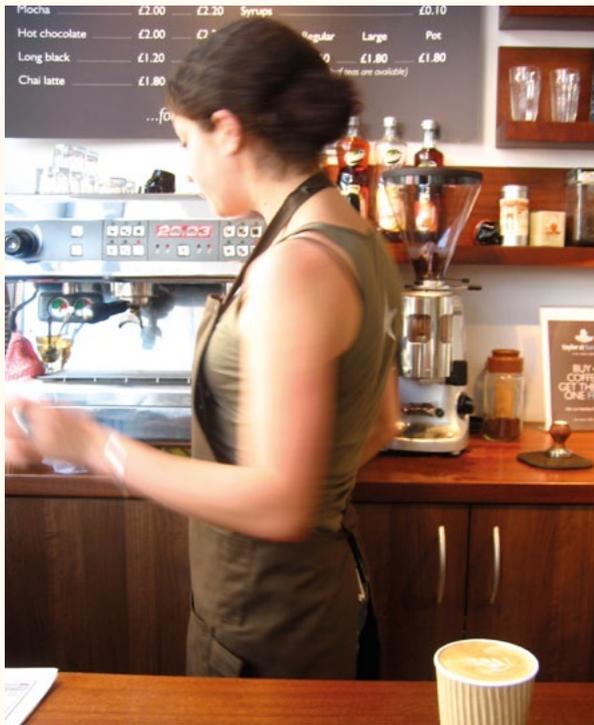
Caroline Flint is Labour MP for Don Valley

DIRE ECONOMIC WARNINGS won't persuade the public to abandon Brexit. The vote on June 23 last year was a political choice, not an economic one. Against prevailing opinion, the public voted out. The driving motivation was control over immigration and borders – even if there was an economic cost.

I'm convinced that the UK will leave the EU in 2019 with a divorce deal, plus a transitional period of minimum change, possibly including a temporary extension to, or partial, single market membership for a few years.

But Labour cannot wait until 2019 to look to life beyond the EU. Our macro-economic policy has been subsumed into EU-wide treaties and directives. A new mindset is required. The Conservatives' overriding goal is new trade agreements. Labour should not accept this as the singular test of economic policy.

The UK regains some freedoms the day we cease membership of the single market. Whatever its benefits, single market membership constrained UK economic policy. Nor was it a silver bullet to solve the UK's economic problems. Single market advocates should demonstrate some modesty. The single market did not prevent Conservative austerity, nor the banking crash (it may even have helped it). Nor did it close the UK's productivity gap with France or Germany.



© Jeremy Keith

Labour requires a new economic policy, placing due emphasis on our national economic needs: Britonomics, a platform for a post-2020 general election; not a pledge to reverse Brexit.

What might Britonomics comprise?

A skills-first labour market strategy

Free movement is an economic policy. It creates an easy means for employers to flex their workforce up and down, or to recruit wholesale from the EU. Long term investment in training and upskilling a UK workforce is undermined. Short-term labour strategies are rewarded. Why would any employer take on the cost of training workers, if they can simply import workers to do the jobs?

Time and again, the private sector fails to train the next generation of workers. In 2015, the Construction Industry Training Board forecast that an additional 224,000 construction workers were required up to 2020. That same year, only 9,500 construction apprenticeship were completed; the Federation of Small Business reported two thirds of builders refusing work because of labour shortages; and the UK built 140,000 fewer homes than were required to meet demand. London alone employs 60,000 European construction workers. Is the answer to import even more workers or to pursue an ambitious training policy?

Managed migration

Labour could begin to define a fair, managed migration policy. A starting point is to agree our attitude to skill shortages. Is it ethical to employ 55,000 NHS staff, including 10 per cent of our NHS doctors, from the EU? Does the UK poaching nurses from other countries create shortages in other countries?

Management of migration; identifying skills shortages; and ramping up training programmes, go hand in hand. But shouldn't the UK impose a penalty on employers who

recruit wholesale from abroad? I recently met a local road haulier who contrasted his business, with three EU HGV drivers, with a major supermarket chain, where almost every HGV driver was Eastern European.

Skills must include functional English. Despite tough talk, UK governments have been feeble in addressing workers with poor English in public-facing jobs. A care home manager described an employee searching for a lady's purse when she said she wanted to spend a penny. A contractor installing kitchens in social housing in Kent provided residents with a mobile number for a supervisor, because the workers might not understand the resident. Good English and cultural understanding is essential to good customer service.

VAT

In 1994, John Major's government increased VAT on gas and electricity to 8 per cent. Labour reduced it to 5 per cent, the EU minimum. Freed from EU constraints, Labour may wish to further reduce or scrap VAT for essential commodities like gas and electricity.

A muscular economic nationalism

Given Britain led the industrial revolution, there is a sense that when we lose historic industries, we lose some of our identity. In 2015, Europe's second largest blast furnace, at Redcar, closed after 100 years of production. UK steel producers faced historically low steel prices. Despite the threat of closure, government funding to extend the blast furnace life would, a government spokesperson confirmed, be a 'form of state aid and be illegal' under EU law. As with the coal industry, state aid was not allowed to smooth the closure, nor prolong the life, of an iconic steelworks.

Free market thinkers argue politicians should not intervene. I couldn't disagree more. Are we really neutral over whether British, Chinese or Polish steel built the Firth of Forth Queensferry Crossing? I hope not. Britonomics means the UK unashamedly defending our primary industries.

UK procurement: tilting the field

UK government procurement could favour British-based producers by including local employment, training and supply chain requirements in contracts. Such criteria must specify what 'local jobs' actually mean. 98 per cent of London Olympics contracts went to UK-registered firms, but around 28 per cent of jobs went to Eastern European workers, temporarily resident in East London postcodes.

Why can't a UK goal be to ensure the successor missile to the Trident D5 is a UK design? Or find a British alternative to a French/Chinese built nuclear power station?

Regional funding

Lobbies and interest groups demand protection of farming and structural funding post-Brexit. But this assumes we agree with the hurdles and conditions EU funding required. The UK may want to set our own criteria for funding, to rebalance the UK economy or promote sectoral growth.

Skills, migration, procurement, taxation, UK research and development, primary industries, regional funding and more – Labour requires policy answers for a post-Brexit world. The thinking starts now. **F**

Creative solutions

Tackling regional inequality and building an economy that works for everyone will need a strong industrial strategy. *Chi Onwurah* outlines Labour's approach



Chi Onwurah is Labour MP for Newcastle Central and shadow minister for industrial strategy

BRITAIN IS A nation of makers and creators. As a young girl growing up in Newcastle, the examples of Stephenson, Parsons – that's Rachel Parsons, the pioneering engineer and founder of the Women's Engineering Society – Armstrong and other greats of our industrial past inspired me to study electrical engineering.

But in the last 40 years, much of our industrial heritage has been lost. It was the Conservative government of Margaret Thatcher that forced deindustrialisation on much of the country in the 1980s, creating an avoidable source of social trauma that affects us to this day. My own region of the north east suffered hugely. No one who lived there in the Thatcher era will ever forget that combination of neglect and malice which destroyed our economic livelihood.

In the 1980s alone, these policies led to the loss of two million jobs and a fifth of the UK's manufacturing capacity. Today, only 2.9 million people work in the UK manufacturing sector, compared to 8.9 million 50 years ago.

Dire economic straits

Since Thatcher, successive Conservative governments have been obsessed with cutting, deregulating, and reducing the size of the state. And for seven years now the UK's potential has been choked by austerity in the shape of Osbornomics, which continues to stalk the corridors of Westminster like a zombie even though the former chancellor has departed.

We are now one of the slowest growing economies in Europe, with GDP growth in the second quarter of this year only 0.3 per cent. What little growth we do have is being fuelled by consumer debt – a point underscored in the recent Financial Stability Report from the Bank of England.

This dismal long-run performance is underpinned by levels of productivity that are the second worst in the G7, and a third lower than France, Germany and the United States. Improving our country's productivity would go a long way towards generating greater economic growth and paying off the deficit. Instead, we're losing billions in underutilised human capital.

These bleak figures impact on what really matters to most people – wages. Between 2007 and 2015, the UK was the only big advanced economy in which wages contracted while the economy expanded. And now 3.8 million workers in the UK are in poverty, one in every eight. Work does not pay.

Regional inequality

With the decline of manufacturing we have seen a boom in regional inequality. Britain is now the most unequal economy in Western Europe, with median earnings in inner London a whole third higher than those in Tyne and Wear.

The proposals the government have released are small-scale and ad-hoc – industrial strategy without the strategy. They have made a decision to focus on a small selection of industries, with insufficient attention paid to key sectors such as retail, the UK's largest source of private employment. And as Sheffield Hallam researchers have found, funding commitment that have been made so far target only 10 per cent of our manufacturing base and only 1 per cent of the whole economy.

This means that their strategy will largely benefit facilities in affluent parts of southern England. Britain's older industrial areas – the places most in need of a successful industrial strategy – have very few of the research and development (R&D) facilities that are likely to be first in line for funding. To take one example, the Cambridge area – population 285,000 – has almost as many R&D jobs as the whole of the north of England – population 15.2 million – and more than Scotland and Wales combined. That's before you count any of the R&D jobs associated with Cambridge University.

This government's focus on elite science – and its emphasis on headline-grabbing trends at the expense of industries seen to be less glamorous – will only widen the gulf between the most and least prosperous areas of this country.

Creative solutions

But this doesn't need to be the case – for a long time, our country's economy was driven by areas of enterprise



© Highways England

and industry across the country. These places can be our engines of prosperity again. There is a culture of building, creating and innovating in this country – a culture that the Labour party has always championed. With the right balance of government support and private sector investment, this culture can be nurtured and its potential unlocked.

And this is what industrial strategy is for. It is about building the economy we want, choosing our own national future rather than leaving it to the caprices of the market. Investing to create jobs and growth not just where it will be immediately profitable but in a way that benefits us all.

Challenge-led

Labour's industrial strategy is challenge-led, which means it's informed by the big challenges that our economy and society will be faced with over the coming decades. It is also mission-oriented, establishing targets to respond to these challenges. We've set out two long-term goals or 'missions': building an innovation nation by ensuring we have the highest percentage of high-skilled jobs in the OECD by 2030; and drawing 60 per cent of our energy from low carbon sources by 2030.

And we are developing others, looking at ways to respond to large-scale societal challenges such as the dramatic infrastructure gap between towns and cities, and the growing care needs of an ageing population. These missions will galvanise private and public sectors to work together across departments and sectors creating jobs in the long term – transforming every sector and region of the British economy. And crucially, the strategy is also driven by Labour's values, putting people first.

Building an innovation nation

Labour is clear, of course, that innovation and science have to be at the heart of our industrial strategy. We are the party that can give people confidence in the future, with a proud

history of embracing change and making it work for ordinary people. But as Harold Wilson remarked in his famous 1963 'white heat of technology' speech, harnessing the productive potential of modern technology also requires new social and economic attitudes. Or, as world-leading economist Mariana Mazzucato argues, innovation has both a 'rate' and a 'direction'.

We agree with the government that the 'rate' of innovation must increase. Since the 1980s we have consistently been at or near the bottom of the league table of public and private R&D spend across developed countries. As a percentage of GDP, we spend 1.7 per cent of GDP on R&D compared to an OECD average of 3.4 per cent. This needs to change – which is why we are pledging to raise combined public and private R&D spend to 3 per cent of GDP by 2030. Had a Labour government been elected in June, we would have immediately raised public R&D spending to 1.85 per cent of GDP, by committing to an additional £1.3bn of public investment in our first two years in office.

But the 'direction' of innovation must change too, so that it benefits communities across our country. That's why we have pledged to build an innovation nation, democratising the benefits of science and technology so they work for everyone. Backed up by our £250bn national transformation fund, the national investment bank and a network of regional development banks, our industrial strategy will spread wealth across the country – not just concentrate it in pockets of affluence.

We will also engage with sectors – setting up sector councils modelled on successful examples such as the Automotive Council, but unlike the Conservatives this won't be limited to a favoured set. And we have signalled

our commitment to creating prosperity across the entire country with our pledge to found a new Catapult Centre for retail. Every part of the country has jobs in the retail sector, and boosting the take-up of innovation will be necessary to create higher-wage jobs and raise productivity.

I like to say I went into politics for exactly the same reason I went into engineering two decades earlier: to make the

world work better, for everyone. I still believe that politics and technology are the two greatest drivers of progress.

Our industrial strategy will support the technologies of the future, but it will do so in a way that is driven by the politics and values of the labour movement. This is what the Conservative party does not understand. To quote Alistair Heath, deputy editor of the Telegraph, their industrial strategy is 'little more than show business, with a sprinkling of activity'. It is not grounded in the values or needs of the British people.

A strong industrial strategy can revive our manufacturing sector. It can unlock productivity and create growth across the country. But it will only do so if investment in research, innovation and elite science is matched by an ambitious strategy to improve skill levels and uptake of technology in sectors across the country. Labour's industrial strategy will develop and mobilise the technologies of the future to transform the economy for the many, not the few. ■

Harnessing the potential of modern technology requires new social and economic attitudes

In safe hands

Public ownership is making a comeback around the world. In Britain, it would pave the way for a progressive, democratic and empowering economy fit for the 21st century, writes *Andrew Cumbers*



Andrew Cumbers is professor of political economy at the University of Glasgow

ONE OF THE most significant mistakes made by the centre left in the 1990s was to accede to the new right's evisceration of the public realm. Under the guise of coming to terms with globalisation and the limits to 'socialism in one country', European social democrats willingly embraced privatisation policies. In France, Germany and Italy, social democrats of various stripes sold off over £150bn of public assets between 1993 and 1998.

In the UK, Tony Blair and New Labour's abandonment of Clause 4 and 'common ownership of the means of production' was viewed as a pragmatic response to new times. But the subsequent denigration of all things public and the proselytising of the private sector in delivering more efficient services, better management, and greater innovation and creativity had the effect of solidifying an anti-state and anti-public narrative in the political mainstream.

What might have seemed like clever short-term politics have, however, had devastating longer term effects. Privatisation and accompanying market deregulation over the past four decades – under Conservative and Labour governments – have delivered most of the critical strategic decisions over the economy into the hands of vested corporate and increasingly financialised interests at the expense of any semblance of the common good. Even many remaining public corporations, notably the BBC, are managed and governed largely by representatives of private corporate interests.

Twenty years on from the height of Blair's chimeric Third Way, times are changing again. The disaster of PFI, the failings of privatisation and the broader neoliberal project are now at the centre of political debate. Following

Labour's manifesto launch in the run-up to this year's general election, public ownership, as a serious idea, has also returned to the mainstream policy agenda.

The return of public ownership and the spectres of the past

Public ownership is extremely popular amongst the public, largely because they are at the receiving end of privatisation's failings in terms of deteriorating services, higher costs and serious organisational failures, evident in sectors such as rail and water. Opinion polls continue to show strong majority support for renationalising utilities such as rail, water and energy, and even around half of the public favouring substantial bank nationalisation, to the consternation of the right-wing Legatum Institute in a recent survey that it commissioned.

Outside the UK, as the failures of the global privatisation experiment mount, public ownership is making a dramatic comeback. A recent report by the Amsterdam-based Transnational Institute found 835 examples of what has been termed 're-municipalisation' around the world since 2000, from cities as diverse as Berlin, Houston, New Delhi and Buenos Aires. Politicians from the right and the left are rediscovering the importance of public ownership and control of local services and assets, in the face of poor performance from privatised entities.

In the UK itself, there has been a trend for local authorities to set up their own public energy companies, pioneered by the likes of Nottingham, Aberdeen and Bristol. Unsurprisingly, there is popular support for the idea that customer revenues should go back into other public

services, rather than to private shareholders' pockets. More recently, the Scottish government has announced its intention to establish both a public energy company and a public bank, reflecting the shift in the broader public mood rather than any deeply held ideological conviction.

In the circumstances, it is critical that the left learns the lessons of the past, regarding the failings of older forms of public ownership, as well as creating new organisational forms appropriate to the changing social and environmental concerns of the 21st century. An important step forward was the Labour party's recent publication in September of its *Alternative Models of Ownership* report. I will declare an interest here, as a co-author of the report, but the important departure was the recognition of democracy and diversity as key features of a future public ownership agenda.

Older, post-war models of nationalisation have tended to be caricatured by the free market right as inefficient in delivering public policy goals, compared to the preferred privatised solutions. This was always something of a myth, which should be put to rest following the actual negative experience of privatisation. However, from a more democratic perspective, these past forms of public ownership were very top-down, elitist affairs, run by a metropolitan class of civil servants, largely based in London with little involvement or participation for the broader mass of citizens or regions. This is an experience that should not be repeated. Democratic and engaged forms of governance need to be important objectives of 21st century public ownership, alongside organisational effectiveness in delivering critical public policy goals such as tackling climate change and pursuing social justice.

Public ownership fit for the 21st century

In developing new thinking around public ownership, the most important question to ask ourselves is: why do we need it? Public ownership is not an end in itself. It can be used to prop up market failure and the private sector – as the post-crash bank nationalisations remind us – without changing anything fundamental in how the economy is run. Nationalisation is also on the agenda for many far-right politicians, notably the Front National in France, while the Polish government recently used the rhetoric of economic nationalism and anti-foreigner sentiment to call for bank nationalisation. So, we need to be clear about what kind of society and economy it might help build.

In this regard, public ownership is first and foremost about regaining a sense of the common good. Those who have ownership of the economy make the key investment decisions and through this they control the future. A revival of public ownership can challenge the private, short-term and vested interests that are currently doing so much damage to the public realm, and develop investment and planning for the longer term needs of society in a more sustainable manner.

A second set of questions concerns the forms that public ownership should take in the 21st century. In this regard, it is important to recognise that there is no one size fits

all model: different sectors and circumstances will require different approaches. In a recent report, *Renewing Public Ownership: Constructing a Democratic Economy in the Twenty First Century*, I set out six broad types of public and collective ownership that should be encouraged, including national level state ownership, the re-establishment of regional and municipal forms of ownership, and various forms of cooperative and employee ownership.

Where possible, more decentralised forms of public ownership are preferable but there will still be a need for national and even higher level forms of state ownership to ensure strategic oversight, integration, coordination and planning. To provide an example, there is no reason that in the emerging post-carbon economy, there cannot be urban and regionally integrated energy companies that are more responsive to their local electorates, but we would still need national level coordination of the electricity grid to ensure its renewal and modernisation. But even such national level bodies can have more democratic forms of governance than in the past, with overseeing boards that have a much broader representation of interests, elected by employee and user groups, as well as government appointees.

**Those who have
ownership of the
economy make the key
investment decisions
and through this they
control the future**

Re-engaging and empowering the public

As people become more disillusioned and alienated from our existing economic system and open to the more extreme arguments gaining ground on the far right, there has never been a more urgent need to regain democratic public control of the economy. An important imperative for public ownership is to re-engage the public in economic decision-making and more broadly in debate and discourse.

Many of the problems facing us today are not just about the colonisation of economic decision-making by an elite but the consequences of that for public knowledge and participation in the economy. Much of the disdain for liberal elites and the emergence of a powerful 'loss of control' narrative behind Brexit arises from a sense of marginalisation and powerlessness among many citizens. A new agenda around public ownership must ultimately deal with this alienation.

One interesting trend overseas that might address such problems is the emergence of hybrid forms of collective ownership that combine public and cooperative elements. A good example from the energy sector is the Mittlegrunden offshore wind farm, constructed off the coast of Copenhagen in 2001 where ownership was split between the city's own municipal energy company and a specially created residents' cooperative with more than 8,000 members. Engaging citizens actively in ownership in this way not only provides them with an economic stake but also leads to more collective learning and knowledgeable publics. Although difficult to replicate beyond the boundaries of an already highly engaged Danish body politic, this is surely an important task for public ownership in the years ahead. A revitalised public ownership can both deliver higher quality and effective services, and have the potential to reanimate UK civil society and a sense of the common good. ■

In the public interest

With the rush to contract out, huge parts of our public services are now delivered by the private sector. *David Walker* explores how Labour should respond



David Walker, a former director of the Audit Commission, is the author with Polly Toynbee of Dismembered, published by Faber

OVER THE PAST three decades a significant slice of our public realm has been ‘externalised’, contracted out, alienated – handed over to business to supply. In refuse collection, RAF pilot training, gardening in the Royal Parks, diabetes care and probation, companies *are* the public sector. UK government spent £192bn on goods and services in 2015–16 and an estimated £100bn of that bought the services of Veolia, Capita, Serco and Sodexo.

There’s no precise figure, which is part of the problem. Attention has focused on the Private Finance Initiative (PFI), annual charges for which cost £10bn in 2016. That’s not much more than the £8bn the NHS in England spent on contractors (according to the King’s Fund). Far larger, in aggregate, are the multiplicity of contracts let by NHS trusts, councils, devolved administrations and Whitehall for IT, back office, social care, defence, prisons, dog wardens, sexual health services and so on – 48 per cent of hospital security, for example, and 47 per cent of council waste management are contracted out.

Labour has declared its dislike of PFI, vowing to let no new contracts. But Labour councillors, Labour ministers in Wales and, at least until 2010, Labour ministers at Westminster have been – and go on being – extensive users of business in supplying vital public services.

In a pamphlet to be published by the Smith Institute early next year, John Tizard and I argue for a root-and-branch review of this suspiciously under-researched phenomenon and for a major boost to central oversight of contracting, extending the remit of the Crown Commercial Service into the NHS and, with the collaboration of the Local Government Association and devolved administrations, elsewhere in the public sector. Labour needs data, and quickly – or else risks coming to power at Westminster

underinformed about the extent of contracting, whether existing contracts have break clauses and whether public bodies have the capacity to replace companies, notably in pressured fields such as IT.

The ideological push to outsourcing, which got going under the Thatcher government in the 1980s, reached its high water mark with the Cameron coalition’s 2011 open public services white paper and the 2012 Health and Social Care Act. Since then, contracts have continued to be

let – nearly half of the additional £2bn for the NHS commissioning budget in England in 2015/16 was spent on care provided by non-NHS providers. But outsourcing has been exposed as unreliable, with the debacle over security at the 2012 Olympics, damning National Audit Office reports on contractors’ performance in housing for asylum seekers, immigration removal, GPs’ pay, court translation and, most controversial of all, Atos’ performance in assessing disability benefit claimants.

In their enthusiasm to dismember and shrink the state the Conservatives overreached. The public probation service, for example, was destroyed and, within months, private probation companies were complaining to the Ministry of Justice they could not make money and ministers had to recreate a shrunken public probation function to deal with offenders deemed too expensive to supervise by business.

Austerity has bitten the private sector, too. Capita, Interserve, Carillion and Mitie are some of the companies that have seen their share prices collapse and executives walk. That was despite Mitie’s chief executive Ruby McGregor-Smith becoming a Conservative peer. Advocates of outsourcing, among them professor Gary Sturges, former director of the Serco Institute, have undergone a change of heart: he now says: “The public want

Outsourcing, like PFI, has been shrouded in secrecy. The state in some cases ceased to be an intelligent customer

public services delivered by people who are motivated by public service.”

Outsourcing made its way as a practical project. What council or government agency wouldn't accept a bid that came in below the 'in-house' price? But in-house prices were often wrong. They failed to include the continuing cost of backing up and monitoring. Serco walked away from Essex hospital and West Country GP contracts with director Valerie Michie saying: "The services we deliver in Cornwall and Braintree are no longer core to our healthcare strategy." Easy for her to say, but who is left to pick up the pieces? Costings also missed the social costs incurred when contractors cut employees' wages, terms and conditions, forcing families to survive thanks to tax credits. An honest accounting should include these extra-contractual charges to the public purse.

Outsourcing, like PFI, has been shrouded in secrecy. The state in some cases ceased to be an intelligent customer. The Institute for Government found Whitehall departments gave up on their ability to negotiate, buying in KPMG, PwC and other consultancies to earn fees from unravelling arrangements they had originally helped devise. Referring to IT, though his point could be extended more widely, Richard Heaton of the Cabinet Office told the House of Commons public accounts committee that companies "ran rings round us... government was bad at contracting... the big suppliers were really good at it and had a crack team on it. Every four years they would come round the departments which did a bit of IT and we were amateurish in response".

But, recently, the centre has tried to improve and the Crown Commercial Service now offers Whitehall much-needed contracting expertise. On the ground, even Conservative councillors have started rejecting the inflexibility of contracts. Bournemouth and East Cambridgeshire are among local authorities that have reversed earlier decisions, joining the like of Labour Slough in taking back control of environmental services. Councils in England are testing new ways to invest and build. Many are setting up wholly owned companies, from which they can commission projects.

Labour has never thought long and hard about the state, despite Fabian prompting over the years. Now it must. Even if fiscal conditions were benign and the public services budget significantly expanded, yawning questions await the next Westminster government. Labour has to have an offer on the efficiency, effectiveness – and yes, the economy – of public services. People won't pay more tax if they are not convinced the money is well spent. Yet service delivery is a patchwork. Poor procurement in the past has bequeathed contracts that may be hard to drop, at least without having to pay fines and buy out the remaining length of the contract.

What would a new home secretary do with contracts characterised by the IT trade press as 'all over the place'? Terminate them at once and she would imperil systems critical to national security and border control; roll them forward and inadequate and inappropriate ones remain in place.

A first priority for Labour is knowledge. As a matter of good housekeeping, all councils, NHS trusts, police and



© Philatzeny

crime commissioners, Whitehall departments and other bodies should be reviewing their outsourcing and PFI contracts. We need to collect detailed information about the duration of existing contractors and any liabilities coming from early termination. To avoid litigation, including judicial review, authorities need watertight estimates of the costs and benefits of changing contractual terms, let alone ending an agreement.

The reality is that Labour ministers would have to roll many contracts forward and might let new ones, as Labour councillors have. But their watchwords must now be transparency: all that business does in outsourcing should be public business. That means publishing contract terms; full disclosure of boardroom remuneration; adherence to sustainability and equalities duties, union recognition and full and frank discussion with contractors about profit margins, as the National Audit Office has recommended. Commissioners should know in advance about any internal transfer payments by contractors and their supply chains; their ownership should be declared and public bodies have a veto on mergers and acquisitions.

A review of outsourcing could kick-start a new drive to effectiveness and efficiency in a progressive state. The Blair and Brown governments introduced tough national performance regimes with a plethora of targets and inspection systems. Ultimately this approach became unsustainable. Labour now has to reinvent inspection and regulation to ensure accountability and fill out a wider sense of public value.

A Labour state should be assured enough to use the private sector when and where appropriate, but only on terms that reflect whole costs. Meanwhile, if in-house teams start to empty the bins when a contract with Amey or Veolia ends, councils must insist and unions accept strict terms for productivity, while having the freedom to write into the contract rates of pay that reflect wider local, social and labour market objectives.

The decisions ahead are not technical. They are political and turn on wider definitions of the public interest than have applied during the era of outsourcing. That interest will be best served by a strong and coherent state, whose functions are for the most part performed by dedicated public servants with an ethic distinctly different from that motivating the managers and employees of profit-seeking companies. To secure a fair deal for all those who use and who provide our common services, root and branch reform of outsourcing and PFI is now urgent. ■

The rights stuff

Labour is ready and able to take on the challenge of government, shadow women and equalities minister Dawn Butler tells *Kate Murray*

LABOUR MPS ARE NO strangers to getting grief from party activists. But the gentle chiding Dawn Butler has been receiving for not having her new year calendars ready to be delivered in her north west London constituency is, she suggests, instructive for us all as Labour struggles to come together to win the next election. “I have seen an influx of new members in my constituency – they are keen and eager,” she says. “I say: ‘I am sorry they are not quite ready’ and they say: ‘we are waiting, we are ready to go delivering’.”

So when Corbyn critics talk of factionalism, deselections or takeovers, Butler would point them to the potential those new Labour members bring. “It’s exciting to have new keen and eager people who are learning how the system works, asking how do we become more active, how do we become councillors, how do we become an MP, and who are eager to engage in the system. That’s something to be celebrated,” she says. “We are a membership-led organisation and that’s not





going to change. Some parties have big donors, so they are money-led organisations. We are a membership-led organisation, so having active members is what we strive for."

Butler, now the shadow women and equalities minister, is currently in the midst of the debate around sexual harassment in parliament and beyond. When we meet, she has just rushed back from a meeting of the cross-party working group on an independent complaints and grievance policy, set up to tackle harassment and abuse in Westminster. Butler is pleased that harassment is now being addressed in the wake of the Harvey Weinstein scandal – and indeed she has recently talked openly of her own experience of having to wear trousers to work for four years in an early job as a computer programmer because of sexual harassment in the workplace. The culture in parliament has often been a difficult one for women, she says. Post-Weinstein, though, that atmosphere is starting to change.

"What I've found interesting is that the conversations are now happening – before people hug you, they are asking 'Is it ok to hug you?'" Butler says. "It may be kind of tongue in cheek but the conversation is happening – you are not just assuming it's OK to hug somebody and invade their personal space. There is a greater awareness, and that might be coming out of fear but ultimately we want it to be out of understanding and respect and dignity."

When you devalue women and their role in society, that leads to sexual harassment

"There's so much to do in terms of changing this place – to be fair there is desire to make it happen but you do have some women who say: 'well I had it tough, why should you have it easy?' kind of thing which is really disappointing. They don't realise that attitude is part of the problem."

Butler also takes issue with a strand of 'white feminism' which does not take enough account of the experiences of black women, disabled women or working-class women. "We have to get to the point where equality is equality – when you've got that understanding that everyone is equal and that dignity and respect should flow through everything we do, then it changes your outlook on life."

But if harassment and discrimination are to be effectively tackled, fundamental changes will be needed to the way those in power make decisions and implement their policies. "What strikes me is that when you devalue women, when you devalue their role in society, when you devalue motherhood and children and the things that women do, when you exemplify masculinity, then all that leads to sexual harassment," she says. "The argument I've got with Philip Hammond's latest budget, which he is currently refusing to do an equality impact assessment on, is that it is devaluing women."

Women have borne 86 per cent of the burden of austerity, research from the Commons library shows. Benefit cuts, along with controversial measures such as the 'rape clause' on child tax credits are the reason why Butler has declared that Theresa May is no friend to women. But Butler concedes she does feel for the prime minister – on one level at least. "I feel sorry for Theresa May in a way: what will her legacy be?" she asks. "All politicians want to leave a legacy. But what will hers be – other than a really bad Brexit? She talked on the steps of Number 10 about tackling burning injustices and all she has succeeded in, with almost all of

her policies but certainly the policies in my brief as shadow women and equalities minister, is adding fuel to the fire. We've just seen more and more injustices, more and more people living in relative poverty and more and more women suffering."

Labour in government, Butler claims, made sure it looked at the impact of its policies on equality across the board – and, thanks to its women MPs, actively pursued policies that made a real difference for women. Were it to form the next government, Labour would build on that record, she adds, tackling some of the structural barriers to equality by legislating in areas such as 'name-blind' recruitment and women on company boards. "There is so much that Labour will do differently. It's built on our principles as the party of equality and the party of dignity and respect."

She adds that a Labour government would tackle some of the worst impacts of austerity on disadvantaged groups, properly funding women's refuges, for example, and addressing period poverty. And there's also work undone from the last Labour government, when Butler was a minister for young citizens and youth engagement. "There are things that we started that I would have loved to have finished – [such as] making sure youth provision is ringfenced in local authorities so they have to spend a certain amount of their budget on youth services," she says. "There were the apprenticeships that the coalition scrapped which they are bringing back but slowly. We were working with banks and businesses and organisations, developing a good working relationship with them to give young people from all groups and communities, some of them disadvantaged, a really good start."

But before it can implement anything, Labour has to win a general election and Butler admits there is still work to be done to win support from the electorate. "We have to do more – we have to convince people who are not convinced by us in order to win a general election," she says. "But the fact that [shadow chancellor] John McDonnell is talking to all kinds of people in businesses and banks and they are engaging in real conversations is testimony to how far we've come, how far we are progressing and how seriously we are taking being a government in waiting."

One of Labour's trump cards, Butler believes, is the fresh connection Jeremy Corbyn has built between politicians and young voters which became clear during the election campaign. "I was walking around filming some young people and asking them 'why do you like Jeremy Corbyn?'" she recalls. "He is not your young, slick, wearing Armani suits type that you would automatically think people would like. I remember one young person said 'well it's like granddad isn't it and everybody loves granddad'. They loved the authenticity of Jeremy as a politician and that rubs off – it's nice to know you can be your true authentic self at work."

So has that been liberating for the Labour frontbench? "There's obviously discipline that has to happen – we are preparing for government so there is discipline that comes with that – but it's really nice to have policies where we can go out and say you know what this is a really good policy and this is what we believe in."

Brexit, of course, dominates everything at the moment – and here, Butler might well be displaying some of

that discipline. After all, she famously stepped down from the shadow cabinet over the triggering of article 50 only to return seven months later. She now insists that Labour's line on Brexit has been the correct one.

"The Labour party has been proved right on the stance it's taken from the very beginning. When the Labour party talked about having transitional arrangements, first of all it was scoffed at and laughed at and then 13 months down the line, the government agreed that that was the way forward."

Perhaps, she suggests, Labour is 'not so slick at PR' in getting these messages across. But, she adds: "We are right on the issues and we are right on the fundamentals."

"We have always said that the government should not talk about a no-deal Brexit, that they should strive to get a negotiated deal and we have also always said as a government in waiting that the sensible thing is not to take anything off the table and to negotiate everything," she says. "So even though when we leave the EU, we might not be in the customs union as it currently stands, we can negotiate to get as many benefits as we can. The fact that none of this is happening worries me but I am so confident in our Brexit team and I know Keir Starmer will be putting forward Labour's position on where we want to go next on Brexit. I know it will be a sensible position."

Many might see the chaos of negotiating any sort of Brexit and its aftermath as a poisoned chalice. But Butler insists Labour will not shirk the challenge should the opportunity to form a government earlier than 2022 arise. "If the Labour party can stop the damage of this Conservative government, weakly propped up by the DUP then we need to do that for the good of the country. Whatever challenges that brings we will face head-on, with competence, in the firm knowledge that we want to make our country more equal and more fair," she says.

A trade union officer before she became an MP, Butler recently won an MP of the year award for her work on equality, including being the first member to make a speech in the house in British sign language. "It was quite emotional engaging a whole section of society who felt completely abandoned and unheard – literally – in parliament. To be able to highlight that was just a real honour for me," she says.

The impact of austerity means fighting, as a united party, for a Labour government is more crucial than ever, she adds. "If as a party we hadn't had two leadership elections in the space of a year we probably would have done even better in the general election – that's a lesson to be learned. Going forward united means that we will get into government."

In the meantime, there is a big job to be done holding to account the government politicians who, she says, lack 'the compassion and diversity to see things through a different lens other than their own'.

"There should be an MP swap like the wife swap TV show, where MPs from the leafy suburbs come in and just listen to some of the stories MPs like me hear. It might just change their decision-making." **F**

Kate Murray is the editor of the Fabian Review

There should be an MP swap where MPs from the leafy suburbs listen to the stories we hear

States of the nations

Federalism has always proved a challenge for the European left. *Simon Toubeau* suggests how conflicting imperatives might be reconciled



Simon Toubeau is assistant professor in the school of politics and international relations at the University of Nottingham, where he conducts research and teaching in comparative politics, specialising in the field of territorial politics and federalism

THE EUROPEAN LEFT seems under siege. It governs again in Sweden as well as in Italy. Elsewhere, it is in opposition. All the large and historically important social democratic parties – the British Labour party, the Spanish PSOE, the French Parti Socialiste, the German SPD – are out of office, and, to a greater or lesser degree, electorally weakened, internally divided and in disarray.

And yet, some of these parties have seized upon one of the most acute political challenge of our time – the secessionist pressures generated by the resurgence of regional nationalism – to reiterate some long-held political views and encourage progressive political reform. The PSOE has played an integral role supporting the Spanish central government's hard-line stance against Catalan independence, refusing to recognise the legitimacy of the independence referendum. At the same time however it has sought to promote political dialogue between conflicting parties and to usher in a constitutional reform that would aim to meet some of Catalan government's demands for proper recognition and for a better fiscal deal. In this endeavour, it echoes the position of Podemos, the new left-wing populist party.

Meanwhile, in the aftermath of the Brexit vote, Jeremy Corbyn announced that the Labour party was in favour of returning all devolved competences that the EU currently exercises back to the devolved governments. He also backed a federal reform that would make the House of Lords into a senate with regional representatives, as part of a larger constitutional convention that looked at how Britain worked. The party remains lukewarm however towards granting the Scottish government further fiscal autonomy.

The PSOE and the Labour party have thus adopted a dual-edged stance that enables them to reconcile conflicting imperatives: recognising national pluralism and encouraging gradual institutional reforms that decentralise authority, but opposing anything that threatens the unity of the state or the solidarity between its constituent parts.

Dual-edged stances towards federalism

This duality is at the core of left-wing thinking on the question of federalism, or the question of how political authority should be distributed to different tiers of government. Historically, the left has always found itself in a

quandary on this issue. The first socialist thinkers, such as Pierre Joseph Proudhon, were great believers in the power of local cooperation: professional guilds and workers' unions were to be organised first at the shop-floor level and then, in a bottom-up fashion, by associations between firms managed by workers. They rejected all forms of centralised authority and state control over the means of production, preferring instead a system of mutualised control of industries.

This philosophy stood in stark contrast to the theory of state socialism, according to which all means of production were to be socialised via state control, first propounded by Karl Marx but later embraced by social democrats such as Harold Laski who had accepted the rules of parliamentary democracy. The Great Depression gave way to the era of FDR's 'New Deal' and other similar initiatives which saw a rapid and strong centralisation of authority and fiscal control to central governments. Social justice was henceforth to be achieved by meaningful redistribution between social classes, which could only be undertaken using the tax and spend levers available to states. In the immediate post-war period, this doctrine had become a matter of orthodoxy for most social democratic parties.

However, in response to the rise of regional nationalist sentiment across western democracies in the 1970s, social democratic parties became key architects of the construction of regional governments in Europe during the 1980s and 90s. Most emblematically, the Blair government introduced devolution to Scotland, Wales and Northern Ireland. This was mirrored by left-wing forces elsewhere: the PSOE was an instrumental actor in the constitutional negotiations governing Spain's democratic transition that gave birth to the State of Autonomies'; the Belgian Parti Socialiste fought for the creation of a Brussels and Walloon region; the French Parti Socialiste also instituted regions as a new tier of government. The influence of left-wing thinking has reached countries outside Europe: for instance, the Congress Party of India – whose leader Nehru was a notable student of Laski's – also fostered the accommodation of particularistic nationalist demands within a centralised union, in the early decades following independence. Federalism thus lies firmly at the heart of the European left.

The need for transparency and clarity

However, the left is currently faced with two demands – for fiscal autonomy and for sovereignty – that seriously challenge its ability to manage the demands of national minorities. Both defy the fabric of the political and social unions in their countries and both imply unavoidable trade-offs. There is no substantial ‘solution’ to these challenges. What the European left might pursue however is a position on the principles that should be maintained by governments when managing these demands.

Striving for transparency in the balance between autonomy and solidarity

Fiscal autonomy – regional control over the base and rate of different groups of taxes such as income, corporation and VAT – constitutes a challenge because it weakens the ability of the central government to redistribute wealth between regions. If more wealth remains in the territories where it is generated, central governments have fewer financial resources flowing into their coffers and regional governments will rely more on their own tax base to fund their public services. This is good news for wealthy regions like Flanders and Lombardy, but bad news for poorer ones like Wallonia and Calabria. It is especially bad news for ideological proponents of a social union in which social and economic risks are pooled across a territory.

So it is unsurprising that the British Labour party proposed far weaker taxation powers than were proposed by the Smith Commission and eventually granted in the Scotland Act 2016, or that the PSOE was reluctant to transfer to Catalonia a greater share of the income tax receipts it produces. The Belgian Parti Socialiste has steadfastly opposed more taxation autonomy for Flanders or regional control over social security payments for similar reasons. However, electoral considerations are as important a motivation as ideological values: the PSOE has dominated politics in Andalusia in the same way that the Parti Socialiste has dominated Wallonia. These parties are standing up for their constituents’ territorial interests as much as anything else. The strength of this motivation can be witnessed by the fact that in Italy, it is the Alleanza Nazionale, the mainstream party on the right, dominant in the impoverished southern regions, that has opposed fiscal autonomy.

So what are the options for the left? It can continue to oppose fiscal autonomy. But then it risks fomenting resentment in wealthy regions and merely postponing reform. It can also expect to face accusations of discouraging self-reliance among the backward economies and failing to address the root causes of their relative languor. Or, it can concede to demands for full fiscal autonomy, known as *devo-max* in the UK, and allow regions to collect all relevant taxes and pass a specific share up to the Treasury for central public services, a set-up that would resemble the Basque *concierto economico*. But, in this scenario, parties on the left risk the electoral suicide that would come with condemning their core base to misery.

In between these two poles are an important range of options upon which most regional and federal countries’ territorial financing model rests, including those of Belgium, France, Italy, Spain and the UK. These options will combine different shares of ‘own’ taxes, shared taxes,



© Mediol

central government block or earmarked grants, central discretionary transfers and horizontal equalisation payments into the revenues of regional governments. These options are attractive because they maintain some balance between autonomy for regions and solidarity between them. But they also present their own problems, namely, the weak accountability and fiscal sustainability of regional spending. A widely held view is that poorer regions will spend more than they need and certainly more than they could raise themselves, because they do not face any electoral punishment for this irresponsibility.

One way for the left to maintain its commitment to these intermediary options but to tackle the problems they involve is to strive for transparency, something that has been sorely lacking in all the countries mentioned here so far. For instance, in Spain, the central government often uses discretionary supplementary funding to reward regional co-partisans, rather than just ensure equality of service provision. Similarly, in Belgium, some tax autonomy has been used by the Flemish region, but how much of the centralised social security payments benefits which region remains difficult to detect exactly. In the UK, the block grant transferred from HM Treasury to the Scottish government uses an antiquated formula linked to population and changes in central relative spending. This is diminishing in relative size, due to the transfer of power over income tax to Scotland, but how this reduction is calculated remains opaque.

This absence of transparency not only strikes at the heart of democratic accountability, it also lies at the basis of grievances by minority nationalities in Catalonia, Flanders and Scotland who seek to obtain clearer and more equitable territorial financing systems that reflect the fiscal effort of their regions. The left, as a progressive and democratic political force, should aim to address these demands by striving to create a transparent system; one in which regions’ fiscal effort forms the basis of the revenues they manage to deliver public services, which is then supplemented by horizontal solidarity payments, the calculation and size of which are made publicly available. Autonomy should be made compatible with solidarity, and the relationship between them made transparent.

Ensuring ‘clarity of expression’ in sovereignty claims

An equally difficult challenge for the European left has recently presented itself in a highly emotional and

dramatic fashion: the sovereignty claims or the demand for self-determination advanced by stateless nations, such as the referendums on independence, in Scotland in 2014, as well as the more controversial one in Catalonia in October this year.

This challenge is a very significant one indeed since the result can potentially lead to the territorial dismemberment of the state and to the redrawing of geo-political maps. It can also undermine prevailing conceptions of nationhood espoused by a majority of the country's population whether they are Canadians, Brits or Spaniards. This challenge is no less significant for social democratic parties than it is for parties of the right, which have traditionally heralded the glory of their nation. After all, the left's main policy successes, especially the construction of welfare states, were achieved within the borders of existing nation states. Moreover, despite an ideological outlook shaped by the universality of class struggle, there exists a vigorous undercurrent of national patriotism among segments of the working class, as colourfully recounted in Orwell's essay 'The Lion and the Unicorn'.

So what are the options for the left? The first is to remain true to its historical commitment to the recognition of national pluralism, meaning a recognition of the presence of distinct nations within the territorial boundaries of the state and of differential feelings of identification with several nations simultaneously. Most Catalans and Scots also feel Spanish and British as well. They often wish for differential treatment, including asymmetric territorial autonomy, but more rarely independence.

This insight should allow parties on the left to accept granting sovereignty to stateless nations as a matter of principle. As social groupings with a distinct culture and a common historical trajectory, these nations have a fundamental democratic right to freely deliberate and choose where they belong. If this principle is accepted, then the referendum needs to be sharpened as a tool for legitimising collective choices. Referendums are historically quite rare, but are becoming increasingly popular devices for making decisions, especially on matters of the constitution. Witness the rise in number of referendums in the UK: devolution, alternative vote, Scottish independence, Brexit. But they are also rather blunt instruments: how can we be sure what people really want? What, in the words of the Canadian supreme court in its ruling on the question of Quebec's independence, is a 'clear expression' of will?

How well we can answer this question will depend on the procedural details of the referendum: the number of options, the wording of the questions, the requisite level of participation and the requisite majority for sanctioning change. Except for the few rarer federations with a 'secessionist' clause, such as Ethiopia or St Kitts and Nevis, in which required majorities for separation are stipulated *ex ante* in the constitution, this is not something that is usually spelled out. And during referendums themselves, these matters are often left undefined so that protagonists may use any ambiguity in the outcome to their advantage. But, if parties on the left commit themselves to stateless nation's fundamental democratic right to self-determination, then

they must also have a defined understanding of the procedures which should regulate this process.

Questions should remain simple and easy to understand by the whole voting population; the question posed to Scottish voters: "Should Scotland become an independent country?" was exemplary in that respect. This should elicit a simple yes or no answer. But expecting a binary answer need not necessarily imply offering just two unique constitutional options: independence or the status quo. Options should reflect the full gamut of people's preferences, including the middle option of further decentralisation. To avoid contradictory answers, voters could be forced to cast yes only once, in favour of one option.

The number of votes necessary to win the day is a matter of controversy. As a fundamental and irreversible constitutional decision that affects forevermore the future of the country, it is proper that the threshold for change should be higher than for normal legislation. The UK is a

bit of an outlier in this respect. Neither the Scottish nor the Brexit referendum stipulated in advance what kind of majority would be required in support of independence or leave; it was presumed that a simple majority would do. That was enough to determine the outcome: there was a winning margin of 10 per cent in the case of the Scottish referendum and 4 per cent in the case of the Brexit referendum, on the basis of a

turnout of 84 per cent and 72 per cent respectively, both of which were significantly higher than the turnout witnessed in general elections. The results were thus uncontestable. But the withdrawal from the EU is still being driven by only 36 per cent of the voting population, which many remainers view as insufficient.

If we look elsewhere, we find that changes which affect the constitution or constituent regions, require much higher thresholds. In Belgium for example, 'special laws' that affect the powers of the constituent entities require the support of two-thirds of the national parliament, representing at least one-half of each of the two linguistic groups.

There is no magic formula that will correspond to the different conceptions and practices of democracy across countries. But if left-wing parties are concerned about nations' democratic right to self-determination, it is critical that the decision is fully representative of the people concerned. A simple majority of the entire voting electorate would constitute a clear expression of will and a legitimate outcome. A lower turnout would thus force those in favour of change to mobilise more support behind their cause.

It is entirely consistent for left-wing parties to recognise national pluralism and accommodate sovereignty claims while putting the burden of proof on the instigators of fundamental change. The way to do so is to stipulate from the start the proper procedure to follow and the kind of results that should obtain for a 'clear expression of will' to prevail.

As the European left seeks to refurbish its credentials in its preparation for office, it should seek to address one of the key political challenges of our time by reasserting its commitment to basic principles: to transparency and to clarity. ■

If left-wing parties are concerned about nations' right to self-determination it is critical that the decision is fully representative

A new settlement

It is time for a constitutional convention to look at how voters across the UK can be given the power they crave, argues *Martin Whitfield*



Martin Whitfield is the Labour MP for East Lothian

WITH SO MUCH of our parliamentary time taken up with the Brexit debate, it is very clear to me and fellow MPs that the stakes could not be higher. The message of Brexit that we needed to ‘take back control’ resonated with so many voters. The challenge to us as politicians is to interpret what this means and offer solutions which empower voters and answer the discontent voiced in the EU referendum. As powers are repatriated from Brussels to Westminster, we must revisit where power lies across the UK and plot new constitutional arrangements which work for the 21st century. If we get it wrong, it could foster chaos and disintegration of the United Kingdom in the long term. But if we get it right we could look to breathe life into that old and very thorny issue of the British constitution and constitutional reform.

Gordon Brown’s words to the Fabians in 2016 seem particularly pertinent today. “If we are to meet and master the global challenges ahead we need to get the balance right between the autonomy people desire and the cooperation we need,” he said. “We should begin with a constitution that empowers the UK’s nations and regions. Instead of frustrating their potential, we should help the nations and regions realise it and give them the power to do so. The alternative is a Britain that looks in on itself without the means to bridge its divisions and to bring people together”

Nowhere is this more crucial than in Scotland. Independence, devolution and the possibility of a federal solution are never far from the surface in any political discussion. However, Scotland’s future shouldn’t be a playground fight, with the UK gathered around watching and sometimes ‘encouraging’ the strife. When it comes to the challenges of Brexit and its impact, the question of how the United Kingdom is ruled should be front and centre of all of our discussions in all corners of the UK.

Staying as we are, with devolved powers to the home nations and mayoral devolution of some powers to some regions will not be enough. The discussion of where power is best placed is one that has to continue if we are to address the challenges of Brexit and beyond. A number of areas across the UK have already been looking at increased local powers. The northern powerhouse, city deals and a number of other ideas have been floated. Take, for example, Yorkshire where 17 out of 20 local authorities formed a ‘coalition of the willing’ seeking further devolution powers.

But as we consider the options, I am reminded of one of my predecessors, John P Mackintosh, MP for East Lothian

and Berwickshire, who advocated before many others did that constitutional reform should put democratic control and the empowerment of the people, at its core. His arguments were not based on nationalism or even the glorification of the nation state. His vision for constitutional reform was based on good government, an equitable democracy and opportunity for the citizen. As he so succinctly put it: “People in Scotland want a degree of government for themselves. It is not beyond the wit of man to devise institutions to meet these demands.”

This is where we are now. There is a demand from people in communities for a degree of control for themselves. However, flexibility is needed to establish a degree of government, the right level of government, for people right across the United Kingdom. And we must also ensure legitimacy: people must give their democratic backing to any new settlement. Otherwise just as in the north east of England in 2004, change will be rejected.

Any new settlement should be predicated on power being at the lowest level, closest to the people that can successfully implement it. This will require Westminster government and devolved governments relinquishing power, in what will be a big move away from the centralising models we see at the moment.

The model does not need to be the same for Cornwall as for Manchester or for Scotland, but each must have a stake in its own community and a way of discussing with other models the nature of their interdependence. Each must have the ability to raise funds to meet the costs of its obligations whilst retaining the power to redistribute wealth around the UK. Each must be accountable to those it seeks to speak for.

Is this federalisation? Is this a compound system of governance within a single political union?

Those questions remain to be answered – and we must set up a constitutional convention to do so. However the most important question that convention can answer is not what the new arrangement will be called but what it looks like. We need to find practical, workable models which empower the north east of England, Wales, Scotland, Glasgow, Cornwall and every community. They must command support, rekindling a belief in being part of the governance you agree to abide by. The convention’s search for solutions must be driven by faith in good government and equitable democracy. If it embeds that in our new constitutional settlement, then real opportunity for the citizen will follow. ■

Books

Leadership lessons

Gordon Brown is honest about his shortcomings as well as his achievements, writes *Ria Bernard*



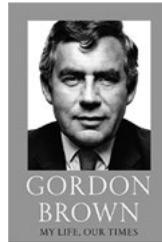
Ria Bernard is chair of the Young Fabians

Gordon Brown's autobiography, *My Life, Our Times*, gives a rare insight into his personal life, his own reflections on the challenges of being in government and of leadership, the successes of New Labour and the changing nature of politics. It is a refreshing read that gives the reader the opportunity to delve into the personality of the man behind the politician, while also gaining a deeper understanding of the decisions he made over his 40 years in public life.

While the post-2010 coalition government was quick to assign the blame of the financial crash to the Labour government and to instil a narrative that the Labour party could not be trusted on the economy, the Labour side sees more blame in the party's failure to defend its own economic record. Certainly, Labour was slow to take credit for Brown's quick actions in response to the global financial crisis. The Labour government was, he says, "the first to push for cooperation among all the leading economies: first to avert a Great Depression, and second, to deliver far-reaching reforms of the financial sector to prevent a future collapse." However, as Brown notes: "We won the battle – to escape recession. But we lost the war – to build something better." The damage to Labour's credibility on the economy will take generations to recover and Brown is refreshingly honest about what went wrong.

By 2007 Brown had a decade of experience in government. It was this experience and skill that enabled him to steer the country through the worst financial crisis of our age and prevented what could have been a very different, and catastrophic, outcome. I remember the 2008 crash clearly as it coincided with the year I began university. The New Labour government's emphasis on 'education, education, education' meant that more of our generation than ever before aspired towards a university education that would offer a career, financial stability and upward social mobility. And then the crash hit. That world of opportunity was becoming smaller as the economy shrunk, the cost of living rose and the gap between rich and poor widened. There is no doubt that we are still dealing with the fallout from the global recession, but without Brown's swift response it could have been worse. If only this had been communicated better to the electorate.

The British are often considered reserved and reluctant to talk about our inner feelings, and yet, as Brown argues,



**My Life,
Our Times**
by Gordon Brown,
The Bodley
Head, £25

it is this "sense of personal reserve [that] can limit the appeal and rapport of a leader" in British politics today. Brown's view that his purpose in politics was 'getting things done' is something that resonates with many people who choose a life of public service. Many of us look at the problems that face our society and we turn to politics as the way in which we can bring about real change.

You cannot help but admire an individual who believed the priority was determining what "government could do for our country" through generating the policy ideas, gaining power and implementing legislation that would address societal injustice and inequality. Yet, for the man who replaced Tony Blair in the final years of the New Labour government and went on to lose the 2010 general election, the greatest problem was only belatedly recognising that personal connection, charisma and inspiration are just as crucial as ideas and their implementation for a leader in the modern political age.

Brown's openness about his approach to politics and leadership in a 'media-conscious age' leaves you with a tangible sense of his own regret as well as his understanding of the extent to which the political world has changed. He sees, like many of the successful leaders of the Labour party before him, that leadership is a "tension between idealism and pragmatism" for those who seek to achieve the radical changes needed to offer equality of opportunity and security to everyone in our society.

For a politician renowned for his privacy, you come away from this book with a much deeper insight into the things that motivate and haunt Gordon Brown as the man, the politician, the chancellor and the prime minister. From the influences of his upbringing in Kirkcaldy, Fife, to his role in the New Labour government: introducing tax credits that would radically cut child and pensioner poverty; steering through the biggest single tax rise that would pour millions into the NHS; achieving global debt relief for the poor and the handling of the global financial crisis of 2008. The book provides a clear reminder of what a Labour party in power can achieve, as well as a sobering reflection on the need to be effective in our messaging, clear in our strategy and firm in our resolve for change if we are to win over the country and truly tackle the inequalities in our society. ■

The parenting myth?

An analysis of early years intervention fractures a dangerous consensus, writes *Angela Davis*



Angela Davis is a historian at the University of Warwick whose research focuses on childhood and parenthood in Britain and Israel

Parents have long been blamed for their children's misfortunes and underachievement, but is it really their fault? In their new book *Challenging the Politics of Early Intervention*, Val Gillies, Rosalind Edwards and Nicola Horsley, seek to question assertions that the 'wrong type of parenting' has biological and cultural effects, instead showing how early intervention policies underpinned by interpretations of brain science in fact perpetuate inequalities of gender, class and race.

Concerns about parental behaviour are nothing new and poor parenting has long been blamed for the ills of society. While the precise form and content of such arguments may have changed over time, what remained constant was the belief that family relationships could be in some way changed for the better in order to alleviate social and structural problems. Today, the view that the first years of a child's life (and this even extends before birth to life in the womb) are the most important for development is widely accepted and has come to determine policy and service provision both within the UK and internationally.

Gillies, Edwards and Horsley particularly focus on the use and abuse of developmental neuroscience as an explanatory model for the importance of early years parenting. It is now widely accepted that poor parenting irreparably damages the brains of babies and young children and early intervention with parents is the solution to prevent this. The quality of mother-child relationships is viewed as being decisive in building children's brains, and as such underlies many early years intervention programmes and the practices of early years professionals.

They give the example of the Family Nurse Partnership (FNP) programme, an early years intervention initiative in the UK (based on a similar programme in the US) that targets young and marginalised first-time mothers. The programme is offered to first-time young mothers early in pregnancy, with weekly or fortnightly visits continuing over the course of the child's first two years. The authors show how FNP practitioners draw on accounts of babies' fragile developing brains. For example, providing mothers with a sheet headed 'How to build your baby's brain' featuring a list of activities claimed to enrich neural connectivity, such as reading books, singing rhymes and playing on the floor. While the achievements of FNP are questionable, the FNP project continues to be promoted. Within austerity Britain,



Challenging the Politics of Early Intervention: Who's Saving Children and Why
by Val Gillies,
Rosalind Edwards
and Nicola Horsley,
Policy Press, £22.99

the paucity of the evidence base has proved less influential than the project's affordability, and it has been touted as a cost-effective alternative to a universal health visiting service.

The beliefs that the poor cause their own poverty by poor parenting, that mothers can protect their children against adverse circumstances, and that early years intervention to promote brain development can assist this, has also been taken up at the international level. In the book, Gillies, Edwards and Horsley show the popularity of the view that better parenting, and particularly better mothering, will not only improve children's outcomes but society too. For example they give the example of a 2014 UNICEF Connect blog on 'how neuroscience is redefining early childhood development' which states that 'caring, stimulation and good parenting' will help 'children faced with multiple adversities of violence, disaster, and poverty'. Despite the overall paucity of evidence, initiatives are being rolled out across the developing world, in the belief that improved mothering will surely benefit the state of the nation.

This book argues, however, that there is little evidence to suggest that better mothers will lead to better outcomes for children, or that intervening to encourage mothers to improve the care they provide their children works. Longitudinal evaluations of interventions have disappointing results and cohort studies have shown how income levels and maternal education have a greater impact on children's outcomes (such as educational attainment and wellbeing) than any particular parenting styles. Moreover, Gillies, Edwards and Horsley show how such a perspective leaves mothers accountable for poverty and other social ills and lets everyone else off the hook. They argue that the policy and practice preoccupation with how poor mothers and deprived families bring up and nurture their children assumes that the causes of hardship and discrimination lie in how much attention, and of what sort, mothers give to their children rather than in systematically and structurally engrained local, national and global inequalities. They conclude that: "While futile and damaging early intervention programmes are being pursued, austerity bites ever deeper for poor families, underscoring the urgent need for political and policy reform." And they hope that by contesting manufactured truths about biological cycles of deprivation "their book will help "fracture a dangerous consensus", which it very successfully does. ■

The happy Fabian

Beatrice Webb had an intriguing hinterland, as *Deborah Stoate* explains



Deborah Stoate
is local societies officer
at the Fabian Society

"How full and brimming over with happiness human life can be. How could this happiness become universal – or nearly universal – that is the problem." Beatrice Webb, Diary 1 May 1897

WHEN YOU THINK about Beatrice Webb – which I assume as a Fabian you do quite frequently – you probably don't think of her in the context of happiness, physical pleasures and, let's face it, fun. Probably more as a formidable thinker, an aesthete with a tendency to introspection and gloom. However, having done some research into Beatrice's personal life, I should like to dispel that myth just a little bit and talk about the things which seemingly made her happy, at least in her youth and middle age: cycling, surfing, sunbathing, smoking, sex and white water rafting.

My interest was aroused when, having recently returned from a trip to India, I turned to Sidney and Beatrice's 'Indian Diary' of 1912 and found that we had both stayed at Haridwar on the Ganges. I had watched as parties of excitable (mainly) men shot past on rafts shouting 'hubba, hubba' and waving their paddles. Having experienced white water rafting and found it the most terrifying experience of my life, imagine my surprise to find that Beatrice and Sidney had done just that on February 24 1912. She writes: "... we embarked on Saknais, to float downstream for five hours, shooting innumerable alarming rapids". They rode on inflated cowhides with bedsteads laid across them and two men either side "moving their legs like paddle wheels." And all this in a long skirt and veiled hat – I can't quite picture them in wetsuits, even if they existed in 1912. Did they roar enthusiastically as they soared over the rapids? 'The inevitability of gradualismmmmm'. I hope so.

It also appears that, from an early age, Beatrice enjoyed a fog and a drink. When she was on a visit to Germany aged 20 she noted: "Yesterday evening we spent at Dr Geiser's drinking and smoking and talking and laughing in a very rowdy way. I had got up a mock flirtation with Mr Barclay." This was clearly not an aberration of youth, as she writes in 1911 aged 53 of, "all my little self-indulgences. My regular

five or six cigarettes consumed daily, the extra expenditure on pretty clothes – all seem sins from which I can never shake myself free."

Poor Beatrice, never fully able to enjoy guilt-free pleasure. Indeed, in 1901 she embarked on a rigid diet which she stuck to for the rest of her life involving eating no more than one pound of food twice a day which left her thin, 'cool and sensible' – and flatulence and indigestion free! She had believed that she was the object of attention to men, referring to the "magnetic attraction" she had on them, so the diet which reduced her to less than eight stone was a means of controlling unwelcome urges. "Until I took to the rigid diet, the sensual side of my nature seemed to be growing at the expense of the intellectual", so by starving herself, she gained "complete control over my thoughts and feelings."

Cycling was a lifelong enthusiasm and her diaries frequently refer to it. Amy Strachey noted in 1895: "I have a little picture in my mind of Mrs Webb, who rode extremely well, scudding on before me down one of the back streets of Pimlico... with both hands behind her back, steering by her pedals. She was a graceful and intrepid rider." Cycling was a passion Beatrice and Sidney shared for as long as they could and throughout her diaries she mentions idyllic

Cycling was a passion Beatrice and Sidney shared for as long as they could

holidays by the sea, sunbathing and cycling. Sidney, who she refers to as 'my boy', features in this touching quote detailing a holiday in Dorset in 1901: "I see my boy's blue eyes resting on me with love as he grasps my bicycle to push it up a hard bit of hill."

Her boy, Sidney, despite his unprepossessing appearance, was indeed the love of her life. Upon first meeting him in 1890 she refers to "his tiny tadpole body, lack of manner, Cockney pronunciation and self-complacent egoism (which) are... repulsive and ludicrous." Yet despite his physical disadvantages they became engaged in 1891, though Beatrice writes to him, "No dear, I do not even look at your photograph. It is too hideous for anything." Sidney was obviously too far in love to take umbrage at the hideous insults she poured on him.

When engaged they started researching together and rented a hotel room in Tynemouth where Beatrice writes



Beatrice and Sidney Webb on their travels to the Soviet Union

and Sidney visits: "While I have been lying on the sofa, he has been busily abstracting end extracting, amply rewarded he says, by a few brief intervals of 'human nature' over the cigarettes." They marry and honeymoon in Dublin – "we are happy. Far too happy to be reasonable." And their early married life she refers to as 'a divine relationship', and their flat as 'a dovecote', where her "darling old boy twists his strong minded wife round his little finger by soft sounds and kisses."

In 1911 she refers to her boy as "the most perfect of lovers by night and day, in work and play", and indeed George Bernard Shaw noted "the Webb's pet one another as if they were honeymooning (as usual)." They remained "one and indivisible" as Beatrice wrote, or in the words of Bertrand Russell, "the most completely married couple I know." In later life they lived in the country at Passfeld House in Surrey, writing, thinking, talking, entertaining visitors and walking Beatrice's dog Sandy: "Happy ghosts living in Shadowland, content with one another's company." Beatrice declared, very near the end of her life: "In old age and infirmity we love each other more tenderly than we did in the prime of life."

I had always admired Beatrice Webb, but whilst writing this I began to warm to her as well. She lived a long life of triumph and tragedy, dying in 1943, four years before Sidney. He kept her ashes on the mantelpiece, gesticulating to the urn and saying to visitors: "That's Beatrice you know." They now lie together in Westminster Abbey, the only married couple to be buried there.

Beatrice and her boy, together forever. **F**

Noticeboard

Subscriptions

The AGM of the Fabian Society, held on Saturday 18 November, voted to update the rate of subscriptions. Rule 15 now reads:

'The full rate of subscriptions for members and associates shall be £48 per annum or £4 per month. The concession rate for under-21s, students, low-income pensioners and people receiving out of work benefits shall be £24 per annum or £2 per month. Additional members at the same address may pay half price (and receive one mailing per household). Members with overseas addresses will pay an additional £12 per year to cover additional postage costs. The annual rate for publication subscription shall be £150 (£200 overseas). Subscribing

bodies shall pay a minimum subscription fee determined on the following scale: constituency Labour parties £48; organisations up to 10,000 members £150 (up to 3 mailing addresses); organisations with 10,000 to 100,000 members £495 (up to six mailing addresses); organisations with 100,000 to 1,000,000 members £995 (up to 12 mailing addresses); organisations over 1,000,000 members: £1,750 (up to 18 mailing addresses).'

Fabian Fortune Fund

Winner: Barbara Hawkins, £100. Half the income from the Fabian Fortune Fund goes to support our research programme. Details from Phil Mutero – phil.mutero@fabians.org.uk

Listings

BIRMINGHAM AND WEST MIDLANDS

For details and information, please contact Luke John Davies at bhamfabians@gmail.com

BOURNEMOUTH AND DISTRICT

26 January: Douglas Lock on the economic policies of a Corbyn government.
23 February: Professor Rt Hon John Denham on the English Labour Network. All meetings at 7.30pm at the Friends Meeting House, Wharmcliffe Road, Boscombe, Bournemouth. Contact Ian Taylor on 01202 396634 or taylorbournemouth@gmail.com for details.

BRIGHTON AND HOVE

Regular meetings at the Friends Meeting House at 8pm
Details and Information from Ralph Bayley: ralphbayley@gmail.com

CENTRAL LONDON

Regular meetings at the Fabian Society offices, 61 Petty France SW1H 9EU
Details from Giles Wright on 0207 227 4904 or giles.wright@fabians.org.uk

CHISWICK AND WEST LONDON

6 December: Ruth Cadbury MP and AGM
8pm in the board room, Chiswick Town Hall, W4 2EH
Information and Details from Dr Alison Baker: a.m.baker@blueyonder.co.uk

COLCHESTER

Regular meetings in the Quaker Meeting House, Colchester.
Information and details from Maurice Austin: maurice.austin@phonecoop.coop

COUNTY DURHAM

27 January: Fred Robinson on 'Who runs the north now?'
17 March: AGM and Tim Blackman, vice-chancellor, Middlesex University on 'Why don't universities recruit like comprehensives?'
Both at 12.15pm, £3 including lunch at the Lionmouth Rural Centre, Near Esh Winning DH7 9QE
Information from Alan Townsend: alan.townsend@dur.ac.uk

CROYDON AND SUTTON

New society. Please contact Emily Brothers on emilybrothers@btinternet.com for details

CUMBRIA AND NORTH LANCASHIRE

Meetings 6pm for 7pm at Castle Green Hotel. For information, please contact Robin Cope at robincope@waitrose.com

DARTFORD AND GRAVESHAM

17 January: Dr Michael Weatherburn, Imperial College on 'Why the 4th industrial revolution does not exist'.
8pm at the Working Mens Club, Essex Road, Dartford.
Details from Deborah Stoate at debstoate@hotmail.com

EAST LOTHIAN

Details of regular meetings from Noel Foy on 01620 824386 or noelfoy@lewisk3.plus.com

FINCHLEY

Regular meetings at the Blue Beetle, 28 Hendon Lane H3 1TS
Details and information from Mile Walsh on 07980 602122 or mike.walsh44@ntlworld.com

GLASGOW

Now holding regular meetings.
Contact Martin Hutchinson for details on mail@liathach.net

GRIMSBY AND DISTRICT

28 January: Dr Vicky Dunn on 'Grimsby Community Energy – solar PV, local ownership through a co-op model', 3pm.
Contact: Pat Holland hollandpat@hotmail.com for venue and queries.

HARROW

Details of meetings from Gillian Travers at gillian.me.travers@gmail.com

HASTINGS AND RYE

Please contact Warren Davies at WarrenGDavies@hotmail.co.uk

HAVERING

4 December: Curry evening.
Regular meetings and details of events from David Marshall at david.c.marshall@talk21.com or 01708 441189 website haveringfabians.org.uk

ISLINGTON

Contact Adeline Au at siewyin.au@gmail.com

MERSEYSIDE

Contact James Roberts at jamesroberts1986@gmail.com

NEWHAM

Regular meetings
Contact Rohit Dasgupta at rhit_svu@hotmail.com

NORTHUMBRIA AREA

Contact Pat Hobson at pat.hobson@hotmail.com

OXFORD

Regular monthly meetings.
Contact Michael Weatherburn at admin@oxfordfabians.org.uk

PETERBOROUGH

12 January: Young Fabians on 'How the world of social media works'.
23 February: Professor Willy Brown, emeritus professor of industrial relations. Cambridge University on 'How China supports its workers' labour standards'.
23 March: Andrew Harrop on social care and health.
13 April: Shami Chakrabarti, shadow attorney general on 'Protecting the public vs civil liberties' All meetings at 8pm in the Dragonfly Hotel, Thorpe Meadows, Peterborough PE3 6GA.
Details and information from Brian Keegan brian@briankeegan.demon.co.uk

PORTSMOUTH

New members very welcome. Meetings at 7.30pm at the Havelock Centre, Fawcett Rd, Southsea. Details from Nita Cary at dewicary@yahoo.co.uk

READING AND DISTRICT

7 December: Discussion meeting in the library room of the Great Expectations Hotel, Reading at 8pm
Regular meetings. Details from Tony Skuse at tony@skuse.net

SOUTHAMPTON AREA

For details of all meetings, please contact Eliot Horn at eliot.horn@btinternet.com

SOUTH TYNESIDE

Contact Paul Freeman on 0191 5367 633 or freemanspsmb@blueyonder.co.uk

SUFFOLK

Details from John Cook at ipswichlabour@gmail.com www.twitter.cdom/suffolkfabians

TONBRIDGE AND TUNBRIDGE WELLS

19 January: Jo Bartley from Comprehensive Future on 'The case for comprehensive schools' at 12 Broadwater Down at 8pm
16 February: Brian Beeley on 'Demography and democracy in the Holy Land' at 8pm, Crabb Hall, Christ Church, Tunbridge Wells
Details and information from Martin Clay on 01892 533240 or martin.clay@btconnect.com

YORK

Regular meetings on 3rd or 4th Fridays at 7.45 at St Jacob's Well, Off Micklegate, York. Information and Details from Cynthia Collier at mike.collier@talktalk.net

FABIAN QUIZ

THE LION AND THE UNICORN: SOCIALISM AND THE ENGLISH GENIUS

George Orwell



The Lion and the Unicorn was written in London during the worst period of the blitz. It is vintage Orwell, a dynamic outline of his belief in socialism, patriotism and an English revolution. His fullest political statement, it has been described as 'one of the most moving and incisive portraits of the English character' and is as relevant now as it ever has been.

Penguin has kindly given us five copies to give away. To win one, answer the following question:
When Orwell compared England to a family, who did he say was in control of the family?

Please email your answer and your address to review@fabian-society.org.uk

Or send a postcard to: Fabian Society, Fabian Quiz, 61 Petty France, London SW1H 9EU

ANSWERS MUST BE RECEIVED NO LATER THAN FRIDAY 26 JANUARY 2018



Every minute of every day yet another shopworker is assaulted, threatened or abused



Usdaw's Freedom From Fear Campaign seeks to prevent verbal abuse, threats and violent attacks against shopworkers. Life on retail's frontline can be pretty tough. Our survey results show that over 60% of retail staff were verbally abused and over a third were threatened last year. 265 shopworkers are assaulted every day, worryingly over one in five of them did not report the incident. Shopworkers play a crucial role in our communities and they should be valued and respected.

Voices from the frontline

I often have to deal with all shoplifters. I've been smacked, head butted, spat at and kicked.

I was spat at and had a basket chucked at me.

I had a knife pulled on me and was threatened after I refused to sell alcohol.

I regularly get called stupid etc by customers and told no wonder you're in a dead end job.

I was threatened with a bottle and also told to watch my back on my way home.

I have had my finger twisted, been scratched, sworn at and had racist comments made to me.

Usdaw
*Union of Shop, Distributive
and Allied Workers*

Visit our website for some great campaign ideas and resources:
www.usdaw.org.uk/campaigns

To join Usdaw visit: www.usdaw.org.uk
or call: 0800 030 80 30

General Secretary: **John Hannett** • President: **Jeff Broome**
Usdaw, 188 Wilmslow Road, Manchester M14 6LJ

